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USDA Seeks Input to Update the Agricultural Foreign Investment Disclosure Act of 1978

by Justin T. Huff, Lawrence Ward, Jack Huerter, and Samuel Flitton

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The U.S. Department of Agriculture ("USDA") is evaluating updates to its reporting framework under the Agricultural Foreign Investment Disclosure Act of 1978 ("AFIDA"), as part of a broader trend of increased federal scrutiny of foreign investment in U.S. agricultural and forest lands. USDA's review includes an advanced notice of proposed rulemaking, which will provide interested parties an opportunity to submit input on potential regulatory changes. Companies and investors with existing or contemplated foreign interests in agricultural or forest land should monitor these developments closely and assess potential compliance and transaction planning implications.

Since the late 1970s, USDA has been collecting information regarding foreign ownership of agricultural lands under AFIDA. This little known, and often overlooked law, requires foreign persons to notify USDA of transactions that result in the foreign ownership or control of agricultural and forest lands within 90 days of securing the interest. Historically this information was used by USDA to provide reports to Congress regarding foreign land ownership. However, in recent years, there has been significant attention to foreign land ownership and its implications on national security, particularly concerning lands near military bases and training facilities. As a result, AFIDA reporting has taken on greater significance and is regularly shared with other interested federal agencies. These trends have led USDA to assess potential gaps in its reporting requirements and consider regulatory updates.

On December 29, 2025, USDA issued an advanced notice of proposed rulemaking and is currently seeking comments as it plans to update the AFIDA regulations found in 7 C.F.R. Part 781. USDA specifically called for input related to three categories:

- Identification of foreign persons who are required to file AFIDA reports;
- Information the filer is required to provide about the agricultural land; and
- Information the filer is required to provide about other foreign persons with indirect

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- Food, Beverage & Agribusiness
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interest in the agricultural land.

Interested parties are invited to submit comments by January 28, 2026. We anticipate that data collected by USDA will continue to be shared regularly with the U.S. Department of Defense and the Committee on Foreign Investment in the United States ("CFIUS") to assist with risk assessments and identify potential national security concerns. Dorsey attorneys are actively monitoring these developments and advising clients on risk assessment, reporting obligations, and strategic planning. Clients with questions regarding these developments, or who may wish to submit comments during the rulemaking process, are encouraged to reach out for further information or assistance.