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Foreign Ownership of U.S. Agricultural Land and AFIDA: Overview and Issues

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SUMMARY

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Foreign Ownership of U.S. Agricultural Land and AFIDA: Overview and Issues

The U.S. Department of Agriculture (USDA) reports that from 2017 to 2024, foreign holdings of U.S. agricultural land increased an average of more than 2.4 million acres annually. Some Members of Congress have expressed concerns relating to national security about investments in U.S. agricultural land by foreign adversaries, according to 15 C.F.R. §791.4 (e.g., the People's Republic of China), particularly investments near sensitive military sites. These concerns would be addressed by various bills introduced in the 119th Congress, some of which would amend the Agricultural Foreign Investment Disclosure Act (AFIDA; P.L. 95-460; 7 U.S.C. §§3501 et seq.) or restrict foreign investment in U.S. agricultural land.

USDA reports that as of December 31, 2024, foreign persons held interests in over 47 million acres of U.S. agricultural land, which accounted for 3.6% of total privately owned agricultural land. Forestland accounted for 47% of all foreign-owned acres, cropland accounted for 29%, and other agricultural land accounted for 22%. Five countries—Canada, the Netherlands, Germany, Italy, and the United Kingdom—accounted for 61% of all foreign-owned acres. USDA reports that "Chinese-primary investor filers" accounted for approximately 0.5% of foreign holdings.

Current federal law imposes no restrictions on the amount of private U.S. agricultural land that can be foreign-owned. However, AFIDA requires foreign persons who acquire or transfer interest in agricultural land to submit a report to USDA within 90 days of the transaction. Persons who fail to report may be subject to a civil penalty.

A 2024 Government Accountability Office report identified gaps among AFIDA data collection and information sharing with the interagency Committee on Foreign Investment in the United States (CFIUS). The report was initiated by some Members identifying foreign investments near U.S. military bases and purchases that could lead to foreign control of supply chains. In June 2026, USDA released a proposed rule to amend the AFIDA regulations. The rule proposes changes to define *agricultural land* to include land used for animal slaughtering and processing and solar and wind electric power generation; a requirement to include digital, open-source geospatial map and property boundaries and a legal description of the land in reporting; and amendments to civil penalties based on transaction and whether the foreign person is associated with a foreign adversary.

In the 119th Congress, some Members have introduced legislation that would amend AFIDA, increase and improve data collection on foreign ownership, or restrict foreign ownership associated with foreign adversaries. Two of these proposals are the House-passed farm bill, the Farm, Food and National Security Act of 2026 (H.R. 7567), and the Senate committee-reported Agricultural Act of 2026 (S. 5526). The House-passed bill would amend AFIDA disclosure requirements, amend civil penalties for AFIDA violations, restrict certain foreign ownership of agricultural land, and alter the relationship between USDA and CFIUS. S. 5526 proposes amendments to AFIDA reporting requirements and the civil penalty structure.

Many states and localities have introduced proposals or enacted laws to restrict foreign ownership of agricultural land or require reporting similar to what is required under AFIDA, but there is no uniform approach across such legislation. For example, some local laws restrict the amount of land that can be owned by foreign persons or the duration of ownership, and some differ in their definition of agricultural land.

Congress, the executive branch, and state and local governments continue to deliberate foreign ownership of U.S. agricultural land and whether to amend related laws. Congress may consider whether issues or concerns relating to foreign ownership may require amendments to AFIDA or changes in interagency collaboration between USDA and CFIUS.

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Introduction

Foreign investment and ownership of U.S. agricultural land have increased over time, according to data collected by the U.S. Department of Agriculture (USDA). USDA reports that since 2017, foreign holdings have increased an average of "over 2.4 million acres annually, ranging from 1.3 million acres to nearly 3.4 million acres per year."[1] Some Members of Congress have identified the potential for investment in U.S. agricultural land by foreign adversaries, such as the People's Republic of China (China).[2] These potential investments include Chinese nationals' investments in agricultural land nearby sensitive U.S. government sites, such as the 2023 proposed acquisition of a corn milling facility near Grand Forks Air Force Base in North Dakota.[3] Other issues identified by some Members include the impact of foreign investment in agricultural land on U.S. farms and rural communities and the domestic food supply.[4]

Some Members have introduced legislative proposals to amend the reporting requirements for foreign investment transactions involving U.S. agricultural land under the Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA; P.L. 95-460; 7 U.S.C. §§3501 et seq.) and to restrict ownership of U.S. agricultural land by foreign adversaries. No federal laws prohibit foreign persons from acquiring U.S. agricultural land, but AFIDA requires foreign persons report to USDA their involvement in most agricultural land transactions within 90 days of the transaction. Legislative proposals such as the House-passed farm bill, the Food, Farm, and National Security Act of 2026 (H.R. 7567), and the Senate committee-reported Agricultural Act of 2026 (S. 5526) include amendments to AFIDA and restrictions on foreign ownership of U.S. agricultural land.[5]

[1] U.S. Department of Agriculture (USDA), Farm Service Agency (FSA), *Foreign Holdings of U.S. Agricultural Land Through December 31, 2024*, https://www.fsa.usda.gov/documents/foreign-holdings-us-agricultural-land (hereinafter FSA, *Foreign Holdings of U.S. Agricultural Land*).

[2] Pursuant to the International Emergency Powers Act (P.L. 95-223; 7 U.S.C. §§1701 et seq.) and other authorities, the Department of Commerce maintains a list of foreign adversary nations. They are defined at 15 C.F.R. §791.4. In February 2023, agriculture was a topic of discussion at a hearing conducted by the House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party. See U.S. Congress, House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party, *The Chinese Communist Party's Threat to America*, hearing, 118th Cong., 1st sess., February 28, 2023, https://docs.house.gov/meetings/ZS/ZS00/20230228/115402/HHRG-118-ZS00-Transcript-20230228.pdf. As another example, in September 2023, the Senate Committee on Agriculture, Nutrition, and Forestry held a hearing on the impacts of foreign ownership on U.S. agriculture. See U.S. Congress, Senate Committee on Agriculture, Nutrition, and Forestry, *Foreign Ownership in U.S. Agriculture*, hearing, 118th Cong., 1st sess., September 27, 2023. Additional information on risks associated with foreign ownership in the food and agriculture sector can be found in CRS Report R48094, *Foreign Ownership, Control, and Influence (FOCI) Risks in the Food and Agriculture Sector*.

