

Department of Agriculture

Agricultural Foreign Investment Disclosure Act of 1978

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Introduction

China's purchase of American farmland, particularly near U.S. military installations, poses a potent threat to national security. In obtaining acreage alongside the facilities and critical infrastructure systems that Washington would use to respond to a military crisis in the Indo-Pacific, Beijing has gained a potentially valuable foothold for conducting espionage operations and exploiting vulnerabilities to hinder military mobility.

In response, the United States Department of Agriculture (USDA) should build on its previous round of rulemaking to strengthen reporting requirements for foreign purchases of agricultural lands, expand the scope of its data collection efforts, and consider revising its penalties for noncompliance.

China's Farmland Purchases Pose a Threat to U.S. National Security

While China owns relatively little farmland in the United States, many of its holdings are located near U.S. military bases and other defense-related critical infrastructure, suggesting that its purchases are more related to espionage than to agriculture. This trend has become particularly clear as Chinese land purchases have increased even as Chinese agricultural purchases from the United States have fallen, suggesting that such transactions were not solely motivated by food production.¹

Over the past decade, Chinese firms and investors have purchased land close or adjacent to Fort Liberty, the Yuma Proving Ground, and Patrick Space Force Base, with smaller portions of land alongside Whiteman Air Force Base, Hill Air Force Base, and Grand Forks Air Force Base.² Chinese firms also hold land alongside U.S. forces most likely to flow to the Indo-Pacific theater in the event of a conflict, including Camp Pendleton, Fort Irwin, and on the island of Oahu.³

These ownership patterns, along with Beijing's use of commercial ventures to further its geopolitical ambitions and ongoing broad-based espionage campaign against the United States, highlight the risks associated with Chinese firms purchasing farmland.⁴ Chinese national security

¹ Karen Braun, "China's role in US agriculture isn't what it used to be," *Reuters*, June 9, 2026. (<https://www.reuters.com/commentary/reuters-open-interest/chinas-role-us-agriculture-isnt-what-it-used-be-2026-06-09>)

² Ximena Bustillo and Connie Hanzhang Jin, "China owns 380,000 acres of land in the U.S. Here's where," *National Public Radio*, June 26, 2023. (<https://www.npr.org/2023/06/26/1184053690/chinese-owned-farmland-united-states>)

³ Ibid; Jack Dura, "North Dakota was a leader in limiting China land purchases and sees no reason to stop," *Associated Press*, February 13, 2025. (<https://apnews.com/article/north-dakota-china-farmland-e8a96a2e8355296c4e2d9107d647dccc>)

⁴ Jack Burnham and Josh Birenbaum, "Defense Federal Acquisition Regulation Supplement: Mitigating Risks Related to Foreign Ownership, Control, or Influence (DFARS Case 2021-D011)," *Foundation for Defense of*

law mandates that Chinese firms and individuals comply with Beijing’s security directives, raising the possibility that Chinese-owned assets may provide a platform for spying on U.S. military installations.⁵ This is occurring against a backdrop of China’s ongoing espionage operations targeting the United States and the prepositioning of disruptive capabilities within systems that are critical to national security and public health and safety.⁶

Recommendations

Recognizing the threat posed by foreign adversaries, the USDA is moving toward treating enforcement of the Agriculture Foreign Investment Disclosure Act (AFIDA) as a national security priority.

In monitoring foreign land purchases, the USDA, via AFIDA filings, provides key input to the Committee on Foreign Investment in the United States (CFIUS) and across the federal government to counter foreign adversaries’ intrusions into a range of critical sectors. The investment reporting process also establishes a powerful lever to contest harmful foreign ownership practices, including a legal foundation for litigation and other penalties for noncompliance.

To further support these efforts at the federal level, the USDA should reform AFIDA’s reporting system to facilitate better data collection, particularly of land purchases conducted by foreign adversaries.

