



RESEARCH REPORT | China Policy Initiative

TARGETED STATE RESTRICTIONS ARE REQUIRED TO PROTECT U.S. AGRICULTURAL LAND FROM THE CCP

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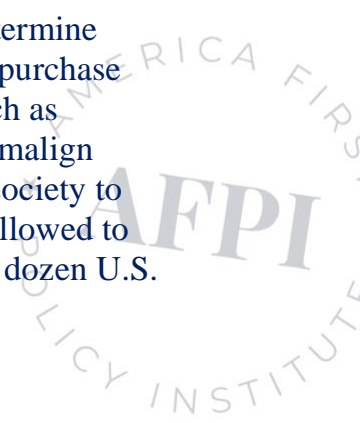
TOPLINE POINTS

- ★ Chinese holdings of U.S. agricultural land surged from 13,720 acres in 2010 to 352,140 acres in 2020, valued at \$1.9 billion.
- ★ More than a dozen states have variants of a blanket ban on foreign ownership that ostensibly cover Chinese-owned land but are circumvented by the use of U.S.-based subsidiaries or undermined by repeals and amendments due to pressure from business groups.
- ★ The model “Liberty for our Agricultural Land Act” is targeted specifically at the malign influences of the Chinese Communist Party (CCP) with precise language covering any subsidiaries and leasing arrangements.

China is an adversarial nation with the stated goal of overtaking the United States politically and economically. American agricultural land is a strategic asset providing food security and independence, and U.S. farmers are an essential part of the fabric of our Nation. Meanwhile, securing and dominating world food supply chains is an integral part of China’s Belt and Road Initiative, which also sees them hoarding computer chips, minerals, and other sensitive commodities. An America First approach to national security emphasizes the

centrality of our own economic prosperity and the need to secure our supply chains and ensure national self-reliance to ultimately marginalize the Chinese Communist Party (CCP) and its policies.

Americans have a right to determine which foreign countries may purchase U.S. farmland. Countries such as Communist China spreading malign influence at all levels of our society to undermine us should not be allowed to acquire it. While more than a dozen U.S.



states have banned foreign agricultural land ownership in general, more state-level legislation barring the Chinese Communist Party (CCP) and its subsidiaries in particular from owning, leasing, or possessing any American agricultural land is needed.

Many Americans are not aware that foreigners own a significant amount of U.S. agricultural land. However, as with many parts of the American economy, the agricultural sector receives foreign funding and participates in global capital markets. This allows the farmers, ranchers, and agricultural firms that participate in this industry to apply capital to market expansion and the purchase of additional land and equipment.

In the year 2000, foreign investors from all countries owned 15.3 million acres of federally designated agricultural land in the United States. This totaled approximately 1% of all privately held agricultural land and 0.68% of total land. By 2020, this number had more than doubled to 37.6 million acres of agricultural land, with this number being 2.9% of all privately held agricultural land and 1.7% of all land in the United States.

Foreign investment in agricultural land is not inherently a security risk. Nearly 64% of all foreign land investments come from five geopolitical allies: Canada, the Netherlands, the United Kingdom, Italy, and Germany. But legitimate concerns arise when it comes to encroachment by adversaries,

especially the People's Republic of China (PRC). The total acreage of land owned by either Chinese enterprises or joint Chinese-US enterprises totals 352,140 acres. Many corporations in China are state-owned, and many others are closely tied to the party or party members. This number, while less than 1% of total foreign-owned agricultural land, is not an insignificant amount of land. The average U.S. farm is 445 acres, so nearly 800 American families could potentially farm this acreage.

Certain regions are subject to more foreign investment and ownership than others. As the USDA's report specifies, "Maine acreage aside, foreign investment in U.S. agricultural land is concentrated in the South and West." By acreage, the largest concentrations (excluding states bordering the Canadian border, where foreign-owned land is largely Canadian-owned and involved in forestry) are the states of Texas, Alabama, Colorado, and Oklahoma.

