USDA United States Department of Agriculture
Natural Resources Conservation Service

National Bulletin:	440-26-2	**Date:**	12/17/2025
Subject:	PGM–Fiscal Year 2026 Financial Assistance Program Changes and Guidance		

Action Required By: September 30, 2026

Purpose: This bulletin provides state conservationists and directors of the Pacific Islands and Caribbean areas with guidance for financial assistance programs with a farmer-first mindset.

Expiration Date: September 30, 2026.

Background: A multidisciplinary team of national and state employees were assigned to the Improving Management of Programs, Applications, and Contracts (IMPAC) effort for the Environmental Quality Assistance Program (EQIP), the Conservation Stewardship Program (CSP), and Agricultural Management Assistance (AMA) programs. The team used feedback from customers and employees to identify and streamline financial assistance program delivery. The team expanded existing improvement projects to develop a simplified and efficient delivery approach.

Explanation: This bulletin provides guidance for accepting and processing applications, obligating funds, submitting fund assessments requests, returns, and monitoring fiscal year 2026 allocations. Prepare for and carry out the FY 2026 signups using guidance in this bulletin with the following guidance.

- Policy in Title 440 Conservation Programs Manual, Part 530 "Working Lands Conservation Programs Manual" (440 M Part 530), as applicable;
- National Instruction Title 440 Part 310, "NRCS Program Ranking through Conservation Assessment Ranking Tool (CART)" (440 NI 310) and relevant exhibits;
- Training materials;
- Training and signup documents posted on the FAPD SharePoint; and
- Other communications issued by national headquarters.

Note: Business tool guidance for FY 2026 activities will be issued separately as new functionality becomes available. New functionalities may be released in phases to make sure they are available when needed. States must follow the guidance in this bulletin as closely as possible until the tools can be fully updated.

States must implement FY 2026 programs according to the changes in the following policy.

States must update their guidance and public-facing communications for FY 2026 to align with the program changes as they are published.

Guidance and Updates for AMA, CSP, and EQIP

1. National Program Application Batching Dates

- Due to the delay caused by the lapse in appropriations, the first batching period for AMA, CSP, and EQIP now has a national deadline of January 15, 2026.

USDA is an equal opportunity provider, employer, and lender.

2. **State Web Page Update**
   - States must update their state web pages to align with changes made for FY 2026, following policy in 440 M § 530.12.
   - National headquarters is working with Farm Production and Conservation to update the NRCS web page and program information. States should update their web page following updates to the national web page.
   - States are encouraged to link directly to the national web page to include non-state-specific information.
3. **Application**
   - States must use NRCS-CPA-1200, "Conservation Program Application," and program appendices available on eForms for all new applications received. Applicants may access and submit applications through Farmers.gov.
   - NRCS must accept applications received on NRCS-CPA-1200 dated October 2024 or later.
   - Minor updates were made to change the advance payment question to a statement and add a new question to request applicants' interest in receiving correspondence through email. NRCS employees will ask applicants submitting older versions of the NRCS-CPA-1200 for their interest in email and document their preference on the signed NRCS-CPA-1200.
4. **Unfunded Applications**
   - The application deferral letter, exhibit 440 M § 530.141A, has been updated to include a process that lets NRCS cancel applications if an unfunded applicant does not respond to the deferral letter within 30 days of receipt of the letter.
   - States that already deferred applications using the previous version of the deferral letter must follow the process in the letter and do not need to send the new deferral letter until the end of the FY 2026 funding period.
   - States that have not yet sent application deferral notifications may use the updated template letter as soon as it is available on eDirectives.
5. **Fund availability:** National headquarters provided annual financial and technical assistance instructions to state conservationists and area directors through the State Advisory Allocations letter.
   - State requests for additional funds must be received by **April 3, 2026,** for the first fund assessment period, and **June 5, 2026,** for the second fund assessment period. National headquarters will assess requests based on the status of financial assistance program obligations, including departmental and agency priorities, funding targets, and other criteria.
   - States must request funds through the FAPD SharePoint Funds Assessment Request site.
   - States should make sure internal deadlines allow the funds to be used by the nationally established deadlines.
   - States should target the return of unobligated financial assistance with the appropriate technical assistance funds by **July 31, 2026**.
6. **Application Evaluation**: The evaluation and assessment of applications have been simplified and streamlined.

