



## A FAIR SHOT FOR RURAL AMERICA

### **Introduction**

Rural America contributes so much to our country—natural resources, food, fuel & fiber, outdoor recreation—but rural America’s economy hasn’t seen the same kind of recovery that cities and suburbs have experienced since the end of the Great Recession. Since 2011, rural job growth by county has been in the bottom 25%. Specific plans that are right for fishing communities in eastern Maine may not be right for a land-based Native American tribe in eastern Washington, or for farms in central Alabama. For any of these communities to succeed, they need someone to stand shoulder-to-shoulder with them to not just understand their unique challenges, but their capacity to contribute.

As the Governor of a state with one of the highest percentages of rural residents in the West, Steve knows rural America is full of opportunity because he’s lived it. Rural America has a remarkable commitment to service, deeply held values for family and community, and countless success stories that can help all Americans move our country forward.

At a time when President Trump has sought to create divisions in our country, including sowing discord between urban and rural Americans, Steve knows the value of coming together and working towards shared prosperity.

That’s why Steve is proposing a plan to help rural America recover and thrive. These policies are too important to just throw out lofty plans that can’t be implemented, so we will show exactly **how** he plans to get it done, whether it requires legislation or executive action.

That is why his first priority will be to establish an Office of Rural Affairs to coordinate these initiatives within the White House, reporting directly to the President, to provide leadership for and coordinate the development of policies for rural America across executive departments and agencies.

### **Agriculture**

America’s farmers and ranchers provide an important piece of our national security—food security. Few other countries produce the safe and abundant food that America does. Our farmers and ranchers depend on continued access to new markets, both internationally and here at home, which is why the self-inflicted damage from the Trump Administration’s tariff war is so destructive. Steve will stop this fight.

At the same time, Steve believes we should do more to promote market access at home. Diversifying market opportunities is one way we can improve farm income—and by extension improve the entire economy of rural America. For example, biofuels in Iowa sustain almost **50,000 jobs** and provide new markets for Iowa farmers. Steve will continue to drive agricultural

innovation to improve farm economies and help rural America lead the effort to feed the world, combat climate change, and ensure clean air and clean water.

- **End the tariff war.** We must help farmers start selling again and rebuild bilateral and multilateral relationships around the world.
  - Ending the tariff war would bring in significant additional revenue for Americans, with an estimated \$10.4 billion in agriculture<sup>1</sup> and \$11 billion in recouped tourist spending.<sup>2</sup>
- **Building regional food systems** and keeping more of the food dollar at home. This will boost support for schools, hospitals, and other public institutions that buy local agriculture products and expand investments in community food hubs and markets.
  - This requires Congressional action, so Steve would work with Congress to expand the Local Food Promotion program, a small USDA grant program that gives public institutions funds to buy locally and are divided among regional partnerships and development organizations (57%), producer grants (35%) and administrative expenses (8%).
- **Expand opportunities for beginning farmers and ranchers** through lower-interest loans and student loan reduction opportunities for those who become agriculture producers.
  - This would require legislation to fund lower-interest loans and student loan reduction opportunities. It could be included in the next Farm Bill. There would likely be minimal cost to this as a greater number of farmers would take lower-interest loans which would create additional revenue for the government.
- **Improve the farm safety net** for farmers and ranchers to access disaster aid by filling the gaps that crop insurance and Farm Bill funding don't address. Steve's administration will create an agriculture disaster relief fund (similar to FEMA's Disaster Relief Fund) that can get dollars to distressed producers without the politics.
  - This would require legislation to fund additional disaster aid to compensate for the existing crop insurance and Farm Bill gaps. It likely could be included in the next Farm Bill.
- **Investigate consolidation in seeds,** chemicals, and other agricultural industries to prevent these companies from harming farmers and ranchers. Steve will require a two-year "pause" on proposed mergers to allow these agencies to focus on fairness in agriculture.
  - Four firms control 60% of the poultry market; four businesses hold 85% of the beef market; and four companies control 52% of the hog market. This consolidation means ranchers have fewer options when it comes to selling their product, thus keeping their prices down. And it's not just farmers and ranchers

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<sup>1</sup> <https://www.agprofessional.com/article/north-dakotas-exports-china-plummet-california-holds-strong>

<sup>2</sup> <https://www.cbsnews.com/news/china-trade-war-trade-war-with-china-projected-to-cost-u-s-billions-in-lost-tourism-dollars/>

who lose as the industry consolidates. Consumers get squeezed with fewer options, raising prices at the grocery store.

