

Introduced by Senator Baldwin and Senator Grassley

The Farmland Security Act of 2023

The bill would address the growing foreign ownership of American farmland and the impact of these investments on our nation's farmers and national security.

Senators Baldwin and Grassley introduced the Farmland Security Act of 2023, which would amend the Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978.

Since AFIDA was enacted, the United States Department of Agriculture (USDA) has catalogued foreign ownership of approximately 40 million acres of American agricultural land.¹ These investments have the potential to impact our food security and national security.² For example, in 2020, exports of U.S. chicken products from Brazilian-owned Pilgrim's Pride Corp jumped 24 percent, disrupting our domestic food supply during a global pandemic.³ Additionally, while the current foreign ownership data reports that land owned by Chinese interests represents a small fraction of the overall foreign investments in American agricultural land, the purchasing of agricultural land by Chinese interests near military installations poses potential national security risks.⁴

Foreign ownership of agricultural land may also negatively impact small family farm operations and rural communities. Currently, almost half of our agricultural land is owned by Americans 65 years or older, and the National Young Farmers Coalition reports that nearly 100 million of these acres are expected to change ownership in the next 10 years.⁵ This transition may provide ample opportunities for more foreign entities to invest in American agricultural land.

The Farmland Security Act of 2022, which was signed into law as part of the Fiscal Year 2023 Omnibus Appropriations Bill, included new requirements for the USDA to address this national security concern, including transitioning to digital filings of foreign purchases of domestic agricultural land; the creation of a publicly accessible database of certain disaggregated foreign ownership data to enable research by outside entities into these ownership trends; and reporting by USDA to Congress on the impact these investments have on family farms, rural communities, and the domestic food supply.

The Farmland Security Act of 2023 takes additional steps to support transparency and better understand the scale and impact of foreign ownership by:

- Requiring research into foreign ownership of agricultural production capacity and foreign participation in agricultural economic activity in the United States;

¹ https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/EPAS/PDF/2021_afida_annual_report_through_12_31_2021.pdf

² <https://www.csis.org/analysis/foreign-purchases-us-agricultural-land-facts-figures-and-assessment-real-threats>

³ <https://graphics.reuters.com/HEALTH-CORONAVIRUS/USA-MEATPACKING/qmymnxxbvt/index.html>

⁴ <https://www.npr.org/2023/06/26/1184053690/chinese-owned-farmland-united-states>

⁵ https://www.youngfarmers.org/wp-content/uploads/2019/03/NYFC-Report-2017_LoRes_Revised.pdf

- Requiring USDA to conduct annual compliance audits of no less than ten percent (10%) of the reports to ensure completeness and accuracy of filings;
- Amending report to Congress to require research into foreign entities' agricultural leasing activities and the impact it has on rural communities, family farms, the domestic food supply;
- Requiring research into trends of foreign-owned "shell corporations" purchasing American agricultural land;
- Requiring USDA to provide annual training to state and county-level staff re: identification of non-reporting foreign-owned agricultural land;
- Striking the cap on fee of 25% of the agricultural lands valuation for failing to report or misreporting foreign-owned acreage;
- Requiring a fee of 100% of the agricultural lands valuation for shell corporations that are failing to report or misreporting foreign-owned acreage, except in cases where the shell corporation remedies non-filing or defective filing within 60 days of notice by the Secretary; and
- Authorizing \$2 million annually for the activities prescribed under the Agriculture Foreign Investment Disclosure Act, as amended.

Endorsing Organizations: Wisconsin Farm Bureau Federation, Wisconsin Farmers Union

For any questions regarding the Farmland Security Act of 2023, please e-mail Sydney_Scott@baldwin.senate.gov of Senator Baldwin's staff or Joseph_Gilson@grassley.senate.gov of Senator Grassley's staff.