- To improve program ranking management, 440 NI 310 and applicable exhibits have been updated.
- See the recording and materials of the ranking workshop conducted on Sept 25, 2025.
- CART ranking will be streamlined to have minimal ranking pools with increased use of categories.
- Nationally applicable CSP resource concern categories are no longer required to be evaluated during assessments.

7. **Preobligation Reviews:** Policy in 440 M § 530.71A(3) requiring area or state-level quality assurance reviews for 3 or 5 percent of approved applications was removed.
8. **Obligation Deadline:** All contracts must be obligated by September 30, 2026. States may establish earlier deadlines to manage workload and comply with the national obligation deadline.

Program-Specific Changes

Environmental Quality Incentives Program (EQIP)

1. States will use only the following ProTracts application/contract types for EQIP:
   - Water Conservation (for applications for Water Management Entities)
   - Conventional (for all other EQIP applications)
2. All other application/contract types will be removed from business tools.

   Note: Existing contracts using other contract types are not affected by this change.
3. Funding for EQIP-Conservation Incentive Contracts (CIC) will not be allocated.
4. The EQIP irrigation history waiver process in 440 M § 530.402C(2) has been removed. See 440 M § 530.7 for guidance on submitting waiver requests for any provisions in the manual.
5. There are no payment limitations in FY 2026; the authority for EQIP payment limitations expired in 2024.

Conservation Stewardship Program (CSP)

1. In FY 2026, NRCS will use a streamlined single sign-up approach. The renewal sign-up option will not be offered in FY 2026. This approach will remove administrative burden and obstacles to successfully deliver the program.
   - Use the template letter in attachment A to notify renewal applicants of the change by January 15, 2026. Renewal applications will be evaluated as part of the general sign-up, except for applications with land that is part of an operation under an active CSP contract.
   - See attachment B for guidance on enrolling newly acquired or newly eligible land through a modification of the existing contract instead of through a new contract.

   Note: Guidance in National Bulletin 300-25-16 is rescinded.
2. The policy in 440 M § 530.306 has been updated to reflect the contract limit applicable to contracts enrolled in FY 2026. The revised CSP contract limits are $300,000 for individuals and entities and $600,000 for joint operations.

- Contracts obligated before FY 2026 will stay limited to $200,000 for a person or legal entity and $400,000 for contracts with joint operations or general partnerships.
- There are no payment limitations in FY 2026; the authority for CSP payment limitations expired in 2024.
- A participant may not cancel an existing contract solely to apply for a new contract with a higher contract limit. NRCS will not approve such cancellation requests. The field verification policy in 440 M § 530.304 will clarify that on-site field verification is not necessary for all applications. However, field verification may be necessary for newly acquired or newly eligible land or where the applicant has made changes to the management system.

