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Farm Bill Primer: Rural Development Title

The rural development title of the farm bill reauthorizes, amends, and creates programs administered by agencies within the U.S. Department of Agriculture (USDA) Rural Development (RD) mission area. These programs focus on rural broadband, rural utilities, business development, and community facilities. The rural development title also addresses issues affecting rural communities, such as substance abuse across rural areas.

The Agriculture Improvement Act of 2018 (2018 farm bill; P.L. 115-334) amended, reauthorized, and codified many RD programs through FY2023. Congress enacted three one-year extensions of the 2018 farm bill that extended it through FY2026 (P.L. 118-22, §102, Division B; P.L. 118-158, §4101, Division D; P.L. 119-37, Division E, §5002). Authorizations for many RD programs are set to expire on September 30, 2026. The House-passed Farm, Food, and National Security Act of 2026 (H.R. 7567), introduced in the 119th Congress, would amend and reauthorize some of the RD programs in the 2018 farm bill and create new programs. As of June 11, 2026, the Senate has not marked up or introduced a farm bill during the 119th Congress.

Congress typically provides discretionary funding for RD programs through annual appropriations acts. For instance, while the 2018 farm bill provided authorizations of appropriations for many RD programs, funding for RD programs has been provided in annual appropriations acts for FY2018-FY2026. Appropriated levels may be different from authorizations of appropriations.

Background

Since 1973, each omnibus farm bill has included a rural development title. In the 2018 farm bill, the rural development title is Title VI. The rural development title impacts programs administered by RD through its agencies: the Rural Business-Cooperative Service, the Rural Housing Service, and the Rural Utilities Service. In one case, it impacts the USDA National Institute of Food and Agriculture under the Research, Education, and Economics mission area.

Most RD programs fall within the rural development titles of farm bills. However, the RD housing programs fall under the jurisdiction of the Senate Banking, Housing, and Urban Affairs Committee and the House Financial Services Committee, and most RD energy programs fall within the energy title (Title IX in the 2018 farm bill).

Selected 2018 Farm Bill Provisions

The rural development title of the 2018 farm bill included provisions focused on rural health care, rural utilities, and rural business development. It also included provisions focused on rural broadband. For more information on the

rural broadband provisions, see CRS In Focus IF12041, *Farm Bill Primer: Rural Broadband Provisions*.

Substance Abuse and Rural Health Care

Congress prioritized funding for three RD programs to address substance abuse—and particularly opioid abuse—in rural communities through FY2025. Congress required USDA to set aside at least 20% of the funding for the [Distance Learning and Telemedicine Program](#) for telemedicine projects that provide substance abuse treatment services. The program provides grants to help rural communities gain the technology and training necessary to engage in telemedicine and distance learning (7 U.S.C. §950aaa-2). Congress authorized appropriations for the program of \$82 million annually through FY2026. In FY2026, Congress appropriated \$41 million for the program.

Congress directed USDA to prioritize funding for the [Community Facilities Direct Loan and Grant Program](#) for projects that develop facilities for substance abuse prevention, treatment, and recovery services. The program provides grants and loans to help rural communities build and renovate essential community facilities (7 U.S.C. §1926(a)). Congress also required that applicants receiving prioritized funding employ staff that have the expertise and training to identify and treat people dealing with substance abuse. FY2026 appropriations for the program were \$659 million for congressionally directed projects and \$5 million for competitive grants.

Congress also required USDA to prioritize funding for projects that address substance abuse for the [Rural Health and Safety Education Competitive Grant Program](#), which is administered by the USDA National Institute of Food and Agriculture. The program provides grants for community-based outreach education projects focused on health and safety (7 U.S.C. §2662(i)). FY2026 appropriations for the program were \$3 million.

Congress provided authority to the Secretary of Agriculture to temporarily reprioritize RD program loan and grant applications that assist rural communities in responding to public health disruptions (7 U.S.C. §2204b-2). Congress required that the Secretary consult with the appropriate public health officials as needed. Congress also restricted reprioritization to a maximum of 20% of an RD program's annual funding.

Congress included a provision that allows rural hospitals to use RD loans and loan guarantees to refinance existing debt if it would (1) help retain access to health services in a rural community, (2) improve the financial position of the

hospital, and (3) meet the fiscal feasibility and security requirements established by RD (7 U.S.C. §1990a).

