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Drivers of State Legislative Actions Restricting Foreign Holdings of U.S. Agricultural Land

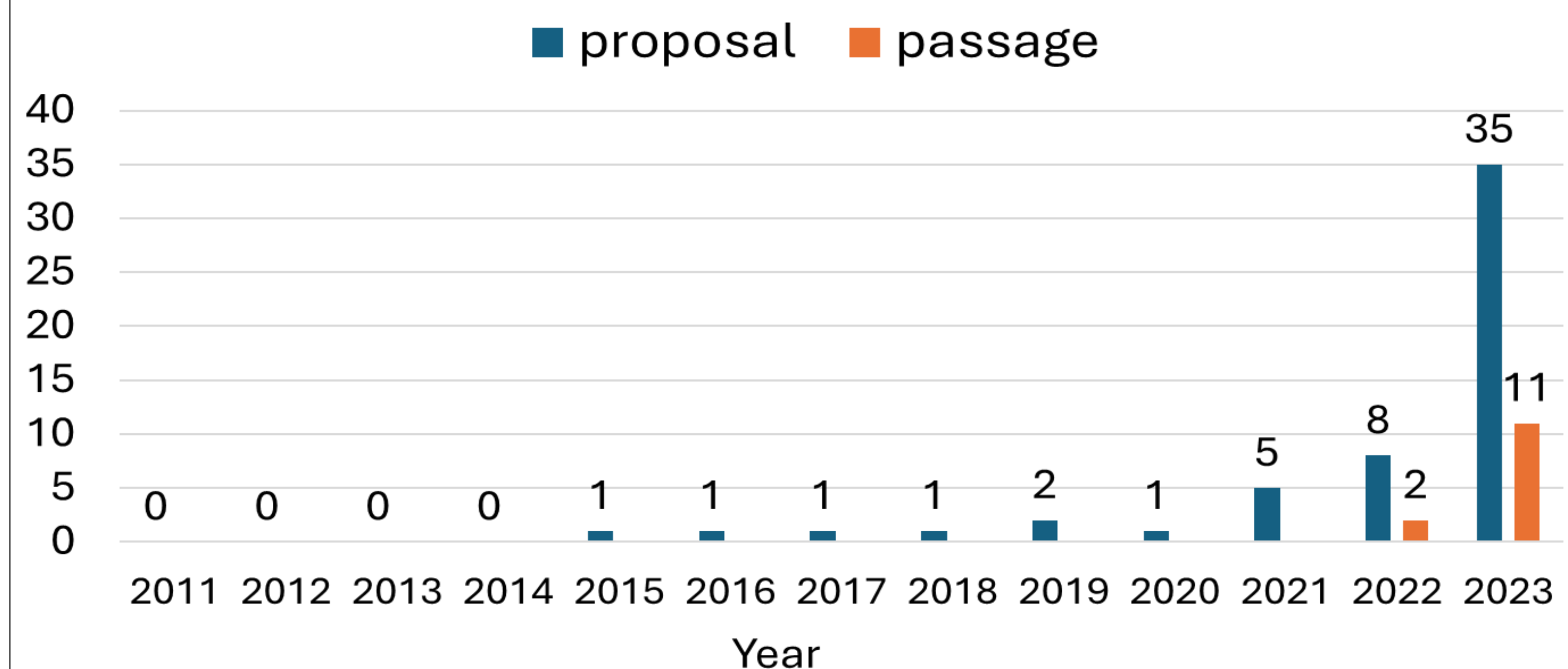
Lin Lin¹, David L. Ortega²



Introduction

- Faster increase in foreign holdings of U.S. agricultural land since 2017, with a large increase in cropland.
- Recent Chinese acquisition of land near military bases raised national security concerns.
- State legislatures took actions to restrict foreign holdings of ag land, but these state bills and laws are controversial:
 - ① No clear evidence showing negative impacts of such foreign holdings.
 - ② Can deprive immigrants' residential rights & worsen foreign relations of the U.S., leading to unintended economic consequences.