- **The USDA should define “foreign adversary” as outlined in the CHIPS and Science Act of 2022 (Public Law 117-167).** The USDA should classify all foreign governments, foreign non-government persons or citizens, or a controlled entity headquartered in a foreign country listed in 42 U.S.C. 19237(2) as “foreign adversaries.” This definition is

Democracies, July 6, 2026. (<https://www.fdd.org/analysis/2026/07/06/defense-federal-acquisition-regulation-supplement-mitigating-risks-related-to-foreign-ownership-control-or-influence-dfars-case-2021-d011>)

⁵ Brit McCandless Farmer, “How China could use U.S. farmland to attack America,” *CBS News*, October 12, 2025. (<https://www.cbsnews.com/news/how-china-could-use-us-farmland-to-attack-america-60-minutes>); Jack Burnham and Annie Fixler, “Protecting Against National Security Threats to the Communications Supply Chain Through the Equipment Authorization Program,” *Foundation for Defense of Democracies*, December 22, 2025. (<https://www.fdd.org/analysis/2025/12/22/protecting-against-national-security-threats-to-the-communications-supply-chain-through-the-equipment-authorization-program-2>)

⁶ Jack Burnham and Maria Riofrio, “USDA Releases Plan to Protect U.S. Agriculture From Cyber Threats and Chinese Intrusions,” *Foundation for Defense of Democracies*, July 10, 2025. (<https://www.fdd.org/analysis/2025/07/10/usda-releases-plan-to-protect-u-s-agriculture-from-cyber-threats-and-chinese-intrusions>); Annie Fixler, RADM (Ret.) Mark Montgomery, and Rory Lane, “Military Mobility Depends on Secure Critical Infrastructure,” *Foundation for Defense of Democracies*, March 27, 2025. (<https://www.fdd.org/analysis/2025/03/27/military-mobility-depends-on-secure-critical-infrastructure>)

statutorily robust, falls in line with other interagency efforts, and will capture the highest-risk transactions: those that involve China, Russia, Iran, and North Korea.

- **The USDA should define “Foreign Adversary-Controlled Entity” as primarily outlined in 15 CFR 791.** The department should define a “foreign adversary-controlled entity” as any entity that is owned by, controlled by, or subject to the jurisdiction or direction of a foreign adversary — effectively an identical definition to that provided by Executive Order 13873 and its accompanying administrative law. This definition will provide clear guidance for reporting requirements under AFIDA.
- **The USDA should require foreign persons to report the type of interest that they hold in agricultural land, including both the percentage of ownership and the leasehold interest.** The department should ensure that foreign persons and entities report the full extent of their holdings in agricultural lands to identify possible violations of AFIDA and to strengthen its data collection practices to safeguard national security.
- **The USDA should require foreign persons and entities to report all efforts related to acquiring agricultural lands.** The department should mandate that filers provide information related to how the tract of land was acquired, the current management of the land, and any preexisting relationship between the current foreign owner and its previous owners. This information will allow the USDA to track the mechanisms by which these transactions occur, establishing patterns that may serve as warning signs to scrutinize further transfers. Moreover, this requirement would also indirectly highlight the extent to which foreign persons or entities are currently active within the domestic agricultural market, providing a source of key insight that may inform additional regulatory actions.
- **The USDA should require foreign persons to disclose certain government-issued unique identifiers.** The department should require foreign persons to disclose their tax identification numbers and foreign passport numbers, should they be relevant, in completing their AFIDA filings. These requirements will assist USDA in identifying the filer of the report, including in tracking entities and persons across multiple separate transactions.
- **The USDA should require filers to identify the full scope of foreign persons holding a significant interest or exercising substantial control over U.S. agricultural lands.** The department should require filers to submit the percentage interests held individually by each person and country, identify the aggregate interests held by country, and provide documentation demonstrating the relationship between all interest holders. Moreover, the department should classify beneficial owners as holding a “significant interest or substantial control” in the transaction simply by virtue of being a beneficial owner. These

policies will promote transparency while allowing the USDA to track often-opaque corporate relationships between foreign and domestic buyers, a common avenue of evading scrutiny.

- **The USDA should consider seeking an opinion on whether to change its penalty structure.** While the department seeks to safeguard national security by increasing penalties on foreign adversaries without harming other types of foreign-linked transactions, this type of revision may overreach its statutory standing under AFIDA, inadvertently weakening its regulatory authority.

Conclusion

By strengthening transaction reporting requirements, the USDA can bolster U.S. national security while supporting investment into the American agricultural sector. By expanding the scope of its reporting requirements, the agency can also develop deeper insight into patterns of transaction activities involving foreign adversaries, raising new avenues for enforcement and strengthening CFIUS.

Thank you for considering our comments. We look forward to seeing how our input is incorporated into the USDA's ongoing policy work.