

**THE FOLLOWING SECTION IS PROVIDED TO ALL PRODUCERS APPLYING FOR CAIP FUNDS AS  
PART OF THE UNIVERSAL PRODUCER APPLICATION**

## **VI. Producer Guidelines & Responsibilities**

*Funded participants shall adhere to all local, state, and federal rules and regulations.*

***Any application that does not meet eligibility requirements will not be scored.***

*The County Administrative Entity and/or the County Program Administrator reserves the right to request or require additional documentation to verify information provided in producer's application.*

*Confirmation of fraudulent responses shall result in disqualification for participation in this year's CAIP.*

*Applicants are only eligible to receive funds in **one** of the following programs per program year: **CAIP, Next Generation Beginning Farmer, Youth Agricultural Incentives Program***

### **A. Eligibility Requirements**

Only one application per household will be considered for funding. A household for the purpose of this program is defined as follows:

#### 1. HOUSEHOLD

- a. Only **one** individual per household, regardless of county, is eligible to **apply for** CAIP funds within a program year. **Proof of residency is required** to verify that multiple individuals within the same household are not applying.
- b. Additionally, all applicants must be a resident of Kentucky.**
- c. Residency is determined by a valid **Kentucky** driver's license or photo ID and one utility bill. The address on both the ID and utility bill must match the address provided on the CAIP application. A copy of both shall be **submitted and** placed in the file with the application.

#### 2. TENANT/OWNER

*If applying as a tenant/landowner, then the following also apply:*

- a. Tenant farmers are required to obtain written permission from the landowner to use the landowner's FSN on a CAIP application. Written permission must be submitted with the application to be eligible. The tenant farmer must submit either an FSA-578 form **or** a redacted copy of the tenant's schedule F and written approval from the landowner, giving permission to use the owner's FSN and granting access to the cost-share item(s) for a minimum of five (5) years.
- b. **Additionally**, the tenant farmer must submit the "Tenant/Owner Acknowledgement Form" prior to approval.
- c. **Limitations** for Tenant/Owners that both apply for CAIP:
  - i. A tenant farmer and a landowner are both eligible to apply with separate FSNs; however, both may not receive funds within the same Investment Area.
  - ii. In the event a tenant secures written permission from the landowner and both apply for CAIP, the tenant farmer and landowner are prohibited from applying for funds **within the same Investment Area** in the same program year.

#### 3. PRODUCER DEFINITION

- a. A producer is defined by use of **Social Security Number (SSN) and Farm Serial Number (FSN)**. **Both shall be provided when applying.** Once the Social Security Number (SSN) or Farm Serial Number (FSN) is used, neither are eligible to be used again once the annual limit is reached.

[Example: SSN – 123-45-6789 combined with FSN – 4567, would discontinue the eligibility of both the SSN and FSN.]

- b. Producers who intend to take part in the program shall supply a Social Security Number (SSN) and Farm Serial Number (FSN) to receive payment. Both of these numbers must be supplied to the Kentucky Agricultural Development Board.

The Kentucky Agricultural Development Board recognizes every applicant's right to privacy and understands its obligation to keep applicant/producer information confidential. Any information provided to the Kentucky Agricultural Development Board or Program Administrator on individual producer applications for CAIP, such as the applicant's Social Security Number and Farm Serial Number, will be kept confidential by authority of the Kentucky Agricultural Development Board as granted in KRS 248.701 to 248.727 and by KRS 61.878. The Kentucky Agricultural Development Board does not disclose any nonpublic personal information regarding applicants/producers, past or present, except as permitted or required by the Kentucky Open Records Act, KRS 61.870 to 61.884 or other law(s).

- c. Producers must be 18 years of age or older at the time of application to apply for CAIP funds.
  - d. Counties may choose to limit eligible producers to receive funding every other year. If a county has adopted this policy, it will be printed in bold on the front page of the county's Universal Producer Application.
4. Applicants shall have completed a Kentucky Agriculture Water Quality Act (AWQA) Plan with either the complete plan or a self-certification form from the farm for which CAIP funding is requested and provide verification or documentation with application.
  5. Applicants may submit a **voluntary** third-party information request form for the Farm Service Agency (FSA) with their application to allow the program administrator to request information directly from FSA, with the producer's permission.

6. EXCLUSIONS

*The following individuals are ineligible to apply for CAIP funding:*

- a. Members of the Scoring Committee (see II.A.2.) and their households.
- b. **Beginning in 2020**, the program administrator (*individual(s) managing the program*) **and** members of his/her household will be ineligible to apply for CAIP.

**B. Cost-Share Reimbursement**

1. Funds disbursed to producers shall be on a reimbursement basis, **upon completion of the project.**
2. CAIP funds received shall be used for improvements on the land assigned to the Farm Serial Number (FSN) provided on the producer's application, independent of the county in which the FSN is registered.
3. A producer is eligible for up to the county's maximum cost-share per producer limit not to exceed \$5,000. Producers shall not receive more than \$5,000 statewide per producer per program year (program year is defined by the year the application is approved by the Kentucky Agricultural Development Board).
4. In the event that it is determined that a producer has received more than \$5,000 in a program year, then the producer will be asked to return the amount over \$5,000 to the last county that reimbursed the producer.

