



# FUNDING SOURCES



Many farmers wonder whether outside funding exists to help them expand or improve their operations. There are several “traditional” financing options such as local banks, the Farm Service Agency, and ag cooperatives (such as Farm Credit Mid-America). However, this column focuses on less common funding sources that have been used by Clay County producers.

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•**County Agriculture Investment Program (CAIP):** CAIP funding comes from the tobacco Master Settlement Agreement, and is administered by the KY Office of Ag Policy. Clay County is usually allocated enough funds to be able to run a CAIP program every couple years. CAIP is a cost-share program, and it is currently capped at \$10,000 each time the program runs. Keep an eye on the Extension newsletter and Extension Facebook page to get informed when CAIP will begin taking applications again.

•**Environmental Quality Incentives Program (EQIP):** EQIP is offered by the Natural Resources Conservation Service (NRCS). Common uses for these cost-share grants include fencing to keep livestock out of streams, forest stand improvement projects, erosion control, livestock water tanks, and much more. Grant amounts differ by the practices installed. You can get more information about EQIP by calling our local NRCS office at 606-864-2172.

•**State cost-share:** This cost-share grant is similar to EQIP. The main difference is that EQIP is a federal program whereas this grant is offered by the state of Kentucky. This program is a 75% cost-share program, and is capped at \$20,000/year. Applications are submitted through the local Soil and Water Conservation District. You can learn more about this grant by visiting <https://bit.ly/state-cost-share> or by calling the Clay County Conservation District at 606-598-5132.

•**KY State University Small Farm Grant:** The Small Farm Grant is focused on growers producing food and food-related products (rather than ag commodities). It is particularly targeted to farmers using organic growing practices or producing value added products. This grant is capped at \$5,000. More information is available at <https://bit.ly/ksu-small-farm-grant>.



•**Catalyzing Agroforestry Grant Program:** This is a new grant opportunity to establish silvopasture (integrating trees in pastures with managed grazing) and forest farming (production of items such as ginseng, yellowroot, or edible mushrooms grown under the forest canopy). Grant funds will pay for rootstock, fertilizer, site prep, and similar items. Silvopasture grants don't have a cap and forest farming grants are capped at \$6,000. More information is at <https://www.appalachianforestfarmers.org/emef>.

•**SOAR Farm Loan:** SOAR and KY Highlands Investment Corporation partnered to offer a low-interest (1% interest rate) loan for eastern Kentucky farms. These loans are focused on businesses that sell food to local customers. Loans are capped at \$7,500 and typically have a 5 year payback period. You can get more information at: <http://www.soarfarmloans.org/>