# Federal Funding Rules Are Changing:

## Public Comment Worksheet for the Agricultural Community

## What Is Happening

The Office of Management and Budget (OMB) is **accepting public comments through July 13, 2026 on a proposal that would make significant changes to the federal rules governing grants, cooperative agreements, and other forms of federal financial assistance.** These rules—often called the Uniform Guidance (2 C.F.R. Part 200)—affect how federal agencies administer funding programs and awards.

Many USDA programs relied upon by farmers, ranchers, rural businesses, nonprofits, cooperatives, conservation organizations, Tribes, agricultural service providers, and rural communities could be affected. **As proposed, the rule will make federal funding less predictable, increase administrative burdens, and create new uncertainty regarding program requirements, and compliance obligations.**

## Why Agricultural Voices Matter

This proposal affects all federal funding, not just USDA programs. Many organizations are already commenting on how it could affect research, higher education, healthcare, and other sectors.

**The agricultural community can make a unique contribution to the rulemaking process by documenting how these changes could affect long-term farm planning, conservation investments, on-farm research, rural businesses, local food systems, technical assistance networks, and USDA programs that support producers**.

Federal agencies are required to review and respond to significant issues raised during the public comment process before finalizing a rule. **Even a short, fact-based comment can help ensure that agricultural experiences, concerns, and unanswered questions become part of the public record.**

**Disclaimer:** This resource is for educational purposes only. No attorney-client relationship is formed by the reading of this document or by taking action based on reading it.
**Acknowledgments**: Special thanks to Lauren Wustenberg of Fork Legal, Sophia Kruszewski of National Sustainable Agricultural Coalition (NSAC), and David Muraskin of FarmSTAND for reviewing this resource and providing insights. Responsibility for the final content rests with Farm Commons.
**Scope:** This resource is not exhaustive of all issues and concerns in the OMB's proposed rule. For more details see **National Council of Nonprofit's chart of key provisions in the OMB Uniform Guidance** or the **OMB's full proposal** in its entirety (400+pages).

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## How to Submit a Comment

**Comments must be submitted by July 13, 2026. Comments do not need to be lengthy or include legal analysis**. Taking 25-30 minutes to write a short comment describing your experience, concerns about real-world impacts, and unanswered questions can be valuable.

1. **Review the issues** in this worksheet and identify the concerns most relevant to you.
2. **Draft your comment** in a separate document so you can save a copy for your records.
3. **Go to the rule page at** federalregister.gov and click **SUBMIT A PUBLIC COMMENT**
4. **Copy and paste your comment** into the comment box (note there is a 5,000 word limit. If your comment is longer, you can upload it as an attachment).
5. **Submit your comment** and save any confirmation or tracking number for your records. *To submit anonymously, select "anonymous" and do not include your email address.

### *Concerned About Privacy?

**Comments submitted through the Federal Register become part of the public record.** If you submit anonymously, your identity is kept private, but the contents of your comment will still be publicly available. **Be sure not to include information that you are uncomfortable sharing publicly.** The goal is to explain how the proposal could affect your farm, business, organization, or community— not to disclose sensitive information. Many effective comments use estimates, ranges, or general examples rather than exact dollar amounts, acreage, business details, or personal information. **Focus on the facts that help illustrate your concerns while sharing only the level of detail that feels appropriate to you.**

**Bonus Option: Share Your Comment with Congress**
Consider sending a copy of your comment to your U.S. Senators and Representative with the subject "*Concerns about OMB's proposed rule*" so they can better understand how these proposed changes may affect farmers, agricultural organizations, and rural communities. Find your members at:

- House of Representatives: house.gov/representatives/find-your-representative
- U.S. Senate: senate.gov/senators/senators-contact.htm

### Tips for an Effective Comment

1. **Keep it personal**. Focus on the issues that matter most to you. Explain how the proposal could affect your farm, business, organization, or community. This worksheet includes "comment starters" to use as a framework.
2. **Be specific**. The strongest comments are specific, fact-based, and grounded in experience. Consider the investments, commitments, partnerships, staffing decisions, contracts, financing arrangements, or conservation practices you pursue in reliance on USDA funding. When possible, identify the provision that concerns you. If you are uncomfortable sharing exact figures, consider using estimates, ranges, or examples to illustrate the impact.
3. **Make a request**. Tell OMB what clarification, change, or protection you would like to see.

