
Title 440 – Conservation Programs Manual

**Part 530 – Working Lands Conservation Programs
Manual**

Subpart R – Environmental Quality Incentives Program (EQIP)

Amended May 2024

530.400 General

A. Program Purpose

- (1) The Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to eligible agricultural and nonindustrial private forest land producers for implementing conservation practices and activities.
- (2) EQIP is authorized to promote agricultural production, forest management, and environmental quality as compatible goals and to optimize environmental benefits by—
 - (i) Assisting producers in complying with local, state, and federal regulations concerning soil, water, air quality, wildlife habitat, energy, and other related natural resource concerns.
 - (ii) Providing flexible assistance to producers in implementing conservation practices or activities on eligible land that address natural resource concerns in a cost-effective and environmentally beneficial manner.
- (3) If conflicts between this subpart and other subparts of this manual exist, the policy in this subpart will prevail.
- (4) Refer to section 530.408, “EQIP Conservation Incentive Contracts,” for policy and guidance specific to EQIP conservation incentive contracts (CIC).

B. Authority

- (1) This subpart contains NRCS policy, guidance, and operating procedures for EQIP in accordance with the EQIP regulation in 7 CFR part 1466. Refer to exhibit 530.420D, “EQIP Regulation—7 CFR part 1466,” and subpart O, exhibit 530.143I, “Food Security Act of 1985, as Amended.”
- (2) This subpart is effective for new enrollments during fiscal year (FY) 2020 and forward until superseded, including new Regional Conservation Partnership Program (RCPP) EQIP contracts entered into as part of the Agricultural Act of 2014 (2014 Farm Bill) RCPP project. States must continue to administer contracts enrolled before FY 2020 according to the regulations and contract appendix in effect on the date of obligation.
- (3) Refer to Title 440 Conservation Programs Manual, Part 529 “Regional Conservation Partnership Program (2014 Farm Bill),” for more guidance related to 2014 Farm Bill RCPP projects that include RCPP-EQIP contracts.

C. Applicability

EQIP is available in all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

530.401 EQIP Funds Management

A. Refer to subpart B, “Managing Funds,” for general guidance about setting up and managing program funds, spending limits, and payment schedules.

Note: Refer to annual allocation letters for detailed funding information.

B. Funding Targets and Ranking Pools

(1) States must target at least—

- (i) 10 percent of available funds to wildlife habitat related practices.
- (ii) 50 percent of available funds to livestock related practices.
- (iii) 5 percent of available funds for beginning farmers or ranchers (BFR).
- (iv) 5 percent of available funds for socially disadvantaged farmers or ranchers (SDFR).

Note: Refer to Title 440 Conservation Programs Manual, Part 502 “Terms and Abbreviations Common to All Programs” (440 CPM Part 502), for more information and definitions.

- (2) States must set aside funds for conservation innovation grants (CIG) state components, if offering CIGs.
- (3) States must establish separate funding opportunities for BFR and SDFR applicants.
- (4) NRCS must give preference to veteran farmers or ranchers (VFR) if they are competing for funding opportunities targeted to BFR or SDFR applicants. Refer to section 530.404C(4) for information on veteran’s preference.
- (5) States are encouraged to create at least one wildlife habitat-focused ranking pool supported with appropriate funding and applicable conservation practices and activities.
- (6) Additional guidance on targeting funding for EQIP national programmatic and landscape conservation initiatives and source water protection will be provided through a national instruction or other agency directives.
- (7) Other criteria for creating ranking pools include—
 - (i) Grouping applications to the greatest extent practicable by similar crop, forestry, or livestock operations for evaluation purposes or otherwise evaluating each application relative to similar applications.
 - (ii) Developing ranking pools to address a specific resource concern, geographic area, or type of agricultural operation.
 - (iii) Limiting ranking pools to the minimum number needed to rank and approve applications effectively.

Note: Refer to the applicable business tool guidance and National Instruction Title 440 Part 310, “NRCS Program Ranking through Conservation Assessment Ranking Tool (CART)” (440 NI 310), for information on creating ranking pools.

530.402 EQIP Eligibility

A. General Eligibility.—Refer to subpart C, “Application for Assistance,” for general eligibility requirements. For EQIP, the following eligibility requirements must be met.

- (1) Applicant Eligibility
- (2) Land Eligibility
- (3) Resource Concern Eligibility.—At least one natural resource concern must be identified and addressed with an eligible conservation practice or activity.

Note: Refer to section 530.403C when considering expected resource concerns.

B. Applicant Eligibility

- (1) To be an eligible participant for EQIP, an applicant must—
 - (i) Be an agricultural producer according to the policy in subpart C, and
 - (ii) Be within the applicable EQIP payment limitation requirements, specified in section 530.406, “EQIP Payments and Payment Limitations,” below.
- (2) Additional eligibility considerations include—
 - (i) Historically Underserved and Veteran Applicants.—Participants who are eligible for EQIP and self-certify as meeting the requirements of any of the historically underserved (HU) designations are eligible for the following.
 - Increased Payment Rate.—HU participants must be awarded the applicable payment rate plus an additional rate that is not less than 25 percent above the applicable rate and that does not exceed 90 percent of the estimated incurred costs, as documented in an approved payment schedule. For landowners applying for EQIP, refer to subpart C, section 530.21A(4).
 - Advance Payments.—HU participants may elect to receive advance payments for part of the anticipated costs associated with purchasing materials or services to implement conservation practices based on NRCS-approved practice designs or implementation requirements. Advance payments may be assigned to vendors. Refer to subpart F, “Payments,” and section 530.406B(2) for additional information.

Note: States must follow the guidance in section 530.401 to ensure funding targets are met for BFR and SDFR participants.
 - (ii) Water Management Entities.—Defined as a state irrigation district, ground water management district, acequia, land grant-merced, or similar entity that has jurisdiction or responsibilities related to water delivery or management on eligible lands. Water management entities may enter into an EQIP contract if all the following criteria can be met.
 - The water management entity is a public or semi-public agency or organization (i.e., a private or public company that serves a public purpose, such as a public utility).
 - The water management entity’s purpose is to assist private agricultural producers with managing water distribution or conservation systems.

- The water conservation or irrigation practices support a water conservation project that will effectively conserve water, provide fish and wildlife habitat, or provide for drought-related environmental mitigation.
 - Refer to section 530.404D, “Eligibility of Water Conservation Projects,” for more information on requirements for water conservation projects.
 - Refer to section 530.406, “EQIP Payments and Payment Limitations,” for payment limitation and adjusted gross income (AGI) waiver information specific to water management entities.

