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# PRESERVE AND PROTECT

Farmland preservation has long been a priority and we all know how important it is that we make every effort to keep agricultural land in production. But lately there has been growing attention on the issue of farmland protection – specifically protection from foreign control of agricultural lands.

In North Carolina, foreign ownership of ag land clocks in at 765,047 acres, or 3% of all privately held ag land, but that number increased by nearly 48% over the previous year according to Farm Service Agency reporting.

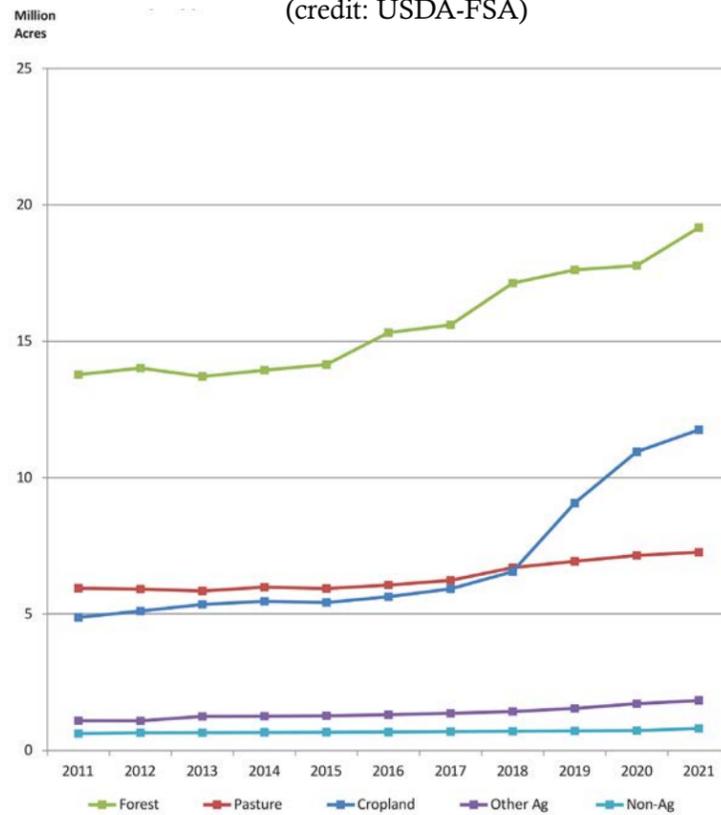
**So let's talk about foreign ownership laws.**

# PRESERVE AND PROTECT

According to the National Agricultural Law Center (NALC), “a ‘foreign ownership law’ is a law that restricts certain foreign individuals, foreign entities, or foreign governments from acquiring, transferring, holding, or investing in U.S. real estate, specifically including private agricultural land located within the U.S.” Foreign ownership laws actually have a long history in our country, some dating as far back as the Colonial Period, while others came about during other flashpoints in our nation’s development. Before this current discussion around foreign ownership, the most recent flashpoint was the 1970s during which time one of the main federal foreign ownership laws, known as the Agricultural Foreign Investment Disclosure Act (AFIDA) of 1978, was enacted.

The impetus for AFIDA was pressure on and the decline of family farms in the U.S., but lawmakers at that time discovered that there was very little actual data on the impact of foreign ownership and investment in U.S. farmland. As a result, AFIDA requires foreign persons who own or acquire U.S. agricultural land to report their holdings to the U.S. Department of Agriculture (USDA). The law also requires foreign investors to submit additional information, such as the source of funds used to purchase the farmland and the amount of income generated from the land. The USDA maintains a database of foreign-held agricultural land, which is used to monitor foreign investment in the U.S. agricultural sector. Because of AFIDA, we know that foreign persons hold an interest in over 40 million acres, about 3.1% of all ag land. We also know that this is an increase of about 2.4 million acres from the previous year. Texas has the most acreage

**Trends in Foreign Holdings of Agricultural Land by Type of Use for the Period 2011-2021**  
(credit: USDA-FSA)



under foreign ownership while Maine has the highest percentage of foreign-owned ag land. Investors from Canada hold the largest amount of ag land, followed by the Netherlands, Italy, the UK, and Germany. The most recent AFIDA data reports that China only owns 194,772 agricultural acres within the U.S., although the report also shows that land to be highly valuable. Moreover, acreage owned by Chinese investors has increased 14-fold in the last decade.