## Six Key Issues for Farmers and Agriculture Organizations

This worksheet focuses on six issues that may be significant for the agricultural community:

- **Issue 1:** It's unclear which USDA programs are affected.
- **Issue 2**: USDA funding could be suspended or terminated after approval
- **Issue 3:** Administrative and compliance costs could increase.
- **Issue 4**: USDA could add new conditions based on risk determinations.
- **Issue 5:** Local partnerships could become harder to maintain.
- **Issue 6:** Unclear standards could make compliance difficult.

**You do not need to address every issue in your comment. Start with one or two issues that matter most to you.** Many will find that more than one issue affects them. These categories overlap and are intended to help you identify the concerns most relevant to your situation. **The following provides a comment framework, examples, as well as issue-specific details and "comment starters" to help you develop strong comments.**

### Comment Framework and Examples

1. Introduce yourself and your connection to USDA programs.
2. Identify the issue and provision that concerns you.
3. Explain how it could affect your work, farm, business, organization, or community.
4. Include specific facts or examples whenever possible.
5. Request a clarification, change, or protection.

**Farmer Example (Issues 1 & 2)**
I'm a farmer who participates in the Conservation Reserve Program (CRP). Two years ago, I entered into a 30-year contract with the USDA to receive rental payments in exchange for keeping [XX] acres of my farmland in a conservation cover. I've built the business plan for my operation around the long-term certainty of having that contract established. After reviewing the proposal and its reference to "discretionary awards", it appears that the new requirements, conditions, suspension authorities, and termination provisions would apply to my CRP contract. That is particularly concerning as the new discretionary termination provisions, Sections 200.340-343, appear to give FSA the authority to terminate our existing contract at any time during the remaining [XX] years of this contract if they change their mind about what their policy priorities are for this program. The uncertainty of whether my CRP contract will continue makes it difficult to understand my potential risks and obligations under this contract, and makes me doubt how much I can rely on my long-term business plan as I continue to make investment and production decisions on my operation. OMB should clarify how the federal government's power to discretionarily terminate a contract differs based on the length of time that the contract is entered into and when that contract can be considered reliably obligated so that a program participant can rely on that funding into the future.

**Farmer Example (Issues 2, 3 & 6)**
I participate in the USDA Farm Loan Program and hold both a Farm Operating Loan and Farm Ownership Loan. My entire operation hinges on continued access to that capital and I am bound into a [XX}-year loan agreement to pay my loans back to the FSA. This proposed rule specifically mentions that agricultural loans are included in the scope of the programs for which the new requirements, conditions, suspension authorities, and termination provisions would apply. I now am confused about how certain compliance requirements required under these rules will now apply to my operation. It is unclear whether I would now have to comply with the new Buy American, Build American requirements under § 200.322. I am not sure I can find domestic sources for all of the inputs and equipment that I need to run my farm on an annual basis and still meet my bottom-line in my business plan. Further, how do the new discretionary termination provisions, §§ 200.340-343, apply to farm loans across the life of a loan? Can the federal government now terminate my existing loan, if its policy is to no longer support farms of my size or type of production? Further, I am concerned about how the compliance requirements related to DEI, gender ideology, or other social issues in § 200.300 will apply to my personal farm business as that seems to be unnecessarily invading into my private life in a manner that is wholly inappropriate for the federal government.

**Organization Example (Issues 3 and 4)**
Our nonprofit receives USDA funding to provide technical assistance and business planning support to beginning farmers. Based on this award, we hired staff, developed educational programming, and committed to serving approximately 300 producers over three years. I am concerned that the proposal could increase administrative and compliance costs while also allowing USDA to impose additional conditions after an award has already been made. For example, additional documentation requirements (§ 200.302, § 200.305), reimbursement procedures (§ 200.208), monitoring obligations (§ 200.329), or approval requirements (Subpart E) could require us to divert staff time away from direct farmer support and toward compliance activities. It is also unclear what circumstances could lead USDA to determine that our organization or program presents elevated risk and impose new conditions during the project (§ 200.208). OMB should explain how these risk determinations will be made, what protections recipients will have, and how smaller organizations are expected to absorb increased administrative costs while continuing to serve farmers and rural communities.

