## Congress of the United States Washington, DC 20515

October 1, 2022

The Honorable Gene L. Dodaro Comptroller General U.S. Government Accountability Office 441 G Street NW Washington, D.C. 20548

Dear Comptroller General Dodaro,

We write to request a Government Accountability Office (GAO) review of foreign investment in U.S. farmland and its impact on national security, trade, and food security as well as U.S. government efforts to monitor these acquisitions. According to the U.S. Department of Agriculture (USDA), foreign ownership and investment in U.S. agricultural land has nearly doubled over the past decade, 2010 through 2020. Most recently, USDA reported that foreign individuals and entities held an interest in 37.6 million acres of U.S. agricultural land as of December 31, 2020, representing 2.9 percent of all privately held agricultural land and 1.7 percent of all land in the United States. While investors from Canada, Germany, and the United Kingdom are regularly among the top foreign investors, investors from countries such as China and Saudi Arabia have increased their investment in U.S. agricultural land. One of the largest groups of foreign investors is renewable energy companies, causing some to raise concerns that farmland is being removed from agricultural production.

Some states have imposed restrictions or constraints on foreign ownership of U.S. farmland, including the size of land-holdings and limits on leases, such as the number of years. Concerns about national security, including a Chinese company's purchase of farmland in North Dakota near an Air Force base that is home to top-secret drone technology, drive fears of foreign ownership of U.S. agricultural land. Concerns have also been expressed that foreign investment in U.S. farmland could result in foreign control of available U.S. farmland, especially prime agricultural lands, and possibly lead to foreign control over food production and food prices. However, others believe that foreign investment provides an opportunity for agricultural expansion.

The Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA), as implemented by the regulations, require all foreign persons holding agricultural land to file a report of such holdings with the U.S. government, specifically USDA's Farm Service Agency. The Farm Service Agency prepares an annual report on foreign holdings of U.S. agricultural land. This annual report includes analysis of data reported under AFIDA, including acres by state and county, acres by type of agricultural land (i.e., cropland, forest, pasture, and other), and acres by country of foreign investor.

Users of the data reported to the Farm Service Agency under AFIDA have found inaccuracies and express concerns that estimates of foreign ownership of agricultural land may be underreported due to the data's lack of reliability and the definitions used by USDA to report foreign ownership.

We would like GAO to conduct a study that addresses the following issues.

- 1. What is known about the extent of and trends in foreign investment in U.S. agricultural land (e.g., by country of investor, by state, by type of land)?
- 2. How does the Farm Service Agency collect data on foreign investment in U.S. agricultural land and what steps are taken to ensure data reliability? How have USDA's data collection methods changed since AFIDA was enacted in 1978?
- 3. What procedures are in place to ensure proper disclosure of acquired agricultural land by a foreign person or entity and does USDA have a process to ensure accurate disclosure of the transfer or sale of such lands?
- 4. Do the current standards for filing under AFIDA ensure that land acquired by a foreign person or entity through a U.S. chartered company or corporation is accurately disclosed as a foreign investment in agricultural land?
- 5. How, if at all, does the U.S. government use the data on foreign investment in U.S. agricultural land to ensure the land is used for its intended purpose and does not pose a threat to national security?
- 6. What improvements or policy options, including regarding national security, could be made to strengthen reporting of foreign investment in agricultural land?
- 7. Are there other Departments or Agencies that USDA is or should be partnering with to ensure accurate disclosure of foreign owned agricultural land?

We look forward to working with you and your staff as you conduct this review. If you have any questions, please contact Jennifer Tiller (jennifer.tiller@mail.house.gov) or Trevor White (trevor.white@mail.house.gov).

Sincerely,

Glenn "GT" Thompson Member of Congress

Member of Congress

Cathy McMorris Rodgers

Frank Lucas Member of Congress

Member of Congress

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Don Bacon Member of Congress

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