

How Much of Nebraska Ag Land is Owned by Foreign Entities?

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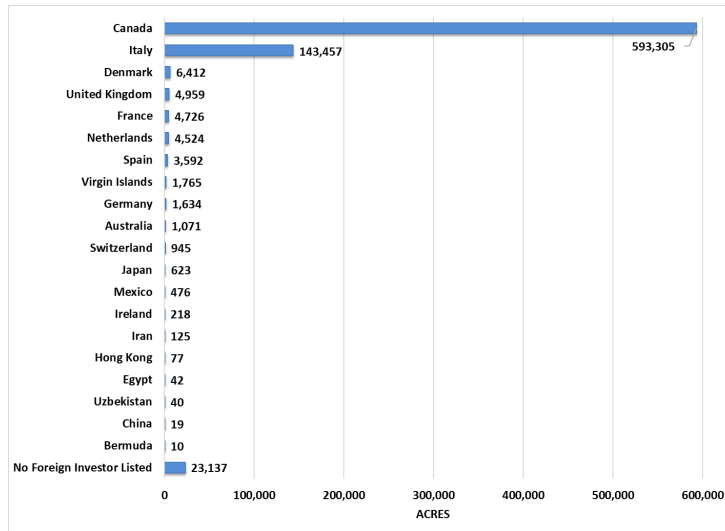
The Agricultural Foreign Investment Disclosure Act of 1973 (AFIDA) established a mandatory reporting system, overseen by the USDA, that requires foreign entities to provide information on all U.S. agricultural and non-agricultural land in which they hold an interest. “Interest” is reported as a fee interest (legal possession of both the surface and mineral rights), partial fee interest (must state percent ownership), life estate, trust beneficiary, purchase contract, or other. “Other” includes leases that are 10-years or longer. The regulations exempt foreign entities with interests solely in mineral rights and leases of less than 10 years in duration from reporting. In this report, the terms “owner” and “ownership” will refer to all types of interest held by the foreign entity, including long-term leases.

According to the most recent AFIDA report, foreign investment in agricultural lands has increased over the past decade. As of December 31, 2021, just over 30 million acres (3.1%) of agricultural land in the U.S. was held by foreign entities. Texas has the distinction of having the most acreage held by foreign entities (almost 5.3 million acres or 3.4% of Texas’ acreage) but Maine holds the number one spot for the highest percentage of agricultural land held by foreigners (3.6 million acres equating to 20.1% of Maine’s acreage). Canada holds the largest percentage of Maine’s foreign-held acreage for the purpose of timber production (Foreign Ownership and Holdings of U.S. Agricultural Land, 2023).

Nebraska, which has almost 91% of its 49.5+ million acres of land mass classified as agricultural land, has 1.77% (795,839 acres) of its agricultural lands held by entities from 20 foreign countries. Nearly 75% of the foreign-held ag lands are under Canadian ownership, with another 18% under Italian interests (Figure 1). Fewer than 20 acres located in Hamilton County are under Chinese ownership (via Syngenta Seeds which is owned by ChemChina) and 77 acres in Douglas County are under individual ownership by persons from Hong Kong.

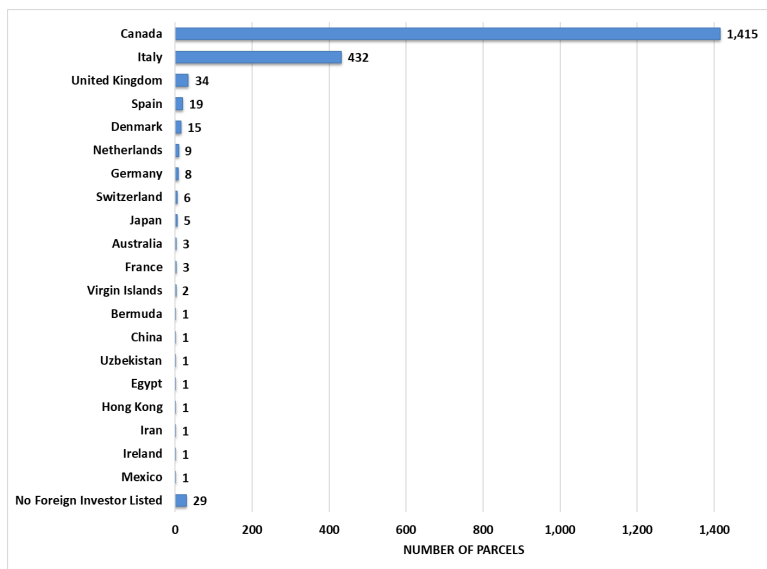
Over 96% of Nebraska’s ag land under foreign investment is classified as crop acreage, with 2% pastureland. The remaining percentage is divided among forestland, other agriculture land, and other non-agricultural land (includes roads and homesteads).

Figure 1. Nebraska Agricultural and Nonagricultural Landholdings (Acres) by Country of Foreign Investor as of December 31, 2021 (source: USDA/FSA).



For ease of reporting to AFIDA, land obtained under the same interest, acquired in the same county, and at the same time, can be reported by a foreign entity as a one parcel, regardless of the lands being adjacent. A total of 1,992 parcels, or transactions, encompass the 795,839 acres of agricultural lands held by foreign entities, for an average per transaction of 376 acres. The range of acreage per parcel was one to 18,285 acres and the median was 163 acres. The 593,305 acres under Canadian ownership is spread over 1,415 parcels (Figure 2) and the Italian acreage is distributed over 432 parcels. Approximately 93% of the parcels and acreage are owned by individuals from Canada and Italy. Many of the other countries have their investment in only one parcel.

