



TEXAS DEPARTMENT OF AGRICULTURE COMMISSIONER SID MILLER

A photograph of a person wearing a blue and orange plaid shirt, standing in a cornfield. The person is holding a tablet computer and looking at the screen. The background shows a sunset over a field of corn.

YOUNG FARMER GRANT PROGRAM

Budget Categories &
Eligible Expense Guidance

TEXAS DEPARTMENT OF AGRICULTURE YOUNG FARMER GRANT PROGRAM

The Texas Department of Agriculture (TDA) administers the Young Farmer Grant program (YFGP). The YFGP is administered by TDA under the direction of the Texas Agricultural Finance Authority (TAFE). The program is offered twice a year (fall and spring).

The purpose of this program is to provide financial assistance in the form of dollar-for-dollar matching grant funds to young agricultural producers that are engaged or will be engaged in creating or expanding an agricultural business in Texas.

TAFE's Young Farmer Grant Program aims to:

- ✓ Grow and support Texas agriculture.
- ✓ Help meet a financial need that is otherwise not met.
- ✓ Help grow an operation that also impacts the community.
- ✓ TAFE funds will not be used to support hobby farming. A hobby farm is a small-scale farm that is primarily for pleasure instead of being a business venture.

The following information is provided as supplemental information for grant applicants as they work on the requested budget. The following expenses are general expenses for consideration as you develop your Young Farmer Grant Application. Not all eligible items are listed. Contact the Grants office at grants@TexasAgriculture.gov for project eligibility or clarification.

GYF Budget Categories

As applicants develop their Young Farmer Grant application, they should consider the following budget categories and definitions. The YFGP budget form is designed to mirror expense classifications found on the Schedule F form. All expenses needed for your project should be classified as one of the following categories.

Lease Land – Expenses in this category should be for land rental.

Lease Equipment – Expenses in this category should be for leasing or renting equipment such as tractors, trailers, haulers, etc.

Personnel – Expenses in this category should be for hiring employees. This includes contract labor, custom hires, etc. Applicant, applicant’s immediate family members, and business partners’ labor is not allowable.

Employee Salary and Benefits – hired personnel on a company’s payroll who receive wages.

Contract Labor - company hired to complete a specific task for a fixed amount executed with a contract.

Custom Hire – person/unincorporated business hired to complete a specific task for a fixed amount.

Animals – Expenses in this category should be for purchasing animals. This category can also include veterinary care for the animals.

Seed/Plants – Expenses in this category should be for crop seeds and other plants.

Operating Costs – Expenses in this category should be for items that are necessary for day-to-day operation of an agricultural enterprise. This includes feed, fertilizer, irrigation, fuel, and other costs such as consumable supplies, tools with a short life or low price, marketing/advertising, insurance, repairs/maintenance, utilities, etc.

Small Equipment – Expenses in this category should be for non-expendable (i.e., will not be consumed within 1 year and has a useful lifespan of more than 1 year), tangible personal property purchased for use in a business that costs less than \$5,000.

Other – Expenses in this category should be for anything that does not fall into one of the above categories. Examples include materials to build a greenhouse, equipment that exceeds \$5,000 (only eligible for matching funds), etc.

<i>General Eligible Expenses</i>	<i>General Ineligible Expenses</i>
<ul style="list-style-type: none"> • Cost of purchasing livestock or animals • Seeds, seedlings, and plants • Irrigation equipment, parts, and labor • Refurbishing pre-existing structures such as barns and wells <i>(See capital expenditures for improvement)</i> • Construction of pens and coops • CEU training costs • Fencing • Fuel • Rental of equipment • Personnel costs – both salary and benefits <i>(Grant funds may be used for directly supporting salaries and wages of employees, but not for the value of applicant’s own services)</i> • Lease of land • Contracts – agreements made with private parties to perform a portion of the grant project. • Genetics <ul style="list-style-type: none"> ○ Artificial insemination costs • Veterinarian expenses • Fertilizer • Pesticides <ul style="list-style-type: none"> ○ Fungicides ○ Herbicides ○ Insecticides ○ Pre-emergent • Marketing expenses • Video and website design • E-Commerce development • Non-capitalized equipment – nonexpendable, tangible personal property having an acquisition cost of less than \$5,000. <i>(See list of possible ideas)</i> • Other supplies and direct operating expenses – costs for materials, supplies, and fabricated parts necessary to carry out the grant project <i>(See list of possible ideas)</i> 	<ul style="list-style-type: none"> • Alcoholic beverages • ATV/UTV/Golfcarts • TDA Licenses, including but not limited to: <ul style="list-style-type: none"> ○ Ag Pesticide ○ Hemp ○ Plant Quality ○ Grain Warehouse ○ Seed Certification ○ Aquaculture ○ HMPC ○ Egg Law ○ Scale ○ Packaging • Organic Certification <i>(See National Organic Certification Cost Share Program)</i> • Entertainment • Tips or Gratuity • Contributions (charitable or political) • Expenses falling outside of the contract period <i>(Expenses incurred before the grant approved start date or after end date of agreement)</i> • Expenses not listed in the project budget or that fail to meet the intent of the program. • Value of applicant’s own services • Personnel costs of spouses, children, parents, grandparents, and/or business partners • Purchasing land • Promotional items for the business • Capitalized Equipment – Personal property or other capital items with a cost of more than \$5,000, with a useful life of more than 1 year <i>(Can be used for matching funds)</i> • Attachments to equipment that equates to \$5,000 or more. <i>(Can be used for matching funds)</i> • Capital Expenditures for improvements – Items that materially increase the value or useful life of a building, equipment, or land such as building of a new barn or drilling of a new water well. • Travel, lodging, or meals

The following are examples of eligible items and expenses relevant to different types of agricultural operations. These items will give the applicant an idea of the variety of expenses they can ask for in the grant application.

