



March 3rd, 2025

The Honorable French Hill
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hill, Ranking Member Waters, and Members of the Committee:

Thank you for the opportunity to submit a statement for the record related to the hearing entitled "Examining Policies to Counter China" on Tuesday, February 25, 2025. China poses serious challenges to the United States, but Washington's policy responses over the last two administrations have been woefully inadequate.

Attached to this letter is a blog post titled, "Chinese Ownership of U.S. Farmland: Separating the Wheat from the Chaff", which offers concrete policy recommendations for outcompeting China economically in the 21st century.

Sincerely,

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Chinese Ownership of U.S. Farmland: Separating the Wheat from the Chaff

By **Scott Lincicome** and Ilana Blumsack

Heightened U.S.-China economic and geopolitical tensions have produced numerous congressional proposals to forcibly decouple the two economies, ostensibly on national security grounds. **Several such proposals** would severely restrict or even ban Chinese ownership of U.S. farmland, due to the aforementioned tensions and the fact that farmland purchases by Chinese nationals or companies have increased in recent years.

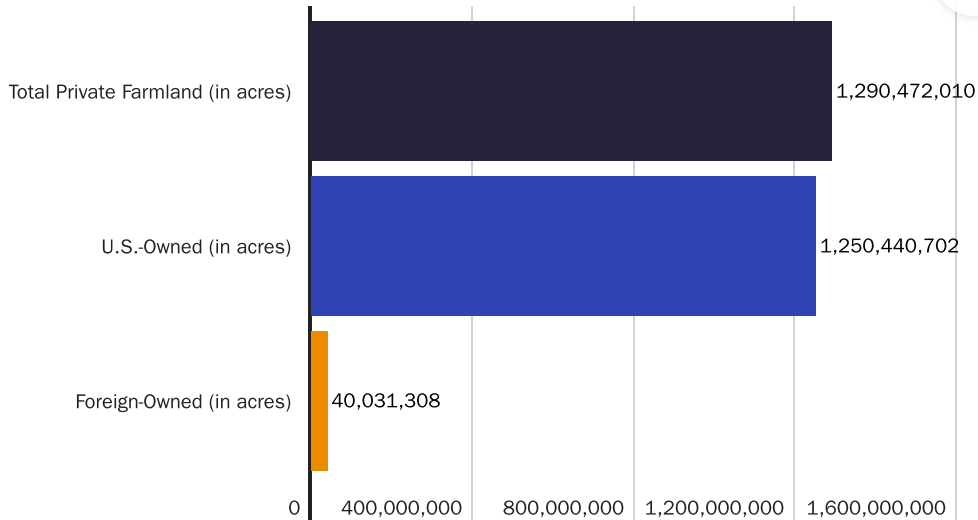
Surely, foreign governments' or government-controlled entities' purchases of certain U.S. land (e.g., near sensitive military installations) can raise legitimate national security concerns that might warrant federal oversight or intervention. Fortunately, there's little current indication that foreign farmland purchases – even by Chinese entities – justify the type of broad-based government restrictions that some in Congress are contemplating.

For starters, recent increases in foreign and Chinese ownership need to be put into proper perspective. While the amount of U.S. agricultural land owned by foreigners **doubled** between 2009–2019, the latest federal government data (for 2021) **show** that these parcels still account for just 3.7 percent of all private farmland in the United States (see Figure 1). The

United States Department of Agriculture (USDA) defines foreign ownership as both land owned solely by foreigners, as well as land jointly owned by American and foreign investors.

