

April 29, 2024

The Honorable Debbie Stabenow
Chairwoman
U.S. Senate Committee on Agriculture
Washington, D.C. 20510

The Honorable John Boozman
Ranking Member
U.S. Senate Committee on Agriculture
Washington, D.C. 20510

The Honorable GT Thompson
Chairman
U.S. House Committee on Agriculture
Washington, D.C. 20515

The Honorable David Scott
Ranking Member
U.S. House Committee on Agriculture
Washington, D.C. 20150

Dear Chairs Stabenow and Thompson and Ranking Members Boozman and Scott:

We, the undersigned organizations, representing the broader U.S. agriculture community, urge you to include the bipartisan, bi-cameral “Precision Agriculture Loan Program (PAL) Act” and the “Producing Responsible Energy and Conservation Incentives and Solutions for the Environment (PRECISE) Act” in the next farm bill. These two important pieces of legislation provide the comprehensive policy approach needed to ensure that producers of all sizes can adopt and unlock the full potential of precision agriculture equipment and technology.

The PAL Act would create a program within the U.S. Department of Agriculture (USDA) to provide loan financing to farmers and ranchers interested in purchasing precision agriculture technologies. For many small to midsize producers, traditional financing options aren’t available or don’t make sense when looking into adopting precision agriculture technology. The PAL Act would provide important loan alternatives that would de-risk some of this initial investment. The PRECISE Act would leverage incentives for the adoption of precision agriculture technology by increasing cost share and practice payments under the USDA’s Environmental Quality Incentives Program and Conservation Stewardship Program for the purchase of precision agriculture equipment and systems. The PRECISE ACT would also incentivize private sector financing of precision agriculture equipment through the Conservation Loan Guarantee Program and the Business and Industry Loan Guarantee Program and fund 100% of precision agriculture projects through joint participation of conservation cost-share programs and the Conservation Loan Program.

Precision agriculture leverages technologies to enhance sustainability through more efficient use of critical inputs, such as land, water, fertilizer, and pesticides. For example, herbicide use could be further reduced by 15 percent, and water use could decrease by 21 percent at full adoption of precision agriculture technologies¹. Technologies that enhance the efficient use of these inputs include global positioning system (GPS) enabled devices such as autosteer and auto guidance,

¹ 1 ASSOCIATION OF EQUIPMENT MANUFACTURERS, THE ENVIRONMENTAL BENEFITS OF PRECISION AGRICULTURE IN THE UNITED STATES (2021), <https://newsroom.aem.org/download/977839/environmentalbenefitsofprecisionagriculture-2.pdf>

variable application rate technology, telematics and fleet analytics, satellite mapping and imagery, yield monitors, soil mapping, sensors to gather crop, soil moisture or livestock data, software and advanced analytics, and precision irrigation.

Although many of these technologies have been on the market since the 1990s, only 27% of US farmers and ranchers are currently utilizing them.² The PAL and PRECISE Acts present policy solutions that align with recommendations to provide additional incentives or other financial support outlined in a January 2024 Government Accountability Office (GAO) report. The report highlights a key challenge to broader adoption as it relates to “acquisition costs” that are “prohibitive for farmers with limited resources and access to capital.” The GAO report also notes that the likelihood of adoption is linked to farm size, citing that larger farms have “access to more favorable credit terms.” This leaves small to mid-size farms without the necessary resources to access all that precision agriculture has to offer.

Broader adoption of precision agriculture technology is about empowering producers to realize the immediate benefits it provides through reduced fuel, fertilizer, herbicide, and water usage. It is also about positioning the U.S. agricultural industry to be more productive, competitive, and sustainable. We look forward to working with you to advance the PAL and PRECISE Acts so that farmers can continue to provide the best food, energy and fiber to their communities and the world.

Finally, we would like to take this opportunity to acknowledge the critical leadership by Senators Deb Fischer and Amy Klobuchar as well as Representatives Randy Feenstra, Jimmy Panetta, Brad Finstad, and Angie Craig in crafting these two bills.

Sincerely,

American Farm Bureau Federation

American Seed Trade Association

American Soybean Association

AMVAC, a subsidiary of American Vanguard Corporation

Association of Equipment Manufacturers

California Specialty Crops Council

Council of Producers and Distributors of Agrotechnology

CropLife America

Ducks Unlimited

² <https://www.gao.gov/products/gao-24-105962>

Hop Growers of America

Illinois Corn Growers Association

Lindsay Corporation

National Alliance of Independent Crop Consultants

National Association of Wheat Growers

National Council of Farmer Cooperatives

National Corn Growers Association

National Milk Producers Federation

National Onion Association

Netafim, Orbia Precision Agriculture

Regrow

The National Cotton Council

USA Rice