[3] For more on some national security concerns and congressional action with respect to foreign ownership, see CRS In Focus IF13255, *Foreign Investment in U.S. Agricultural Land: Current Issues*. The proposed acquisition of the corn milling facility was discussed in the Senate Committee on Agriculture, Nutrition, and Forestry hearing of September 27, 2023, *Foreign Ownership in U.S. Agriculture.* For various factors that could be considered when determining whether a transaction may pose a national security risk, see Appendix II in U.S. Government Accountability Office (GAO), *Foreign Investments in U.S. Agricultural Land: Enhancing Efforts to Collect, Track, and Share Key Information Could Better Identify National Security Risks*, GAO-24-106337, January 18, 2024, https://www.gao.gov/products/gao-24-106337 (hereinafter GAO, *Foreign Investments in U.S. Agricultural Land*, GAO-24-106337).

[4] These issues were discussed, for example, in the Senate Committee on Agriculture, Nutrition, and Forestry hearing of September 27, 2023, *Foreign Ownership in U.S. Agriculture*.

[5] For the Senate committee-reported farm bill text, see Senate Committee on Agriculture, Nutrition, and Forestry, "Farm Bill 2.0," https://www.agriculture.senate.gov/agricultural-act-of-2026-farm-bill-20. For analysis of the House-passed and Senate committee-reported farm bills, see CRS Report R48918, *The 2026 Farm Bill: Comparison of the House-Passed and Senate Committee-Reported Bills with Current Law*.

Additionally, on June 25, 2026, USDA released a proposed rule to amend the regulations that implement AFIDA.[6]

This report provides an overview of foreign holdings of U.S. agricultural land based on USDA data and reporting required under AFIDA. It also provides an overview of the USDA-proposed rule to amend AFIDA regulations and prior legislative action relating to foreign ownership of U.S. agricultural land and an overview of state laws pertaining to foreign ownership. The report includes selected legislative proposals in the 119th Congress and a concluding discussion.

USDA Data on Foreign Ownership

USDA reports that foreign persons held interests in over 47 million acres of U.S. agricultural land as of December 31, 2024, which accounted for 3.6% of all privately owned agricultural land and 2% of all land in the United States (**Table 1**).[7] USDA data on foreign ownership are collected from AFIDA disclosures. Data cover both foreign-owned (35.7 million acres) and U.S. subsidiary-owned land (11.5 million acres).[8] USDA reports that foreign agricultural land interests have increased by an average of over 2.4 million acres per year since 2017. In 2024, forestland accounted for 47% of all foreign-owned land, cropland accounted for 29%, and pasture and other agricultural land accounted for 22%. Land considered agricultural under AFIDA but used for nonagricultural purposes (such as homesteads and roads) accounted for 2%.[9]

Foreign persons from five countries accounted for approximately 61% of all foreign-owned U.S. agricultural land in 2024: Canada (34%), the Netherlands (10%), Germany (6%), Italy (6%), and the United Kingdom (6%).[10] Foreign persons from other countries with holdings of more than 500,000 acres include persons from Portugal, France, Denmark, Luxembourg, Mexico, Switzerland, the Cayman Islands, Singapore, Sweden, and Japan.[11] Approximately 6% of the AFIDA-reported foreign-held acres were by a "country not listed" (e.g., there was no foreign investor listed or no predominant country code).[12]

[6] USDA, Office of Homeland Security (OHS) "Agricultural Foreign Investment Disclosure Act of 1978," 91 *Federal Register* 38315-38334, June 25, 2026 (hereinafter USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315).

[7] FSA, *Foreign Holdings of U.S. Agricultural Land*, p. iv.

[8] *U.S. subsidiary-owned land* refers to the interests of U.S. corporations with foreign shareholders. Values reported from "Report 6, Use of U.S. Agricultural Landholdings by Country of Foreign Investor," in FSA, *Foreign Holdings of U.S. Agricultural Land*.

[9] FSA, *Foreign Holdings of U.S. Agricultural Land*, p. iv.

[10] FSA, *Foreign Holdings of U.S. Agricultural Land*, p. 5.

[11] Values gathered from "Report 6, Use of U.S. Agricultural Landholdings by Country of Foreign Investor," in FSA, *Foreign Holdings of U.S. Agricultural Land*.

[12] A listing may be reported as "country not listed" in situations where an error occurred in the initial reporting or in the USDA data entry. For more on errors in AFIDA reporting, see "USDA's AFIDA Tracking Processes Lack Data Verification and Key Information, Resulting in Errors and Omissions" in GAO, *Foreign Investments in U.S. Agricultural Land*, GAO-24-106337. Listings with no predominant country code arise when multiple countries have an interest in the land, but none have a dominant share of ownership.

Table 1. USDA-Reported Foreign Holdings of Agricultural Land, 2024

in millions of acres

Country	Total Acres	Held by Foreign Entities	Held by U.S. Entities with Foreign Shares
Canada	16.1	12.9	3.2
Netherlands	4.7	4.2	0.5
Germany	2.8	1.9	0.9
Italy	2.7	2.6	0.1
United Kingdom	2.7	1.7	1.0
Subtotal	29.0	23.3	5.7
Other countries	15.3	10.2	5.1
Not listed	2.9	2.2	0.7
Total	47.2	35.7	11.5

Source: Compiled by CRS from "Report 6, Use of U.S. Agricultural Landholdings by Country of Foreign Investor," in U.S. Department of Agriculture, *Foreign Holdings of U.S. Agricultural Land Through December 31, 2024*. Data cover sole foreign and joint U.S. ownership of privately held agricultural and nonagricultural lands. Values may not sum to totals because of rounding of the original data.

