President Donald Trump has repeatedly stressed that his administration’s policies would benefit farmers and rural Americans, vowing in 2016, “We are going to end this war on the American farmer.” His rhetoric, however, could not be further from reality. From the moment Trump took office, his administration has openly attacked rural communities by attempting to dismantle key programs and services on which they rely. The administration’s prioritization of corporate interests and profits over critical rural services and protections has only exacerbated the growing gap between rural and urban America. Since 2016, the difference in average household income between metro and nonmetro areas has increased by nearly 30 percent.

This issue brief outlines the multiple ways Trump’s policies are driving down rural opportunity and lays out pathways for restoring hope to rural America. Rural communities have been struggling for more than a decade, and they need a meaningful commitment to economic recovery from federal policymakers. With robust investment and lasting partnerships between the federal government and the diverse range of rural localities, rural America can have a bright future.
1. Cutting the Postal Service

Although the U.S. Postal Service is a critical fixture in rural communities, Trump has repeatedly targeted the agency, even proposing to privatize it in 2018.\(^4\) Now, the coronavirus pandemic is pushing the Postal Service to the limit, as Americans have increased their reliance on deliveries in lieu of venturing outside the house.\(^5\)

Despite the importance of post office services, Trump threatened to veto the Coronavirus Aid, Relief, and Economic Security (CARES) Act if it contained any aid to the agency.\(^6\) Meanwhile, Postmaster General Louis DeJoy, a close Trump ally with no experience in public service, severely limited overtime for postal workers—a move that the Postal Service acknowledged would cause delays.\(^7\) He has also consolidated his power over the agency’s operations, recently reshuffling almost 25 top officials.\(^8\)

As a result, mail is piling up: Deliveries have been delayed by at least two days in rural and remote areas, leaving many rural communities in the lurch.\(^9\) Rural Americans—especially those who may have limited access to online banking and billing—rely on the post office in their daily lives to manage their households.\(^10\) Private shipping companies often do not reach rural areas and depend on the Postal Service to deliver the final miles.\(^11\) Rural Americans also rely on the post office for prescription delivery to save them the trip to a pharmacy that might be many miles from their home. Moreover, rural businesses often rely on the subsidized shipping rates offered by the Postal Service.\(^12\) Critically, the number of mail-in ballots is also likely to increase this year due to the pandemic.\(^13\) Despite the importance of the post office to rural communities, the Trump administration is treating it as a for-profit business instead of an indispensable public service.

2. Eliminating Rural Development as a federal mission

On May 11, 2017, Agriculture Secretary Sonny Perdue released a plan to reorganize the U.S. Department of Agriculture (USDA) that would eliminate rural development as one of the agency’s mission areas.\(^14\) Demoting the subcabinet agency to an office would strip it of much of its resources and budget, despite its indispensable role in fighting rural poverty and supporting rural businesses. The Rural Development subcabinet at the USDA administers countless essential programs, including direct home loans and investments in rural utilities services. As a whole, it manages $37.7 billion in rural investments.\(^15\)

Stripping the lead agency that fights rural poverty of its subcabinet status undoubtedly would hurt rural communities across the nation. Fortunately, Congress blocked this move by cementing the status of the Rural Development subcabinet in the 2018 Farm Bill.\(^16\) However, at the time of publication, the role of the undersecretary of Rural Development remains vacant, signaling the administration’s indifference to rural communities.\(^17\)
3. Proposing draconian cuts to rural investments

Almost immediately after Trump took office, the administration began enacting an agenda to systematically defund essential rural services and programs. The White House’s proposed USDA budget for 2018, for example, cut $4.7 billion dollars from the agency.18 These cuts would be achieved, in part, by eliminating critical rural investments—such as loans to local governments for infrastructure and programs to support rural businesses—as well as drastically cutting funding for broadband grants and the Single Family Housing Direct Loans program, which helps low-income rural Americans finance the purchase of a home.19 Shockingly, the proposed budget would also shutter the Appalachian Regional Commission—a long-standing economic development institution serving one of the most distressed areas in the country.20

Trump has remained consistent on rural development funding. His proposed 2021 budget practically eliminated the Rural Business Cooperative Service, the program charged with promoting job creation and locally owned establishments, through a whopping 97 percent funding cut.21 Even programs for small farmers were not safe.22 The proposed budget offered a measly $2 million—one-fifth of the total sum authorized in the 2018 Farm Bill—to a program connecting farmers and ranchers to mental health services. While most of the draconian proposed cuts never became law, they nonetheless endangered crucial rural programs by creating uncertainty around their future funding.