Figure 1

Only 3.1 percent of private U.S. farmland was foreign-owned in 2021

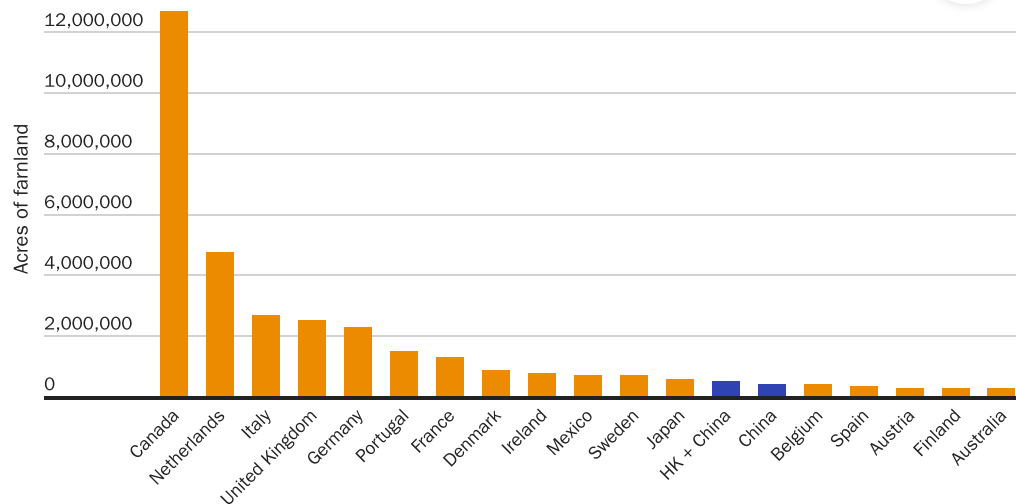


Source: Mary Estep, et. al., *Foreign Holdings of U.S. Agricultural Land Through December 31, 2021* (Washington: U.S. Department of Agriculture, 2022), Report 1. U.S.-owned farmland determined by subtracting foreign-owned farmland from the total.

Of this sliver of private U.S. agricultural land, moreover, Chinese entities remain a tiny player. As Figure 2 shows, in fact, Chinese entities own *less than 1 percent* of all foreign-owned farmland, while most of the land is owned by companies and individuals located in nations closely allied with the United States, such as Canada (30 percent), the Netherlands (12 percent), Italy (6 percent), the U.K. (6 percent), and Germany (6 percent). Including Hong Kong in China's totals doesn't much change these results – it's still just 1.2 percent of all foreign-owned farmland. As Tori Smith of the American Action Forum **notes**, China ranks tenth among foreign nations in the value of their U.S. farmland, behind Japan and Sweden, and well behind Canada, the Netherlands, and Germany.

Figure 2

China owned less U.S. farmland than Japan or Sweden in 2021

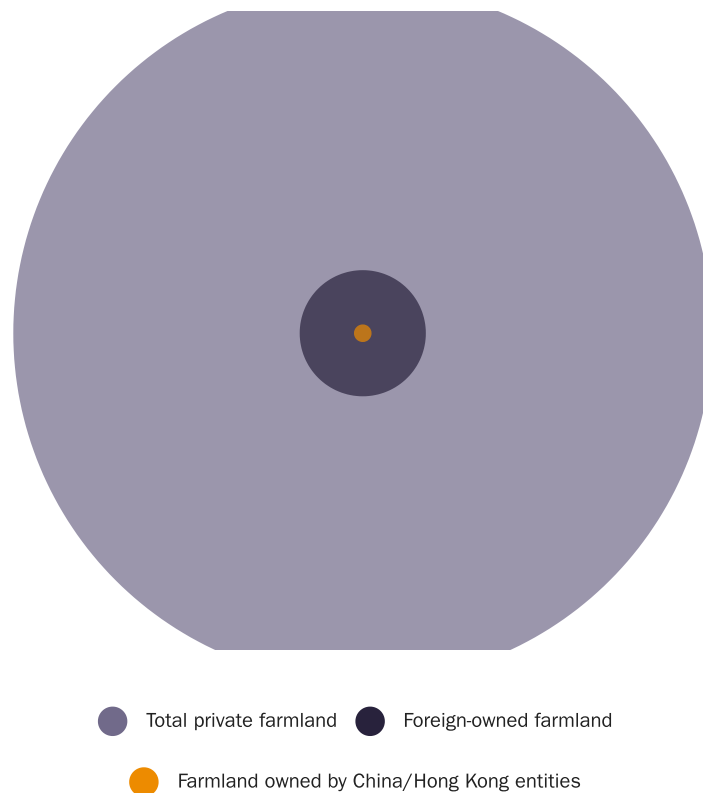


Note: Select countries shown here. Foreign-owned farmland determined by adding the total holdings for "X country" and "U.S./X country." "Other Non-Agriculture" holdings were then subtracted from the total to exclude non-farmland.