3. The policy in 440 M § 530.306 will reflect the new existing activity payments (EAP). The EAP will be $4,000 per contract each year for new contracts starting in FY 2026.
4. The policy was revised by removing 440 M § 530.306(1)(ii) and adding exhibit 530.320B.
5. CSP activity codes will be simplified and remove the complex enhancement codes to streamline the payment schedule. The unique "E" enhancement codes will no longer be used.
6. Bundles and some structural and infrastructure practices will no longer be offered.
   - There will be a single activity list for customers and employees, simplifying activity identification and selection.
   - Practices will be implemented according to practice designs and practice standard implementation requirements.
7. Higher CSP payments will still be available for cover crop activities, advanced grazing management (AGM), resource conserving crop rotation (RCCR), and improved resource conserving crop rotation (IRCCR).
8. Newly acquired and newly enrolled land that is part of the same operation may only be enrolled in an active CSP contract through modification. This will streamline contract management and improve customer service. Producers with active CSP contracts who subsequently have newly acquired or newly eligible land, that is a part of the same operation (not a substantially separate operation) may only enroll the new land through modification to the existing contract, unless the active contract is funded by IRA. If the existing contract is obligated with IRA funds, field offices may proceed with processing a new application.
   - Participants will have an opportunity to request a modification of their existing contract during the first or second quarter of FY 2026. See **attachment B** for guidance on implementing this new process.
9. States will use the Add, Edit, or Delete Practice or Components modification type to add newly acquired and newly eligible land. Exhibit 440 M § 530.320I, the CSP Nationally Applicable Resource concern categories for CSP Assessments, has been removed. All other requirements, including the selection of eight priority resource concerns under 440 M 530, Subpart Q, are still applicable.

Agricultural Management (AMA)

No changes made to program-specific rules. Application and contract management guidance in this bulletin and applicable contracting policies also apply to AMA.

Contract Management

The changes made to contract management will be applicable to all contracts once the updated policy in 440 M Part 530 is published on eDirectives. Planners must work with participants to implement conservation practices and activities as soon as possible to complete their contractual obligation during the contract term.

1. The policy in 440 M Part 530, Subpart G, requiring the use of the modification checklist will be removed. State guidance must align with national guidance.
2. The revised contract management policy will clarify implementation requirements. If a contract is behind schedule, the following scenarios may occur.
   - Beyond participant's control: NRCS will work with the participant to continue efforts towards completion of the practices or activities within the contract term
   - Within participant's control: Contract will be in noncompliance and will be addressed following contract violation policy
3. Rescheduling contract items behind schedule and other unnecessary administrative modifications will no longer be supported in policy. The policy will specify when a modification may be needed. Planners will focus on working with participants on contract completion during the term of the contract instead of processing unnecessary administrative modifications.
4. States will no longer modify contracts to record the date on the NRCS-CPA-153, 12-month requirement or an applicant's request to receive advance payments at the time of application. These data fields will be removed from ProTracts as soon as possible. Until then, states must follow the guidance in this bulletin and refrain from modifying contracts for this purpose. States will keep track of this information, as applicable, outside of the business tools.
5. The minor modification threshold in 440 M § 530.60C has changed from $1,000 to $1,500.
6. The cost recovery and liquidated damages policy in 440 M § 530.85(2) will outline three scenarios when the state conservationist will seek recovery of cost. This policy change will be applicable to canceled and terminated contracts.
7. The policy in 440 M § 530.140 related to email will be expanded to emphasize the use of email to reduce using traditional mail for all correspondence with customers.
   - Customers may indicate preference on the application or during the contract term to receive communication by email. States must comply with personally identifiable information policy in 440 Part 530, Subpart E.
   - States will use the template letter in **Attachment C** for all existing participants to note their preference. States will record the preference in the participant case file.
   - Certain communication may still need to be submitted through traditional mail to protect personally identifiable information or when adverse determinations are made.

8. The annual contract review guidance will emphasize the importance of proper contract management to address known issues with contract that have been idle for some years.
    - Contracts with no payments for 2 years may be noncompliant and corrective action by NRCS may be necessary.

Training and more guidance: All training materials and supplemental information can be found on the FAPD SharePoint's Training and References, titled IMPAC. States will be notified as documents, policy changes, communications, and training are made available. More training will be provided when the updated 440 M Part 530 manual is published.

Contact: Submit questions about this national bulletin through your designated state contact to the FAPD SharePoint, Program Questions.

Attachments: A – Renewal Notification Template Letter
B – CSP Newly Acquired/Newly Eligible Land Determination
C – Electronic Mail Preference Template Letter for Existing Participants