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Foreign Investment in U.S Agricultural Land: Current Issues

In general, U.S. federal law does not restrict foreign investment in or ownership of U.S. agricultural land. Foreign persons are required to disclose to the U.S. Department of Agriculture (USDA) information related to foreign investment in and ownership of agricultural land under the Agricultural Foreign Investment Disclosure Act (AFIDA, 7 U.S.C. §§3501-3508). The Committee on Foreign Investment in the United States (CFIUS), an interagency body chaired by the Secretary of the Treasury, may review a subset of foreign investment transactions for potential U.S. national security risks. CFIUS derives its authorities from Section 721 of the Defense Production Act, as amended (50 U.S.C. §4565) and regulations (31 C.F.R. Chapter VIII). Some states and localities have instituted restrictions and requirements that apply to state and local agricultural land transactions within their respective jurisdictions. In 2026, USDA reported that, as of 2024, foreign investors, including long-term lease holders, held an interest in about 47.2 million acres of U.S. agricultural land, or 3.6% of all privately-held agricultural land. Such data is based on AFIDA filings and may underreport holdings.

Members continue to debate the role and effects of foreign investment in the U.S. agricultural sector, including acquisitions of land. Debates have centered on amending the disclosure requirements for U.S. agricultural land in AFIDA, the jurisdiction of CFIUS with respect to real estate and land transactions, and USDA's role in CFIUS review. Various Members have introduced dozens of bills on these issues regarding the quality, comprehensiveness, and use of data collected by USDA; perceived limits of CFIUS' jurisdiction and extent of its ability to prohibit foreign investments of congressional concern; and investments by entities tied to the People's Republic of China (PRC or China), including the use of third-parties, effects of aggregate PRC investments, and proximity of high-profile PRC-tied investments to sensitive U.S. military sites.

Developments since 2022 have galvanized some Members' concerns about PRC investments in U.S. agricultural land, and PRC targeting and proximity of investments to sensitive U.S. sites. In particular, in 2022, the Department of the Treasury ("Treasury") determined that CFIUS did not have jurisdiction to review a PRC firm's land purchase tied to a corn milling facility near Grand Forks Air Force Base (AFB) in North Dakota. In 2023, the PRC flew a dirigible with surveillance equipment across U.S. missile sites. Also in 2023, five PRC nationals were charged for conspiring to cover up a visit to Camp Grayling in Michigan during U.S.-Taiwan training. Past high-profile large PRC acquisitions of agricultural companies that involved CFIUS review, such as WH Group's acquisition of Smithfield Foods in 2013 and ChemChina's acquisition of Syngenta in 2017, received considerable congressional attention.

USDA and AFIDA

AFIDA requires any foreign person who acquires or transfers interest, other than a security interest (a mortgage or debt securing interest), in U.S. agricultural land to submit a report to USDA within 90 days of the acquisition or transfer. AFIDA governs a nationwide system for collecting information on foreign purchasers of farm assets. Congress defined *agricultural land* in AFIDA as land that is used for agricultural, forestry, or timber production. *Foreign person* (7 U.S.C. §3508) is defined to include any foreign government; individuals who are not U.S. citizens or nationals, with certain exceptions for permanent residents and parolees; and legal entities controlled by covered governments or individuals, created or organized under the laws of a foreign government, or with a principal place of business outside the United States. USDA requires that foreign persons disclose their holdings or transactions of agricultural land to USDA directly or to the Farm Service Agency (FSA) county office where the land is located. Persons that fail to comply with AFIDA reporting requirements may be subject to a civil penalty (7 U.S.C. §3502). USDA also may take investigative actions (7 U.S.C. §3503) to monitor compliance with the reporting requirements and verify that submitted information is accurate and fully reveals the ownership of the land.

USDA compiles and reports data submitted under AFIDA annually in a publicly released report to Congress. The most recent report covers 2024. Congress also directed USDA in appropriations laws (e.g., P.L. 117-328 and P.L. 118-42) to report to Congress on foreign investments in agricultural land in the U.S., and the impact of foreign ownership on family farms, rural communities, and domestic food supply.

A 2024 Government Accountability Office (GAO) report raised issues regarding USDA data collection and reporting with respect to foreign investments in farmland. GAO recommended that USDA reform the collection and sharing of AFIDA data; use AFIDA data to inform CFIUS decision-making;, improve the quality of information gathered in AFIDA forms; sign memoranda of understanding (MOU) with Treasury and the Department of Defense (which is using a secondary Department of War designation under Executive Order 14347) to share AFIDA transaction information; update the AFIDA handbook; develop an online submission system; develop ways to verify information received in AFIDA reporting and identify non-filers; and develop methods to capture additional information beyond the primary investor.