Livestock & General Small Equipment – Not to exceed \$5,000. Equipment exceeding \$5,000 can only be used for match.

- Alley frame / Alleyway
- Animal scale/indicator
- Automatic cube pellet feeder/cake feeder
- Bunk feeder
- Broadcast spreader – cone type 3 point hitch or ATV/UTV mounted seeder that broadcasts seed
- Covered mineral feeder – stand alone and ground only
- Creep feeder
- Electronic identification (EID) reader
- Feed bins
- Feed bin unload auger
- Fly sprayer and/or oiler
- Hay ring/hay feeder
- Hay unroller
- Litter Management items
- Mobile calf catcher pen – ATV or UTV attachment
- Pasture sprayer
- Pasture sprayer GPS
- Sheep/goat automatic milk feeding machine
- Sheep/goat fitting stand
- Sheep shears
- Slant bar hay feeding wagon
- Ultrasound and accessories

Row Crop

- Bin unload auger
- Conveyor
- Cotton round bale handler
- GPS
- Grain bin
- Grain bin rescue tube
- Moisture monitor

Working Facility Costs

- Alley frame
- Alleyway
- Carriage for squeeze chute
- Continuous pipe panel – Interior use only, must be installed at the time of reimbursement
- Corral panel – Portable panel, gate in frame/bow gate
- Creep panel
- Crowding/sweep tub
- Feeder panel
- Head gate
- Headlock stanchion/palpation rail/stall loop
- Hoof trimming table or chute
- Loading chute
- Neck extender/brisket bar/head holder
- Palpation cage
- Pasture gate – Interior use only; must be installed at time of reimbursement
- Rolling block door/alley back stop
- Squeeze chute
- Tilt/roll table

Fruit and Vegetable Production

- Biosecurity items
- Bladder press – viticulture
- Crusher/destemmer
- Cold storage
 - Chilling units – not for AC units
 - Freezer
 - Walk-in cooler
- Fan – greenhouse
- Fertilizer equipment
- Field planter
- Fruit stock
- GAP/Produce Safety related costs
- Gravel
 - Foundation
 - Propagation area
 - Geotextile
- Greenhouse
 - Hydroponic
 - Overwintering
 - Production
 - Shade system
- Hand washing stations for workers
- Harvest bins/lugs
- Heater – greenhouse
- High tunnel/hoop-house
- Irrigation
 - Controller system
 - Fertigation system
 - Filter system
 - Frost protection
 - Overhead
 - Pivot
 - Pond liner
 - Pump
 - Storage tanks
- Lighting – not for aesthetics
- Mulch machine
- Must pump – fruit juices only
- Packing facility
 - Electrical
 - Plumbing
 - Packing line/washing equipment
- Restroom facilities for workers
 - Sinks/toilets
 - Electrical
 - Plumbing/hot water heater

- Pest control
 - Bird control netting
 - Sprayer
 - Wildlife barriers
- Plastic mulch layer/lifter
- Plastic pallets (food grade only)
- Production line equipment
- Pruner – mechanical
- Sanitation needs
- Signs – related to needs for Produce Safety
- Sink – produce washing
- Soil mixer
- Spray equipment
- Sprayer
- Thermostat – greenhouse
- Trellis materials – berries and vines
- Vineyard hoe
- Website development – no fees
- Wood boiler

Apiary Expansion

- Beekeeping supplies
 - Queens: one per new hive – requeening of existing hives is not eligible
 - Package bees
 - Nucleus colonies – honeybees & boxes
- Hive or super equipment
- Frames
- Foundation wax
- Hive accessories
 - Telescoping covers, Western, or flatcovers
 - Bottom boards
 - Division board feeders
 - Entrance feeder
 - Top feeders
 - Queen excluders
 - Entrance reducers
 - Metal frame spacers
 - Metal rabbets
 - Eyelets
 - Frame wire
 - Pollen traps
- Honey Processing Equipment
- Band heaters
- Bottling bucket kit
- Capping scratchers
- Containers stainless steel
- Drum handling truck
- Extractors
- Gates for honey storage
- Honey bottling valve
- Honey dispensing tanks
- Honey filter
- Honey refractometer
- Immersion heaters
- Strainers
- Un-cappers
- Uncapping knives
- Wax melters
- Pollination Services

Horticulture Sector

- Aeration system – flowers
- Cold frames
- Cold storage
 - Walk in cooler
 - Components
- Container production area
- Drying house – flowers
- Fan – greenhouse
- Fertilizer equipment
- Field planter
- Gravel – geotextile preferred
 - Foundation
 - Propagation area
 - Container production
- Greenhouse
 - Covering
 - Hydroponic
 - Overwintering
 - Shade system
 - Structure
- Heater – greenhouse
- High tunnel/hoop house
- Irrigation
 - Controller system
 - Filter system
 - Overhead/drip
 - Pivot
 - Pond liner
 - Pump
 - Water level control
- Lighting – not for aesthetics
 - Greenhouse
- Loading area/dock
- Mulch machine
- Mulch later/lifter
- Packing facility
- Packing line equipment
- Potting building
- Potting wagon
- Production line equipment
- Propagation equipment
- Propagation mats
- Roller crimper
- Rolling carts
- Signs
- Sink – produce washing
- Sod harvester
- Soil mixer
- Spader
- Spray equipment
- Sprayer
- Thermal tag printer – horticulture only
- Thermostat – greenhouse
- Tree baler – standing
- Tree claw
- Tree lifter/shaker
- Tree hauling wagons
- Tree spade
- Tree transplanter
- Tree trimmer
- Trellis materials
- Walk-in cooler
- Water level control
- Water storage tanks
- Website development – no fees
- Wood boiler