

THE RURAL REPORT | MAY 12 2026

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

USDA Hosting Roundtable on Reorganization with Lawmakers

USDA Deputy Secretary Stephen Vaden will convene a closed-door roundtable with House Agriculture Committee members this week as congressional scrutiny intensifies over the department's sweeping reorganization plan. The initiative would relocate more than 2,000 USDA employees from the Washington, D.C., region to five regional hubs and other offices nationwide, with USDA leadership arguing the move would place federal staff closer to the farmers, ranchers, and rural communities they serve. Lawmakers from both parties have increasingly pressed the department for greater transparency about how the restructuring could affect agency operations, staffing, and service delivery.

The reorganization has also renewed concerns about workforce attrition and institutional knowledge loss, particularly following the Trump administration's earlier relocation of the Economic Research Service and National Institute for Food and Agriculture to Kansas City, Missouri. That move resulted in the departure of more than three-quarters of affected employees. Labor representatives say the current proposal could trigger a similar outcome, citing internal survey data showing that 76 percent of employees would decline relocation. The upcoming discussion between USDA leadership and House lawmakers is expected to focus on the long-term operational impacts of the plan and whether critical research and program functions can be maintained during the transition.

Farm Bill Onus Shifts to Senate

The House's passage of the Farm, Food, and National Security Act of 2026 on a 224-200 vote has now shifted the pressure squarely to the Senate, where crafting a bipartisan farm bill will prove significantly more difficult. House Agriculture Committee Chair "GT" Thompson (R-PA) was able to secure support from nearly all Republicans and a small group of moderate Democrats to advance the legislation, but Senate Agriculture Committee Chairman John Boozman must now navigate a narrow path with Senate Democrats to assemble a package capable of reaching the 60-vote threshold. Key House provisions related to SNAP, conservation funding, and commodity support are expected to face scrutiny in the upper chamber, underscoring the challenge of balancing farm-state priorities with broader bipartisan concerns as lawmakers work to avoid another extension of the expired 2018 farm bill.

Funding Opportunities

[Rural Economic Development Loan & Grant Programs](#)

U.S. Department of Agriculture

USDA Rural Development provides funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. **Application deadline: 6/30/2026**

[Rural Microentrepreneur Assistance Program](#)

U.S. Department of Agriculture

USDA Rural Development provides loans and grants to Microenterprise Development Organizations (MDOs) to provide training and technical assistance to microloan borrowers and micro entrepreneurs. **Application deadline: 6/30/2026**

[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 process ecosystem restoration byproducts from USDA Forest Service National Forest System lands. **Application deadline: Accepted until funds are expended.**