Notes: "Foreign Entities" refer to holdings by individual foreign investors or entities not created in the United States; "U.S. Entities with Foreign Shares" refer to interests of U.S. corporations with foreign shareholders with "significant interest or substantial control" (7 C.F.R. §781.2). "Not listed" covers Agricultural Foreign Investment Disclosure Act codes 998 (no foreign investor listed) and 999 (no predominant country).

Some Members of Congress and other stakeholders have identified the potential impact of foreign investment in the U.S. food and agriculture sector, particularly by foreign adversaries such as China, Iran, North Korea, and Russia.[13] As of December 31, 2024, investors from China reported owning 247,659 acres (approximately 0.5% of all foreign holdings); Iranian filers reported 547 acres; Russian filers reported 11 acres; and North Korean filers reported 0 acres. USDA states that these values are to be interpreted as minimums because of AFIDA reporting limitations.[14] Some potential limitations include land assets owned by investors from multiple countries with no predominant owner, complex organizational structures of ownership groups, and failures and errors in reporting.[15]

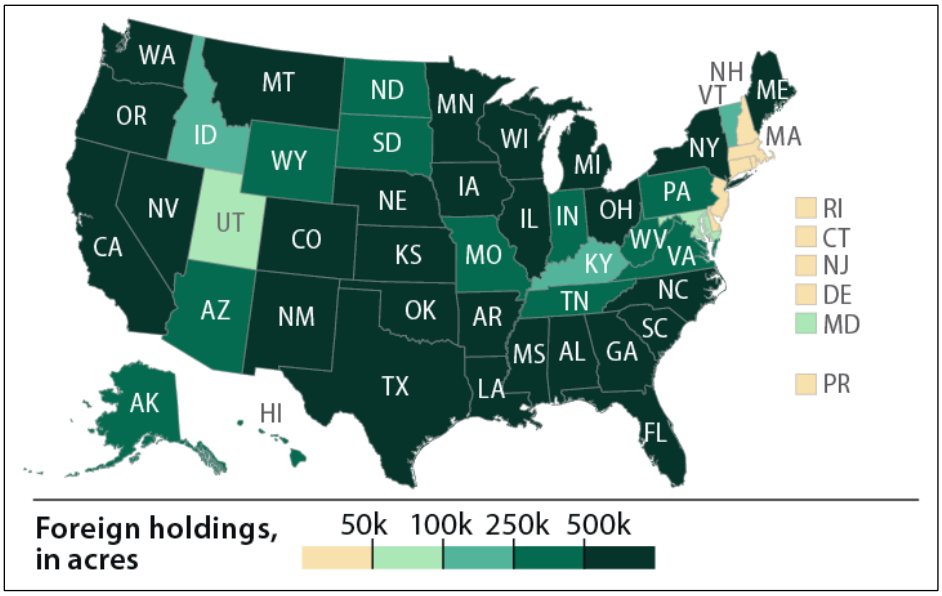
Foreign investment in and ownership of U.S. agricultural land occurs in all states and Puerto Rico (see **Figure 1**). As of year-end 2024, the states with the most foreign-owned agricultural acreage were Texas (5.9 million), Maine (3.5 million), Colorado (2.4 million), Alabama (2.1 million), and Oklahoma (2.0 million).

[13] Pursuant to the International Emergency Powers Act (P.L. 95-223; 7 U.S.C. §§1701 et seq.) and other authorities, the Department of Commerce maintains a list of foreign adversary nations. They are defined at 15 C.F.R. §791.4.

[14] For more detail on USDA's discussion of the reporting limitations for certain foreign adversary investments, see FSA, *Foreign Holdings of U.S. Agricultural Land*, p. 5.

[15] FSA, *Foreign Holdings of U.S. Agricultural Land*, p. 5.

Figure 1. Foreign Holdings of Agricultural Land by State and Territory, as of December 2024



Source: Figure created by CRS from "Report 1, U.S. Agricultural Landholdings of Foreign Investors by State as of December 31, 2024," in USDA, *Foreign Holdings of U.S. Agricultural Land Through December 31, 2024*.

Existing Federal Reporting Requirements

Federal law imposes no restrictions on the amount of private U.S. agricultural land that can be foreign-owned but requires foreign persons to disclose transactions, investments, and ownership of agricultural land to USDA. Federal reporting requirements are authorized under AFIDA, and USDA regulations specify how AFIDA is to be implemented.[16] The Farm Service Agency (FSA) also maintains an AFIDA handbook that provides guidance to state and county offices for administering AFIDA.[17] For example, the handbook includes information on how FSA offices are to handle incomplete AFIDA forms and check for errors in forms.

AFIDA establishes a nationwide set of requirements for the collection of information on foreign purchasers of U.S. agricultural land. AFIDA requires any foreign person who acquires or transfers interest, other than a security interest (e.g., 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.[18]

AFIDA defines *agricultural land* as land that is used for agricultural, forestry, or timber production.[19] The AFIDA regulations further define agricultural land to include land that was used for farming, ranching, or timber production within the last five years.[20] An exception is made for land that does not exceed 10 acres if the gross sale receipts from the land are less than

[16] Regulations for the Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA; P.L. 95-460; 7 U.S.C. §§3501-3508) can be found in 7 C.F.R. §§781.1-781.6.

[17] USDA, FSA, *FSA Handbook: Foreign Investment Disclosure for State and County Offices*, 1-AFIDA (Revision 2), https://www.fsa.usda.gov/Internet/FSA_File/1-afida_r02_a02.pdf (hereinafter *FSA Handbook: Foreign Investment Disclosure*).

[18] 7 U.S.C. §3501(a).

[19] 7 U.S.C. §3508(1).

[20] 7 C.F.R. §781.2(b).