Note: Water management entities are not eligible applicants for new RCPP-EQIP contracts selected under a 2014 Farm Bill RCPP project, even if the application is for a water conservation project.

(iii) Group Project.—Participants may enroll in group projects according to the guidelines in this subpart. These projects are made up of two or more eligible applicants with two or more operations who intend to pool resources, efforts, finances, or other contributions to collaboratively address the same resource concerns. Group projects are permitted if they would result in a greater conservation benefit than individual participation or would save costs. Depending on the type of project, NRCS may evaluate and rank a group project as:

- **One contract with multiple producers.** A single contract may be appropriate if the success or failure of the project depends on all participants successfully implementing their portions of the project.
 - If one participant violates the contract, the other participants may be impacted.
 - These contracts may be eligible for a higher contract limit. Refer to section 530.406C, “Payment Limitations and Contract Limits,” for information regarding contract limitations.

Example: Multiple producers agree to build an anaerobic digester or replace an irrigation ditch that services several operations.

- **Individual contracts with each participating producer.** Individual contracts may be appropriate if the project can remain successful even if one participant does not complete a contract. These contracts are not eligible for higher contract limits as identified in section 530.406C.

Example: A group of producers recognize that an identified area or region is contributing excess nutrients to a stream. The producers may enter into a group project in which they all agree to implement conservation practices on their individual operations that will significantly contribute to the reduction of nutrients in the stream. The success or failure of one producer does not impact the ability of the other producers to complete their contracts.

Note: State conservationist may accept one application for group projects or separate applications with each member of the group project.

C. Land Eligibility.

- (1) Land included in the EQIP application must be agricultural or nonindustrial private forest land and one of the following.

- (i) Privately owned land.
 - (ii) Publicly owned land that meets all the following criteria.
 - The land is a working component of the participant’s agriculture or forest land operation.
 - The participant has control of the land.
 - The conservation practices to be implemented on the land are necessary and will improve the identified natural resource concern.
 - (iii) Indian land that meets any of the following criteria.
 - Land is held in trust by the United States for individual Indians or Indian tribes.
 - Land, the title to which is held by individual Indians or Indian tribes, subject to federal restrictions against alienation or encumbrance.
 - Land that is subject to rights of use, occupancy, and/or benefit of certain Indian tribes.
 - Land held in fee title by an Indian, Indian family, or Indian tribe.
- (2) Irrigation History Requirements.—Land offered for enrollment in EQIP must have been irrigated for at least 2 out of the last 5 years to qualify for irrigation-related conservation practices and activities that improve water conservation. NRCS provides the following exceptions and waiver opportunity.
- (i) Drought Exception.—Applicants who have been impacted by prolonged drought may still meet the irrigation history requirement without having to request a waiver if all the following conditions are met.
 - The land must still meet the “2 out of the last 5 years” criteria, but it is based on the years directly preceding the start of the drought.
 - The drought, as determined by the U.S. Drought Monitor Classification, is at the D2 “Severe Drought” level or higher.
 - NRCS certifies that the current irrigation system is in working condition (aside from the lack of water resulting from the drought).
 - NRCS can show that the irrigation system improvement will result in a significant gain in irrigation efficiency once the drought has ended.
 - (ii) Conservation Practice Exception.—When an irrigation-related conservation practice is implemented to apply liquid waste generated from an animal feeding operation (AFO) to pasture or cropland, the irrigation history requirement does not apply.
 - (iii) Irrigation History Waiver.—Applicants who are an Indian tribe or who self-certify as a limited resource farmer or rancher or SDFR, may submit a written waiver request for the irrigation history requirement to the state conservationist. The Deputy Chief for Programs or designee may approve the waiver if the requirements are met as outlined in exhibit 530.420C, “EQIP Irrigation History Waiver Checklist.”
- (3) Water conservation or irrigation practices that are the subject of a water conservation project must be implemented—
- (i) On the eligible land of a producer;
 - (ii) On land that is under the effective control of the water management entity; or

- (iii) Adjacent to the eligible land of a producer, provided the state conservationist determines the adjacent land is necessary to support the installation of a conservation practice or system on eligible land.

Note: Refer to section 530.404D for more information on requirements for water conservation projects.

Note: Land that is under the effective control of a water management entity may be eligible even if it is not agricultural land or nonindustrial private forest land. See exhibit 530.420F, “EQIP Water Management Entity Flowchart.”

D. Documenting Land Eligibility

The applicant is responsible for providing documentation to establish and document land eligibility for EQIP. NRCS may certify agricultural or nonindustrial private forest land eligibility through a visual assessment with corresponding conservation assistance notes. Documentation should include the following information as applicable.

- (i) The crop type produced.
- (ii) The livestock type produced.
- (iii) Whether the land has existing tree cover or is capable of growing trees and is owned by any nonindustrial private forest land individual, group, association, corporation, Indian tribe, or other private entity.

E. Ineligible Land

- (1) Land currently enrolled in other conservation programs may be ineligible for EQIP, including the following:
 - (i) Land enrolled in the Conservation Reserve Program (CRP) is ineligible except as stated in section 530.403C(2).
 - (ii) Land enrolled in the Agricultural Conservation Easement Program (ACEP) under the wetland reserve easement (WRE) component or its predecessor, the Wetlands Reserve Program (WRP).

Exception: Under reserved grazing rights of the ACEP-WRE, EQIP may be available for certain grazing-related practices not covered by ACEP.
 - (iii) Land enrolled in the Conservation Stewardship Program Grasslands Conservation Initiative (CSP-GCI) is eligible for EQIP only if the proposed conservation practices and activities address a resource concern different from the resource concern being addressed through the CSP-GCI contract.
- (2) Permanently submerged lands unless they meet the criteria in subpart O, section 530.143Q, “Land Use Eligibility Chart.”

530.403 EQIP Planning

A. Eligible Conservation Practices and Activities

- (1) The planning land unit (PLU) is the minimum treatment area for an EQIP contract. Refer to Title 180 National Planning Procedures Handbook, Part 600 (180 NPPH Part 600) for more information related to conservation planning.