Rural Water and Waste Disposal

Congress increased the maximum grant amount from \$500,000 to \$1 million per project for the [Emergency and Imminent Community Water Assistance Program](#), which provides grants to help communities prepare for or recover from emergencies that threaten the availability of safe, reliable drinking water (7 U.S.C. §1926a). Congress authorized appropriations of \$50 million annually through FY2026 for the program. FY2026 appropriations for the program were \$7 million.

Congress reauthorized the Household Water Well Systems Program under a new name: the [Rural Decentralized Water Systems Program](#). The program provides grants to intermediaries to create funds that issue subloans to rural households to carry out well and septic system projects (7 U.S.C. §1926e). Congress expanded the authority for the program to allow intermediaries to offer subgrants, in addition to subloans, to eligible homeowners in rural areas. Congress increased the authorization of appropriations for the program from \$5 million to \$20 million annually through FY2026. FY2026 appropriations for the program were \$5 million.

Rural Business Development

Congress restricted the amount of loans issued through the [Intermediary Relending Program](#). Congress limited the maximum amount of a loan made by an intermediary to the lesser of \$400,000 or 50% of the amount that USDA loaned to the intermediary. The program provides 1% interest rate loans to intermediaries that provide loans to eligible entities for business facilities and community development projects in rural areas (7 U.S.C. §1936b). FY2026 appropriations for the program were \$2.5 million for a loan subsidy to support \$9 million in loan authority.

Analyses of Selected H.R. 7567 Provisions

Below is a comparison of selected provisions within H.R. 7567 with current law. For a comprehensive overview of rural development title provisions in H.R. 7567, see CRS Report R48918, *The 2026 Farm Bill (H.R. 7567): Comparison with Current Law*.

Rural Health Care

H.R. 7567 would expand the prioritization of funding for the Community Facilities Direct Loan and Grant Program, Distance Learning and Telemedicine Program, and [Rural Health and Safety Education Competitive Grant Program](#). The prioritization would include projects that address behavioral, maternal, and mental health services in addition to projects that address substance abuse.

The prioritization would be extended through FY2027. A potential benefit of this provision is that it could expand access to certain specialized health care services in rural areas. A potential drawback is that it could reduce funding for other types of rural projects that could be funded through the RD programs.

H.R. 7567 would also expand the types of health care institutions eligible to refinance debt using RD loans under certain circumstances. The bill would expand the eligibility from rural hospitals to also include rural health care facilities, which would include psychiatric hospitals, critical care hospitals, religious nonmedical health care institutions, and community health centers. A potential benefit of this provision is that it could help maintain health services provided to rural communities through a wide range of health-related facilities. A potential drawback is that it could reduce the amount of RD loan and loan guarantees available for other projects.

Meat Processing and Supply Chain

Congress directed USDA to address food-supply-chain disruptions caused by the COVID-19 pandemic in the American Rescue Plan Act of 2021 (ARPA; P.L. 117-2, Title 1, §1001). Congress provided USDA \$4 billion through ARPA to carry out the provision. USDA used the ARPA funding to create programs that supported the development of food supply chains. These programs include the [Meat and Poultry Processing Expansion Program](#) (MPPEP) and the [Food Supply Chain Loan Guarantee Program](#) (FSCLGP). MPPEP provides grants to expand meat and poultry processing. Grants range from \$50,000 to \$2 million. Grants can fund renovating processing facilities, purchasing equipment, and certification of processing facilities. Congress has subsequently funded this program through annual appropriations from FY2024 to FY2026. FSCLGP provided loan guarantees to eligible entities for projects that increased capacity of certain parts of the supply chain, including aggregation, processing, transportation, and distribution.

H.R. 7567 would establish a new meat processing and rendering capacity grant program at USDA similar to MPPEP. The new program would award grants for new processing facilities, including mobile processing facilities, of up to \$500,000 for a term of three years. It would prioritize grants for small establishments (i.e., 10-500 employees) or very small establishments (i.e., fewer than 10 employees or annual sales of less than \$2.5 million). The bill would authorize appropriations of \$3 million annually through FY2031. H.R. 7567 would also codify FSCLGP. The program would offer guarantees for individual loans of up to \$40 million. The bill would require USDA to submit quarterly reports to Congress evaluating the outcomes of the assistance, a description of any debt recovery made with respect to the loan guarantees issued through the program, and recommendations regarding program implementation.

A potential benefit of the programs is that they could help bring meat and other food processing to more remote, rural locations. These remote areas may be less likely to have a processing facility built nearby. A potential drawback of the programs is that they may be duplicative of existing RD business programs that could fund the development of processing facilities, such as the Business and Industry Loan Guarantee Program and the Value-Added Producer Grant Program.

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