The Next Generation Beginning Farmer Pilot Program guidelines were developed to facilitate the growing need for a specialized program that would benefit producers engaged in an agricultural operation from 3 to 7 years.

Questions concerning these guidelines should be directed to the Governor’s Office of Agricultural Policy at (502) 564-4627 or govkyagpolicy@ky.gov. Applications to administer this program must be directed through the local County Agricultural Development Council.

In addition to the NEXT GENERATION Guidelines, all applicants shall adhere to the “Producer Guidelines & Responsibilities” for the County Agricultural Investment Program (CAIP).

**FUNDING**

- Eligible up to $5,000 per program year
- Funding amount and cost-share percentage is determined by county
- $10,000 lifetime limit
- Only one applicant per household is eligible to receive funds

*Reference producer guidelines and responsibilities included with application*

**ELIGIBILITY**

1. Applicant shall have operated and shared in the financial risk of a farming operation for at least 3 years
2. Applicant shall not have operated a farm for more than 7 years
3. Applicant shall provide a copy of their Schedule F for each year in operation to meet program eligibility
4. Applicant shall provide their individual Social Security Number
5. Applicant shall not have a gross farm income greater than $100,000 based on an average of the last 3 years

**EXAMPLE**

<table>
<thead>
<tr>
<th>Schedule F</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Line 9: Gross Farm Income</td>
<td>$ 50,000 Year 1</td>
</tr>
<tr>
<td></td>
<td>$100,000 Year 2</td>
</tr>
<tr>
<td></td>
<td>$150,000 Year 3</td>
</tr>
<tr>
<td></td>
<td>$300,000</td>
</tr>
</tbody>
</table>

$300,000 divided by 3 = $100,000 on average
Eligibility (cont.)

6. Applicant shall be a resident of Kentucky and provide a copy of their Kentucky Driver’s License along with one utility bill matching the address listed on the application.

7. Applicant shall provide an FSN (Farm Serial Number)
   a. **If a tenant farmer**, applicant must be listed as an operator on the FSN provided and provide written permission from the landowner to utilize and grant access to that farm for 5 years past participation in the program.
   b. Project must be located on the farm on which applied.

8. 3-year business plan is required **(see page 3 for template)**

9. Applicant shall complete at least one educational component.

10. Applicant shall identify the commitment of at least one of the following mentor partners:
    - University of Kentucky Extension Agent or Specialist
    - Commodity Group Facilitator
      
      *Kentucky Beef Network, Kentucky Dairy Development Council, Kentucky Horticulture Council, etc.*

    ▪ Other agricultural management or teaching professional at the discretion of the program administrator
      
      Mentors shall be willing to provide on-farm consultation or assistance with business decisions for the length of the program.

      Approved mentors shall have no financial interest in the applicant’s farming operation and must not be from the applicant’s immediate family.

INVESTMENT AREAS

Applicant will utilize the same Investment Area Guidelines as **CAIP**

1. Agricultural Diversification
2. Animal, Large
3. Animal, Small
4. Farm Infrastructure
5. Fencing & On-farm Water
6. Forage & Grain Improvement
7. On-farm Energy
8. Poultry & Other Fowl
9. Technology & Leadership Development
10. Value-added & Marketing

Investment Areas are prioritized by the local county agricultural development council. Investment Area Guidelines are available on-line at [agpolicy.ky.gov](http://agpolicy.ky.gov).
EXCLUSIONS

Applicants are only eligible for funding in one of the following programs per program year:

- CAIP – County Agricultural Investment Program
- Next Generation Beginning Farmer Pilot Program
- Youth Agricultural Incentive Program

3-Year Beginning Farmer Business Plan Outline

A. Qualifications of Applicant
   1. Education and Farm Experience
   2. Current Involvement in Farming
   3. Support System
      a. Mentor’s Role and Area of Expertise
      b. Family Members or Other Sources of Assistance

B. Business Concept
   1. Type and Scope of Farming Operation
   2. Goals and Objectives
      a. Full or Part Time
      b. Growth Strategy – Aggressive or Moderate
      c. How Will Success Be Measured?
   3. Personal Reasons for Farming – Profit, Lifestyle, Other

C. Organization Plan
   1. Business Type – Sole Proprietorship, Partnership, or Corporation
      a. Define Role of Applicant – Owner, Unit Manager, or Other
      b. Define Roles of Other Employees or Partners
      c. Discuss Wages and Benefits
      d. How Will These Roles Be Evolving?
      e. Address Succession Planning
   2. What Government Regulations Will Apply?
      a. Local Zoning
      b. Water Quality
      c. Other

D. Marketing Plan
   1. What Products or Services Will Be Grown or Offered?
      a. How Will These Be Marketed – Least Cost or Value-Added
      b. Discuss Competitive Nature of Your Business
   2. How Will You Reduce Risk?
      a. Crop Insurance
      b. Futures or Contracting
      c. Other

E. Financial Plan
   1. Discuss Record Keeping System
      a. Production
      b. Financial
   2. Provide Enterprise Budgets
   3. Provide Five-year Cash Flow Projections
   4. How Will You Finance Growth, Debt Retirement, and Family Living?
   5. Other Financial Considerations

For more information: Tammy Sue Miller, Director of KADF Programs
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