- (2) Eligible Conservation Practices and Activities.—An eligible land-based conservation practice or activity includes only those listed in the conservation practice database and includes:
- (i) Structural, management, vegetative, and other improvements that achieve program purposes according to the Field Office Technical Guide (FOTG). Refer to section 530.406 for information about limits on the number of payments for conservation practices or activities.
 - (ii) Retrofitting of structural practices and activities, if all the following criteria are met.
 - Retrofitting is supported by the conservation practice standard.
 - A higher level of conservation benefit (e.g., irrigation water conservation or water savings) will be documented.
 - The resulting conservation practice is more cost effective than an alternative replacement system.
 - Retrofitting may not be used only to avoid normal operation and maintenance of an existing conservation practice.
 - Payment schedule scenarios that support retrofitting are approved through the national payment schedule process before contracting.
 - (iii) The three options NRCS began offering as a result of the Conservation Activity Plan (CAP) transition that started in FY 2022 for producers to apply for financial assistance funds to develop the following types of conservation plans and activities:
 - Conservation Planning Activities (CPA)
 - Design and Implementation Activities (DIA)
 - Conservation Evaluation and Monitoring Activities (CEMA)NRCS requires contract participants receiving financial assistance funds for CPAs and DIAs to use a certified technical service provider (TSP) to develop the plan and design activities. Refer to 440 CPM Part 502, for definitions of these three conservation activities. Refer to subpart D, section 530.31F and subpart E, section 530.40C, for more information related to TSP assistance using either financial or technical assistance funds.
- Note:** Existing EQIP contracts obligated in FY 2021 and earlier may still contain CAPs.
- (iv) A conservation planning assessment, which is a report, as set by the state conservationist, to assess rangeland or cropland function and that includes conservation activities to enhance the economic and ecological management of the land. The assessment may be incorporated into a comprehensive planning document to assist with conservation program delivery and is developed by a—
 - State or unit of local government, including a conservation district;
 - Federal agency; or
 - Third-party provider certified to provide technical assistance, such as a certified rangeland professional.
- (3) If land is enrolled in a CSP contract, producers may apply for an EQIP contract to implement conservation practices or activities to treat identified resource concerns.

- Planners must ensure that the conservation practices and activities implemented under EQIP are not duplicative with conservation practices or activities in the CSP contract.
- (4) Practices that the producer is required to implement to comply with laws, regulations, or permits may still be eligible for EQIP financial assistance and include, but are not limited to:
- (i) Conservation practices and contracts associated with highly erodible land compliance plans (not associated with land identified as being in noncompliance).
 - (ii) Compliance with a cease and desist order issued by an administrative body or state agency.
 - (iii) Federal, state, or local agency permit or regulatory requirement.
 - (iv) Agreed-to order from a state administrative or regulatory agency.

B. States must annually review existing conservation practices and activities with input from the state technical committee and make available all appropriate conservation practices and activities included within the FOTG. States must offer conservation practices and activities that support the national initiatives. Conservation practices and activities must meet the intent of the program and address at least one resource concern.

C. Expected Resource Concerns.—In certain situations on existing agricultural or nonindustrial private forest operations, NRCS may provide financial assistance to address resource concerns that are expected to develop over the life of the contract. NRCS must follow the criteria below when evaluating these requests.

- (1) Changes to Production System or Land Use.—Producers may be eligible for conservation practices and activities that facilitate an environmentally beneficial change when—
- (i) The change results in a higher level of conservation benefit as documented on Form NRCS-CPA-52, “Environmental Evaluation Worksheet.”
 - (ii) The conservation practices or activities will treat expected resource concerns associated with the change in production system or land use, and without them, the planning criteria cannot be met.

Note: To help ensure the change results in sustained conservation benefit, NRCS may include a corresponding management practice in the contract.

- (2) Conservation Reserve Program (CRP).—To address the expected resource concerns of returning land to production, landowners or operators with active CRP contracts may apply for and enroll their land in EQIP beginning on October 1 of the last FY of the CRP contract. They may begin establishing conservation practices under EQIP at that time. However, they cannot receive payment for those practices until after the CRP contract expires.
- (3) Adapting to Changing Environmental Factors.—Producers adapting their operations as a result of changes in the natural environment, such as mitigating against increased weather volatility, drought, or air quality changes, may apply for EQIP funds to implement conservation practices to address the expected resource concerns.
- (4) Adapting to Changing Circumstantial Factors.—Producers adapting their operations to changing circumstances beyond their control, such as new agricultural regulations or changes in the community (e.g., new residential development near the farm, new city or local ordinances affecting urban farms, and adjacent development affecting

urban farms, and other changes), may apply for EQIP funds to implement conservation practices to address the expected resource concerns.

D. Animal Feeding Operations (AFO).—The requirement to develop a comprehensive nutrient management plan (CNMP) applies only to operations where animals are kept and raised in confined situations. Refer to section 530.405A, “Schedule of Operations,” for information regarding CNMP requirements for contract development. Refer to 440 CPM Part 502 for the definition of AFOs.

- (1) The expansion of an existing AFO is eligible for financial assistance provided all the following requirements are met.
 - (i) The application will address existing and expected resource concerns associated with expanding an existing AFO.
 - (ii) The purpose of the conservation practices or activities is not exclusively to enhance agriculture production without addressing a natural resource concern.
 - (iii) The project will result in conservation benefits.
 - (iv) The CNMP will be updated to reflect the changes to the AFO.

Note: Expansion of an existing AFO is not limited to land that is contiguous with the existing operation, but state conservationists may establish appropriate screening and ranking criteria to prioritize need based on geographic location or severity of resource concerns to be developed.

- (2) Relocating an existing AFO is eligible when NRCS determines that resource concerns associated with an existing facility cannot be adequately addressed at the existing site but can be addressed at the relocated site. In these cases, the producer must completely remove or repurpose the original facility to ensure that the identified resource concerns do not persist at the original site (e.g., EQIP assistance may be used to relocate an existing AFO facility that is located within a floodplain that has frequent flood events).

Note: Expanding an AFO is not covered by any of NRCS’s categorical exclusions (CE). Relocating an AFO out of a 100-year floodplain or the breach inundation area of an existing dam or other flood control structure may be covered under CE 6. Site-specific environmental impacts of expansion or relocation of the AFO must be thoroughly analyzed and documented on the Form NRCS-CPA-52. If the site-specific impacts of the AFO expansion or relocation cannot meet the criteria for using CE 6 described in Title 190, National Environmental Compliance Handbook, Section 610.46 “Categorical Exclusions,” or exceed the impacts described and analyzed in the programmatic environmental assessment (EA) or other existing EAs or environmental impact statement (EIS) prepared or adopted by NRCS, states must prepare a site-specific EA or EIS, with a Finding of No Significant Impact (for an EA) or Record of Decision (for an EIS) signed by the state conservationist before proceeding. Refer to the Title 190 National Environmental Compliance Handbook, Part 610, Subpart E, for guidance on preparing National Environmental Policy Act (NEPA) documents. Contact your state environmental liaison for assistance.

