

## ROMNEY-RYAN BUDGET CUTS: GUTTING RURAL AMERICAN ECONOMIC SECURITY

President Obama is making the rural economy built to last – one that invests in reclaiming the security of the rural middle class by growing products that the rest of the world buys, and restoring the basic values of fairness and opportunity that made our country great. That stands in stark contrast to Mitt Romney, who has endorsed the Congressional Republican budget plan that would undercut our nation's rural communities and undermine our nation's economy.

Rural America's farmers, ranchers, and businesses owners have always worked hard, played by the rules, and absorbed their fair share of budget cuts in the past. This year is no different, except that while they are willing to share in the sacrifice of reducing our deficit, the Romney-Ryan budget asks them to shoulder a greater – and unacceptable – burden. The Romney-Ryan budget would severely limit the next farm bill, weakening the farm safety net, gutting natural-resource conservation programs that benefit farmers and the environment, and undermining job growth and economic development in rural America. Where President Obama's budget would eliminate unnecessary handouts to large corporate agribusinesses, the Romney-Ryan plan would increase the cost of crop insurance for family farmers who depend on the program in times of natural disaster and economic hardship. The Romney-Ryan budget also makes extreme cuts to child nutrition and summer feeding programs and eliminates vital food security programs that help millions of low-income families across America. The Romney-Ryan plan would gut rural America's economic security.

### UNDERMINING THE RURAL MIDDLE CLASS

If the Romney-Ryan budget cuts were applied evenly across all discretionary programs it would cut rural development programs by nearly 20 percent. For rural Americans, that could mean devastating cuts to programs that boost economic growth; invest in rural water, sewer, and broadband infrastructure, small businesses; and make it easier for rural communities to access to health care. The Republican budget undercuts the progress made by the Obama Administration, specifically it:

**Undermines Small Businesses:** President Obama has helped over 50,000 rural small businesses access new credit and financing that has spurred entrepreneurship and supported 266,000 jobs.<sup>1</sup> Under the Romney-Ryan budget, nearly 1,700 small businesses seeking loans could be unable to attain them, and more than 7,300 jobs that would otherwise be supported by these programs could be lost.<sup>2</sup>

**Strips Loans to Farmers and Ranchers:** In 2011, the President helped 32,000 small- and medium-sized businesses in rural America get critical loans that helped farmers promote, build and sustain their livelihood.<sup>3</sup> The Romney-Ryan budget could leave over 5,000 farmers and ranchers without a safety net in tough economic times.<sup>4</sup>

**Cuts Investments to Clean Energy:** President Obama is making historic clean energy investments, including supporting more than 5,700 renewable energy and energy efficiency improvement projects in rural America as part of a program that has helped more than 13,000 farmers, ranchers and rural businesses.<sup>5</sup> The Romney-Ryan budget's draconian cuts would invest in about 25 fewer clean energy projects that could power more than 1,100 homes for a year.<sup>6</sup> Romney also has proposed eliminating incentives for rural clean energy development – especially for wind, solar, and advanced biofuels. Slashing just the wind investments would kill an estimated 37,000 jobs.

**Neglects Infrastructure Needs:** The Obama administration has invested in 5,100 water and waste water community infrastructure projects to safeguard the health of 18 million rural residents and support 135,000 jobs.<sup>7</sup> The President also invested in more than 6,200 critical community facilities projects that reach nearly 29 million rural residents.<sup>8</sup> Under the

<sup>1</sup> [USDA Press Release, [1/9/2012](#)]

<sup>2</sup> Through the Business and Industry Guaranteed Loan program, the Rural Business Enterprise Grant program, the Rural Business Opportunity Grant program\*, the Intermediary Relending program, the Rural Cooperative Development Grant program, and the Value Added Producer Grant program. (\* Will be zeroed out this year under the President's budget)

<sup>3</sup> farms [White House, accessed [4/25/2012](#)]

<sup>4</sup> Through the FSA Farm Ownership and Operating Loans

<sup>5</sup> [USDA [March 2012](#)]

<sup>6</sup> Through Rural Energy for America Program

<sup>7</sup> [USDA Fact Sheet, USDA Accomplishments 2009-2011: Rural Development, [Accessed 3/14/2012](#)]

