

Statute of Limitations for Challenging FSA Actions That Exceed Agency Authority

Roger McEowen (roger.mceowen@washburn.edu) – Washburn University School of Law

Roger McEowen's Blog: <https://agriculturallaw.lawprofessorsblogs.com/>

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Overview

One of the recurring issues in Farm Service Agency (FSA) litigation concerns the time within which a producer may challenge agency action that exceeds the authority granted by Congress or the agency's own regulations. While many FSA disputes center on factual determinations or the agency's exercise of discretion, others involve a more fundamental question - whether agency officials acted beyond the authority delegated to them by statute or regulation. Those cases are governed by different legal principles and, in some circumstances, may present stronger claims for judicial relief.

Administrative Procedure Act

Challenges alleging that FSA exceeded its statutory or regulatory authority generally arise under the Administrative Procedure Act (APA).¹ The APA authorizes a reviewing court to "hold unlawful and set aside agency action" that is:

- arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law;
- contrary to constitutional right;
- in excess of statutory jurisdiction, authority, or limitations; or
- without observance of procedure required by law.²

Claims asserting that agency officials ignored governing regulations, imposed requirements not found in statute, or exercised authority Congress never delegated are classic *ultra vires* claims under the APA.

The Applicable Statute of Limitations

Unless Congress has enacted a more specific limitations period, civil actions against the United States are governed by a six-year statute of limitations.³

For many years, numerous federal courts held that the six-year period began when the agency first adopted the challenged regulation or policy. That approach often barred lawsuits challenging longstanding regulations even when the plaintiff had only recently been affected.

The United States Supreme Court fundamentally changed that analysis in *Corner Post, Inc. v. Board of Governors of the Federal Reserve System*,⁴ In *Corner Post*, the Supreme Court held that an APA cause of action accrues when the

¹ 5 U.S.C. §§701-706.

² 5 U.S.C. §706(2).

³ 28 U.S.C. §2401(a).

⁴ 603 U.S. 799 (2024).

particular plaintiff first suffers a legal injury - not when the agency originally promulgated the regulation or adopted the challenged policy.

The *Corner Post* distinction can be significant in agricultural litigation. Suppose, for example, FSA adopted a particular interpretation of a regulation in 2017 but a producer first became subject to that interpretation in 2026. Prior to *Corner Post*, many courts would have concluded that the challenge was barred because more than six years had elapsed since the agency adopted the interpretation. Following *Corner Post*, however, the producer's claim ordinarily accrues when the producer first suffers injury. Thus, the producer generally has six years from that injury to bring an APA challenge.

Observation: The decision substantially expands the opportunity for producers to challenge agency actions that have existed for years but only recently affected their operations.

Administrative Exhaustion Still Applies

The six-year limitations period should not be confused with USDA administrative appeal requirements. Many FSA determinations - including payment limitation decisions, Conservation Reserve Program (CRP) determinations, conservation compliance findings, farm loan servicing decisions, and eligibility determinations - must first be appealed through USDA's National Appeals Division (NAD). Failure to timely pursue available administrative remedies may foreclose judicial review regardless of whether the six-year statute of limitations has expired. So, it's very important that producers continue to carefully observe NAD appeal deadlines.

Erroneous Decision or Ultra Vires Action?

Practitioners should distinguish between two very different types of claims. The first alleges that FSA simply reached the wrong factual conclusion. Those cases frequently involve agency discretion, and courts often afford substantial deference to administrative findings. The second alleges that agency officials lacked legal authority to do what they did. Examples include situations in which agency personnel:

- disregard mandatory regulations;
- impose conditions not authorized by statute;
- rewrite contractual obligations;
- create substantive requirements that Congress never enacted; or
- exercise powers beyond those delegated by USDA regulations.

These are not merely disagreements over agency judgment. Instead, they question whether the agency acted outside the limits established by Congress. Courts review such questions of law independently because an administrative agency cannot enlarge its own authority.

The distinction frequently arises in Conservation Reserve Program disputes. Suppose county or state FSA officials require a producer to satisfy obligations that appear nowhere in the CRP contract, applicable statutes, or governing regulations. The issue may not be whether the agency exercised poor judgment, but whether it imposed legal obligations it had no authority to create. When that occurs, the producer may possess an APA claim alleging that the agency acted "in excess of statutory jurisdiction, authority, or limitations" within the meaning of 5 U.S.C. §706(2)(C).

Of course, every case depends upon its facts. Whether the challenge is directed at an individual agency determination or a broader agency policy can affect exhaustion requirements, ripeness, and the timing of judicial review.



Conclusion

Attorneys representing agricultural producers should carefully evaluate whether an FSA dispute involves merely an unfavorable administrative decision or an agency action that exceeds statutory authority. That distinction often determines both the standard of judicial review and the available remedies.

The Supreme Court's decision in *Corner Post* is one of the most significant recent APA decisions affecting regulated industries, including agriculture. The decision provides producers who first experience injury from longstanding agency interpretations with a fresh opportunity to seek judicial review, provided they comply with applicable administrative appeal requirements.

Given the breadth of federal farm programs administered by FSA, *Corner Post* is likely to become an increasingly important tool in litigation challenging agency actions that extend beyond the authority granted by Congress.

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