E. High Priority Practice

- (1) NRCS, with input from the state technical committee, may designate up to 10 practices to be eligible for increased payments for conservation practices that—
 - (i) Address specific causes of ground or surface water impairment related to excessive nutrients;
 - (ii) Address the conservation of water and declining aquifers and mitigate drought;
 - (iii) Meet other environmental priorities and priority resource concerns identified in habitat or other area restoration plans; or
 - (iv) Are geographically targeted to address a natural resource concern in a specific watershed.
- (2) States may also consider the following for selection of their high priority practices.
 - (i) Practices identified as a priority through assessments completed at the area or state level.
 - (ii) Practices that have high potential for conservation benefit but are underutilized.
 - (iii) Specific geographic areas where a practice is historically underutilized.
 - (iv) Practices with an underutilized practice purpose (e.g., cover crop purpose is to improve water quality by planting crops that take up excess soil nutrients).

Note: See section 530.406B, “EQIP Payments,” for high priority practice payment rates.

F. Source Water Protection.—There are specific provisions to protect sources of drinking water by identifying practices that have a significant water quality or water quantity benefit and implementing those practices where source waters can be protected or improved. States, with input from community water systems and the state technical committee, must—

- (1) Identify high priority areas for the protection of source waters for drinking water;
- (2) Identify practices that address water quality and water quantity concerns and will target identified threats to community water systems; and
- (3) Offer producers increased incentives and higher payment rates within the identified priority areas as indicated in section 530.406B, figure 530R-1, “Authorized Cost Categories and Maximum Payment Percentages for EQIP.”

Note: States may identify a conservation practice as both a high priority practice and a source water protection practice if the high priority practices meet the criteria for source water protection.

Note: Refer to section 530.406 for information related to higher payment rates.

G. Wildlife Habitat

- (1) States should consult with state technical committees, tribal conservation advisory councils, local work groups, and other stakeholders at least once a year to identify conservation practices that will help address EQIP priorities in wildlife habitat, including:
 - (i) Upland wildlife habitat.
 - (ii) Wetland wildlife habitat.
 - (iii) Habitat for threatened and endangered species.
 - (iv) Fish habitat.
 - (v) Habitat on pivot corners and other irregular areas of a field.
 - (vi) Other types of wildlife habitat, as determined by the state conservationist.
- (2) Other eligible wildlife habitat conservation practices may include:

- (i) Practices that carry out postharvest flooding; or
 - (ii) Practices on up to 2 acres of working cropland that maintain the hydrology of temporary and seasonal wetlands to maintain waterfowl and migratory bird habitat on working cropland.
- (3) States may offer contracts with a term of up to 10 years with one or more annual management practices for restoration, development, protection, and improvement of wildlife habitat. Refer to section 530.406B(4) for limitations on contracting management practices.

H. Ineligible conservation practices and activities include those—

- (1) For which the sole purpose is to enhance or protect production without addressing a natural resource concern or providing a corresponding conservation benefit.
- (2) That the applicant previously implemented unless the applicant will achieve a higher level of conservation benefit as documented through the conservation planning assessment.

Note: EQIP may be used to reapply a structural or vegetative conservation practice or activity where a resource concern has been identified and the previously implemented conservation practice or activity is past the established lifespan.

- (3) That were commenced or implemented before contract obligation by the NRCS approving official, unless the state conservationist approved an early start waiver according to subpart C.
- (4) Water conservation or irrigation-related conservation practices on land that has not been irrigated at least 2 out of the last 5 years unless the participant has an approved waiver or exception (see section 530.402C).
- (5) Where the primary purpose is renewable energy production (e.g., generation of electricity or biofuel practices that do not support onsite farm activities).
- (6) That defeat the purpose of EQIP or other conservation program contracts, such as practices that would create or cause a negative onsite or offsite impact.
- (7) That do not address a resource concern directly tied to eligible land, such as a conservation practice implemented entirely within a water area that does not address a resource concern related to the submerged land (e.g., application of a chemical in a pond or reservoir solely to eliminate an invasive or undesirable fish species).
- (8) Used for improvements to residential buildings or other nonagricultural operation-related structures.

530.404 EQIP Application Processing

A. This section provides EQIP-specific guidance regarding application processing and ranking. Refer to subpart A, “General Information,” and subpart D, “Application Processing,” for processing applications and 440 CPM Part 502, for more information and criteria.

B. Accepting Applications

NRCS will—

- (i) Accept applications on a continuous basis.

- (ii) Group applications of similar operation-type for evaluation.
- (iii) Accept group projects, on a single application for evaluation, if applicable.

C. Application Ranking

- (1) Refer to subpart D for more information on screening, assessment, and ranking.
- (2) NRCS should establish ranking pools to address one or more identified resource concerns by geographic area or operation type.
- (3) NRCS should develop an evaluation process using science-based tools where applicable, considering national, state, and local priority resource concerns.
- (4) Ranking criteria may be in the form of questions or based on an assessment of the conservation practices, activities, and resource concerns addressed by the applicant using NRCS business tools. Ranking criteria must be developed with enough factors to establish differentiation among applications.
 - (i) States must use the following factors for developing ranking tools and ranking EQIP applications.
 - How effectively and comprehensively the planned conservation practices or activities address the identified natural resource concerns.
 - The magnitude of the expected conservation benefits resulting from the conservation practices or activities and the priority of the natural resource concerns.
 - The degree of cost-effectiveness of the proposed conservation project.
 - Use of approved conservation practices or activities that provide long-term conservation benefit.
 - (ii) States may also consider the following factors when developing evaluation and ranking tools for EQIP applications.
 - Compliance with federal, state, local, and tribal regulatory requirements concerning soil, water, and air quality, wildlife habitat, and surface and ground water conservation.
 - Ability to improve existing conservation practices (i.e., achieve a higher level of environmental benefit) or systems that are in place at the time the application is accepted or that complete a conservation system.
 - Adaption to or mitigation against increasing weather volatility.
 - Drought resiliency.
 - Other locally defined pertinent factors, such as the location of the conservation practice, the extent of the natural resource degradation, and the degree of cooperation by local producers to achieve environmental improvements.
 - (iii) VFR Preference.—For EQIP applications evaluated beginning in FY 2020:
 - NRCS must give preference to VFR applicants competing for funding opportunities targeted to BFR or SDFR applicants by awarding these VFR applicants with additional ranking points.
 - VFR applicants evaluated for any funding opportunity other than those targeted to BFR or SDFR applicants may still qualify for HU benefits, including higher payment rates and advance payments, but do not receive preference and will be screened and ranked the same as any other eligible application in that funding opportunity.

