

United States Senate

WASHINGTON, DC 20510

September 24, 2024

VIA ELECTRONIC TRANSMISSION

The Honorable Thomas J. Vilsack
Secretary
Department of Agriculture

Dear Secretary Vilsack:

Since 2017, foreign ownership in U.S. farmland, pastures, and forest land has increased by an average of 2.9 million acres per year, growing to approximately 43.4 million total acres in 2022.¹ Investment in U.S. agricultural land from our adversaries poses numerous national security threats to our military, economy, and food security.² This Congress, given the influx in foreign ownership and investment in U.S. farmland, I have taken steps to better ensure these transactions are properly vetted for potential national security risks.³

As you are aware, the U.S. Department of Agriculture (USDA) is responsible for sharing information on foreign investments in U.S. agricultural land with the Committee on Foreign Investment in the United States (CFIUS) for its national security reviews.⁴ Additionally, the Agricultural Foreign Investment Disclosure Act of 1978 (AFIDA) directs the USDA to collect, track, and report reliable data on foreign investments in U.S. agricultural land.⁵

On January 18, 2024, the Government Accountability Office (GAO) released a report examining USDA's ability to share information with CFIUS and collect data on foreign investment in U.S. agricultural land entitled, *Foreign Investments in U.S. Agricultural Land: Enhancing Efforts to Collect, Track, and Share Key Information Could Better Identify National*

¹ FARM SERVICE AGENCY, USDA, *Foreign Holdings of U.S. Agricultural Land* (2022) at 6, https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/EPAS/PDF/2022_afida_annual_report_12_20_23.pdf.

² See Mary K. Jacob, *Map shows Chinese-owned farmland next to 19 US military bases in 'alarming' threat to national security: experts*, NEW YORK POST (June 20, 2024), <https://nypost.com/2024/06/20/us-news/chinese-owned-farmland-next-to-19-us-military-bases/>; Sen. Chuck Grassley, *Sens. Grassley and Brown: Big foreign investments in US need closer scrutiny to protect economic security*, FOX NEWS (Aug. 3, 2018), <https://www.foxnews.com/opinion/sens-grassley-and-brown-big-foreign-investments-in-us-need-closer-scrutiny-to-protect-economic-security>; Kristen Altus, *US farmer warns 'China is quietly taking over' food security*, FOX BUSINESS (July 1, 2023), <https://www.foxbusiness.com/economy/us-farmer-warns-china-quietly-taking-food-security>.

³ Senator Charles E. Grassley, *Grassley Continues Fight To Protect American Farmland & Rural Communities From Foreign Ownership* (July 19, 2023), <https://www.grassley.senate.gov/news/news-releases/grassley-continues-fight-to-protect-american-farmland-and-rural-communities-from-foreign-ownership>.

⁴ See 50 U.S.C. § 4565(k)(2).

⁵ See 7 U.S.C. § 3501(a).

*Security Risks.*⁶ The report noted that foreign ownership in U.S. agricultural land has increased by 40 percent since 2016, and stated that, “[t]hese investments may have consequences for U.S. national security. For example, there may be foreign ownership of U.S. agricultural land close to sensitive military installations.”⁷

The report found that, “CFIUS does not currently have regular and timely access to detailed AFIDA information, the nation’s most comprehensive data on foreign investments in U.S. agricultural land...”⁸ GAO also noted that providing the Department of Defense (DOD) with timely data may reduce the likelihood of potential national security risks going undetected.⁹ Additionally, the report stated that, “USDA’s current processes to verify and monitor data have deficiencies,” such as collecting AFIDA filings on paper forms and failing to “regularly review and validate data to improve its accuracy and completeness.”¹⁰ Despite USDA’s efforts to improve AFIDA filings, the report concluded that, “without accurate data and transparent reporting, USDA cannot provide reliable information to CFIUS, Congress, or the public about where and how much U.S. agricultural land is held by foreign persons.”¹¹

The GAO report made six recommendations.¹² USDA concurred with the first five recommendations, and generally concurred with the sixth recommendation.¹³ According to GAO, it has not received any additional information from USDA since July 2024, and as of September 24, 2024, GAO lists all six recommendations as open.¹⁴

It is crucial that USDA continue to improve its processes for collecting, tracking, and reporting data on foreign ownership and investment in U.S. agricultural land. Further, it is essential that USDA provide CFIUS and its member agencies with access to timely and detailed information on these transactions to ensure that all potential national security risks receive a thorough review.

Accordingly, please answer the following questions no later than October 8, 2024:

1. What steps has USDA taken to close each open recommendation from GAO’s January 18, 2024, report? Provide all records.¹⁵

⁶ GAO, GAO-24-106337, *Foreign Investments in U.S. Agricultural Land: Enhancing Efforts to Collect, Track, and Share Key Information Could Better Identify National Security Risks* (Jan. 18, 2024), <https://www.gao.gov/assets/gao-24-106337.pdf>.

⁷ *Id.*

⁸ *Id.* at 35.

⁹ *Id.* (This includes AFIDA data on whether a party has filed a disclosure, when it was filed, and ownership information for the second and third ownership tiers.).

¹⁰ *Id.* As noted in the GAO report and recommendations, “Congress has passed and the President enacted a requirement for the USDA to adopt an online submission process and public database by 2025.” See Pub. L. No. 117-328, div. A, tit. VII § 773, 136 Stat. 4459, 4509 (2022).

¹¹ *Supra* note 6 at 36.

¹² *Id.* at 36-37.

¹³ *Id.*

¹⁴ *Id.*; see <https://www.gao.gov/products/gao-24-106337>.

¹⁵ “Records” include any written, recorded, or graphic material of any kind, including letters, memoranda, reports, notes, electronic data (emails, email attachments, and any other electronically created or stored information),

2. What factors does USDA consider when identifying whether a transaction poses a potential national security risk and should be subject to a CFIUS review? How many transactions has USDA considered a national security risk in the past five years and, of those, how many CFIUS reviews were done? Provide all records.
3. How many AFIDA filings has USDA received from primary or secondary tier investors connected to the People's Republic of China, Russia, Iran, and North Korea as of the date of this letter?¹⁶ Provide all records.

Thank you for your prompt review and responses. If you have any questions, please contact Tucker Akin on my Committee staff at (202) 224-0642.

Sincerely,



Charles E. Grassley
Ranking Member
Committee on the Budget

calendar entries, inter-office communications, meeting minutes, phone/voice mail or recordings/records of verbal communications, and drafts (whether they resulted in final documents).

¹⁶ *Id.*