

# **2020 Guidelines** **MEAT PROCESSING** **INVESTMENT PROGRAM**

*The KADF Meat Processing Investment Program (MPIP) provides funding for meat processors who are currently or plan to become USDA certified to financially incentivize economical expansion of businesses to process Kentucky beef, dairy, pork, lamb, goat and poultry products.*

*The Kentucky Agricultural Development Fund is dedicated to helping Kentucky agriculture become more sustainable and profitable for generations to come by supporting this program. Direct questions concerning these guidelines to the Governor's Office of Agricultural Policy at (502) 564-4627.*

## **I. Program Areas**

**A. Level 1 – Kentucky Meat Processor Incentives** - See page 4 for full Incentives Guidelines.

**1. Who should apply?**

- USDA-inspected processing facilities or USDA-exempt poultry processing facilities needing assistance in operating costs related to increasing the number of head of Kentucky animals processed.

**2. Requirements**

- a. Participants shall submit baseline data for number head of Kentucky animals processed under USDA inspection for Kentucky producer or Kentucky companies as a weekly average for the period of April 15 – May 15, 2020.
- b. Participants shall provide a copy of the most recent Federal tax return for the business.
- c. Participants shall complete the Kentucky Meat Processor Incentives application packet.

**3. Funding**

- a. The maximum award is \$20,000 per facility.
- b. Incentives will be paid per head above baseline: \$100/cattle; \$50/hog; \$25/sheep, goat; \$1/poultry

**B. Level 2 – Simplified Processor Capacity Expansion** - See page 5 for full Simplified Guidelines.

**1. Who should apply?**

- Processors interested in making small or modest facility improvements. This could include, but is not limited to: small equipment upgrades, penning area, kill floor, coolers, cutting room, freezers, and packaging.

**2. Requirements**

- Participants shall complete the Simplified Processor Capacity Expansion application.

**3. Funding**

- a. The maximum award is \$37,500 per facility.
- b. Reimbursement will be made at completion of the project.

**C. Level 3 – Large-Scale Processing Expansion** - See page 7 for full Large-Scale Guidelines.

**1. Who should apply?**

- Processors interested in making extensive facility improvements. This could include but is not limited to: building additions, restorations, equipment and food safety certifications.

**2. Requirements**

- Participants shall obtain a KCARD business plan for expansion (financials included).
- Site visit by advisory team specialist.
- Participants shall complete a KADF Project application.
- The Applicant must present to the KADB Meat Processing Expansion Committee at its monthly meeting to answer questions regarding the application.

**3. Funding**

- The maximum award is \$250,000 per facility.

## II. Standard Guidelines (All Program Areas)

**A. Application Submission**

- Level 1 applications – see Section III and Incentives Application Packet for submission information.
- Applications for Levels 2 & 3 must be submitted to the Governor’s Office of Agricultural Policy no later than close of business on the last Friday of the month to be eligible for Committee Review the following month.
- Submit the original & one (1) copy to the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, KY 40601 ATTN: Meat Processing Investment Program.

*Please do not submit application in any type of binding. Faxed or emailed copies will not be accepted.*

**B. Funding Limitations**

- Annual Maximum: the following are the level-specific maximums within the program year:

Level 1 - \$20,000                      Level 2 - \$37,500                      Level 3 - \$250,000

- No more than 75% of the funds for a project may come from Kentucky Agricultural Development Fund (KADF) grants, forgivable loans or loans. This includes county cost-share funds and Kentucky Agricultural Finance Corporation (KAFC) loan programs.
- Applicants previously approved for a KADF Meat Processing Investment Program award shall complete the prior project before submitting a new application for consideration.
- Applicants with active Legal Agreements for other KADF awards shall maintain compliance with the terms of the existing agreements.
- For Levels 2 & 3, the reimbursement rate for expenses shall be seventy-five cents (\$0.75) of reimbursement for each dollar (\$1.00) of budgeted, approved, documented and verified expenses.

### C. Eligible Investments & Exclusions

1. Eligible items shall be restricted to components and investments used to increase processing capacity and sales of Kentucky livestock and meat products for operations located in Kentucky.

*See **Appendix B** for a list of eligible investments.*

2. Improvements to personal residences, non-farm commercial property, and any other non-farm structures are not eligible.
3. Tractors, motorized vehicles, and other mobile equipment with an internal combustion engine are excluded from this program (unless specifically approved by KADB).
4. Land purchases or associated fees are not eligible match or project expense.

### D. Post Approval Requirements & Deadlines

1. **Completion Deadline:** Projects approved for funding shall be completed and all required documentation for reimbursement submitted to the Governor's Office of Agricultural Policy no later than either 12 months (equipment/renovation/certification) or 18 months (construction) from the effective date of the legal agreement.

*For assistance, contact GOAP at 502-782-1755 or [govkyagpolicy@ky.gov](mailto:govkyagpolicy@ky.gov).*

**Submit documentation to:**

Governor's Office of Agricultural Policy :: 404 Ann Street :: Frankfort, KY 40601  
ATTN: Meat Processing Investment Program

2. An applicant must comply with all reporting requirements imposed by the KADB.
3. For Levels 2 & 3, an Applicant shall maintain items purchased with KADF funds for a minimum of five (5) years after the completion of the project.