$1,000 annually. Land used for forestry production includes land exceeding 10 acres in which 10% is stocked by trees of any size, including land that formerly had this level of tree cover that can be naturally or artificially regenerated.[21] The regulations reference the Standard Industrial Classification Manual (SIC manual), Division A, for activities that are generally considered farming, ranching, or timber production.[22]

The definition of a *foreign person* broadly includes any foreign government or individual, corporation, company, association, partnership, society, joint stock company, trust, estate, or other legal entity created or organized under the laws of a foreign government or a principal place of business outside the United States.[23] In addition, the AFIDA regulations state the level of interest or control that would qualify an individual, government, or business entity as a foreign person under AFIDA and require reporting on additional ownership tiers. "Significant interest or substantial control"[24] under AFIDA is defined to include

- "an interest of 10 percent or more held by [any single foreign individual, person, government, or legal entity]";
- "an interest of 10 percent held by [a combination of foreign individuals, persons, government, or legal entity that are acting in concert with one another] even though no single individual, person, or government [or legal entity] holds an interest of 10 percent or more"; or
- "an interest of 50 percent or more, in the aggregate, held by [foreign individuals, persons, governments, or entities even if they] may not be acting in concert."[25]

The AFIDA handbook states that the first three tiers of ownership must report on form FSA-153.[26] The handbook describes ownership tiers as follows:

- 1st Tier—"the entity, company, individual, or country having title to the land";
- 2nd Tier—"the entity, company, individual, or country owning an interest in the entity, individual, company, or country having title to the land" and having "significant interest or substantial control in the title holder of the land"; and
- 3rd Tier—"the entity, company, individual, or country owning an interest in the 2nd tier" and having "significant interest or substantial control in the 2nd tier."

AFIDA also requires reporting on transactions of individuals who become a foreign person following their acquisition of an interest in U.S. agricultural land and requires that a foreign person who converts land to agricultural uses submit a report to USDA within 90 days of the land conversion.[27] Reports must also be submitted within 90 days in cases where agricultural land ceases being agricultural, such as when the land is transitioned to construct a residential neighborhood.[28] AFIDA regulations provide reporting exemptions for certain transactions. These exemptions, specified under the term *any interest*, include "leaseholds of less than 10 years,"

[21] 7 C.F.R. §781.2(b).

[22] A search of classification codes for agriculture can be found at Occupational Safety and Health Administration, "Standard Industrial Classification (SIC) System Search," https://www.osha.gov/data/sic-search?field_sic_number_value=&title_and_body=agriculture.

[23] 7 U.S.C. §3508(3) and 7 C.F.R. §781.2(g).

[24] 7 U.S.C. §781.2(k).

[25] 7 U.S.C. §781.2(k).

[26] *FSA Handbook: Foreign Investment Disclosure*.

[27] 7 U.S.C. §3501.

[28] 7 C.F.R. §781.3(h).

"surface or subsurface easements and rights of way used for purposes unrelated to agricultural production," and interests "solely in mineral rights."[29]

Filers may submit AFIDA information via an online portal or form FSA-153.[30] The report is to contain information such as the legal name, address, and citizenship of the foreign person, the legal description and acreage of the agricultural land, the purchase price of the land, and the intended use of the land. In the case that the foreign person is not an individual or government, the person (e.g., corporation or similar entity) must disclose its nature, country of establishment, and principal place of business.[31]

Persons that fail to comply with AFIDA reporting requirements may be subject to a civil penalty.[32] Penalties may also be incurred for a late filing or the inclusion of false information on an AFIDA filing. The penalty amount is not to exceed 25% of the fair market value of the land on the date the penalty is assessed. AFIDA also gives USDA discretion in taking investigative actions to monitor compliance and verify that information submitted in reports is accurate and fully reveals the ownership of the land.[33]

USDA compiles and publicly reports data submitted under AFIDA annually.[34] The most recent report covers 2024; as of October 14, 2026, USDA has not published one for 2025. Congress has directed USDA, in appropriations laws enacted in the 117th (P.L. 117-328; codified in 7 U.S.C. §3501 note) and 118th (P.L. 118-42; codified in 7 U.S.C. §3501 note) Congresses, to report on foreign investments in agricultural land in the United States and the impact that foreign ownership has on U.S. family farms and rural communities and the domestic food supply. Congress also directed USDA to establish a streamlined process for electronic submission of disclosures under AFIDA and an internet database that contains disaggregated data from the disclosures submitted within two years of the enactment of the Consolidated Appropriations Act, 2024 (P.L. 118-42). USDA announced the launch of the electronic disclosure submission portal on January 22, 2026.[35]

Developments in AFIDA

Certain Members of Congress have requested that the Government Accountability Office (GAO) conduct a review of AFIDA regarding foreign investments near U.S. military bases and land purchases that could lead to foreign control of U.S. food supply chains.[36] GAO published the requested report in 2024 and in it identified issues with USDA's 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 the decisionmaking of the Committee on Foreign Investment in the United States (CFIUS); improve the quality of information gathered in AFIDA forms; sign memoranda of understanding (MOUs) with the U.S.

[29] 7 C.F.R. §781.2(c).

[30] AFIDA reports can be submitted at USDA, FSA, "Agricultural Foreign Investment Disclosure Act (AFIDA)," https://www.fsa.usda.gov/resources/economic-policy-analysis/afida. Reports can also be submitted through the hard copy form FSA-153.

[31] 7 U.S.C. §3501 and 7 C.F.R. §781.3.

[32] 7 U.S.C. §3502 and 7 C.F.R. §781.4.

[33] 7 U.S.C. §3503.

[34] A compilation of annual AFIDA reports can be found at USDA, FSA, "Annual Reports," https://www.fsa.usda.gov/resources/economic-policy-analysis/afida/annual-reports.

[35] A link to online filing can be found at USDA, FSA, "Agricultural Foreign Investment Disclosure Act (AFIDA)."

[36] GAO, *Foreign Investments in U.S. Agricultural Land*, GAO-24-106337.