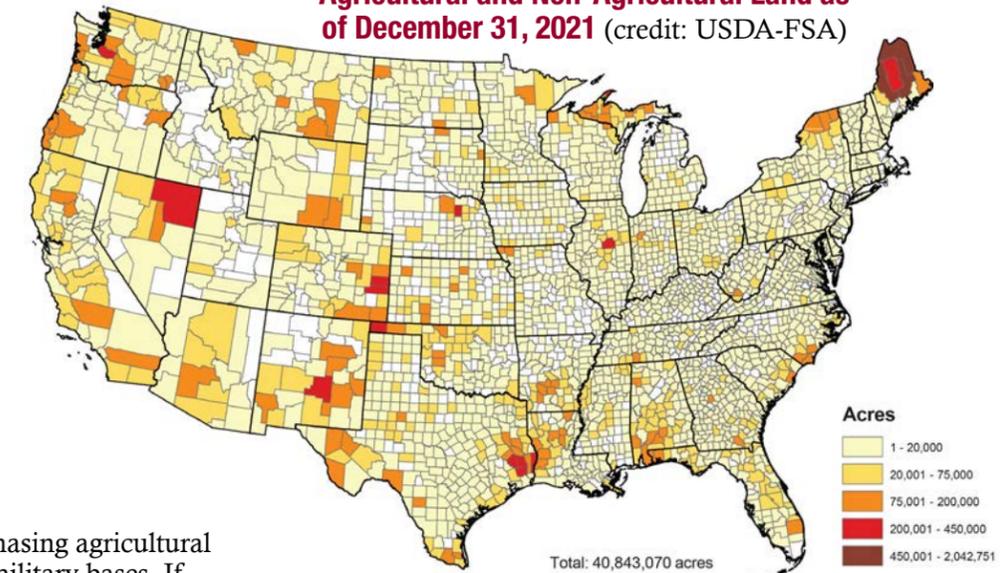
While AFIDA requires disclosure of information and carries penalties for noncompliance, it doesn’t actually prohibit or prevent foreign ownership or investment in U.S. farmland. However, there are a number of state laws that do. At least 18 states have laws that prohibit or restrict foreign ownership of farmland, and a few more have enacted additional limitations or qualifications on

ownership that can be construed as foreign ownership laws. These laws vary in many ways. In 2023, NALC reports that “the majority of states have proposed, or have plans to propose, at least one piece of legislation that seeks to prohibit or restrict foreign investments and landholdings in land—specifically private farmland—located within their state to some degree.” North Carolina is one of those states.

On March 23, NC House Majority Leader John Bell (R-Wayne) filed HB 463, the N.C. Farmland and Military Protection Act, to prohibit China, Russia, Iran and other foreign adversaries and state-controlled entities from purchasing agricultural land, including property surrounding military bases. If passed and signed into law, it would become effective on January 1, 2024 and apply only to land acquired on and after that date. Specifically, the bill:

- Prevents adversarial foreign governments from purchasing, acquiring, or holding any interest in agricultural land or land situated within a 25-mile radius of a military base, military installation, or military airport, and it makes any transfer of an interest in land in violation of the law void.
- Applies to a state-controlled enterprise or the government of a foreign nation that has received a designation by the U.S. Secretary of Commerce that the entity has engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States or security and safety of United States citizens.
- Specifies that agricultural land is any land situated in this State that is used for agricultural production purposes as defined in S. 106-581.1(1) through (4).