4. Siding with agribusiness against independent farmers

The Trump administration has demonstrated a complete disinterest in assisting small farms, as Secretary Perdue made explicit at an event in October 2019, where he was quoted as saying, “In America, the big get bigger and the small go out. I don’t think in America we, for any small business, we have a guaranteed income or guaranteed profitability.”23

One of Trump’s first actions in office was to withdraw Obama-era rules that protected livestock farmers from exploitation by powerful agriculture monopolies.24 Specifically, the Trump administration revoked rules that would prohibit meatpackers from paying different prices to farmers with similar products and banned them from retaliating against growers who organized collectively for better contract terms. The rules also prohibited bad-faith negotiation practices or the spurious cancelation of contracts with farmers. The set of rules, formulated by the Grain Inspection, Packers and Stockyards Administration (GIPSA), also strengthened enforcement by lowering the standard for farmers bringing suit against meatpackers under the Packers and Stockyards Act.25 In place of these rules, the Trump administration finalized far weaker rules that some farmer advocates say cement the ability of packers to engage in unfair practices.26
The Trump administration went even further by dissolving GIPSA and incorporating its duties into the Agriculture Marketing Service—an office within the USDA that provides services to the agriculture industry to help sell their goods—in a move that significantly undermined the effectiveness of this key watchdog. This decision came in the wake of the U.S. Department of Justice’s approval of several high-profile agriculture mergers, such as the Dow-Dupont deal, in markets already dominated by powerful corporations. As an example, two-thirds of all hogs in the national market are slaughtered by just four firms, and in some local markets, two firms may be responsible for more than 80 percent of slaughter. In tandem with rising corporate consolidation, farmers have seen increases in input prices and decreases in farmgate prices, putting additional financial stress on farmers who were already struggling.

5. Endangering meatpacking workers and consumers

The Trump administration issued regulations permitting meatpacking plants, the mainstay of many rural economies, to speed up butchering lines despite safety concerns for workers. In October 2019, the Food Safety and Inspection Service and the USDA finalized a rule that revoked limits on inspection line speeds in hog slaughter plants. The United Food and Commercial Workers union challenged this rule in court because the USDA did not evaluate the impact of the rule on worker safety, claiming that it fell outside the purview of the agency. The Food Safety and Inspection Service also published a 2018 notice expanding a waiver program that allows certain poultry plants to increase maximum line speeds from 140 birds to 175 birds per minute. This rule has also been challenged in court for circumventing rulemaking requirements.

Industrial meat processing is a demanding and hazardous job with high rates of injury. Speeding up processing lines increases the chance of injury, exposing workers to unnecessary risk and potentially compromising food safety. Even at the old poultry speed limit, studies found that almost 60 percent of poultry workers had carpal tunnel symptoms. The administration’s rollback of line-speed limitations puts rural workers and potentially consumers at risk.

6. Sacrificing small and medium farms in his trade wars

Despite Trump’s promise to negotiate stronger trade deals with China, Mexico, and Canada to the benefit of farmers, his erratic approach to trade policy and the retaliatory tariffs that have been levied in response have deeply wounded the agriculture sector. In the first year of the United States’ trade war with China, U.S. exports to China declined from $23 billion to $15 billion. In Iowa alone, the damage to corn, soybean, and hog markets was estimated at almost $1.7 billion.
Between September 2018 and September 2019, farm bankruptcy filings rose 24 percent nationally.\(^8\) The long-run effects of the trade war on America’s competitiveness in the world market may continue to cost the agriculture sector for years to come.

While national net farm income was up between 2018 and 2019, this largely came as a result of the generous trade bailouts meted out by the Commodity Credit Corporation, the public entity responsible for farm payments and other price support programs.\(^9\) These trade war mitigation payments went primarily to the largest farms, while small and medium farms were left to fend for themselves.\(^10\) Meanwhile, the USDA signed contracts to purchase a total of $62.4 million in pork products from JBS, a Brazilian meatpacking company that is one of the four that dominates the U.S. hog market.\(^11\)

Although the largest financial firms have done well under the Trump administration’s trade strategy, the administration’s trade negotiations have accomplished little for anyone else.\(^12\) The renegotiation of the North American free trade agreement yielded a trade deal largely similar to the original. While China has promised to buy $36.5 billion in U.S. products, the government has yet to meet its obligations at the time of this publication.\(^13\)

**7. Leaving farmers of color in the lurch**

Despite the USDA’s long track record of racial discrimination, the Trump administration has all but closed the agency’s Office of the Assistant Secretary for Civil Rights (OASCR).\(^14\) When Trump’s nominee for the top position, Naomi Churchill Earp, was not confirmed by the Senate, he appointed her as the deputy assistant secretary—a position that does not need Senate approval—while leaving the top position vacant, effectively leaving the office to her leadership.