Department of the Treasury (Treasury) and the U.S. Department of Defense (which is "using a secondary Department of War designation" under Executive Order 14347 of September 5, 2025) 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 information beyond the primary investor.[37] USDA has since moved to implement several of the GAO recommendations (see "USDA AFIDA Proposed Rule").

In late 2025, the Trump Administration released its *National Farm Security Action Plan*.[38] The document laid out the Administration's plans to work alongside other agencies and state, local, tribal, and territorial governments on potential national security issues in agriculture. Among the stated goals was to "secure and protect American farmland." In the plan, the Administration identified that farmland owned by foreign nationals, particularly those from "countries of concern or other foreign adversaries," is a "potential threat to national security and future economic prosperity."[39] The plan states that the Administration will implement AFIDA reforms, work with Congress and state governments to pass legislation impacting foreign land ownership, sign an MOU with Treasury and CFIUS to ensure coordination on certain transactions relating to agriculture and farmland, and launch a database for the submission of potential violations of AFIDA.[40]

USDA AFIDA Proposed Rule

On June 25, 2026, USDA released a proposed rule to update AFIDA regulations, with a public comment period through August 10, 2026. The rule proposes to transfer the administration of AFIDA from FSA to the USDA Office of Homeland Security (OHS).[41] It would also amend the definitions of terms such as agricultural land, the reporting requirements under AFIDA, the assessment of civil penalties, and the review process for civil penalties. The rule would also create a process to appeal civil penalties through OHS.[42]

The proposed rule would expand the scope of agricultural land defined and covered under AFIDA. The proposed rule would base its classification of farming, ranching, forestry, or timber production activities on selected codes from the 2022 version of the North American Industry Classification System (NAICS), which is different from the current regulations that use the SIC manual.[43] Under the proposed rule, USDA would require reporting on the basis of selected NAICS codes that include a broader list of agricultural supply chain activities and different uses of agricultural land than are currently included under AFIDA regulations. For example, these new categories would include the following uses of land: animal slaughtering and processing; farm product warehousing and storage; solar and wind electric power generation; pipeline

[37] For more on the Committee on Foreign Investment in the United States (CFIUS), see CRS In Focus IF10177, *Committee on Foreign Investment in the United States (CFIUS)*. For more on the relationship between CFIUS and USDA, see CRS In Focus IF13255, *Foreign Investment in U.S. Agricultural Land: Current Issues*.

[38] USDA, *Farm Security Is National Security: National Farm Security Action Plan*, https://www.usda.gov/sites/default/files/documents/farm-security-nat-sec.pdf.

[39] USDA cites 15 C.F.R. §231.102 to define a *foreign country of concern.*

[40] For more information about CFIUS, see CRS In Focus IF10177, *Committee on Foreign Investment in the United States (CFIUS)*.

[41] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315-38334.

[42] Current regulations allow for AFIDA appeals in accordance with the general regulations for FSA appeals (7 C.F.R. §780.4(a)(iv)). These regulations would not apply to OHS under the proposed rule.

[43] More on the North American Industry Classification System codes can be found at U.S. Census Bureau, "North American Industry Classification System," https://www.census.gov/naics/?58967?yearbck=2022.

transportation; and research and development in physical, engineering, and life sciences and biotechnology.[44] The proposed rule would also require that foreign persons with leases longer than one year submit an AFIDA report; though if the lessee is associated with a foreign adversary country, they would be required to submit an AFIDA report regardless of the lease length. Under current regulations, foreign persons must submit an AFIDA report if their lease is 10 years or longer, and no distinction is made for country affiliation.[45]

The proposed rule would define new terms such as *beneficial owner* and *shell corporation.*[46] It would amend the definition of "significant interest or substantial control" to reduce the threshold of aggregate foreign interest to 10% and to include any interest by a foreign person that qualifies as a beneficial owner or is associated with a foreign adversary.[47]

The proposed rule would also change some of the reporting requirements under AFIDA. It would require that all reports be submitted through the online database that USDA established following congressional direction in appropriations acts.[48] Other proposed changes include requiring a digital, open-source geospatial map with property boundaries and the legal description of the agricultural land in reports.[49] The proposal would also require filers to include certain identifiers, such as a tax identification number and foreign passport number.[50] Additionally, filers would be required to submit any information that is necessary for USDA to verify the accuracy of the report, as requested by USDA.

The rule, if finalized in its proposed form, would differentiate the civil penalty structure by the type of transaction and whether the foreign person is associated with a foreign adversary.[51] In the case of a late report for an acquisition or holding, the penalty would begin to be assessed on the 91st day following the transaction date.[52] The new civil penalty scheme would assess an initial penalty and then increase it if the payment were delayed.[53] The penalty would increase at a higher rate for foreign persons associated with a foreign adversary country than for those who are not.[54] The rule would also provide a different civil penalty scheme for different types of transactions, such as the transfer of inherited land.[55] This would be a change from the current structure that assesses a penalty at 0.001% of the fair market value each week that the report is late regardless

[44] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38329-38330.

[45] Requirements for leases are defined under the term *any interest* in the AFIDA regulations (7 C.F.R. §781.2(c)(2)).

[46] The proposed rule defines *beneficial owner* as a "foreign person who, directly or indirectly … exercises decision-making authority over the agricultural land or legal entity holding the land" (91 *Federal Register* 38330). The proposed rule defines a *shell corporation* as "any company, partnership, trust, or legal entity that has no or nominal operations and is used to hold an interest in agricultural land" (91 *Federal Register* 38330).

[47] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38323.

[48] 7 U.S.C. §3501 note. A link to online filing can be found at USDA, FSA, "Agricultural Foreign Investment Disclosure Act (AFIDA)."

[49] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38331.

[50] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38331.

[51] USDA proposes a temporary penalty scheme for acquisitions and holdings that would sunset after one year in §5100.4(b)(3), which does not differentiate between whether the person is associated with a foreign adversary. The scheme would also increase the penalty at a time scale for land acquired by inheritance or transfer.

[52] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38332.

[53] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38332-38333.

[54] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38332-38333.