<sup>8</sup> [USDA Fact Sheet, USDA Accomplishments 2009-2011:Community Development, [Accessed 4/25/2012](#)]

Romney-Ryan plan, more than 460,000 families could go without necessary improvements to their water facilities,<sup>9</sup> and more than 230 rural communities could be denied essential facilities including hospitals, schools, libraries, fire protection, and child and adult day care.<sup>10</sup>

**Cuts Housing Assistance:** The Obama administration has helped more than 1.25 million rural Americans in tens of thousands of communities buy, refinance and stay in their homes.<sup>11</sup> The Romney-Ryan budget could leave more than 120,600 families without the assistance they need to keep their homes.<sup>12</sup>

**Cuts Services for Veterans:** President Obama has strengthened the health care system for more than 8.1 million veterans, improving the quality of the care and their access to it, especially for the more than 3 million veterans living in rural areas.<sup>13</sup> The Romney-Ryan budget could strip health care programs for veterans by nearly 20 percent, disproportionately impacting rural veterans, who make up 38 percent of military recruits even though they are only 16 percent of our total population.

**Weakens Access to Health Care:** To give rural patients' better access to quality health care President Obama's administration provided distance learning and telemedicine services to more than 5,000 health care and educational facilities throughout rural America<sup>14</sup>. He also is supporting community-based projects to promote health, reaching 240 rural communities and serving 395,000 rural residents annually.<sup>14</sup> The Romney-Ryan budget could eliminate more than 70 community-based projects that improve health care in rural areas, and could leave more than 46,500 without access to telemedicine services that could save their lives. About 364,000 young people in rural areas who have health coverage because Obamacare let them stay on their parents' health insurance plans could lose coverage under the Ryan budget. Repealing Obamacare, as Romney pledges, would also mean that approximately 15.9 million Americans living in rural areas could have their lifetime caps on coverage reinstated.<sup>15</sup>

**Forces Sale of Public Lands:** The Romney-Ryan budget recommends the sale of millions of acres of public land it calls "unnecessary." It suggests starving essential agencies of necessary support to force the sale. This not only gives taxpayers a raw deal, but these lands are vital for hunting, fishing, camping and hiking and are critical to outdoor recreation, which contributes more than a trillion dollars to the economy and supports more than 9 million jobs.<sup>16</sup>

## THE AGRICULTURAL SAFETY NET

The President's vision for a rural economy built to last includes eliminating taxpayer subsidies to wealthy agribusiness and making sure everyone plays by the same rules. The Romney-Ryan budget, on the other hand, balances America's checkbook on the backs of family farmers. The President's budget will save more than \$23 billion over 10 years by no longer giving taxpayer money to farmers who don't need the help. President Obama's budget proposal would preserve the farm safety net by renewing a crop disaster relief fund set to expire this year and maintaining a strong crop insurance program.<sup>17</sup> To keep American farmers on the farm, President Obama's administration has expanded assistance to farmers and - over the past three years - the crop insurance program has paid out about \$17.6 billion to more than 325,000 farmers with losses due to natural disasters or price declines.<sup>18,19</sup> The President's plan protects the pocketbooks of rural Americans while the Romney-Ryan budget would continue handing taxpayer money to wealthy farmers. It would undermine American farmers' financial security by cutting subsidies for crop insurance premiums by more than 15 percent each year, taking that

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<sup>9</sup> Through Water and Waste Disposal Program

<sup>10</sup> Through the Community Facilities Program

<sup>11</sup> [USDA Fact Sheet, USDA Accomplishments 2009-2011:Community Development, Accessed 4/25/2012] [HUD Rural Development Fact Sheet, 2/13/12]

<sup>12</sup> Through Single and Multi-family Housing Programs

<sup>13</sup> [http://www.louisville.va.gov/news/va\\_accomplishments.asp](http://www.louisville.va.gov/news/va_accomplishments.asp)

<sup>14</sup> [USDA Accomplishments 2009-2011, Rural Economic And Community Development, accessed 5/21/2012]

<sup>15</sup> [White House Rural Council, Aug 2011]

<sup>16</sup> [ASPE Issue Brief, March 2012]; [ASPE Issue Brief, March 2012]

<sup>17</sup> [Department of Interior, accessed 3/5/12] [Report for the National Fish and Wildlife Foundation by Southwick Associates, 10/10/11]