**Organization Example (Issues 4, 5, and 6)**:
Our organization receives USDA funding to provide technical assistance, education, and conservation support to producers across several rural counties. We work with eight local partners, including conservation districts, community-based organizations, and farmer-serving nonprofits. Together, we are concerned that the proposal could make it more difficult to maintain these partnerships because it increases our oversight responsibilities of partners (§§ 200.330–332) while while restricting fixed-amount subawards (§ 200.333) and relying on terms that are not clearly defined. For example, it is unclear how we would be expected to interpret and comply with standards such as "elevated programmatic risk," (§ 200.208) "activities inconsistent with federal civil rights laws," (§ 200.330) or actions that could damage the reputation of the federal government (§ 200.332). Without clearer guidance, organizations may reach different conclusions about what is required, creating uncertainty and increasing compliance costs. OMB should provide clear definitions, examples, and implementation guidance so organizations like ours can confidently comply with program requirements while continuing to work effectively with local partners.

## Issue 1: It's unclear which USDA programs are affected

***Relevant Provisions: Preamble and various sections***

Some parts of the proposal clearly apply to grants and cooperative agreements. However, the proposal's preamble and several provisions also refer to "discretionary awards." It is not always clear which USDA programs, contracts, agreements, loans, or other forms of financial assistance fall within that category or how the proposed changes would apply to them.

### What This Could Mean

Farmers, ranchers, rural businesses, and agricultural organizations participate in many different USDA programs. **The proposal raises important questions about which programs would be subject to the new requirements and standards.** Uncertainty about whether a program is covered can make it difficult to plan, comply, and make informed decisions about participation.

**Examples of USDA Programs That May Need Clarification**

- EQIP
- CSP
- ACEP
- RCPP agreements
- CRP contracts
- Rural Development programs
- Producer agreements
- Conservation contracts
- Research grants and agreements
- FSA direct and guaranteed loans
- Commodity programs (e.g., ARC / PLC
- Crop insurance programs

**Another important question: Does This Apply to Existing Awards?** The proposal does not clearly explain whether the new requirements and conditions could affect awards that have already been approved and are currently underway. **If you have an existing USDA grant, agreement, contract, or loan, consider asking OMB to clarify whether and how these provisions would apply to current participants.**

### Questions to Consider

- Which USDA programs do you participate in?
- Is it clear whether the proposed provisions apply to your program or existing agreement?
- If so, would you know what requirements apply to you?
- What information or clarification would help you understand your obligations?What decisions are you making that depend on knowing whether the rule applies to your program?

### Comment Starter

I participate in the USDA ________ program. After reviewing the proposal, I am unable to determine whether these provisions apply to my agreement or what requirements would apply if they do. OMB should clearly identify which USDA programs, agreements, and funding arrangements are covered and explain how participants can determine their obligations.

**Facts to Strengthen Comments**

- Program name
- Type of agreement or contract
- Length of participation and current status
- Value of that program in supporting your farm business or organization
- Investments or commitments made in reliance on the program
- Business, conservation, or participation decisions affected by the uncertainty

## Issue 2: USDA funding could be suspended or terminated after approval

***Relevant Provisions: § 200.211, §§ 200.340 –343***

The proposal would expand agency authority to suspend or terminate certain awards based on changing "agency priorities" or the "national interest" (as USDA decides to define such terms). The proposal may also limit the costs that recipients can recover after suspension or termination.

### What this could mean

You receive USDA funding and use it to hire staff, install conservation infrastructure, support farmer training, purchase a farm or cover operating expenses, or make other long-term investments. Midway through the planned and approved time period of your award, USDA changes its policy priorities and determines your project no longer aligns with those new priorities or the national interest and terminates the award.