- (iv) For ranking pools that include water conservation or irrigation-related conservation practices that address “insufficient water” resource concerns, the state conservationist may prioritize applications, consistent with the laws in the state where the applicant’s eligible land is located, when the following criteria is met.
- The water conservation or irrigation project would reduce water use in the agricultural operation; or
 - The applicant agrees to not use any associated water savings to bring new land (other than incidental land needed for the operation to be efficient) under irrigation production, unless the applicant is participating in a watershed-wide project approved by the state conservationist that will effectively conserve water.
- (v) Applicants who bring new land under irrigation may be awarded this “water conservation” ranking criterion if participating in a watershed-wide project that will effectively conserve water. Refer to section 530.404D for requirements for certain water conservation projects.

Note: The purpose of this policy is to establish priority of applications to address water conservation through screening and ranking. It is not related to program land eligibility requirements for irrigation history as found in section 530.402.

- (vi) NRCS gives preference to covered farmers and ranchers (BFR, SDFR, and VFR) participating in the Conservation Reserve Program-Transition Incentives Program (CRP-TIP). NRCS must award these applicants with additional ranking points during the period covered by Form CRP-1R, “Conservation Reserve Program Transition Incentives Program Contract.”
- (5) The EQIP statute prohibits bidding down, which includes—
- (i) Ranking criteria that award points for conservation practices or activities that will not be financially assisted in the EQIP contract.
 - (ii) Prioritizing an application over another just because the application provides the least cost to the program.
 - (iii) Changing or adjusting conservation practices after the application has been ranked to achieve a better ranking score.

Note: Refer to the applicable business tool guidance and 440 NI 310 for information on application ranking.

D. Eligibility of Water Conservation Projects.—Water management entities may request assistance in a watershed-wide water conservation project.

- (1) NRCS may enter into an EQIP contract with a water management entity if the contract is under a watershed-wide project that effectively conserves water using the following criteria.
- (i) The project has a current, comprehensive water resource assessment.
 - (ii) The project plan incorporates at least one of the following practices:
 - Water conservation scheduling, distribution efficiency, or soil moisture monitoring.
 - Irrigation-related structural or other measures that conserve surface or ground water, including aquifer recovery practices.

- A transition to water-conserving crops, water-conserving crop rotations, or deficit irrigation.
- (iii) The project sponsors have consulted relevant state and local agencies.
- (2) Applications from a water management entity for an EQIP contract will be determined ineligible if the state conservationist (or designee) determines that the conservation practices encompassed by the proposed EQIP contract are better suited under the RCPP or, for watershed projects, under Public Law 566. When making this determination, the state conservationist may consider the following factors.
- (i) Whether the estimated contract cost for the minimum area required for the EQIP contract greatly exceeds the EQIP payment limitation for water conservation projects.
- (ii) Whether the project requires a site-specific EA or EIS because its potential adverse impacts have not been adequately analyzed under a NEPA review, or the proposed contract practices have not been adequately analyzed in the EQIP programmatic EA or other existing NEPA document prepared or adopted by NRCS.

Note: Individual producers who do not qualify as a water management entity but are collaborating on water conservation or irrigation efficiency practices may enter into a group contract. Refer to section 530.402B(5).

Note: Refer to section 530.402D and section 530.406 for information related to land eligibility requirements for water conservation projects, and EQIP payment rates and payment limitations for water management entities.

E. Application Approval

- (1) The state conservationist or designee must periodically approve the highest-ranked eligible applications for funding based on the NRCS ranking process and established deadlines.
- (2) Before approving EQIP applications, complete the checklist in exhibit 530.420A, “EQIP Preobligation Checklist.”
- (3) Refer to subpart C and subpart D for more information about accepting, selecting, and approving applications.

530.405 EQIP Contracting and Contract Management

A. Schedule of Operations

- (1) The EQIP schedule of operations may be derived from the applicant’s NRCS conservation plan and is certified by NRCS or another approved planner and recorded in NRCS business tools. Refer to subpart D for general guidance on the schedule of operations and subpart O, exhibit 530.143K, “Business Tools Quick Reference,” of this manual. Additionally:
- (i) The EQIP schedule of operations must include a description of the participant’s conservation objectives (including a quantitative or qualitative goal), a description of conservation practices or activities, a schedule, and the information needed to evaluate the effectiveness in achieving the conservation objectives.

- (ii) The EQIP schedule of operations is used to record HU applicants' election to receive or not receive an advance payment on a contract item basis. Additionally, any contract modifications that add conservation practices or activities to HU participant contracts will allow recording of the advance payment. Refer to section 530.406 for more information about advance payments.
 - (iii) The contract period will last, at a minimum, from the date of obligation through the last scheduled conservation practice or activity, not to exceed 10 years.
 - (iv) The contract expiration dates may be extended, not to exceed EQIP regulatory limits, to provide more time to ensure full establishment and sustainability of the project, such as wildlife projects, or for conservation practices with a long lifespan that may need more monitoring to ensure continued operation and maintenance, such as composting facilities. Refer to subpart E, section 530.43, "Contract Requirements," for more guidance.
- (2) If an EQIP schedule of operations includes an animal waste storage or treatment facility on an AFO, the participant must have an NRCS-approved CNMP before implementing any waste storage or treatment facility or associated nutrient management activities. The CNMP must account for resource concerns and conservation practices and activities planned for an AFO associated with storing, treating, land applying, or handling (transferring) of animal waste or organic byproducts, such as animal carcasses.
- (i) The requirement for developing a CNMP only applies to an AFO where animals are kept and raised in confined situations. Refer to 440 CPM Part 502, for the definition of animal feeding operations.
 - (ii) For contracts obligated before December 20, 2018, implementation of conservation practices and activities cited in the CNMP is required by the end of the contract period, regardless of financial assistance provided.
 - (iii) For contracts obligated after the passage of the 2018 Farm Bill, contract participants may progressively implement conservation practices and activities cited in the CNMP, provided that the following criteria are met.
 - The conservation practices included in the schedule of operations help address or improve a resource concern and are operable and function as intended when implemented.
 - The participant follows an existing nutrient management plan or includes in their contract a nutrient management conservation practice that addresses the application of animal waste, unless all of the manure is sold or transferred to another operation.
 - The participant selects the conservation practices in the system that will treat the resource concern to a level that meets or exceeds the planning criteria in the FOTG. This means the primary conservation practice and all facilitating conservation practices must meet or exceed the planning criteria.
- (3) If an EQIP schedule of operations includes forest-related conservation practices or activities on forest land, the participant must implement conservation practices and activities consistent with an approved forest management plan. A forest management plan is a site-specific plan that is prepared by a professional resource manager, in consultation with the participant, and is based on criteria approved by the state conservationist. Forest management plans include a forest stewardship plan as

specified in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C § 2103a), another practice plan approved by the state forester or Indian tribe, or another plan determined appropriate by the state conservationist.

