

Submitter: D Torres

On Behalf Of:

Committee: Senate Committee On Veterans, Emergency  
Management, Federal and World Affairs

Measure, Appointment or Topic: SB1023

Chair & Committee Members,

I support this bill and it's concept.

Land grabbing—when a government, company, or other entity purchases large swathes of land in another country—can affect local land rights and agricultural production, sometimes putting local food security at risk. Foreign ownership of U.S. agricultural land doubled from 2009 to 2019, according to USDA records, and policymakers have become increasingly concerned about foreign control of the U.S. food supply.

According to USDA data, foreign investors owned at least 35.2 million acres of U.S. agricultural land in 2019—2.7 percent of U.S. farmland, an area almost the size of Iowa. While foreign land ownership has been reported in all 50 states and Puerto Rico, the holdings are concentrated in particular states. The greatest share is in Texas, with over 4.4 million acres, followed by Maine (3.3 million acres) and Alabama (1.8 million acres). Over 40 percent of the additional 3.4 million acres acquired by foreign investors in 2019 was located in Texas, Oklahoma, and Colorado.

Canadian investors hold the largest share of this land, at 29 percent, with the Netherlands, Italy, Germany, and the United Kingdom collectively owning another 33 percent. The remaining 38 percent is held by entities from almost a hundred other countries. Although Congress has become increasingly concerned about Chinese land purchases, investors from China currently own only a small fraction of this land, at 191,652 acres (0.05 percent of the total).

Foreign entities buy agricultural land for a variety of reasons, such as food production, wind farming, carbon offsets, or speculative investments. In 2019, 49 percent of reported foreign-held acreage in the United States was forest land, while 25 percent was crop land, 24 percent was for pasture and other agricultural uses, and 2 percent was for non-agricultural uses (such as homesteads and roads). The USDA reports that the changes in pasture and crop land holdings since 2009 were mostly due to foreign-owned wind companies signing or terminating long-term leases.

Large land purchases present various localized concerns in the places where they occur. For example, in water-scarce regions like the Southwest, outside use of freshwater resources can affect water availability for local farms and communities.

Arizona, for instance, has no rules on groundwater pumping as long as it is for a “beneficial use,” which includes agriculture even if the products are shipped elsewhere. Near a 10,000-acre hay farm run by a Saudi subsidiary, local residents say their wells are going dry. It is not only foreign companies who take advantage of this regulatory loophole, however—companies from other states and cities around the United States are also buying up land in Arizona to take advantage of the state’s loose water regulations, putting Arizona’s long-term water resources at risk.

In 2013 Smithfield Foods was purchased by Chinese firm WH Grp. WH Grp now owns the largest pork producer in the US and was reported to own over 146,000 acres of farmland across the US; as of 2015, WH Grp was reported to own approximately 42,000 acres of farmland in Missouri. Missouri had formerly banned all foreign ownership of agricultural land in the state, but one week before the take over Smithfield, that rule changed to allow foreign entities to own up to 1 percent of the state’s farmland. The larger concern is why up-and-coming U.S. farmers are unable to buy the land they need. According to the NYFC, young and aspiring farmers say access to land is their largest barrier to starting a successful farm business. With an aging U.S. farmer population and not enough new farmers able to enter the industry, more land will inevitably be converted to other uses or sold to foreign and domestic investors unless policies are put in place to support the next generation of farmers.

Please support this bill with the necessary changes.