Earp has a dismal record on civil rights.\(^15\) She previously served at the OASCR from 1987 to 1989, during which time—according to a House committee investigation and congressional hearings—actual enforcement activity nearly stopped entirely. Moreover, Earp herself has faced allegations of discriminatory conduct and combative management throughout her years in civil service. A National Association for the Advancement of Colored People task force estimated that discrimination complaints against Earp and her direct reports had cost the federal government almost $500,000 in legal costs over the years. During her confirmation hearing before the Senate Agriculture Committee, Earp appeared to dismiss allegations of sexual harassment at the U.S. Forest Service as “silliness.”\(^16\)

Earp has since left the deputy assistant secretary role and has been replaced by Devon Westhill, a public servant with no civil rights or equal opportunity experience.\(^17\) The OASCR website shows just one report on the office’s activity since
Trump took office. The lack of meaningful leadership from the civil rights office at the USDA raises alarm bells for farmers of color, who, in part because of ongoing systemic racism, make up just 4.6 percent of principal farm operators.

8. Robbing rural communities of their natural amenities

Despite research showing that green policy can bring an additional $8 billion annually to rural communities, Trump has instead spent his time in office rolling back environmental protections and ramping up fossil fuel development. For example, the Trump administration has favored gas and oil companies over renewable energy in the leasing of federal land. Some of the natural land auctioned off to oil companies is vital, irreplaceable wildlife habitat. In total, Trump has stripped federal protections from almost 35 million acres of natural land.

Natural amenities such as parks and quality outdoor recreation are essential to many rural communities and, in some places, have driven economic growth in recent years. By opening up rural areas to more fossil fuel extraction, the Trump administration’s policies are trading the long-term viability of rural economies for the profit of giant corporations.

9. Making rural Americans pay the price for the border wall showdown

The 34-day government shutdown over border wall funding shuttered essential USDA services for rural Americans. During this period, farm loan guarantees, marketing assistance loans, disaster assistance, and direct and facility loans were withheld from rural Americans, farms, and communities. Because of the halt in loan closure, rural Americans faced missed mortgage payments and delayed farming decisions. The shutdown also delayed trade facilitation payments promised to farmers to mitigate the economic impact of the Trump administration’s trade war.

Furthermore, the shutdown disrupted data reporting by the National Agricultural Statistics Service, delaying the release of key market indicators. These data, including crop yields and prices, are crucial to price discovery and inform farm operators’ decision-making. Without regular data releases from the USDA, farmers are left in the dark while large corporations can take advantage of privately held information, further exacerbating the already tilted balance of power.

From halted loans and assistance to the delay of critical information, the administration’s showdown over the border wall caused significant collateral damage to rural Americans.
10. Sabotaging essential agriculture market data and research

In 2018, the Trump administration abruptly announced that it planned to move the Economic Research Service (ERS) and the National Institute of Food and Agriculture, the USDA’s primary research bodies, away from Washington, D.C., to the Kansas City area. Justifying the move as a cost-saving measure and an initiative to move the research body closer to farmers and rural communities, independent analysts estimated that the move would actually cost the federal government up to $128 million over time. The government announced and hastily carried out the move, requiring employees to decide whether to accept the transfer before even being informed of the new location. The move resulted in the loss of about half of the ERS experts invited to relocate.

As a result, the disbursement of more than $1.7 billion worth of agriculture and food research grants was delayed. Some of these funds go to payroll at land grant universities, with potentially significant impacts on historically Black universities and tribal colleges that serve as important anchors for many rural communities. The move also halted several programs mandated by the Farm Bill, including grants for programs to train beginning farmers. Moreover, dozens of reports faced “significant delays,” including one on food insecurity among veterans and one on the opioid epidemic. Some data reports will no longer be published at all, including a regular analysis of the percentage of consumer spending on food flows to farmers. The move exemplifies a broad trend across the Trump administration to reduce support for rigorous policy analyses and research, hurting countless rural Americans and farmers who rely on trustworthy and timely analyses, training, and research.

