

Eliminate the Rural Business-Cooperative Service (RBCS)

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
\$258	\$259	\$260	\$263	\$269	\$275	\$281	\$288	\$294	\$299	\$1,309	\$2,746

Heritage Recommendation:

Eliminate the Rural Business-Cooperative Service (RBCS). This proposal saves \$258 million in 2016, and \$2.7 billion over 10 years.

Rationale:

The RBCS is an agency in the U.S. Department of Agriculture that has a wide range of financial assistance programs to help rural businesses. It also has a significant focus on renewable energy and climate change, including subsidizing biofuels.

Rural businesses are fully capable of running themselves, investing, and seeking assistance through private means. The fact that these businesses are in rural areas does not change the fact that they can and should succeed on their own merits like any other business. Private capital will find its way to worthy investments.

The government should also not be in the business of picking winners and losers when it comes to private investments or energy sources. Instead of handing taxpayer dollars to businesses, the federal government should identify and remove the obstacles that it has created for businesses in rural communities.

Additional Reading:

- Daren Bakst, “Addressing Waste, Abuse, and Extremism in USDA Programs,” Heritage Foundation *Backgrounder* No. 2916, May 30, 2014, <http://www.Heritage.org/research/reports/2014/05/addressing-waste-abuse-and-extremism-in-usda-programs>.

Calculations:

Savings were calculated by using the FY 2014 estimated spending levels as found in page 106 of USDA, “FY 2015: Budget Summary and Annual Performance Plan, U.S. Department of Agriculture,” <http://www.obpa.usda.gov/budsum/FY15budsum.pdf>. Because the mandatory component of this spending varied significantly, from \$0 in 2013 to \$243 million in 2014, and an estimated \$118 million in 2015, Heritage analysts took the average of these three values (\$120 million) as the basis for the FY 2014 spending level, which was then added to the discretionary FY 2014 spending level and increased at the same rate as discretionary spending for 2016–2025 according to the CBO’s most recent August 2014 baseline spending projections.