April 29, 2024

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 technologies. Technologies that enhance the efficient use of these inputs include global positioning system (GPS) enabled devices such as autosteer and auto guidance,

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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 as 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

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