

# 2025 CAIP Incentive Area Guidelines: AGRICULTURAL DIVERSIFICATION



*These guidelines represent one of 11 incentive areas within the **County Agricultural Incentives Program (CAIP)** to provide Kentucky agricultural producers cost-share assistance on practices that increase net farm income and opportunities to try new/innovative technologies or systems that improve farm efficiency and productivity.*

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

## Incentive Area Limitations:

- Self-propelled vehicles/equipment are not eligible for cost-share, including but not limited to pallets, tractors, fertilizer, trucks, chemicals, forklifts, cutters, bobcats, all-terrain vehicles, skid steers, etc.
- **Beginning in 2010**, all transport equipment was removed as eligible cost-share items from all incentive areas. This exclusion includes trailers, wagons, and carts with the primary function of transportation.

## A. Commercial Horticulture Production

*Includes fruits, hemp, herbs, hops, mushrooms, ornamentals, sod, sweet sorghum, tobacco, and vegetables*

### Eligible Cost-share Items:

1. Seeds, seedlings, spores, cuttings, vegetable transplants potted, rooted cuttings, plants, and scion/rootstock combinations in conformance with UK recommendations. *Excludes hemp (seeds, seedlings, clones, etc.) and tobacco (seeds, transplants, etc.)* **25%**

In consultation with Cooperative Extension Services may include test varieties as part of a demonstration.

Reimbursement is also available for grapevine cuttings potted and rooted cuttings, scion/rootstock combinations that are on the Grapevine Cultivar Requirements List (Appendix A), reviewed annually by the State Viticulturalist. **25%**

2. Transplanting or cultivation equipment (*not self-propelled*), including pull-behind tillers and attachments **75%**
3. Soil, media for plant production **25%**
4. Containers for starting or growing plants **25%**
5. Materials for trellis/support system **75%**
6. Plastic or plasticulture supplies and plastic laying equipment; materials, as allowed in the federal organic regulations 205.206 and 205.601 (<https://go.usa.gov/x5xE>), for suppression of weed growth, soil temperature moderation, or soil moisture conservation in organic production **25%**
7. Commercial spraying equipment and related protective gear. Producer must hold a current Private Pesticide Applicator's card **50%**
8. Bird netting; insect netting **25%**
9. Tree bags **25%**
10. Specialized harvesting equipment, including mechanized tree spade **75%** (*not self-propelled*)
11. Cooling storage equipment **75%**
12. Sod production equipment (*not self-propelled*): seeders, finishing mowers, net layers, tillers, rollers, sprayers, nurse tanks, spray tips, sweepers, aerators **25%**
13. Cost of participation in an advanced agricultural education program (e.g. Master Gardener, etc.) **75%**
14. Cost of participation in a Good Agricultural Practices (GAP) training program **75%**

## B. Commercial Aquaculture Production

### Prerequisites:

- Pond shall be a minimum of one-half surface acre in size.
- Note that there are different standards for shrimp production and finfish production.

### Eligible Cost-share Items:

1. Eligible expenses for construction of aquaculture production pond and impoundment reservoirs:
  - a. Earth moving costs (embanking and excavating ponds; land shaping; professional labor) **50%**
  - b. Cost of providing water source (piping and conduits; drain and drain structure; professional labor) **50%**
  - c. Costs for electrical power (wiring, switches, control panels, professional labor) **50%**
  - d. Pond liners **50%**
2. Equipment and materials necessary for pond aeration (e.g. aerators, pumps) **50%**
3. Fish feeders, spawning containers **50%**
4. Cost of participation in a master-level agricultural education program **75%**

## C. Timber Production, Utilization, and Marketing

### Prerequisites:

- Growers shall obtain technical assistance from the Kentucky Division of Forestry for Timber Production cost-share items.
- Growers shall obtain a Forest Stewardship or Forest Management Plan free-of-charge from the Kentucky Division of Forestry or equivalent plan that provides technical information on cost-share practices provided in this Incentive Area.
- Growers shall contact the Cooperative Extension Service for information on cost-share items related to forest products utilization and marketing, including information on small-scale harvesting, milling, drying, and marketing.

### Limitations:

- Items for woodworking hobbies and refurbishing of existing wood products are not eligible for cost-share.

