

2018 Guidelines: NEXT GENERATION BEGINNING FARMER PROGRAM



*The **Next Generation Beginning Farmer Program (NextGen)** guidelines were developed to facilitate the growing need for a specialized program that would benefit producers that have been engaged in an agricultural operation for 3 to 10 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.

A. Administrator Guidelines

Administration of this program is dictated by the **2018 County Agricultural Investment Program (CAIP) Standard Guidelines**. Administrative entities shall adhere to CAIP Standard Guidelines, in addition to the guidelines presented in this document for the NextGen program.

B. Funding & Limitations

1. Eligible producers may receive up to \$5,000 per program year
2. Funding amount and cost-share percentage is determined by the county
3. \$10,000 lifetime limit
4. Only one applicant per household is eligible to receive funds
5. In addition to these NextGen guidelines, all applicants shall adhere to the **2018 CAIP "Producer Guidelines & Responsibilities"**
6. Applicants are limited to participation in one of the following programs in a program year: CAIP, NextGen, Youth Agricultural Incentives Program.

C. Producer Eligibility

1. Applicant shall have **engaged in an agricultural operation, as an owner, tenant, or employee for at least 3 years.**
2. Applicant shall not have **engaged in an agricultural operation, as an owner, tenant, or employee for more than 10 years.**
3. Applicant shall provide a copy of their **Schedule F** for each year in operation **or a letter from the farm owner/employer for each year working in an agricultural operation** to meet program eligibility.
4. Applicant shall provide their individual **Social Security Number.**
5. 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.
6. Applicant shall provide a Farm Serial Number (FSN).

- 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. **If an employee**, applicant must have written permission from the landowner to use the owner's FSN. Landowners will be limited to providing written permission to use an FSN to one (1) employee per program year. **Seeding and capital improvement projects are not eligible.**
 - c. The project must be **located on the farm on which applied.**
7. A 3-year business plan is required. *(See page 3 for template.)*
 8. Applicant shall complete at least one educational component. *(See 2018 CAIP Guidelines for new educational prerequisites on certain Investment Areas.)*
 9. Applicant shall identify the commitment of at least one of the following mentor partners:
 - a. University of Kentucky Extension Agent or Specialist.
 - b. Commodity Group Facilitator: *Kentucky Beef Network, Kentucky Dairy Development Council, Kentucky Horticulture Council, etc.*
 - c. 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.

D. Eligible Investments

1. This program uses the same **11** Investment Areas as the 2018 CAIP.
 - a. Agricultural Diversification
 - b. Animal, Large
 - c. Animal, Small
 - d. Farm Infrastructure
 - e. Fencing & On-Farm Water
 - f. Forage & Grain Improvement
 - g. Innovative Agricultural Systems
 - h. On-Farm Energy
 - i. Poultry & Other Fowl
 - j. Technology & Leadership Development
 - k. Value-Added & Marketing
2. Investment Areas are ranked primary or secondary by the local County Agricultural Development Council.
3. Investment Area Guidelines are available on-line at agpolicy.ky.gov.

3-Year Beginning Farmer Business Plan Template

- 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

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