Note: State conservationists must ensure that any approved forest management plan meets the criteria of [Title 190 National Forestry Manual, Part 536 “Conservation Planning.”](#)

- (4) A participant may receive assistance to implement an EQIP schedule of operations for water conservation if the assistance will help reduce surface and ground water use on the agricultural operation or the producer is participating in a watershed-wide project approved by the state conservationist that will effectively conserve water.
- (5) If an EQIP schedule of operations includes practices or activities that facilitate a change in land use, the planner may also schedule appropriate management practices to ensure the land use change provides conservation benefits. Refer to section 530.403C.
- (6) The state conservationist, with advice from the state technical committee, may develop additional requirements to be included in the EQIP schedule of operations by publishing a state supplement to this manual. Refer to subpart A for guidance related to supplements of the manual.

B. Advance Payment Review

- (1) After NRCS makes an advance payment to an HU participant, the designated conservationist must complete a contract review to verify that the participant expended the advance payment within 90 days of receipt of the funds. Refer to subpart H, section 530.71, “Review Types,” for information about annual contract reviews and recording the status of the advance payment. Additionally:
 - (i) If a participant does not expend the advance payment within 90 days of receipt of the funds, NRCS must notify the participant through an advance payment collection letter that the advance payment funds must be returned. Appeal rights will be provided. Refer to exhibit 530.420E, “Advance Payment Collection Letter.”
 - (ii) The participant will receive a debt collection notice from the National Finance Center (NFC). If the participant fails to return the advance payment as directed by the NFC’s notice, NRCS must terminate the contract and provide the applicable appeal rights.

Note: The requirement to return funds not expended within 90 days of receipt is statutory and NRCS does not have the authority to waive cost-recovery of advance payments or to provide more time to expend the funds.
- (2) Conservation practices for which advance payments have been made must be implemented according to Form NRCS-CPA-1155, “Conservation Plan or Schedule of Operations,” or Form NRCS-CPA-1156, “Revision of Plan/Schedule of Operations or Modification of a Contract,” as agreed to by the participant. Additionally:
 - (i) For participants who expended the advance payment but are unable to complete the conservation practice as agreed to according to Form NRCS-CPA-1155 or Form NRCS-CPA-1156, the contract will be considered noncompliant.

- (ii) In some extreme and very limited circumstances, the state conservationist may waive cost-recovery and allow the participant to retain all or a portion of the advance payment if all of the following apply.
- The participant expended the funds within 90 days of receipt of the funds on goods or services.
 - The participant made appropriate efforts to comply with the practice implementation terms but was unable to do so for reasons beyond the participant’s control.
 - The condition that caused the participant’s inability to comply must not have existed at the time the contract was approved.
 - The participant can provide sufficient documentation to support the hardship condition.
 - The decision coincides with the approval of a cancellation request.

Example: The participant used the advanced funds to secure goods and services, but during installation, the practice was destroyed by a storm or fire event and the participant does not have the financial resources to reestablish the practice or replace the destroyed materials.

Note: This policy cannot be used to waive recovery of an advanced payment in which the participant did not expend the funds for the intended purpose.

- (3) Refer to subpart H, “Contract Reviews and Quality Assurance,” and subpart I, “Contract Violations,” for information about completing reviews and addressing noncompliance and contract violations.

530.406 EQIP Payments and Payment Limitations

A. General

This section provides program-specific guidance for EQIP payments and payment limitations. Refer to subparts B and F of this manual and Title 300, Land Treatment Programs Handbook, Part 600 “Payment Schedules” (300 LTPH Part 600), for general information regarding program payments.

B. EQIP Payments

(1) Maximum EQIP Payment Schedule Percentages and Authorized Cost Categories

The maximum payment percentages are payment limitations authorized by the Chief or designee within the authority provided through the applicable program statute or regulation. The maximum EQIP payment percentages allowed for each cost category are provided in Figure 530R-1 below. Refer to subpart B of this manual and 300 LTPH Part 600 for more guidance regarding the development of payment schedules for EQIP.

Figure 530R-1: Authorized Cost Categories and Maximum Payment Percentages for EQIP

Cost Category	General Percentage	HU Percentage	High Priority Practice	Source Water Protection
Materials	75	90	90	90

Cost Category	General Percentage	HU Percentage	High Priority Practice	Source Water Protection
Equipment for installation	75	90	90	90
Labor	75	90	90	90
Mobilization	75	90	90	90
Acquisition of technical knowledge	75	90	90	90
Income forgone	100	100	100	100

Note: Program payment percentages for HU participants must be at least 25 percent above the otherwise applicable program payment percentage, not to exceed 90 percent.

(2) Advance Payments

(i) Refer to Title 440 Conservation Programs Manual, Part 515 “Environmental Quality Incentives Program,” for provisions related to 2008 and 2014 Farm Bill advance payments.

(ii) Contracts approved under the 2018 Farm Bill and forward are subject to the following requirements.

- NRCS must notify HU producers of the opportunity to receive advance payments before application approval and record the producer’s decision on whether to receive an advance for each contract item. HU producers may change their decision to receive or not receive an advance payment. Refer to section 530.405B regarding requirements for documenting the producer’s decision to receive advance payments.
- HU participants may elect to receive an advance payment of not less than 50 percent of the EQIP conservation practice payment amounts to purchase materials or services associated with practice implementation. National headquarters will establish maximum limits for the extent of advance payments.
- Before approving an advance payment, NRCS must explain that the HU participant must spend the advance payment within 90 days of receipt of the funds. NRCS does not have authority to provide more time to expend advance payment funds.
- Participants must spend advance funds within 90 days of receipt.
- The conservation practices or activities associated with advance payments must be completed as scheduled on the EQIP schedule of operations.
- Contracts with an advance payment must be reviewed to document the status of the advance funds. Refer to section 530.405B for more compliance guidance for contracts with advance payments.