### Eligible Cost-share Items:

1. **Timber Production and Management**
  - a. Seeds and seedlings for transplant **25%**
  - b. Layout and construction of permanent forest roads and stream crossings for long-term management, including construction of permanent best management practices on those road and stream crossings [One Pass Practice or General Forest Management] **50%**
  - c. Construction of fire lines and lanes [One Pass Practice or General Forest Management] **50%**
  - d. New Plantings
    - i. Site preparation, including disking and mowing **25%**
    - ii. Chemical application service (*excluding chemicals*) **25%**
    - iii. Tree tubes for saplings **25%**
    - iv. Flagging for new seedlings **25%**
2. **Forest Products Utilization and Marketing**
  - a. Timber and lumber processing equipment **50%**
    - i. sawmills, (portable or stationary) **50%**
    - ii. planers, molders, and other similar processing equipment **50%**
  - b. Drying equipment and facilities including equipment for dry kilns, pre-dryers, dry sheds, air drying yards **50%**
  - c. Packing equipment **50%**
3. Cost of participation in a master-level agricultural education program (e.g. Master Logger) **75%**

## Appendix A: GRAPE CULTIVAR REQUIREMENTS

At least 75% of the acreage must be planted with the following American and interspecific hybrid cultivars to be eligible. Currently, it is not recommended to plant grapes of European heritage (*Vitis vinifera*) in most areas of Kentucky due to mortality rates in response to winter injury. However, there are areas in Kentucky where *V. vinifera* may be suitable. Please contact Patsy Wilson, Viticulturist, [patsy.wilson@uky.edu](mailto:patsy.wilson@uky.edu) for information in regards to planting *V. vinifera*.

---

### **Red wine grapes**

Chambourcin  
Chancellor  
Concord  
Corot Noir (NY70)  
Crimson Cabernet  
Frontenac  
Foch  
GR7  
Noiret (NY73)  
Norton  
St. Vincent  
Villard Noir

### **Winter hardiness**

Moderate  
Moderate  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Moderate

### **Maturity**

September  
September  
October  
August  
October  
August  
August  
September  
September  
October  
August  
September

### **White wine grapes**

Arandell (NY95)  
Aromella (NY76)  
Cayuga white  
Catawba  
Chardonel  
Diamond  
Frontenac Gris  
Golden Muscat  
La Crescent  
Niagara  
Seyval blanc  
Traminette  
Valvin Muscat  
Vidal blanc  
Vignoles  
Villard Blanc

### **Winter hardiness**

Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Hardy  
Moderate  
Moderate  
Hardy  
Hardy  
Hardy  
Hardy  
Moderate

### **Maturity**

September  
September  
August  
August  
September  
September  
August  
August  
August  
August  
September  
September  
September  
September  
September  
October  
September

### **Seedless table grapes**

Canadice  
Jupiter  
Mars  
Marquis  
Neptune  
Reliance  
Sunbelt (seeded)  
Vanessa

### **Winter hardiness**

Hardy  
Moderate  
Hardy  
Hardy  
Moderate  
Hardy  
Hardy  
Hardy

### **Maturity**

September  
August  
August  
August  
September  
September  
September  
September

## GRAPE PLANTING INFORMATION

The above grape cultivar list is an extensive list and are known to grow well in Kentucky. However, all cultivars listed may not be in local demand. Before establishing a commercial vineyard, you should consider the viticultural characteristics and market demand of the cultivars to be planted.

The major challenge in growing grapes is winter injury and disease control (please refer to UK ID-94 for disease management). Winter or spring frost injury is likely to occur during the life of the grapevine and can cause minor to severe injury. The frequency of occurrence of extreme subfreezing temperatures depends on the site; best sites have less frequent (e.g. once in 8 to 10 years) winter damage than poor sites (every 2 to 3 years).

In general, it is expected to observe varying levels of winter injury in dormant buds at about 8°F in European varieties and up to -15°F in Hybrid cultivars. Note that the nature and extent of winter injury are not entirely predictable due to the complex interaction between genotype, the site, climate and management practices. Other considerations for cultivar selection include disease susceptibility, ripening season (early-, mid-, or late-season), bud break date, yield potential, growth habit, and cultural requirements.

It is imperative to understand the local climate in order to match the proper grape cultivar to growing site. For guidance in matching the proper grape cultivar to growing site, please contact your local Cooperative Extension Office.