The way forward: 10 steps toward a more resilient rural America

Rural America was struggling before the Trump administration assumed office, with stagnant employment levels since the 2008 recession and suppressed agriculture prices since 2014. The federal government must take bold steps to build a more prosperous and inclusive rural economy. While Congress needs to take action in order to implement the big changes needed, here are 10 ways that a pro-rural executive branch could make a big difference.

1. **Fund the U.S. Postal Service.** Approve the $25 billion in emergency coronavirus funding to the Postal Service that was passed by the House of Representatives; roll back the recent changes by Postmaster General DeJoy that have delayed service; and prevent any other changes to the agency this year that would slow mail delivery.

2. **Target areas of persistent poverty.** Direct the Rural Development office to prioritize organizations in communities experiencing persistent poverty during the evaluation of applications for grants and loans. This consideration will help ensure
that the federal funds reach the communities in the most need. A dramatic increase in funding from Congress would certainly help as well, rather than the persistent budget cuts under the Trump administration.

3. **Prioritize underserved communities.** Direct the USDA to establish additional Rural Development offices in historically underserved communities. Conduct proactive outreach and engagement to educate local leaders about funding opportunities and provide technical assistance in the application process as needed.

4. **Hold the USDA accountable for discrimination.** In order to counter the USDA’s ongoing failure to properly address civil rights concerns relating to Black farmers, direct the creation of an Agriculture Civil Rights Oversight Panel made up of the attorney general, the secretary of agriculture, and chair of the U.S. Civil Rights Commission. Staff should be drawn from the commission to report no less than twice annually on the state of the administration of the Office of the Assistant Secretary for Civil Rights to ensure transparency and accountability in the execution of its duties.

5. **Increase transparency.** Direct the assistant secretary for civil rights at the USDA to report publicly, on a quarterly basis, the number of pending complaints of discriminatory behavior within the USDA, the number of complaints investigated by the office, and the resolution of those complaints, with the goal of investigating and resolving all cases within six weeks of submission. The OASCR must be required to certify to the panel that the investigation was carried out fully and that all relevant information was collected and considered in the resolution of the case. Direct the panel to conduct a study within 90 days comparing USDA farm program participation rates and the average size of payments across race and recommend legislative and administrative steps that may be taken to address systemic discrimination against Black farmers.70

6. **Expand access to farmland.** Direct the secretary of agriculture to conduct a study of the feasibility of a federal land trust that would purchase land from retiring farmers or their heirs at fair market value and set it aside for purchase by farmers of color at a subsidized price.

7. **Establish a new independent farmer protection agency.** Reestablish GIPSA as a subcabinet agency within the USDA under a new name: the Independent Farmer Protection Administration (IFPA).71

8. **Reinstate the Farmer Fair Practices Rules.** The newly formed IFPA should instate the Farmer Fair Practices Rules proposed in 2010 that would have strengthened the Packers and Stockyards Act.72 These comprehensive rules would protect livestock farmers from the sudden termination of contracts made with powerful meatpacking monopolies and prohibit retaliation against farmers who organize to bargain for
more favorable contract terms; ban discriminatory pricing against growers of similar products; and most importantly, would lower the burden of proof on farmers trying to demonstrate a violation of the Packers and Stockyards Act, resulting in stricter enforcement.

9. **Map and disclose concentrated markets.** Direct the IFPA to, within 90 days, produce a comprehensive report analyzing the corporate concentration of key agricultural product and input markets. This should include a map, by geography, of captive markets for livestock and other highly perishable goods. Finally, the report should study the impact of contracted production and corporate power on commodity prices.

10. **Study technology platforms.** The IFPA should conduct an investigation in conjunction with the Justice Department and the Federal Trade Commission (FTC) into the use of technology platforms and data collection in agriculture and their potential competitive implications. Based on the findings, the antitrust agencies should submit policy recommendations to protect farmers from the abuse of market power through this technology. If the investigation uncovers evidence of a violation of current antitrust laws, the Justice Department or the FTC should be directed to prosecute the offending corporations.

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**Conclusion**

The federal government plays a crucial role in communities across the country, especially in rural America. In light of the hardships facing residents and businesses in small towns and remote places, the president should be working to extend a hand to rural communities. Instead, the Trump administration has slashed their parachutes. Rural Americans deserve an agenda that takes affirmative steps toward building a prosperous future for every community.

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Endnotes


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