By that point, you may have hired employees, entered leases, purchased land or equipment, secured financing, signed contracts, or made commitments to producers and community partners in reliance on the funding. If the award is terminated, you may face layoffs, cancelled projects, unrecovered investments, financial obligations that cannot easily be undone, or sanctions for being unable to fulfill contracts you've entered into—even though you complied with the agreement and completed the work required of you.

### Questions to Consider

- What USDA funding, agreements, or contracts do you currently participate in?
- What investments did you make because of that funding?
- Did you hire staff, purchase equipment or land, secure financing, enter leases, establish a business plan, or sign contracts based on that opportunity?
- How many years does your project require to complete?
- What would happen if funding ended unexpectedly?
- How does long-term stability affect your planning?
- How would termination affect farmers, communities, partners, employees, contractors, or others that rely on the project?
- How does long-term instability affect your interest in participating in future USDA programming?

### Comment Starter

I participate in the USDA ________ program and have invested approximately $______ in reliance on this funding. I am concerned about the proposed termination provisions in §§ 200.340–343 because ________. If funding were terminated after work had begun, it would affect ________. OMB should clarify ________.

**Facts to Strengthen Comments**

- Dollars invested
- Acres affected
- Years required to complete the project
- Staff hired
- Equipment or land purchased
- Contracts or leases signed
- Matching funds committed
- Number of producers served
- Total agricultural production supported by federal assistance
- Investments that can't easily be reversed

## Issue 3: Administrative and compliance costs could increase

***Relevant Provision: Various sections throughout***

The proposal includes several changes that could increase the time, staffing, documentation, and compliance costs associated with participating in federally funded programs, including:

- **Employee Authorization** (§ 200.303, § 200.318): New E-Verify-related requirements may require additional staff training, recordkeeping, and human resources administration.
- **Payment and Reimbursement Procedures** (§ 200.305, § 200.320): Proposed changes may require recipients to submit additional documentation to justify payment requests, even when activities and budgets have already been approved.
- **Recordkeeping Obligations** (§ 200.302, § 200.318, § 200.334): Increased documentation requirements will be associated with requesting, receiving, and managing federal funds.
- **Oversight Responsibilities** (§ 200.303, § 200.329, § 200.332): Additional compliance, reporting, monitoring, and oversight responsibilities may require new internal procedures or outside professional assistance.

Many smaller organizations rely on the 15% de minimis indirect cost rate to help cover administrative expenses. The proposal does not propose a corresponding increase in that rate.

### Examples of Requirements That May Require Additional Compliance Review

Some participants may need additional staff time, professional assistance, training, or legal review to understand and comply with requirements referenced in the proposal. For example:

**Buy American, Build American (BABA) (200.322)** The proposal references requirements related to domestic sourcing and procurement. Farmers, ranchers, rural businesses, and agricultural organizations may have questions about how these requirements apply when purchasing equipment, materials, technology, infrastructure, or other inputs that may be sourced through global supply chains.

**Foreign Ownership, Control, and Influence (FOCI) (200.220)**
The proposal references requirements related to foreign ownership, control, and influence. Agricultural businesses and organizations that buy, sell, process, finance, market, import, or export agricultural products may have questions about how these requirements apply to their operations, business relationships, or participation in international markets.

**Federal Policy Compliance Requirements (200.300)**
The proposal includes provisions related to so called “illegal DEI”, gender ideology, civil rights compliance, and other federal policy directives. Some participants may have questions about how these terms are defined, what activities are covered, what documentation or certifications may be required, and how compliance would be evaluated.

**Consider whether you would need additional guidance, legal review, staff training, recordkeeping, certifications, or compliance procedures to understand and comply with these requirements.**

## What This Could Mean

For some organizations, these changes could require additional staff time, new procedures, outside professional assistance, and increased compliance costs. They may reduce the resources available for direct farmer support, technical assistance, education, and other program activities. Further, lack of clarity around what new compliance requirements mean raises new, uncertain liabilities around future enforcement actions or sanctions the agency could bring.

