

THE RURAL REPORT | SEP 15 2026

Updates on Federal Action and Funding Opportunities
Supporting Development in Rural Communities

Senate Ag Holds Second Farm Bill Markup

The Senate Agriculture Committee is set to reconvene Wednesday at 3:30 p.m. to take a second vote on Chairman John Boozman's (R-AR) farm bill, after the legislation failed to advance during the committee's initial August markup. The first vote failed 10-11, with all committee Democrats opposing the bill because it lacked a two-year delay in implementing new state cost-sharing requirements for Supplemental Nutrition Assistance Program (SNAP) benefits. Republicans offered a one-year delay, arguing that the additional time would give states an opportunity to reduce SNAP payment error rates, but Democrats maintained that a two-year delay is necessary. The committee recessed rather than adjourned following the failed vote, allowing Boozman to bring the bill back for another vote when the Senate returned from its August recess.

The dynamics could be different for Wednesday's vote, as Sen. Mitch McConnell (R-KY), whose absence contributed to the August deadlock, has returned to the Senate and is expected to be present for the markup. The bill includes a number of bipartisan agriculture priorities, including year-round E15 sales and greater transparency around fertilizer prices. However, Democrats have indicated that their position on the SNAP cost-sharing provision has not changed. Even if Republicans are able to advance the bill out of committee on their own, the legislation will ultimately need Democratic support to reach the 60 votes required to advance on the Senate floor.

USDA Proposes Shifting Ag Research Funding Away From Formula Grants

USDA's FY2027 budget proposal would significantly reduce or eliminate several congressionally authorized formula, or "capacity," grants that support agricultural research and extension at land-grant universities, while increasing funding for competitive grants. The proposal would eliminate Hatch Act funding and reduce Smith-Lever funding, as well as cut several forestry-related formula programs, while directing additional resources to the Agriculture and Food Research Initiative. Universities and agricultural research advocates argue that the two funding streams serve complementary purposes: formula grants provide predictable, long-term support for foundational research and extension, while competitive grants support more targeted projects. Congress has not adopted the administration's proposed cuts to date, with House appropriators recommending level funding for USDA formula grants as the FY2027 appropriations process continues.

Funding Opportunities

[Electric Infrastructure Loan & Loan Guarantee Program](#)

U.S. Department of Agriculture

USDA Rural Development provides insured loans and loan guarantees to nonprofit and cooperative associations, public bodies, and other utilities. Insured loans primarily finance the construction of electric distribution facilities in rural areas. ***Application deadline: Open***

[Water & Waste Disposal Loan & Grant Program](#)

U.S. Department of Agriculture

USDA Rural Development provides funding for clean and reliable drinking water systems, sanitary sewage and solid waste disposal, and storm water drainage to households and businesses in eligible rural areas. ***Application deadline: Open***

[Community Facilities Direct Loan Program](#)

U.S. Department of Agriculture

USDA Rural Development provides affordable funding to develop essential community facilities in rural areas. Projects include fire and rescue stations, town halls, health care clinics, and hospitals.

Application deadline: Open

[Community Facilities Guaranteed Loan Program](#)

U.S. Department of Agriculture

USDA Rural Development provides loan guarantees to eligible lenders to develop essential community facilities (CF) in rural areas. Examples of community facilities include health care facilities, buildings like town halls, and public safety facilities such as fire departments. ***Application deadline: Open***

[Timber Production and Expansion Guaranteed Loan Program \(TPEP\)](#)

U.S. Department of Agriculture

USDA Rural Development provides financial support to qualified lenders whose loan applicants want to establish, reopen, expand, or improve a sawmill or other wood processing facility that processes ecosystem restoration byproducts from USDA Forest Service National Forest System lands.

Application deadline: Accepted until funds are expended.

[Targeted Technical Assistance for Rural Hospitals Program](#)

Health Resources & Services Administration

A federally funded initiative that offers comprehensive technical assistance to rural hospitals to address financial and operational challenges and maintain essential health services for their communities. ***Application Deadline: Rolling Basis***