[55] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38332-38333.

of transaction type or connection to any foreign country. The cap on penalties of 25% of the fair market value of the land would remain the same.[56]

The proposed rule would also amend the penalty for reports that have mistakes, errors, or false information to be up to 25% of the fair market value at the discretion of USDA.[57] Current regulations state that a 25% penalty will be assessed in these cases.[58] The rule would also shorten the duration for which a penalty can be appealed from 60 days to 30 days and direct that all penalties are to be paid online.[59]

Stakeholder Response

Stakeholder comments on the proposed rule have varied.[60] Some stakeholders have expressed broad support for AFIDA reform, online data collection, amendments to the civil penalty structure for AFIDA, increased reporting from or data collection on foreign adversaries, and more collaboration between USDA and CFIUS.[61] Some stakeholders have commented on the rule.[62] For example, some state that the proposed expansion of the definition of agricultural land to include other uses (e.g., energy and food processing) may go beyond the statutory authority of AFIDA.[63] Other comments address the potential administrative burdens that may result from additional reporting due to, for example, the proposed geospatial data requirements or the proposal to lower the threshold of foreign ownership for reporting.[64]

State Laws on Foreign Ownership of Agricultural Land

Some states and localities have instituted restrictions on foreign ownership of farmland. According to researchers at the National Agricultural Law Center (NALC), no U.S. state has instituted an absolute prohibition on all foreign ownership.[65] Some states limit or have proposed to prohibit certain foreign persons and entities from acquiring or owning an interest in agricultural land within their state.[66] For example, the Commonwealth of Virigina prohibits foreign

[56] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38332-38333.

[57] USDA states that this proposed change is to align with the statutory language in 7 U.S.C. §3502(b) (91 *Federal Register* 38327).

[58] 7 C.F.R. §781.4(b)(2).

[59] USDA, OHS, "AFIDA of 1978," 91 *Federal Register* 38315, 38326.

[60] Stakeholder comments can be found at Regulations.gov, "Agricultural Foreign Investment Disclosure Act: Revisions to Reporting Requirements," USDA, https://www.regulations.gov/docket/USDA-2026-0001. The following footnotes provide selected examples of stakeholder comments that express some of these broad themes.

[61] See, for example, Regulations.gov, "Comment from American Farm Bureau Federation," USDA, August 10, 2026, https://www.regulations.gov/comment/USDA-2026-0001-0045.

[62] See, for example, Regulations.gov, "Comment from American Farm Bureau Federation"; and Regulations.gov, "Comment from AFIDA Modernization Coalition," USDA, August 11, 2026, https://www.regulations.gov/comment/USDA-2026-0001-0061.

[63] See, for example, Regulations.gov, "Comment from AFIDA Modernization Coalition."

[64] See, for example, Regulations.gov, "Comment from National Alliance of Forest Owners (NAFO)," USDA, August 11, 2026, https://www.regulations.gov/comment/USDA-2026-0001-0066.

[65] National Agricultural Law Center (NALC), "Foreign Ownership of Agricultural Land: FAQs and Resource Library," updated June 26, 2026, https://nationalaglawcenter.org/foreign-investments-in-ag/#state-laws.

[66] An overview and list of state statutes that regulate ownership of U.S. agricultural land as of October 2025 can be (continued...)

adversaries from owning agricultural land within the state.[67] Several states also have separate disclosure requirements that resemble those under AFIDA.[68] USDA has identified that some counties also have prohibitions on foreign ownership of agricultural land and other nonagricultural real estate.[69]

According to NALC, there is no uniform approach under state laws to limit or restrict foreign ownership of land.[70] Some state laws include prohibitions on the ability to own agricultural land in the state;[71] others place limits on the amount of land that can be owned or the duration of ownership.[72] Additionally, some state laws include distinctions involving private versus public land or regarding how agricultural land is defined.[73] Furthermore, some state laws include distinctions involving resident/nonresident aliens or inheritance considerations involving land ownership.[74] Some state laws have certain prohibitions on ownership by foreign corporations,[75] and some have different enforcement mechanisms for violations of foreign ownership laws.[76]

found at NALC, "Statutes Regulating Ownership of Agricultural Land," updated October 5, 2025, https://nationalaglawcenter.org/state-compilations/aglandownership/.

[67] See Va. Code §55.1-100 and §§55.1-507-509. The Commonwealth of Virginia defines *foreign adversary* according to the U.S. Secretary of Commerce in 15 C.F.R. §791.4 or such successor regulation, declaration, or statute as may exist.

[68] For example, the State of Illinois, 765 ILCS 50/1 to 50/8.

[69] USDA, FSA, *Foreign Holdings of U.S. Agricultural Land through December 31, 2021*, revised July 12, 2023, https://www.fsa.usda.gov/resources/economic-policy-analysis/afida/annual-reports/2021.

[70] The information in this paragraph was derived from NALC, "Foreign Ownership of Agricultural Land: FAQs and Resource Library," https://nationalaglawcenter.org/foreign-investments-in-ag/#state-laws; and NALC, "Foreign Ownership of Agricultural Land: A Legislative Roadmap," 2023, https://nationalaglawcenter.org/wp-content/uploads/assets/articles/Legislative-Roadmap-Final-Draft-Ed.-2-Template.pdf.

[71] For example, Indiana prohibits citizens of a foreign adversary (as defined in 15 C.F.R. §791.4) from owning agricultural land (see Ind. Code § 32-22-3-3.5).

[72] For example, Pennsylvania (68 Pa. Stat. §41) prohibits nonresident aliens from acquiring an "interest in agricultural land, exceeding 100 acres, except such as may be acquired by devise or inheritance, and such as may be held as security for indebtedness."

