

THE RURAL REPORT | APR 7 2026

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

Proposed USDA Budget Cuts to Agriculture and Nutrition Programs Spark Alarm

The White House's FY27 budget request for the Department of Agriculture would cut USDA funding by 19 percent, triggering strong backlash from farm, nutrition, and rural development stakeholders who argue the reductions could exacerbate economic strain across farm country and weaken food assistance programs. The proposal eliminates funding for key initiatives, including farmer-led research, conservation programs, and rural business development, while sharply reducing support for agricultural grants, international food aid, and school nutrition programs. Critics argue these cuts come at a time of rising farm bankruptcies and market instability, potentially limiting the USDA's ability to support both producers and supply chains.

Nutrition groups also raised alarms over proposed reductions to safety net programs, particularly the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), where fruit and vegetable benefits would be significantly scaled back. Additional concerns include cuts to farm-to-school programs and senior nutrition support, which advocates say would further erode food access for vulnerable populations. While the administration framed the proposal as a fiscal "right-sizing" effort and included targeted investments in food safety and agency reorganization, bipartisan lawmakers signaled skepticism, suggesting Congress may again reject or revise key provisions as it has in previous budget cycles.

Forest Service Realignment Plan Aims to Decentralize Operations

The U.S. Forest Service is advancing a major organizational realignment that would relocate its headquarters to Salt Lake City and shift much of its D.C. workforce to field locations. The plan aims to decentralize decision-making, adopt a state-based leadership structure, and streamline operations by moving administrative functions into centralized service hubs, with the goal of improving responsiveness to local forest and wildfire challenges.

While the agency says the overhaul will modernize operations and better align resources with on-the-ground needs, the magnitude of the changes has raised concerns about workforce attrition, disruption, and the potential loss of institutional expertise heading into what's expected to be a severe wildfire season.

Funding Opportunities

[Community Wood Grant Program](#)

U.S. Forest Service

U.S. Forest Service awards funding to shovel-ready projects to install a community wood energy system or build an innovative wood product facility. **Application deadline: 4/22/2026**

[Value-Added Producer Grants](#)

U.S. Department of Agriculture

USDA Rural Development helps U.S. agricultural producers enter into value-added activities. These grants support either: Planning activities (e.g., feasibility studies, business and marketing plans). Working capital needs (e.g., processing, packaging, advertising, inventory, and salaries). **Application deadline: 4/22/2026**

[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.**