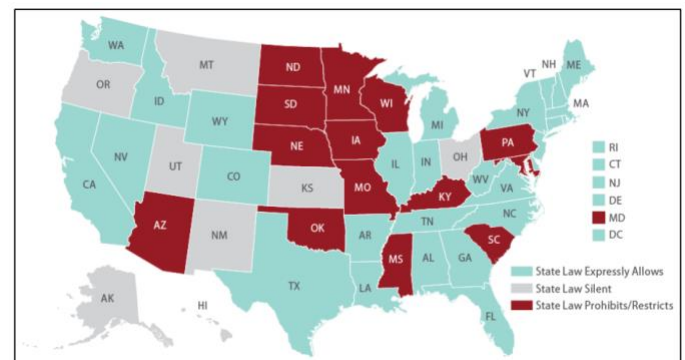


Fig 1. Map of foreign ownership restrictions on the ownership of agricultural land. Congressional Research Service map, using data from the National Agricultural Law Center, from report "Foreign Farmland Ownership in the United States."

The Current State of Foreign Ownership Bans in the United States



Many of the currently existing bans on foreign ownership of agricultural land are limited to states that have large agricultural economies. The Midwest contains the densest concentration of states that have specific provisions regarding ownership, but not all of them are bans per-se.

State bans and restrictions often have clauses providing exceptions for the property or property holders. For example, the bans illustrated in a Congressional Research Service map are not solely bans on foreign agriculture holdings;

- **Arizona** bans all individuals, including U.S. citizens, from holding a quantity of land more than 640 acres for grazing, or 160 for agriculture use (AZ Rev Stat § 37-240).
- **Hawaii** bans foreigners from holding “public lands” but makes no specific mention of any other restrictions (Hawaii Organic Act § 73.f-g).
- **Kansas** bans foreign national businesses from owning land, but not individuals (KS Stat § 17-5904, 17-7505 – these statutes expire Jan. 1, 2023).
- **Kentucky** allows aliens to purchase and hold land for up to eight years before it is returned to the state unless the alien acquires citizenship (KY Rev Stat § 381.330).

- **Missouri** simply maintains a “cap” on how much total agricultural land in the state can be owned by foreign nationals collectively (MO Rev Stat § 442.571).
- **Pennsylvania** maintains a maximum acreage of 100 acres allowed for foreign nationals on agricultural land specifically (68 P.S. § 41, PA ST 68 P.S. § 41).
- **South Carolina** maintains a maximum acreage of 500,000 acres of land for foreign nationals, regardless of industry or classification (SC Code § 27-13-30).
- **South Dakota** maintains a maximum acreage of 160 acres for foreign nationals on agricultural land specifically (SD Codified L § 43-2A-2).
- **Wisconsin** maintains a maximum acreage of 640 acres for foreign nationals, regardless of industry or classification (WI Stat § 710.02).

The following states have formal “bans” on foreign nationals owning agricultural land:

- **Iowa** fully bans nonresident aliens from owning any agricultural land in the state (IA Code § 9I.3).
- **Minnesota** restricts ownership of agricultural land to US citizens or lawful permanent residents (MN Stat § 500.221).
- **Mississippi** did maintain bans on foreign ownership, but had a



sunset clause that came into effect in July of 2022 (MS Code § 29-1-75).

- **Nebraska** maintains a ban on foreign corporations purchasing land, but allows for leases of up to five years (NE Code § 76-402).
- **North Dakota** creates a very narrow set of circumstances in which aliens can own agricultural land with regards to size, purpose, and industry (N.D. Cent. Code Ann. §§ 47-10.1-01 to 47-10.1-06) but these restrictions have been circumvented in high profile cases.
- **Oklahoma** has a constitutional ban on foreign nationals holding land (OK. Const. art. XXII, § 1) as well as statutes elaborating some narrow exceptions (60 OK Stat § 60-121-125).
- In addition, it is notable that **California** was on the verge of a full ban on foreign ownership, but the bill was vetoed by Governor Gavin Newsom in late September (Senate Bill 1084, [2022 legislative session](#)).

Even in states where blanket bans are on the books, methods of circumvention still exist for foreign nationals who seek to purchase agricultural land. In some cases, foreign corporations form U.S.-based subsidiaries, or pay through a third party and are not properly vetted in purchases. These workarounds have been abused in many cases and have brought some scrutiny from the public.