[73] An example provided by NALC compares Indiana and Missouri. Indiana defines *agricultural land* (Ind. Code. § 32-22-3-1) as "land for use in crop farming or timber production." No definition is provided for "timber production," but the state provides a definition of *crop farming* (Ind. Code. § 32-22-3-2) as the "cultivation of land for the production of agricultural crops, consisting of plants or plant products that can be grown or harvested exclusively for profit or subsistence." Missouri defines *agricultural land* (Mo. Rev. Stat. §442.566(1)) as "any tract of land in this state consisting of more than five acres, whether inside or outside the corporate limits of any municipality, which is capable, without substantial modification to the character of the land, of supporting an agricultural enterprise, including but not limited to land used for the production of agricultural crops or fruit or other horticultural products, or for the raising or feeding of animals for the production of livestock or livestock products, poultry or poultry products, or milk or dairy products. Adjacent parcels of land under the same ownership shall be deemed to be a single tract."

[74] For example, in Kentucky (Ky. Rev. Stat. §381.300), "the real estate of a nonresident alien may be escheated to the state at any time after the expiration of eight years." If the nonresident alien does not become a citizen of the United States in the eight-year period, then the inheritance may be escheated to the state.

[75] For example, in Indiana, foreign business entities are prohibited from participating in certain transactions of agricultural land (see Ind. Code. § 32-22-3-4).

[76] For example, in Oklahoma, a private resident may take private action on violations (see Okla. Stat. tit. 18 §956).

Issues for Congress

Selected Legislation in the 119th Congress

In the 119th Congress, some Members have introduced legislation that would affect the way foreign investors report agricultural land transactions or restrict their ability to enter the market. Some bills would amend the reporting requirements under AFIDA. For example, S. 4192 would require geospatial data on the boundaries of the reported property. S. 4192 would also require USDA to lower the threshold for what qualifies as significant interest or substantial control for foreign persons associated with a foreign adversary, which would likely lead to additional reporting burdens.[77] Other bills (e.g., H.R. 4362/S. 1969) would set in statute a minimum ownership share for a foreign person to be required to submit an AFIDA report, whereas current standards are set by USDA.

Some proposed legislation includes provisions relating to USDA's data management and reporting guidance. For example, some bills would direct USDA to develop a database, using AFIDA data, of agricultural land purchased by foreign persons (e.g., H.R. 1920/S. 886). Other bills would require USDA to make AFIDA data public (e.g., H.R. 1438/S. 618). Some proposals would require USDA to update the AFIDA handbook regularly (e.g., H.R. 4362/S. 1969).

Some proposed legislation would amend the civil penalty structure for AFIDA and expand USDA's investigative capabilities. Some proposals would amend the USDA civil penalty amounts (e.g., H.R. 1438/S. 618). Other bills would set certain penalty amounts for AFIDA violations from shell corporations (e.g., H.R. 1629 and S. 845). Some bills would amend AFIDA provisions concerning investigative actions, such as by establishing a role for the Farm Production and Conservation Business Center in investigations (e.g., H.R. 4362/S. 1969). Other bills would prioritize enforcement actions pertaining to foreign adversaries (e.g., S. 4192). Some proposals would amend USDA's authority relating to investigative actions by creating a position within USDA focused on AFIDA investigative actions (e.g., H.R. 1920 and S. 886). Some other bills would require annual USDA audits of reports as well as training for state and county personnel on AFIDA (e.g., H.R. 1629 and S. 845).

Some bills would require USDA to submit reports to Congress on the agricultural land-purchasing activities of foreign adversaries (e.g., H.R. 1920 and S. 886); the activities of foreign owners and economic impacts of foreign ownership on U.S. family farms and rural communities and the domestic food supply (e.g., H.R. 1629 and S. 845); or potential national security issues associated with foreign ownership (e.g., H.R. 1438/S. 618). Additionally, some bills would prohibit some agricultural investments by foreign adversaries (e.g., H.R. 1438/S. 618; H.R. 5760 and S. 903) or place limitations on foreign persons from participating in certain USDA programs (e.g., H.R. 1184; H.R. 1438/S. 618; H.R. 1920 and S. 886).[78]

Farm Bill Provisions on Foreign Ownership of Land

A farm bill is a collection of laws and changes to laws that authorize, reauthorize, or amend various food, agriculture, and rural policies. For a farm bill overview, see CRS In Focus IF12047, *Farm Bill Primer: Overview and Status*. In the 119th Congress, both chambers have deliberated new farm bill legislation. On April 30, 2026, the House passed the Farm, Food, and National Security Act of 2026 (H.R. 7567). On September 24, 2026, the Senate Committee on Agriculture, Nutrition, and Forestry reported the Agricultural Act of 2026 (S. 5526). For an

[77] "Significant interest or substantial control" is defined in AFIDA regulations at 7 C.F.R. §781.2(k).

[78] Other bills would amend the relationship between CFIUS and USDA (see CRS Report R48918, *The 2026 Farm Bill: Comparison of the House-Passed and Senate Committee-Reported Bills with Current Law*).

overview of the bills, see CRS Report R48918, *The 2026 Farm Bill: Comparison of the House-Passed and Senate Committee-Reported Bills with Current Law*. Both bills contain a National Security subtitle that proposes amendments to the Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA; P.L. 95-460; 7 U.S.C. §§3501-3508) and provisions that would affect foreign ownership of farmland.

H.R. 7567 would amend authorities of the Committee on Foreign Investment in the United States (CFIUS) and includes provisions that would restrict ownership of U.S. agricultural land by foreign adversaries. H.R. 7567 would require USDA to sign a memorandum of understanding with CFIUS that would require USDA to provide information on foreign ownership of agricultural land to CFIUS. The bill would also create a position within USDA that would monitor AFIDA compliance and conduct investigations. The bill would amend the civil penalty structure to allow for different penalties for different violations. H.R. 7567 would also require that USDA provide annual reports to certain committees of Congress on agricultural land-purchasing activities; update the AFIDA handbook in specified intervals; and establish an electronic database of land registrations by foreign owners. The bill would also amend CFIUS authorities under Section 721 of the Defense Production Act of 1950 (50 U.S.C. §4565) to add the Secretary of Agriculture as a CFIUS member with respect to certain types of foreign investment transactions involving agriculture and to require CFIUS to consider for review "reportable agricultural land transactions" as notified to CFIUS by the Secretary of Agriculture. The bill would also require the President to "direct the heads of Federal departments and agencies to promulgate rules and regulations to prohibit" foreign adversaries and state sponsors of terrorism from "the purchase of agricultural land located in the United States."