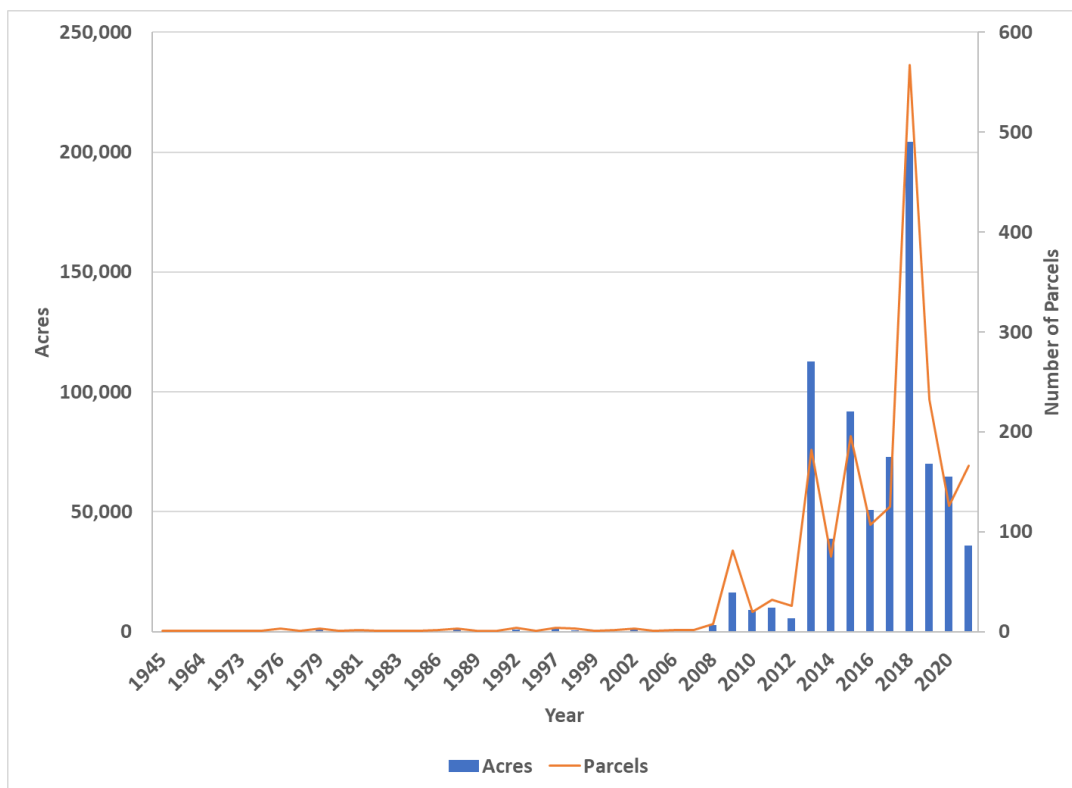
Figure 2. Nebraska Agricultural and Nonagricultural Landholdings (Parcels) by Country of Foreign Investor as of December 31, 2021 (source: USDA/FSA).



The requirement to report foreign holdings of agricultural land was not passed until 1978, but the Act did require all foreign persons currently holding agricultural lands to file a report of their holdings. According to the AFIDA database for Nebraska, the earliest recorded transaction occurred in 1945. From 1945-2008, 57 parcels (reported transactions) representing 13,800 acres were acquired by foreign entities (Figure 3). Between 2009 and 2021, 1,935 parcels, totaling 782,039 acres, were obtained. In 2018 alone, 567 transactions occurred totaling 204,331 acres.

The 1,992 records of foreign entities holding an interest in Nebraska agricultural lands were filed by 68 separate foreign entities. The most were filed by Invenergy Wind Development LLC (Canada) with 813 parcels recorded. Five LLCs each had over 100 parcels reported.

Figure 3. Nebraska Agricultural and Nonagricultural Landholdings (Acres and Parcels) by Year of Acquisition as of December 31, 2021 (source: USDA/FSA).



Of the 1,992 records of acquisitions of Nebraska ag land by foreign entities, over 98% stated the intended use of the land was to remain the same. Four of the new owners stated the land was to be transitioned to other agricultural uses and 21 parcels were purchased for non-agricultural uses. Non-agricultural use owners include six parcels purchased by Canadian-owned Crow Butte, a uranium mining company in Dawes County (1,231 acres) and 12 parcels obtained by the Denmark-owned Haystack Wind Project, LLC (5,092 acres in Wayne County) as a wind farm.

The county distribution of the acreage is shown in Figure 4. Fifty-three of the 93 counties in Nebraska have some land or leases that have foreign ownership. While foreign ownership is distributed throughout

long-term term clean energy generation leases, approximately 52,000 acres of Nebraska agricultural lands are under some type of foreign ownership of the underlying land compared to the 795,839 acres AFIDA identifies as being under foreign ownership from any type of interest in Nebraska's agricultural lands, including long-term leases.

References:

Foreign Ownership and Holdings of U.S. Agricultural Land. (2023, January 24). Congressional Research Service. <https://crsreports.congress.gov/product/pdf/IF/IF11977>.

U.S. Department of Agriculture/Farm Service Agency (USDA/FSA). Foreign Holdings of U.S. Agricultural Land Through December 31, 2021. (2023, July 12). USDA/FSA. <http://www.fsa.usda.gov/programs-and-services/economic-and-policy-analysis/afida/index>.

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