- Steve will use executive action to direct the Department of Justice and the Federal Trade Commission to investigate. It has also been proposed in Congress in the Food and Agribusiness Merger Moratorium and Antitrust Review Act.
- **Revitalize federally-funded agriculture research.** Steve will keep basic research in the public domain so farmers and ranchers adopt new technologies and practices that cut costs, boost productivity, improve the environment and create new jobs.
  - This is a shared responsibility. The USDA can administratively determine how to prioritize grant applications, but Congress would need to adequately fund the research.
- **Crack-down on oil companies.** Some oil companies take advantage of loopholes to avoid blending biofuels into their fuel mix and Steve will direct the EPA administrator to take action.
- **Build on the success of the Renewable Fuel Standards program** to find new feedstocks and technologies that unlock next generation biofuels and expand green energy production and maximize environmental benefits.
  - Steve will direct the EPA administrator to prioritize this within the program.
- Farmers of color earn less money on average and have lower enrollment rates in USDA programs.<sup>3</sup> To address these unique challenges, **Steve will make access to federal resources more equitable**, including working with farmers of color to increase enrollment in USDA insurance programs.
  - This can be partially done through executive action by directing the USDA Farm Service Agency (FSA) to focus on minority recruitment. This also would require working with Congress to increase funding for the Office of Minority and Socially Disadvantaged Farmers. The average USDA employee costs, all-in, around ~\$150,000. If we expanded the office by 28 people, allocating an additional 4 employees per USDA regional office, it would cost \$4.2M per year.

### **Economic Development**

Rural America is an export-based economy. But we know that lasting economic success can't happen without strong building blocks.

- **Focus federal investments in rural bio-based manufacturing** - converting agricultural waste products into materials, chemicals, fabrics, fibers, fuels and energy.
  - This can be done by directing the USDA Rural Development office to prioritize federal investments in bio-based manufacturing. Steve would also request additional funds from Congress to cover additional grants and loans.

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<sup>3</sup> <https://psmag.com/news/african-american-farmers-make-up-less-than-2-percent-of-all-us-farmers>

- **Focus federal business and workforce development programs in regional manufacturing hubs** to harness the power of federal and military procurement. He'll also maintain our focus on innovation in close partnership with land grant universities and community colleges.
  - First, Steve would direct the Department of Commerce, USDA, DoD and other federal agencies to develop plans that include procurement of locally-made products and offering research grants to universities and businesses. In some cases, this could need congressional approval to modify existing contracting laws which favor the biggest companies. Mostly, however, this can be done with executive orders.
- **Support food and agricultural development centers** across the country to increase value add to domestic products, helping our farmers increase profits. These centers are critical to helping Americans innovate within their businesses.
  - Direct the USDA and SBA to offer strategic support and further partner with these centers.
- **Connect rural America to broadband internet within three years.** Steve will invest \$61 billion in rural broadband to ensure that every school, library, and hospital is connected within two years and every household is connected within three years.<sup>4</sup>
  - Congress would need to pass legislation authorizing an additional \$61 billion for rural broadband. This initiative already has bipartisan support.
- **Support agriculture to combat climate change.** Agriculture represents 9% of all greenhouse gas emissions in the US.<sup>5</sup>
  - Agriculture is already leading the way on addressing climate change. The U.S. dairy industry is on track to reduce greenhouse gas emissions by 25% from 2010 levels by next year. That is the kind of approach that shows rural communities are leaders in addressing climate change.
  - We will also enhance and expand the Conservation Reserve Program (CRP) and use of cover crops to increase farmers' bottom line and to protect soil health.
  - This can be done through having the USDA assist farmers and agriculture looking to become greener, and prioritize projects that show how rural America can be a leader in addressing climate change.
- **Invest in clean water.** The US Geological Survey estimates one in five rural wells is contaminated.<sup>6</sup> In all, 63 million Americans have been exposed to unsafe drinking water in the last decade.<sup>7</sup> These investments should be joined by an increase in federal support to develop on-farm conservation technology to support farmers and ranchers while also avoiding excessive nutrient runoff.