## Questions to Consider

- How much staff time do you currently spend on grant administration and compliance?
- Would additional documentation or reporting requirements require new staff time or outside assistance (including accounting, legal, human resources, or compliance support)?
- Do you currently rely on advance payments or streamlined payment processes?
- How would increased reimbursement documentation affect your operations?Would increased administrative costs reduce the resources available for direct services or farmer support?

## Comment Starter

My farm/organization participates in the USDA ________ program. We currently spend approximately ________ staff hours and/or $________ annually on compliance and grant administration. I am concerned that the proposed changes to _______ could increase administrative costs by requiring additional documentation, compliance procedures, or staffing. I am also uncertain how a farm business would be required to comply with _____________. These additional requirements could affect our ability to ________. OMB should evaluate the administrative costs these changes may impose and explain how smaller farms and organizations are expected to absorb those costs. OMB should also clarify how new requirements related to __________ apply to a business like mine.

**Facts to Strengthen Comments**

- Current admin staffing levels
- Additional staff hours required
- Additional compliance costs
- Outside accounting, legal, or HR expenses
- Percent of budget devoted to admin
- Number of producers served

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## Issue 4: USDA could add new conditions based on risk determinations

***Relevant Provision: § 200.208***

The proposal would allow agencies to add, remove, or modify specific conditions during the life of an award based on certain risk determinations. These determinations may relate to a recipient's compliance history, financial capacity, ability to meet performance goals, or a federal agency's determination that a program presents elevated programmatic risk. The proposal provides limited guidance regarding what circumstances or objective criteria may lead to these recipient- or program-level risk determinations.

### What this could mean

You review a USDA funding opportunity, evaluate the requirements, and decide your farm or organization can successfully carry out the project. After the award is made, the agency adds additional conditions because it determines that the recipient or program presents elevated risk.

The proposal would allow agencies to impose additional requirements, including:

- Converting advance payments to reimbursement-based payments.
- Requiring additional monitoring or reporting.
- Requiring additional approvals before certain activities can proceed.
- Imposing other special conditions or oversight measures.

For many recipients, the concern is not simply the additional requirements. It is the uncertainty of not knowing whether those requirements may be added later, what circumstances could trigger them, or how those decisions will be made. This uncertainty can make it more difficult to plan projects, manage budgets, enter partnerships, and assess the risks of USDA programs.

### Questions to Consider

- Have you ever relied on the terms of an award when deciding whether to participate?
- How would changing requirements, in particular, switching from advance payments to reimbursement payments, affect your ability to comply?
- Would new reporting, monitoring, or approval requirements create challenges?
- How much staff time or outside assistance might be required?
- How important is it to know the rules before accepting funding?

### Comment Starter

I participate in the USDA ________ program. When deciding whether to participate, I rely on understanding the requirements in advance. I am concerned about the proposed changes to § 200.208 because they may allow award requirements to change after funding has been approved. If new requirements were added during the project, it could affect ________. OMB should clarify when these conditions may be imposed and how participants can understand and manage these risks.

**Facts to Strengthen Comments**

- Reliance on advance payments
- Additional compliance costs
- Increase in outside legal or accounting expenses
- Effects on budgeting or staffing
- Effects on project or planning
- Decisions made in reliance on understanding award conditions

## Issue 5: Local partnerships could become harder to maintain

***Relevant Provisions: §§ 200.330 –332***

The proposal would increase oversight, monitoring, and reporting requirements for organizations that receive federal funding and work with local partners, subrecipients, or community-based organizations. The proposal also adds restrictions on the use of fixed-amount subawards, which some organizations use to simplify administration and reduce paperwork for local partners.

**Some partnership requirements rely on terms that are not clearly defined, making it difficult for organizations to know what oversight responsibilities they may have.**
*For example*, the proposal would require pass-through entities to ensure subawards are not used to promote what the administration considers "**illegal DEI" or "gender ideology."** § 200.330. The proposal would also require pass-through entities to address situations where a subrecipient takes actions that could "**significantly damage the reputation**" of the pass-through entity, federal agency, or federal government. § 200.332.
**It is unclear what actions would fall within these standards as the terms in bold are undefined in the proposed rule.**

### What This Could Mean

Many USDA programs reach farmers through trusted local partners, such as conservation districts, farmer-serving nonprofits, agricultural cooperatives, technical assistance providers, tribal organizations, and food system groups. The proposed rule could increase the time, cost, and risk involved in managing these partnerships. Organizations may face additional reporting requirements, monitoring responsibilities, and uncertainty regarding how certain provisions will be interpreted or enforced. As administrative burdens increase, organizations may have fewer resources available for direct farmer support, technical assistance, education, and community outreach.