S. 5526 would expand reporting requirements under AFIDA to include leases of five years or more and require foreign persons who transition agricultural land into nonagricultural land to submit reports to USDA. The bill would amend the civil penalty amounts and require a publicly available report on enforcement actions taken by USDA with respect to AFIDA; the report would include civil penalties assessed. The bill would also require USDA to conduct annual audits on AFIDA compliance; provide annual training to state and local personnel; establish an electronic database of land registrations by foreign owners or leasers; and release an additional annual report to Congress on AFIDA data and trends.

The House-passed and Senate committee-reported bills have some similarities. For example, both bills would amend the civil penalty amounts for AFIDA violations to reflect different types of violations. Both would require USDA to establish a streamlined database for electronic submission and retention of AFIDA reports, though in different time frames. Both bills would also expand USDA's investigative actions under AFIDA authorities. H.R. 7567 would primarily do this through the creation of a new position, whereas S. 5526 would require USDA to conduct an annual compliance audit on AFIDA reporting. Both bills would require USDA to submit reports to Congress, but the required reports would differ in content. For example, H.R. 7567 would require reports relating to agricultural land transactions of covered foreign countries and state sponsors of terrorism, whereas S. 5526 would require reports pertaining to general influences of foreign investment (including national security interests) without specifying certain foreign countries.

H.R. 7567 contains provisions that would go beyond the scope of AFIDA authorities, such as those that would amend CFIUS authorities and require that the President direct agencies to promulgate regulations to prevent foreign adversaries from purchasing U.S. farmland. S. 5526 does not include similar provisions.

Discussion

The extent and implications of foreign ownership of agricultural land remain of interest to Congress, the Administration, and state and local governments. In the 119th Congress, both chambers of Congress have seen legislation that would amend foreign ownership disclosure requirements in AFIDA, including the House-passed farm bill (H.R. 7567) and the Senate committee-reported farm bill (S. 5526). Some of these bills would also place restrictions on foreign ownership. In addition, the Trump Administration has proposed a new rule to amend the AFIDA regulations, and states continue to pass laws relating to foreign ownership.

Some approaches differ between legislative proposals in the 119th Congress and USDA's proposed rule. For example, USDA's proposed rule would require holders of leases longer than one year to submit an AFIDA report; the Senate committee-reported farm bill (S. 5526) would set

the lease length at five years.[79] Generally, the proposed rule would require AFIDA reporting from more entities engaged in other uses of land, more foreign persons and entities with interest in the land, and more types of transactions than the farm bill proposals. This is due in part to the proposed rule's expansion of the definition of agricultural land, changes to the definition of substantial control, and the lease length requirements. Both the proposed rule and the farm bill proposals include efforts to collect AFIDA reports in a digital database and amend the civil penalty amounts. These provisions may streamline the data collection process and provide an incentive for compliance with AFIDA. Other proposals may lead to more data on foreign ownership of U.S. agricultural land, such as by requiring geospatial data to be collected in AFIDA reporting. An increase in data could provide USDA with more information on the potential impacts of foreign investment on the agricultural economy. Additional reporting under AFIDA may also create administrative burdens for filers of AFIDA reports and potentially disincentivize foreign investment in agricultural land. Additionally, some legislation and provisions in the proposed rule differ in approach as to whether they would create new or additional reporting requirements for foreign ownership broadly or limit their scope to foreign adversaries.

These policy changes would have different effects. If a primary goal is to obtain additional reporting and data specifically regarding foreign adversaries, changes addressing foreign ownership broadly may create additional burdens on foreign investors from countries that are not considered foreign adversaries. Conversely, policy changes directed specifically at foreign adversaries may provide less data on foreign ownership in total, as other foreign persons would not be subject to the new provisions.

Federal law differs from some state laws regarding restrictions on foreign ownership of agricultural land. While amendments to AFIDA may provide more data on foreign ownership or more oversight from USDA on controversial agricultural land transactions, they may not quell all national security or food security concerns pertaining to certain foreign ownership issues, such as investment in agricultural land by persons associated with foreign adversaries.[80] Resolving the national and food security issues associated with foreign agricultural land ownership may involve multiple agencies and government bodies, including CFIUS.[81] For example, as noted by GAO, AFIDA data are not regularly used in CFIUS reviews, in part because of a lack of information sharing between CFIUS and USDA.[82] Congress may consider proposals that include requirements for information sharing between USDA and CFIUS or codification of a specific role for USDA on CFIUS. Additionally, some stakeholders may favor placing prohibitions on foreign persons from certain foreign countries from purchasing agricultural land to address security concerns in a manner that goes beyond data reporting. Others may see no need for these restrictions, may identify or oppose the economic impacts of such policies on foreign persons or may assess the potential for negative effects on agricultural land prices. Some stakeholders may favor reducing the existing reporting requirements to lower administrative burdens or leaving the issue primarily to state governments.[83]

[79] As noted above, the rule would require foreign persons associated with foreign adversaries to submit an AFIDA report regardless of the length of the lease. Currently, "leaseholds of less than 10 years" are not required to submit a report (7 C.F.R. §781.2(c)(2)).

[80] For more on some national security issues relating to foreign ownership, see CRS In Focus IF13255, *Foreign Investment in U.S. Agricultural Land: Current Issues*.

[81] For more on how CFIUS reviews transactions for national security risks, see CRS In Focus IF10177, *Committee on Foreign Investment in the United States (CFIUS)*.

[82] GAO, *Foreign Investments in U.S. Agricultural Land*, GAO-24-106337.

[83] For more on legal considerations with state laws and foreign ownership, see CRS Legal Sidebar LSB11013, *State Regulation of Foreign Ownership of U.S. Land: January 2023 to July 2024*.

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