WISPOLITICS: Wisconsin part of national trend on legislation to restrict foreign land ownership

By WisPolitics.com

As Wisconsin lawmakers debate competing approaches to restricting foreign ownership of land, a new study finds similar bills elsewhere are more likely in states with Republican legislative majorities, military installations and more foreign-owned cropland.

Michigan State University recently published research findings focused on legislation being introduced across the country to restrict foreign ownership of agricultural land. It assessed 143 bills recently introduced across 34 states, including Wisconsin, as well as actions of more than 6,700 state lawmakers.

In Wisconsin, Republican lawmakers have proposed two dueling approaches to restricting foreign ownership of land in the state.

Current state law allows a foreign person or corporation to own up to 640 acres of land with certain exceptions.

The study found states where both chambers of the Legislature have a Republican majority, like Wisconsin, are more likely to see bills proposed to restrict foreign holdings of agricultural land. And the likelihood that such a bill will be proposed in a given state increases by 2% with an additional military installation, researchers found.

They also found that when the ratio of foreign-owned cropland to local private agricultural land rises by 1% in a state, the likelihood of a foreign land ownership restriction bill being proposed rises by 6%.

In Wisconsin, the ratio of foreign held agricultural land to privately held agricultural land was 2.6% at the end of 2023, a USDA report shows. Total foreign held acreage in the state was about 626,000 at that point, compared to nearly 24 million in privately held acres.

Republican legislative control and military installations are also “significant factors” influencing the likelihood of the bills passing, according to the study. If a state has GOP majorities in both chambers, it’s 18% more likely to have its bill passed, while an additional military installation increases that chance by 3%. Each 1% increase in a state’s agricultural GDP share raises it by 7%.

Meanwhile, a 1% increase in Chinese holdings of agricultural land raises the likelihood of state bill passage by 1%, the study shows.

And if a state is a net exporter of ag products to China, it’s 21% less likely to pass a foreign land ownership restriction bill.

“This result highlights the importance of the Chinese market for U.S. agricultural products and suggests that states gaining economic benefits from exporting agricultural products to China would be less likely to pass legislation that could deteriorate their relationship with the country,” authors wrote.

Wisconsin last year exported $333 million in agricultural products to China, its third-largest market for these products after Canada and Mexico. That’s an increase of 3.2% from 2023, a DATCP overview shows.

Foreign entities hold 3.5 percent of privately owned U.S. agricultural land, according to the study, which has prompted increased attention from lawmakers. More than 20 states have established some limits on foreign ownership of farmland, with some targeting specific adversarial countries such as China and others restricting it more broadly.

David Ortega, a professor and chair in food economics and policy at the university, says the study’s goal was to understand what’s driving the “surge” in state-level legislative proposals.

“While many of these proposals are framed around safeguarding agricultural land, our analysis finds that broader geopolitical concerns and the current political climate are shaping how legislators respond,” he said in a release on the study results.

GOP Sen. André Jacque of New Franken, one of the Wisconsin bill authors, says he appreciates the “growing attention to the issue of foreign land ownership” by adversarial nations. In an emailed statement, he noted two Chinese nationals were recently arrested for smuggling a fungus into the United States that’s been linked to “agroterrorism and devastating crop loss,” arguing this underscores the threat.

“This is not theoretical,” he said. “These are active risks to our domestic food systems, and Wisconsin cannot afford to be complacent.”

**Two bills under consideration in Wisconsin**

One bill, SB 219, would reduce the maximum amount of agricultural land that a foreign person can own to 50 acres. It would give those currently above that limit three years to divest themselves any excess land, one year less than under current law. And it would ban the sale of any real property to federally designated foreign adversaries.

The legislation was co-authored by Sen. Rob Stafsholt, R-New Richmond, and Rep. Clint Moses, R-Menomonie, who testified earlier this month before the Senate Agriculture and Revenue Committee on their bill. In a joint statement to WisBusiness.com, the lawmakers said their bill as authored following conversations with Wisconsin farmers and others who are concerned about this issue.

“We fundamentally do not think Wisconsin farmland needs to be owned by foreign entities,” they wrote in an email.

At the same committee meeting, Jacque discussed his own bill, SB 7, which he said would draw “a necessary line” to protect critical state resources from hostile regimes. It was modeled on a Virginia law that was passed with bipartisan support, he noted.

Under a substitute amendment added to the bill, the legislation would bar a principal of a foreign adversary from acquiring, owning or holding any interest in real property in the state. It would define a foreign adversary as any identified by the U.S. Commerce Department, whose list currently includes China, Cuba, Iran, North Korea, Russia and Venezuela.

Jacque says his approach isn’t a “blanket restriction” on international investment, noting it specifically targets land purchases by adversaries working against U.S. interests. As current statute doesn’t make such a distinction, he argues the bill would close a “dangerous loophole.”

SB 7 has been endorsed by the Wisconsin Farm Bureau Federation, Jacque noted, also pointing to strong support among his colleagues and legislative leadership.

“This bill reflects growing bipartisan momentum nationwide to defend our sovereignty, our supply chains, and our rural communities from undue foreign influence,” he wrote in the email. “I remain confident in the path forward for SB 7 and am grateful for the broad support it continues to receive.”

While the MSU study only covered bills from 2021 to 2023, authors noted multiple states had new bills proposed in 2024 targeting new or expanded restrictions on foreign ag land ownership. That includes bills targeting specific foreign countries such as China, pointing to examples in Indiana, South Dakota and Pennsylvania.

**Ownership restrictions in place, proposed in majority of states**

As of April, about 26 states had laws in place aimed at restricting foreign ownership or investments in private ag land, according to a tally by the National Agricultural Law Center in Arkansas. The list includes the following states: Alabama, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia, Wisconsin and Wyoming.

The NALC says lawmakers in the majority of U.S. states proposed at least one such bill in 2023 and 2024. So far this year, proposals have been introduced in more than half of the states, the group’s site shows.

MSU researchers raised concerns about possibly creating barriers for foreign farmers that immigrate, depriving immigrants’ residential rights and creating “unintended economic consequences on the broader U.S. agri-food system” given China’s key role in international trade with the United States.

“Therefore, while it is crucial to secure a valuable and finite resource like agricultural land, it is also important to carefully evaluate the impact of certain legislative actions to strike a balance between national security and economic interests,” they wrote.

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