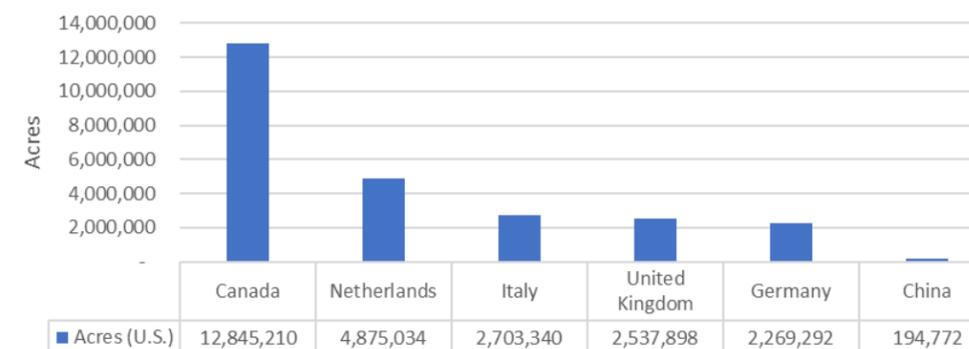
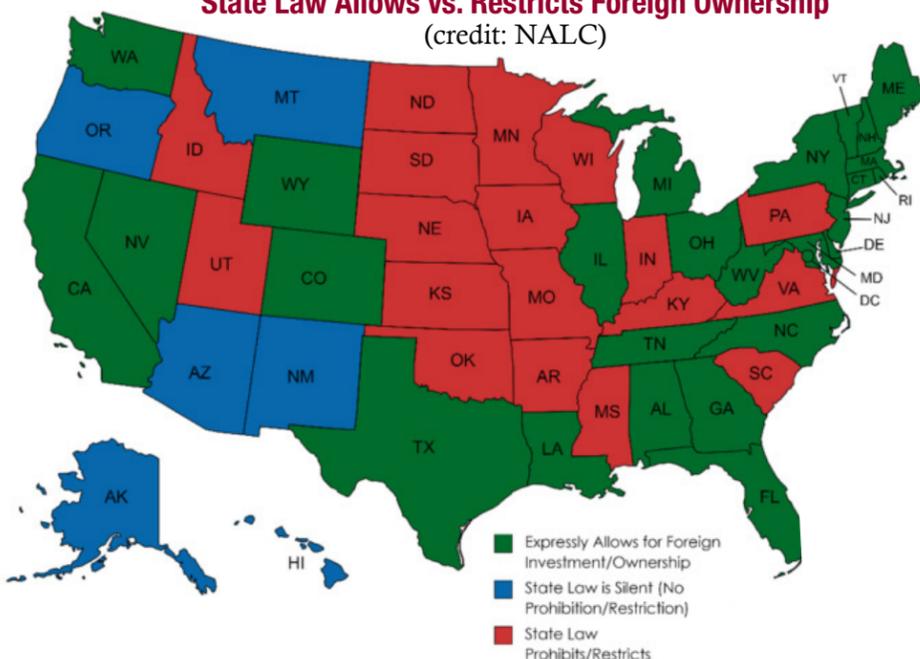
**County Concentration of Foreign Holdings of Agricultural and Non-Agricultural Land as of December 31, 2021**  
(credit: USDA-FSA)



“Allowing foreign adversaries to purchase farmland is a legitimate concern in rural North Carolina and poses a serious risk to our national and food security,” said Rep. Bell. “It is critical that we act now to mitigate this unnecessary threat to our state and nation.” The legislation has bipartisan sponsorship including House Speaker Tim Moore and House Democratic Leader Robert Reives, and the support of NCFB. “Food security is national security, and [this bill] helps keep North Carolina’s significant agricultural output secure by preventing countries like China and Russia from acquiring our state’s farmland,” said NCFB President Shawn Harding. “North Carolina Farm Bureau supports this legislation and is grateful to the House leaders who recognize the importance of this issue.”

The Bill passed the North Carolina House on April 26 with a vote of 114-0. It heads to the North Carolina Senate next.

**State Law Allows vs. Restricts Foreign Ownership**  
(credit: NALC)



**U.S. Agricultural and Nonagricultural Acres by Country of Foreign Investor as of December 31, 2021**  
(data from USDA-FSA)