### Questions to Consider

- Do you receive funding through another organization?
- Do you provide funding or support to local partners?
- How many organizations participate in your project?
- What role do those partnerships play in serving farmers and rural communities?
- How integral are partnerships in achieving the statutory goals of the USDA program? (i.e., does the program have a statutory mandate or specific purpose statement for partnerships)
- How could additional oversight requirements affect those partnerships?
- What would farmers, ranchers, or rural businesses lose if those partnerships became more difficult to maintain?

### Comment Starter

Our organization works with _____ local partners and serves approximately _____ producers each year. I am concerned about the proposed subaward requirements in §§ 200.330–332 because ________. Additional monitoring and reporting requirements could affect our ability to ________. OMB should consider how these provisions may impact local partnerships and clarify how organizations are expected to comply.

**Facts to Strengthen Comments**

- Number of partner organizations
- Number of producers served
- Number of communities reached
- Staff time devoted to partnership management
- Technical assistance provided
- Potential increases in administrative burden

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## Issue 6: Unclear standards make compliance difficult

***Relevant Provisions, including §§ 200.202, 200.205, 200.211, 200.331–332***

The proposal includes several broad or undefined terms that could affect funding decisions, compliance obligations, suspension decisions, or termination of awards.

### What This Could Mean

This issue reinforces many of the challenges highlighted in issues 3-5, as compliance becomes much more difficult when important terms are undefined or open to different interpretations. Participants may be expected to make decisions, certifications, or compliance determinations without clear guidance regarding what is required or how compliance will be evaluated. This uncertainty can create additional administrative burdens and make it more difficult to confidently participate in USDA programs.

**Examples of undefined terms:**

- National interest
- Federal agency priorities
- Administration priorities
- "Illegal DEI"
- Gender ideology
- Activities inconsistent with federal civil rights laws
- Questionable practices
- Public safety
- Anti-American values
- Elevated programmatic risk
- Actions that could damage the reputation of the federal government

### Questions to Consider

- Are there terms in the proposal –or on the list to the right→ that you do not understand?
- Would different people interpret the requirement differently?
- Would you know how to determine whether you are complying?
- Would you incur extra internal administrative costs to understand your obligations?
- Would you need legal or professional assistance to understand your obligations?
- How might this interfere with program goals?*
- Do you have any privacy concerns in disclosing personal information to the federal government to demonstrate compliance with these requirements or terms?
- What definitions, examples, or guidance would help?

### Comment Starter

I participate in the USDA ________ program. I am concerned about the use of the term "________" because it is unclear how the term would be interpreted or applied in practice. As a ________, I need clear guidance in order to understand my obligations and comply with program requirements. Further, I am concerned that demonstrating compliance with these requirements may require disclosure of personal information to the federal government that I would prefer to keep private. OMB should define this term and provide examples of how it would be applied.

**Facts to Strengthen Comments**

- Estimated legal/compliance costs
- Staff responsible for compliance
- Need for outside legal counsel
- Certifications that may be required
- Examples of uncertainty you have already encountered
- Programs or activities that may be affected (**exercise caution around the specifics of programs/activities you are concerned may be affected*).
- Partnerships that may be limited or affected by additional compliance requirements

## Your Experience Matters

Whether you are a farmer, rancher, rural business, nonprofit, cooperative, conservation organization, Tribe, rural municipal government, or agricultural service provider, your experience can help policymakers better understand how these proposed changes may affect agricultural communities. Even a short, fact-based comment can help ensure those experiences become part of the public record and help decision-makers better understand how these proposed changes could affect agricultural communities..