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<sup>4</sup> <https://www.telecompetitor.com/economists-put-the-tab-at-61-billion-to-bring-fiber-broadband-to-rural-u-s/>

<sup>5</sup> <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

<sup>6</sup> <https://www.nytimes.com/2018/11/03/us/water-contaminated-rural-america.html>

<sup>7</sup> <https://www.usatoday.com/story/news/2017/08/14/63-million-americans-exposed-unsafe-drinking-water/564278001/>

- This will require Congressional action, but providing clean water for Americans should be an issue that both parties would support. Many of these investments could come from existing USDA grants, or Congress could increase the total funds included to account for additional grants.
- **Create two distinct opportunity zone initiatives:** one focused on disadvantaged and low-income communities in urban areas and another focused on rural communities. Almost 80% of venture capital in 2015 went to four coastal cities. Steve will encourage more balanced investment. Opportunity zones facilitate investment in communities that historically have not received investment.
  - These investments are not limited to real estate and can be used for energy infrastructure (e.g., water, solar, wind), development of blighted property, and entrepreneurial entities. Both initiatives would have the same investment as the existing fund.
  - This would require legislation to create a second opportunity zone initiative. But given how popular the first one has been, this should be feasible. It is hard to accurately estimate the cost given the tax credits fuel additional investment that may not have occurred. At most, it is estimated to cost \$180M per year per fund.<sup>8</sup>
- **Incentivize housing investments in rural communities.** One of the biggest concerns facing people considering moving to rural areas is the lack of available housing. This program would encourage new developments.
  - Steve will make this a central part of the new opportunity zone for rural communities that he will create.
- **Convene community partners to develop entrepreneurship laboratories and leverage alternate funding sources** and increase small communities' access to capital.
  - Steve will do this by executive action and have federal agencies support these convenings.
- **Protect our public lands from exploitation.** Not only is this good for the environment, it is good for the economy. Every year, more than 330 million people from across the country and around the world visit the national parks.<sup>9</sup>
  - Steve will work with the Department of the Interior and Department of Agriculture to protect national parks and other public land.
- **Expand the Formula Grants for Rural Areas program** to provide additional funding for transportation in rural communities from the existing level of \$742 million to \$1 billion. This will provide economic relief to rural communities who are struggling to cover the significant financial burden of transportation, particularly for school bus transportation.
  - This will require Congressional action to increase funds.

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<sup>8</sup> <https://taxfoundation.org/opportunity-zones-what-we-know-and-what-we-dont/>

<sup>9</sup> <https://www.doi.gov/recreation>

- **Support the growth of rural entrepreneurship as a workforce development strategy**, using grants and tax credits to support innovative community programs. Steve will also work with small business lenders and investors (federal and private to include banks, credit unions, corporations, insurance funds, private equity and venture capital) to invest in businesses in rural America.
  - Steve can do all of this through the Executive Branch. He will work with the Small Business Administration (SBA), USDA, the Minority Business Development Agency (MBDA) and other federal agencies to prioritize rural entrepreneurship. He will actively reach out and coordinate with business leaders and investors to facilitate investments into rural communities.
  
- **Leverage community advantages** such as maker spaces, local arts and culture, and natural assets like outdoor recreation to attract visitors and enhance local business growth. Having these assets will encourage more people to move back to our rural communities.
  - Steve will direct the USDA and Department of Commerce to prioritize projects that create community advantages.
  
- **Support continued growth in wind, solar, and other renewable energy sources** along with farm conservation practices. Rural America provides some of the best opportunities for wind energy development - which comes with jobs in transmission, maintenance and repair, and new wind technologies.
  - Congress would need to authorize additional funds. The State Energy Program run by the Department of Energy allocates \$55M per year to help states energy-related initiatives. Steve would propose quadrupling this to \$220M to ensure all states can take advantage of this.
  
- Use the power of the presidential bully pulpit to **encourage U.S. companies to set up operations in rural communities**
  - Steve can do this by publicly lauding companies which set up operations in rural communities.
  