USDA has implemented changes under Congress's direction and in response to GAO recommendations. For example, P.L. 118-42 directed USDA to establish, within two years of enactment, a streamlined process for electronic submission of disclosures and an internet database with disaggregated data from AFIDA disclosures. USDA launched a portal in January 2026. In late 2025, USDA released a proposed rule and request for comments on revising AFIDA requirements following direction from Congress and GAO. The proposed rule invited discussion on subjects such as the definitions of agricultural land and foreign person; the information required on AFIDA forms; and USDA verification of filed information. Some stakeholders expressed support for stricter disclosure requirements for foreign investors from adversarial countries and investors that use complex organizational structures, improvements to data collection generally, and better reporting of AFIDA data to states. Others expressed concern over the potential burdens of more reporting requirements and the potential for discrimination.

CFIUS and National Security

Under 50 U.S.C. §4565, CFIUS may review the national security risks of mergers and acquisitions that could result in foreign control of a U.S. business, including those in the agricultural sector. Since 2018 statutory reforms, CFIUS also may review some noncontrolling investments in certain U.S. businesses (e.g., involved in critical technology); and certain foreign purchases/leases of U.S. real estate, such as agricultural land, if the transaction is within certain air or maritime ports, or in "close proximity" to a sensitive U.S. military installation that is listed in regulations, and meets other criteria. CFIUS has authority to review or mitigate national security risks arising from such transactions. If CFIUS finds a risk cannot be mitigated, it may recommend to the President that the transaction be prohibited.

CFIUS is composed of nine permanent member agencies. Currently, USDA is not a permanent member and does not participate fully at the working and senior policy levels. Treasury may consult with, and the President may include, USDA or other non-member government agencies on a case-by-case basis. Section 739 of P.L. 119-37 specified that the Secretary of Agriculture "shall be included as a member" of CFIUS for covered transactions "involving agricultural land, agriculture biotechnology, or the agriculture industry" (including transportation, storage, and processing), as determined by Treasury in coordination with the Secretary of Agriculture. In 2025, USDA had also entered into an MOU with Treasury to affirm this arrangement and related practices. Current practice under Sec. 739 and the MOU does not provide USDA the full rights and responsibilities of a permanent CFIUS member agency. Such rights include the ability to review, deliberate, and decide matters on all transactions before CFIUS and to have full information on all transactions to decide when USDA has equities and should lead on cases.

Executive Order 14083, issued in 2022 by President Biden, elaborated on certain national security factors that CFIUS is required to consider in its reviews, including issues relevant to the agricultural sector. It made explicit key sectors for supply chain resiliency, including biotechnology and elements of the agriculture industrial base that have implications for food security. Following the proposed PRC investment near Grand Forks AFB and review of sensitive sites, in 2023 and 2024, Treasury added Grand Forks and other military installations to the appendix of 31 C.F.R. Part 802. In its 2025 "America First Investment Policy," the Trump Administration said it would use tools such as CFIUS to restrict PRC-tied persons from investing in certain sectors, including agriculture; protect U.S. farmland near sensitive facilities; and strengthen CFIUS' authority over greenfield investments in consultation with Congress.

Issues for Congress

The 119th Congress is considering bills to amend AFIDA and enhance reporting requirements for foreign purchases of land. Some bills would expand CFIUS' jurisdiction to review or prohibit certain investments by foreign adversaries related to agriculture, and would codify and clarify USDA's role. Congress may consider issues such as to what extent current authorities are sufficient to address congressional concerns; how to integrate the agriculture sector into national security policy tools; and how USDA and Treasury might implement any enacted proposals.

Some provisions in the Farm, Food, and National Security Act of 2026 (H.R. 7567), as passed by the House, reflect GAO recommendations and provisions in appropriations laws. Title XII, Subtitle C of H.R. 7567, for example, would require USDA to sign an MOU with CFIUS regarding sharing information submitted under AFIDA with CFIUS; and update the AFIDA handbook and revise it every 10 years. The bill would require USDA to appoint a Chief of Operations to coordinate AFIDA-related investigative actions and refer to CFIUS certain agricultural transactions that may raise national security concerns. The bill also would add differentiation in civil penalty amounts and require public disclosure of penalties.

Subtitle C also would require that the President direct federal agencies to issue regulations that prohibit the purchase of U.S. agricultural land by foreign adversaries or state sponsors of terrorism. It would amend CFIUS authorities to require that the Secretary of Agriculture be a member of CFIUS with respect to transactions involving agriculture. The bill would require CFIUS, after receiving notification from the Secretary of Agriculture of a "reportable agricultural land transaction," to determine whether the transaction is under its jurisdiction and whether to initiate CFIUS review or take other action. It also would require annual reports by USDA to Congress on the national security risks of transactions of agricultural assets by "covered foreign persons," which include those by a foreign person of the PRC, North Korea, Russia, and Iran, and subject to AFIDA reporting. Other bills would expand CFIUS' jurisdiction over real estate and land (S. 1012; H.R. 1920/S. 886); ban some agricultural investments by foreign adversaries (S. 903; H.R. 5760); and add the Secretary of Agriculture as a permanent member of CFIUS (H.R. 620). H.R. 7053 would preempt state-level restrictions on purchases of property based on an individual's country of citizenship, due to some Members' concerns over the potential for discrimination.

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