

Kentucky Dairy Development Council

Dairy Impact Program

2026 Guidelines

The purpose of the Dairy Impact Program (DIP) is to provide competitive reimbursement cost share funds for projects that support and improve dairy operations and the dairy industry in Kentucky. Eligibility is open to permitted Kentucky dairy producers.

The DIP is divided into 2 pathways: Sustained Impact projects and Accelerated Impact projects. Sustained Impact projects support management practices that create a solid base for dairy operations and generally reflect aspects of past KDDC programming, including the MILK 4.0 program, the Beef on Dairy Initiative, and Management Plus. Accelerated Impact projects improve operations in innovative, efficient, and/or sustainable ways. See DIP Guidelines below for more information.

Both Sustained and Accelerated Impact project proposals should offer an innovative solution that improves the economic status of an operation. Preferred projects will demonstrate the ability to impact more than one entity or the community broadly, add value to dairy products, stimulate the market, diversify an operation, or benefit the economic status of the farm now and in the future.

Applicants should complete all requirements of the attached application after reviewing the DIP Guidelines and Application Rubric. Applications must be emailed to kddc@kydairy.org or mailed to 176 Pasadena Drive, Lexington, KY 40503 by April 30, 2026.

Sustained Impact Projects

- 50% cost share on allowable costs: semen, bull purchases, genomic testing, record management fees, analyses and testing fees, etc.
- Cap: \$5,000 per farm

Accelerated Impact Projects

- 50% cost share on allowable costs: technology, equipment, facility improvements, etc.
- Cap: \$15,000 per farm

Timeline:

- February 2, 2026 – Application submission opens.
- April 30, 2026 – Application submission closes.
- June 2026 – Applicants will be notified of funding decision.
- December 1, 2026 – Project must be completed, verified by the KDDC regional consultant, and completion paperwork signed by producer and consultant.

Guidelines

Eligible Applicants:

- Eligible applicants must be a dairy producer who is permitted through the Kentucky Milk Safety Branch.

- Some applicants or management practices may be preferred according to the scoring guides in the Application Rubric.

Eligible Projects and Purchases:

- Unallowable costs under both pathways include wages, labor, and vehicles.
- Proposals for the purchase of live animals should include animals with unique identification, such as an 840-ear tag or registration number.
- Eligible purchases must be made between January 1, 2026 – November 30, 2026.
- This is a reimbursable cost share program; therefore, the project must be completed by the producer and the purchase verified by the KDDC consultant before the producer will receive reimbursement for funds at the amount specified on the project agreement form.
- **Applicants can receive 50% of the project costs up to the max amount (cap) per pathway (Accelerated: \$15,000, Sustained: \$5,000).**
- State funds cannot be used to provide a match for the project. The project should not overlap with funding from other state programs, including CAIP and other programs funded by the Kentucky Agricultural Development Fund.

Application Process:

- Thoroughly review DIP Guidelines, Application, and Application Rubric before beginning your application.
- Please complete the DIP application packet by submitting the 2-page application, a Dairy Gauge Scorecard from 2025, narrative, budget, and quotes.
- Application packets must be emailed to kddc@kydairy.org by April 30, 2026, or mailed to 176 Pasadena Drive, Lexington, KY 40503 with a postmark date on or prior to April 30, 2026.
- Applications will be reviewed by KDDC staff for completion of requirements and then independent reviewers will score the applications utilizing the Application Rubric.
- Applications will be funded in order from highest scoring to lowest until all program funds are awarded. In the case of a tie for funds, the tied applications will go to a second reviewer and the average of both scores will be used to make the funding decision. All applicants will receive a notification about the decision on their application in June 2026.

After Approval:

- After approval, the producer will receive an agreement form to be completed to accept funds.
- At the completion of a project, the regional KDDC consultant will visit and verify that the project has been completed as outlined in the application. A completion form will be signed by the consultant and producer. After submission of the completion form, the producer will receive reimbursement for their project.
- If a project is funded, but the applicant cannot complete the proposed project as submitted by December 1, please notify KDDC prior to November 1, 2026.
- To track the impact of the project, KDDC will request a follow-up with the producer, including a Dairy Gauge scorecard for the following year.