<sup>18</sup> [Reuters, 2/13/2012]

<sup>19</sup> [Agri-pulse, 3/22/12]

<sup>20</sup> He proposes only a minor change to premium subsidies that would affect a small minority of producers whose policies that are currently subsidized by more than 50 percent. With current participation rates, the deep premium subsidies are no longer needed.

much more out of our farmers' hard earned paychecks.<sup>20</sup> The Romney-Ryan budget would also shift the burden of the deficit onto middle-class rural Americans by increasing the cost farmers pay for the insurance that protects them against natural disasters.<sup>21</sup>

## CONSERVING AMERICAN LANDS

The Obama administration's conservation programs help farmers, ranchers and landowners adopt and maintain systems that protect water quality, reduce soil erosion, protect and enhance wildlife habitat and wetlands, conserve water, and sequester carbon. The Obama administration is currently working with more than 500,000 farmers and ranchers to implement conservation practices on more than 30 million acres of land.<sup>22</sup>

The Romney-Ryan budget undermines farm owners and operators who are working to conserve and improve soil, water, air and wildlife resources. The Romney-Ryan budget guts federal conservation efforts and would prevent any new acreage from being enrolled in conservation programs.<sup>23</sup> That would make more than 120 million acres of sensitive ecosystems vulnerable, and keep more than 101,500 farmers from enrolling in the program.<sup>24</sup> It also cuts a voluntary program that gives farmers incentives to establish long-term conservation areas, potentially affecting more than 225,000 farms each year.<sup>25</sup> These deep conservation cuts coupled with high commodity prices and inadequate compliance requirements will create powerful incentives to develop fragile wetlands and grasslands and erase many of the environmental gains made by agriculture in the last three decades.

## NUTRITION PROGRAM BUDGET CUTS

The Romney-Ryan's budget would severely cut the Supplemental Nutrition Assistance Program (SNAP) by more than 17 percent over the next 10 years. This vital program is a lifeline for millions of women and children, giving them the tools they need to get back on their feet, stay in school, and rejoin the workforce. The Supplemental Nutrition Assistance Program kept 5 million people out of poverty in 2010 and reduced the poverty rates by 8 percent in 2009.<sup>26</sup> Economists find that this program is one of the biggest "bang-for-the-buck" policies to improve a weak economy. Every five dollars spent in new SNAP benefits yields up to nine dollars in new economic activity and the benefits are quickly spent in the community, immediately benefiting other businesses and jobs.<sup>27</sup>

The Romney-Ryan plan's proposed cuts to SNAP could end this temporary assistance to millions of low-income families who are still recovering from the worst recession since the Great Depression and are working to regain the middle-class security they lost in the crisis. The cuts will likely be made by altering eligibility criteria, which would drop more than 8 million people from the program just as they, and our economy, need it most. These draconian cuts would undermine our economic recovery.<sup>28</sup>

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<sup>20</sup> If the Ryan proposal caps premium subsidies at \$30,000, nearly 54,000 farmers who currently collect premiums over that amount – or 6% percent of farmers who insure their crops – would be required to pay more out of pocket to be insured against unexpected natural disasters. This cap is \$10,000 beyond what the GAO recommends as a cost saving measure.

<sup>21</sup> [Agri-pulse, 3/22/12]

<sup>22</sup> [USDA, 3/2/2012]

<sup>23</sup> Cuts all new enrollment from the Conservation Stewardship Program

<sup>24</sup> Assuming 1182 acres per farmer, per the program's lifetime record

<sup>25</sup> The Conservation Reserve Program: the president proposal would decrease the maximum acreage enrollment by two million acres because high crop prices have spurred farmers to plant rather than collect rents for conservation.

<sup>26</sup> [The Nation, 5/21/2012] [New York Times, 4/10/12]

<sup>27</sup> ["Creating Pathways To Opportunity," White House, October 2011]

<sup>28</sup> Those are Alaska, Arkansas, Colorado, Connecticut, Delaware, the District of Columbia, Guam, Hawaii, Idaho, Iowa, Kansas, Maine, Maryland, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Rhode Island, South Dakota, Utah, Vermont, the Virgin Islands, West Virginia, and Wyoming.