In one high-profile case, Fufeng Group USA, a Chicago-based subsidiary of a Chinese agricultural company, purchased 370 acres near Grand Forks Air Force Base near Emerado, North Dakota. Current North Dakota statutes require that “[e]ach individual who is a shareholder or member must be a citizen of the United States or a permanent resident alien of the United States” if the corporation is to engage in ranching or farming. This requirement was skirted by using a U.S. subsidiary. While the construction has been halted, the land is still held by Fufeng.

The community has since turned against the development of the mill. Federal authorities including the FBI have refused to explicitly confirm or deny national security concerns over the plant, leaving local and state officials unable to craft effective policy.

Some states have repealed, adjusted, or altered statutes for the sake of attracting lucrative foreign investment. For example, Missouri’s restrictions on foreign ownership of agricultural land only exist as a state-wide cap on total ownership. Foreign nationals or countries cannot purchase land if the total of foreign-owned land is at or currently exceeds 1% of Missouri’s total agricultural land under MO Rev Stat § 442.571. No specific countries are named in any of Missouri’s statutes. While there is pending legislation to bar the purchase of such land in Missouri outright, such as HB1136, the current system still allows for growing ownership by foreign purchasers.



The laws in Missouri did previously bar foreign ownership, but in 2013 a group of legislators who sought foreign investment in the state overcame a governor's veto to allow foreign purchases once again. The proposed bans in Missouri are a return to its previous strategy. Several attempts have been made to outright ban foreign ownership in light of recent problems, largely on the premise of preserving family-owned farms and preventing accumulation of farming by large corporate groups, some of which are foreign owned.

Additionally, for some states, outright bans are not practicable: in the state of Maine, fully 20% of agricultural land is held by foreign investors (this calculation includes forests, which qualify as "agricultural land.") This land is used to log the forests that stretch across the border with Canada. A national ban, given this disproportionality, would not be appropriate nor desirable.

Subsidiaries, Exceptions, and Lack of Enforcement

Blanket laws are ineffective against the CCP. In states like Missouri, Chamber of Commerce groups and other business interests apply considerable pressure to overturn bans. Intentional sunset clauses also weaken security. In the example of Mississippi, a law sunsetted in July 2022, leaving the state open to any amount of foreign investment until the state legislature chooses to address the issue again. Acreage caps are inadequate, for

any amount of land can be used to undermine or monitor strategic sites, perform surveillance, or be used for other purposes that undermine national security. The example of Fufeng Group USA in North Dakota proves that any amount of usable land can pose some security risk, given full control of the land and structures on it, when close enough to other sensitive locations.

States interested in effectively controlling CCP penetration into their agricultural land market should adopt bans specific to the CCP with language that includes subsidiaries and thoroughly covers potential loopholes. Targeted bans are gaining traction. In Florida, Governor Ron DeSantis has proposed state legislation to restrict "countries of concern" (China, Cuba, Russia, Iran, North Korea, Syria, or Venezuela) from purchasing agricultural land or land near military installations. This is a positive step aimed primarily at the CCP.

America First China policy emphasizes a whole-of-society approach to the malign influence of the CCP, with a primary focus on their presence in the United States. The core of our strength is our economic prosperity, secure supply chains, and cultural vitality, and our agricultural land is at the intersection of all three. The America First Policy Institute's (AFPI) China Policy Initiative has published a model bill entitled the "Liberty for Our Agricultural Land Act." It contains simple and concise language to promote a targeted anti-CCP approach, and includes a provision to invalidate existing holdings:



Neither the CCP, its members, nor any company or development owned or controlled by a company that is owned, in whole or in part, by, or is a subsidiary of the People's Republic of China or the CCP or whose principal place of business is located within the People's Republic of China may own, in whole or in part, or lease, possess, or exercise any control over any agricultural land in this state.

Furthermore, a deed for any such real estate conveyance in which the CCP or its members are the recipients is deemed invalid.

The America First vision promotes practical solutions to national security problems, focusing on defense of our homeland to avoid war abroad. This model legislation should serve as a standard for governors and legislators seeking a simple and thorough legislative remedy to the problem of CCP agricultural land ownership.

BIOGRAPHIES

Adam Savit serves as the Director of the China Policy Initiative at the America First Policy Institute.

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