(3) In addition to the policy found in subpart F, section 530.50G, states may judiciously use payment caps to manage limited funding and control costs of expensive practices like anaerobic digesters. When setting payment caps, states must—

(i) Identify the payment cap for specific conservation practices and publicize this information no later than the EQIP application period announcement.

- (ii) Not establish an extent cap for any conservation practice or activity, unless otherwise authorized, such as for conservation practices and activities supported by an interim practice standard. States must not establish a maximum number of acres that can be contracted for any practice.

Note: States may establish a higher payment cap for HU producers versus non-HU producers to ensure the HU producers receive the higher payment rate for which they are eligible.

- (4) Limitations for payments to implement conservation practices and activities on the same land:

- (i) Multiple payments for structural and vegetative practices are generally not allowed for implementing the same practice on the same land or location within the practice lifespan.

Exception: Multiple payments for Conservation Practice Standards (CPSs) Brush Management (Code 314) and Herbaceous Weed Treatment (Code 315) are allowed if all of the following criteria are met.

- Successive implementation of Brush Management (Code 314) or Herbaceous Weed Treatment (Code 315) will not exceed three payments for either practice on the same land.

Note: If the participant followed NRCS standards and specifications and the planned treatment did not achieve the intended level of control, the policy in subpart G, section 530.64, may apply.

- The state has consulted with the national rangeland management specialist to ensure the targeted plants for control require multiple-year treatment.
- The targeted plant species is resilient in the plant community of the treatment area.
- A site-specific technical determination finds that:
 - Additional treatments are necessary to achieve effective control of pervasive plant species through reapplication.
 - The pervasive plant species will ultimately be controlled to a desired level of treatment based on the ecological site description's steady state.

- (ii) For contracts obligated in FY 2023 and beyond, NRCS limits the number of separate payments to a maximum of five for land management practices that address an identified resource concern on the same land unit within the maximum contract length of 10 years.

Note: Contracts obligated before FY 2023 were limited to a maximum of three separate payments during the term of a contract, except for cover crops, which had a maximum of five separate payments during the term of a contract to address resource concerns related to soil health.

- (iii) Multiple payments for CEMAs are allowed, but limited based on the practice lifespan according to the following criteria.

- NRCS does not limit the number of separate payments for CEMAs with a 1-year lifespan on the same land unit within the maximum contract length allowed by the program.

- All other CEMAs may be supported through EQIP following the same policy requirements associated with structural and vegetative practices implemented on the same land. Refer to section 530.403A for more information.

(C) Payment Limitations and Contract Limits

(1) Person or Legal Entity Payment Limitations

- (i) A person or legal entity may not receive, directly or indirectly, payments that, in the aggregate, exceed \$450,000 for all EQIP contracts entered into during FY 2019–24.
- (ii) Contracts associated with the National Organic Initiative that are obligated after the passage of the 2018 Farm Bill may not exceed \$140,000 in aggregate, and they have no annual payment limitation. The Chief is not authorized to waive the payment limitation for the National Organic Initiative.
- (iii) Indian tribes or Alaska Native corporations with contracts or alternative funding arrangements are excluded from the person or legal entity payment limitations. Refer to subpart C, section 530.21, “Producer Types with Additional Considerations,” for more information on payment limitations for Indian tribes or Alaska Native corporations.
- (iv) NRCS monitors and tracks both direct and indirect payment limitations through a payment limitation service in the applicable business tool. The payment limitation service runs a check on direct and indirect payment limitations when NRCS runs payment instructions, approves a payment, and approves a modification.
- (v) Payments under the 2008 or 2014 Farm Bill do not count toward the payment limitations for contracts obligated under the 2018 Farm Bill.

Note: Planners must review Form NRCS-CPA-1245, “Practice Approval and Payment Application,” before obtaining participant signature to ensure payments shown reflect the correct amount including any applicable reductions at the time the form is generated.

(2) Contract Limitations

- (i) Each EQIP contract with a person or legal entity is limited to \$450,000 over the term of the contract.
- (ii) EQIP contracts with joint operations (FSA business type 2 or 3) may have a contract limit of up to \$900,000 with an approved waiver from the Financial Assistance Program Division (FAPD) director.
- (iii) Group contracts may have a contract limit of up to \$900,000 with an approved waiver from the FAPD director.
- (iv) Indian tribes or Alaska Native corporations are not subject to contract limits. Refer to subpart C, section 530.21, for more information regarding contract limits for Indian tribes or Alaska Native corporations.
- (v) Contracts transferring from a person or legal entity to a joint operation will not have their contract limits increased due to the change in business type. Contracts transferring from a joint operation to an individual or legal entity may need a payment cap to prevent the participant from exceeding their payment limitation. Refer to subpart G, section 530.60D, “Modification Reasons,” for information on land transfers.

- (3) Water Management Entities.—The FAPD director may approve an AGI and payment limitation waiver for eligible projects with water management entities if the waiver is needed to fulfill the objectives of the project. Approved payment limitation waivers may not exceed an aggregate payment limit of \$900,000 to the water management entity or any individual member thereof, for all contracts entered into under the water conservation project authority during the 2018 Farm Bill period NRCS must consider the following criteria when determining whether to approve a payment limitation waiver for a water management entity.
- (i) The number of producers who would benefit from the water conservation project.
 - (ii) The conservation value of the conservation practices and activities involved in the project.
 - (iii) The nonfederal assets leveraged for the project.
 - (iv) The extent of progressive practice implementation.

Note: Farm Tract Eligibility (FTE) does not apply to contracts with water management entities. Refer to subpart O, exhibit 530.143C, “Program Eligibility Matrices for Individuals, Entities, and Joint Operations,” for more information on eligibility applicability. An override may be needed to accommodate FTE applicability for water management entities, which may be requested through the AGI waiver process.

Note: The FAPD director may approve an AGI waiver at the same time as a payment limitation waiver for the water management entity, as applicable. If a payment limitation is approved, then the contract limitations should also be waived to a corresponding amount, up to \$900,000.

Note: The payment limitation associated with water management entities and members thereof is separate and not attributed to the \$450,000 general EQIP payment limitation.

530.407 Conservation Innovation Grants

Refer to Title 440 Conservation Programs Manual, Part 526 “NRCS Grants,” for policy guidance on conservation innovation grants.

530.408 EQIP Conservation Incentive Contracts

A. General

The 2018 Farm Bill introduced EQIP conservation incentive contracts (CIC) for producers who implement, adopt, manage, and maintain incentive practices that effectively address at least one priority resource concern within a state-identified high priority area. These contracts provide payments for incentive practices and can be a steppingstone for producers between EQIP classic and CSP.