If the producer fails to reimburse the amount over \$5,000, then the producer is ineligible to receive further CAIP funding (statewide) until repayment is made.

5. The producer shall supply a dated receipt indicating buyer and seller information, along with a description of the item(s) purchased in order to be eligible for payment. **Payment shall only be made for eligible cost-share items.**
6. **NO CASH PURCHASES** are allowed for reimbursement.
7. **Beginning in 2020**, producers shall submit proof of payment before reimbursement funds are received – either a cancelled check, copy of relevant credit/debit card statement, financing paperwork, or other method of payment, excluding cash.
8. Approved producers shall submit the *Producer Report & Certification* form completing the sections for the program/investments being cost-shared, **before** reimbursement funds are received.
9. **Deadlines:** Should the producer fail to use approved funds by the program administrator's reimbursement deadline, said funds shall be reallocated to the next eligible applicant time permitting.

### C. Exclusions

1. Reimbursements for purchases, including labor, from the producer's immediate family (e.g. father/mother, son/daughter, brother/sister, aunt/uncle, niece/nephew), including in-laws and step family, are not eligible.
2. Cost-share shall not be provided for items traded or sold between producers who share interest in a farm operation. This includes the use of a third party to buy/sell the same items amongst the producers.
3. Documented hired labor is an eligible cost-share item; however, reimbursement will not be awarded for labor provided by the producer and/or the producer's immediate family (e.g. father/mother, son/daughter, brother/sister, aunt/uncle, niece/nephew), including in-laws and step family.
4. **Beginning in 2010**, all transport equipment was removed as eligible cost-share items from all investment areas. This exclusion includes trailers, wagons, and carts with the primary function of transportation.
5. **Beginning in 2012**, all fertilizer, pesticide, herbicide, and soil amendments were removed as eligible cost-share items from all investment areas.

### D. Educational Requirement

1. Participation in CAIP requires the applicant to complete a minimum of one (1) educational component prior to the disbursement of funds related to farm management, production, best management practices or marketing. Eligible sessions include extension-sanctioned activities, such as workshops, seminars, field days, on-line courses, webinars, etc.
  - a. Documentation of attendance is required, and the session must not have been submitted to meet the CAIP education requirement for a prior year.
  - b. A county extension agent must approve all educational components by signing an individual producer's "Certification for Educational Requirement" form.  
*In special circumstances, Agents may use discretion on who completes the educational requirement with prior notification to KOAP.*
  - c. Cost-share payments shall not be issued to producers before the educational requirement has been met. *The educational component may be attained any time prior to disbursement of funds, but no more than 6-months prior to the execution of the Legal Agreement.*

2. **Educational Videos:** The following Investment Areas have an optional educational video component. The videos may fulfill the educational requirement referenced in D.1. above, with county extension agent approval.

- a. Large Animal – “Cattle Genetics”
- b. Farm Infrastructure – “Commodity Storage & Livestock Handling”
- c. Fencing & On-Farm Water – “Installation & Regulations”
- d. Forage & Grain Improvement – “Farm Practices & Recommendations”
- e. AgTech & Leadership Development – “Farm Safety”

*All educational videos are available through the County Cooperative Extension Service.*

3. **Exclusion:** Attendance at an informational meeting to review updated guideline changes and discuss the producer application does not satisfy this requirement.

#### **E. Capital Improvements – Equipment, Fencing, Farm Structures**

1. CAIP funds received shall be used for improvements in the county in which funds are awarded, regardless of the counties the FSN may span.

If the FSN spans multiple counties, then the producer shall provide verification that all projects are located in the county in which funds are awarded. There are no exceptions to this policy.

2. Producers shall maintain ownership of the property for five (5) years past the participation date in the program.
  - a. Should a producer fail to maintain ownership of property for the entire 5-year period, administrators shall request a return of funds on a pro-rated basis.
  - b. Emergency early release is possible in the case of death, illness, physical inability, or transfers within immediate family and must be approved by the local administrative entity and documentation kept on file for future reference.
  - c. Failure to return funds will result in the producer being ineligible to receive additional Kentucky Agricultural Development Funds until repayment is made.
  - d. Administrators shall provide producers failing to meet the ownership requirement a written notice, giving a minimum of 30 days to repay the pro-rated amount.
3. **Producers shall retain adequate insurance coverage**, if applicable, to replace any and all capital improvement/equipment projects funded with Kentucky Agricultural Development Funds. *Proof of insurance may be requested by the program administrator at the time of reimbursement or during a site visit.*
4. Prior to approval, tenant farmers or those leasing land where capital construction improvements will be located must provide the Tenant/Owner Acknowledgement Form, an FSA-578, or a redacted copy of their Schedule F and written approval from the landowner, giving permission to use the owner’s FSN and granting access to the cost-share item(s) for a minimum of five (5) years.