- Work with the U.S. Department of Agriculture to **ensure healthy forest management that protects our communities and environment while creating jobs**. With climate change and previous forest management, we now have longer and more dangerous fire seasons than ever.
  - Steve will actively manage our forests to increase their health, protect our communities and lakes, and maintain jobs for the rural workforce who knows how to carefully manage our timber economy.
  
- **Integrate rural economics and workforce development** to ensure there are employment opportunities in workers' home communities.
  - Create networks that support communities and individuals. We need to enhance information sharing among communities and ensure that best practices are applied throughout the country. This includes establishing partnerships between

rural-serving community organizations to address multiple challenges and provide holistic support to rural residents.

- This can be done by providing financial and peer support for entrepreneurs looking to start businesses in rural communities, and further integrate entrepreneurial skills into the K-12 education system.
  
- **Further lower the Targeted Employment Area (TEA) exception of the EB-5 visa** - commonly known as the investor visa - to \$350,000 investment if the applicant commits to living in the TEA for 10 years.
  - Steve can achieve this through DHS regulations.
  
- **Create a business support division within the SBA** to help small businesses with strategic planning, succession planning, and other business priorities.
  - This would require additional funding from Congress to set up a division at the SBA.

### **Foundations for Success: Access to Health Care, Education, and Community Needs**

Steve knows access to affordable health care, education and other vital community services is a right. Rural communities need to retain and in some cases redevelop access to high quality health care, education and other community needs to remain attractive places to live, work, and raise a family.

Steve will:

- **Work to expand Medicaid to all fifty states.** Expansion has proven its public health value, including:
  - Cutting infant mortality by 10% and accelerate the decline in African American infant mortality rates;
  - Reducing cardiovascular disease deaths;
  - Increasing prescription fills for insulin by 40%, thus helping reduce incidences of diabetes complications; and
  - Reducing deaths caused by drugs, alcohol, and suicide. Medicaid expansion and increased access to affordable coverage would reduce rates of depression by 30%.
  - This requires legislation.
  
- **Keep rural hospitals open.** Ninety-seven rural hospitals have closed since 2010, and more than one-fifth are at high risk of closing, including 17 in Iowa. Steve will direct HHS to review strategies to support rural hospitals and maternity wards, including increases in Medicare and Medicaid reimbursement rates to critical access hospitals as well as an increase in the hospital wage index. The Administration will also consider regulatory relief and new payment and delivery models to avoid loss of specific services.
  - Part of this can be done through executive action. Steve will have the HHS conduct reviews to support hospitals. This may also require additional funding from Congress.

- **Elevate the Office of Rural Health Programs** within the Department to report directly to the Secretary of Health and Human Services.
  - Steve can do this by directing the HHS Secretary to take this action.
  
- **Address rural healthcare provider shortages** by increasing funding to Title VII nursing education and training, and scaling-up the Teaching Health Center GME initiative to serve more of rural America.
  - This will require Congressional action to allocate additional funds.
  - Note: insurers, who benefit substantially from public investments in medical education should invest in the rural health workforce by contributing funding proportional to their share of the market in defined areas. These contributions must be reserved for institutions training primary care providers in rural areas.
  
- **Increase federal resources to fund workforce development** for professions such as mental health providers and substance abuse treatment.
  - This will require Congressional action to allocate additional funds.
  
- **Increase investment in telehealth and tele-mental health.**
  - This will require Congressional action to allocate additional funds.
  
- **Make new investments in rural transit**, including buses and vans so folks – especially the elderly – can get to where they need to go.
  - This will require Congressional action to increase funds. In the short-term, the Department of Transportation can prioritize projects that help in this area.
  
- **Revitalize the Postal Service** to ensure that postal delivery and post offices remain viable in rural America. The Postal Service is critical for rural communities; residents rely on it for prescriptions, access to packages, and sustaining small businesses. Lack of Postal Service access exasperates many of the other issues impacting rural communities as it makes it harder for businesses and schools to stay open when they have access to fewer resources. That is why Steve supports a bill similar to the bipartisan Postal Service Reform Act of 2018 to modernize the Postal Service and ensure it serves all Americans.
  - This will require Congressional action.