Note: States must follow national guidance on EQIP CIC provided by national headquarters.

B. High Priority Areas and Priority Resource Concern Categories

State conservationists, with input from the state technical committee, must identify priority resource concerns and areas of high priority for each state.

(i) High priority area

- High priority areas must represent areas of significant concern.
- States must identify at least one high priority area within every region of the state. When establishing regions, states may consider:
 - Administrative areas
 - Biophysical (such as watersheds, major land resource areas, or others)
 - Agroecological (such as areas predominately cropland or pastoral)
 - The entire state, if there is not sufficient basis to delineate separate areas administratively, biophysically, or agroecologically, as determined by the state conservationist. High priority areas may overlap with other high priority areas.

(ii) Priority resource concern categories

- States may identify up to three priority resource concern categories for each land use within a given high priority area.
- The same priority resource concern categories may be used for more than one land use within the same high priority area.
- For each priority resource concern category, states must identify the incentive practices that will be available for payment under an incentive contract.

Note: Information about EQIP CIC must be publicized. Refer to subpart A, section 530.5, “Information, Outreach, and Training,” for specific guidance.

C. CIC Selection

Applications must be accepted and processed following EQIP policy within this subpart, subpart D, and subpart E, “Contract Development and Requirements.” Additional requirements for selection:

- (i) Priority will be given to applications that address eligible priority resource concern categories.
- (ii) Applications will be evaluated relative to other applications for similar agriculture and forest operations.
- (iii) Applications must contain at least one qualifying incentive practice.

D. CIC Development

(1) CIC Requirements

- (i) The participant must agree to implement one or more incentive practices.
- (ii) The minimum contract area is the planning land unit. Refer to 180 NPPH Part 600 for more information related to conservation planning.
- (iii) A payment for technical services may be included in the contract. Refer to subpart E, section 530.40C, for information related to technical service providers.

(2) Initial contract terms must—

- (i) Identify all incentive practices to be implemented, the timing of practice installation, responsibilities of the participant, the operation and maintenance

requirements for the practices, and applicable payments allocated to the practices under the contract.

- (ii) Specify any other provision determined necessary or appropriate by NRCS to achieve the technical requirements of a conservation practice or purposes of the program.
- (iii) Have an initial contract length to achieve the desired conservation benefits and be a minimum of 5 years, not to exceed a total of 10 years.

(3) Contract Extensions

- (i) Subject to the availability of funds, NRCS reserves the right to extend contracts beyond the initial contract period, not to exceed a total of 10 years, provided that:
 - It furthers the purpose of the program, as determined by NRCS,
 - Science-based criteria are used to determine an appropriate extension necessary.
- (ii) All practices and activities included in the contract extension must be included in the conservation plan and environmental evaluation (Form NRCS-CPA 52).
- (iii) If there is not enough funding to extend similarly situated incentive contracts, NRCS may use a ranking process to determine which contracts will result in the greatest conservation benefits. Ranking criteria must be consistent with section 530.408C above and with the purposes of the initial signup.

(4) NRCS may terminate a contract following the provisions of subparts H and I.

E. CIC Payments

(1) Implementation Payment.

- (i) Implementation payments are made for structural or vegetative practices necessary to support annual payments and address priority resource concerns.
- (ii) The maximum EQIP payment percentages allowed for each cost category are provided in Figure 530R-1 in section 530.406.
- (iii) Make implementation payments as soon as possible once a structural or vegetative practice is implemented.

(2) Annual Payment

- (i) Annual incentive practices consist of management practices and other annual incentives as identified by NRCS.
- (ii) Annual incentive practices must reoccur each year for the life of the contract, as applicable, to ensure the conservation benefits are maintained.
- (iii) Eligible costs for annual payments include up to 100 percent of the costs associated with the following.
 - Operation and maintenance of the practice to meet the intended purpose for its lifespan. Eligible costs to support operation and maintenance include:
 - Materials
 - Equipment for installation
 - Labor
 - Mobilization
 - Acquisition of technical knowledge

- Income foregone by the participant, including payments to address, as appropriate:
 - Increased economic risk
 - Loss in revenue due to anticipated reductions in yield
 - Economic losses during transition to a resource-conserving cropping system or resource-conserving land uses
- (iv) Ineligible costs for annual payments are those associated with losses of income due to disaster or other events unrelated to the conservation practice.
- (v) Payments for annual incentive practices may be made as soon as possible after October 1 of each FY in which increased levels of conservation are maintained during the term of the contract.

Note: Actions scheduled and completed within the current calendar year may be paid after October 1 of that calendar year without having to wait until the following FY.

- (3) Advance payments may be made to HU participants for incentive practices according to sections 530.405 and 530.406.

Note: Refer to subparts B and F of this manual and 300 LTPH Part 600 for guidance on payment types and payment schedules.

F. Aggregate payment limitations

(1) Aggregate payment limitation.

- (i) The total amount of payments paid to a person or legal entity, directly or indirectly, under all EQIP CICs entered into during the period of FY 2019–24 may not exceed an aggregate of \$200,000.
- (ii) Payments received for technical assistance are excluded from the payment limitation.
- (iii) The payment limitation cannot be waived.
- (iv) EQIP CIC payments do not apply towards the \$450,000 EQIP payment limitation.

(2) Contract Limitations—

- (i) Each EQIP CIC with a person or legal entity is limited to \$200,000 over the term of the contract period.
- (ii) EQIP CIC with joint operations (FSA business type 2 or 3) may have a contract limit of up to \$400,000 over the term of the contract period.
- (iii) Indian tribes or Alaska Native corporations are not subject to contract limits. Refer to subpart C, section 530.21B for more information regarding contract limits for Indian tribes or Alaska Native corporations.
- (iv) Contracts transferring from a person or legal entity to a joint operation will not have their contract limits increased due to the change in business type. Contracts transferring from a joint operation to an individual or legal entity may need a payment cap to prevent the participant from exceeding payment limitations. Refer to section 530.406C.

530.420 EQIP Exhibits

- A. EQIP Preobligation Checklist
- B. Reserved
- C. EQIP Irrigation History Waiver Checklist
- D. EQIP Regulation—7 CFR Part 1466
- E. Advance Payment Collection Letter
- F. EQIP Water Management Entity Flowchart
- G. EQIP AGI Applicability and Payment Limitation Waiver Request Worksheet for WMEs