

# U.S. SENATOR DEB FISCHER'S *PRECISION AGRICULTURE LOAN ACT*

## OVERVIEW:

Precision agriculture can increase productivity, optimize water usage, decrease inputs, and lower greenhouse gas emissions all while providing an economic return for farmers.

The *Precision Agriculture Loan Act* would create a program within USDA to provide loan financing to farmers and ranchers interested in purchasing precision agriculture equipment.

## ISSUE:

The value of precision agriculture isn't just at the farm level. The aggregate benefits of precision agriculture technologies have a huge environmental benefit. For example, the adoption of auto steer has decreased fuel use by estimated 100 million gallons. Other precision agriculture technologies like variable rate and sensor driven pivots have prevented the application of 30 million pounds of herbicide and 500,000 million gallons of water.

But like all technology, precision agriculture is constantly changing and is expensive to adopt. For many small to midsize farmers the benefits they could receive from precision agriculture technology are outweighed by the initial cost.

A USDA Economic Research Service (ERS) study showed that larger farms, over 2,900 acres, had double the adoption rates of precision agriculture. There is a risk associated with adopting technology and producers can be hesitant or unable to make these investments for their operations through traditional financing options.

## SOLUTION:

The Precision Ag Loan program will amend the conservation loan program to provided dedicated financing to help producers purchase precision agriculture equipment.