Source: Mary Estep, et. al., *Foreign Holdings of U.S. Agricultural Land Through December 31, 2021* (Washington: U.S. Department of Agriculture, 2022), Report 6.

Overall, these totals mean that China or China and Hong Kong combined accounted for a trivial *0.03 or 0.04 percent*, respectively, of all private U.S. agricultural land in 2021 (see Figure 3). To put that into perspective: If all private U.S. agricultural land were a gallon of milk, Chinese holdings would fill a whopping... *quarter of a teaspoon*.

Figure 3: **Chinese-owned farmland is just 0.039 percent of all private farmland in the U.S.**



Source: Mary Estep, et. al., *Foreign Holdings of U.S. Agricultural Land Through December 31, 2021* (Washington: U.S. Department of Agriculture, 2022), Reports 1 and 6.

This does not scream “national security crisis.”

Furthermore, there are several reasons why even these paltry totals likely overstate the threat posed by Chinese ownership of U.S. farmland. First, as Cato adjunct scholar Dan Griswold points out in a forthcoming op-ed, most of the “Chinese” land at issue is “other agricultural” land, not actual cropland or forest, and most of this “other” land is owned by a Hong Kong-based private company following the 2013 acquisition of U.S. pork producer Smithfield. While controversial at the time, the acquisition was **reviewed and approved** by the U.S. government’s inbound investment-screening body, the Committee on Foreign Investment in the United States (CFIUS), and has raised no serious land-related concerns in the last decade.

Second, it’s not entirely clear why Chinese holdings of U.S. farmland are, in general, problematic. Most obviously, the Chinese government cannot steal the land, and the U.S. government could (and probably would) expropriate it in times of war or other national emergencies. Furthermore, absent an exponential (and wholly unrealistic) increase in Chinese land holdings, there would remain hundreds of millions of acres of U.S. land – farmland or

otherwise – *not* under Chinese control. This **includes** 640 million acres of land owned by the federal government, **millions** of which are already used by American ranchers for cattle grazing. Indeed, thanks to scientific and technological innovations that have **tripled** agricultural productivity (meaning we produce much more food on the same amount of land) since 1948, Americans' own farmland needs continue to decline.

All this being said, specific foreign land holdings could raise national security concerns, and there is some possible room for improvement in this regard. In particular, data on foreign-owned farmland near high-security sites, such as military installations, could be improved. As the Center for Strategic and International Studies **noted** in 2021, for example, the only federal law regarding data on foreign agricultural holdings is the Agricultural Foreign Investment Disclosure Act (AFIDA), which relies on self-reported data from foreign entities. Additionally, AFIDA-reported data is not checked by USDA for accuracy, and the agency rarely penalizes companies for failing to report data. Others have **reported** on similar shortcomings with the current farmland data.

Also, U.S. investment screening rules could be updated to ensure that CFIUS can review foreign farmland purchases near military installations. For example, Chinese agriculture company Fufeng recently **purchased** land 15 miles from Grand Forks Air Force Base, even though the Air Force **wrote** that it viewed the acquisition as a national security threat. CFIUS, however, **concluded** it didn't have jurisdiction over the purchase. (Ultimately, the Grand Forks, N.D. city government **stopped** the corn mill proposed at the site, although Fufeng still owns the land.)

Given these two issues, it may be appropriate for Congress to improve government data on foreign-owned farmland and to ensure that real national security issues can be remedied. Some legislation, such as the **FARM Act**, the **Protecting Military Installations and Ranges Act**, and the **SOIL Act**, have proposed reforms in this regard, though each could be improved in certain other respects. Given the legal, economic, and practical concerns raised by the federal government broadly restricting private land transactions (ones usually involving American citizens), such actions shouldn't be considered until more narrowly-targeted measures are implemented, data enhancements and other improvements are made, and additional problems are revealed. In the meantime, however, there's little reason for serious concern about the vast majority of foreign farmland holdings, including the quarter-teaspoon held by China.

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