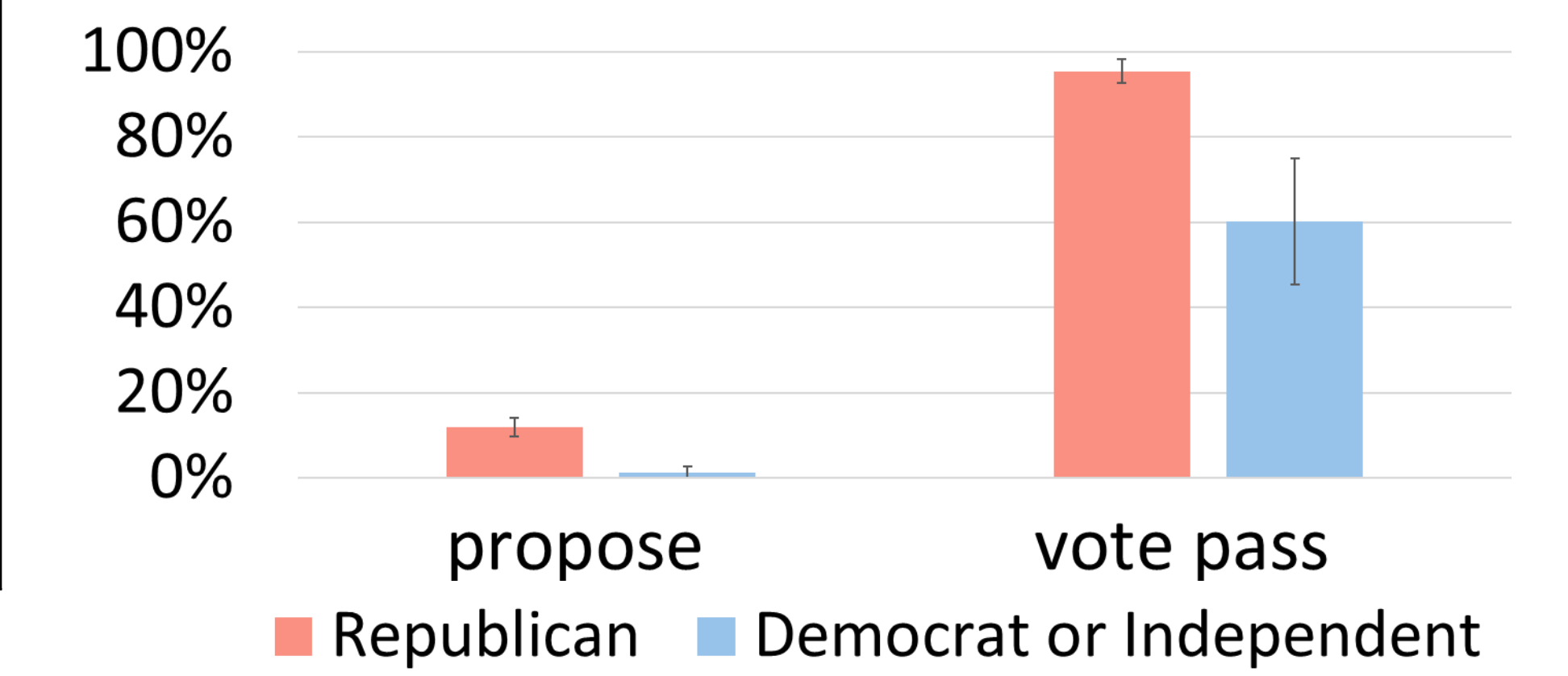
Number of states with bill proposal & bill passage



Results

Legislator level N=2,147	Propose		Vote pass	
	Marginal effect	SE	Marginal effect	SE
Republican	0.13***	0.02	0.35***	0.09
Male	<0.01	0.02	0.03**	0.02

Predicted probability



State level N=637	Bill proposal		Bill passage		Transition from bill proposal to bill passage	
	Marginal effect	SE	Marginal effect	SE	Marginal effect	SE
Foreign held cropland	0.05***	0.01	0.05***	0.01	0.01	0.01
Chinese held ag land	<0.01**	<0.01	0.01***	<0.01	<0.01**	<0.01
Ag GDP share	<0.01	0.01	0.01*	0.01	0.02***	0.01
Exporter of ag to China	-0.00	0.02	-0.02	0.03	-0.04***	0.01
Noncitizen population	-0.01	0.01	-0.02**	0.01	-0.01***	0.01
Republican majority in both chambers	0.06***	0.02	0.09***	0.02	0.04***	0.01
Exists previous law	0.02	0.03	-0.01	0.03	-0.06***	0.02
Num. of military base	0.01**	<0.01	0.01***	<0.01	0.01***	<0.01

Data & Methods

Legislator level

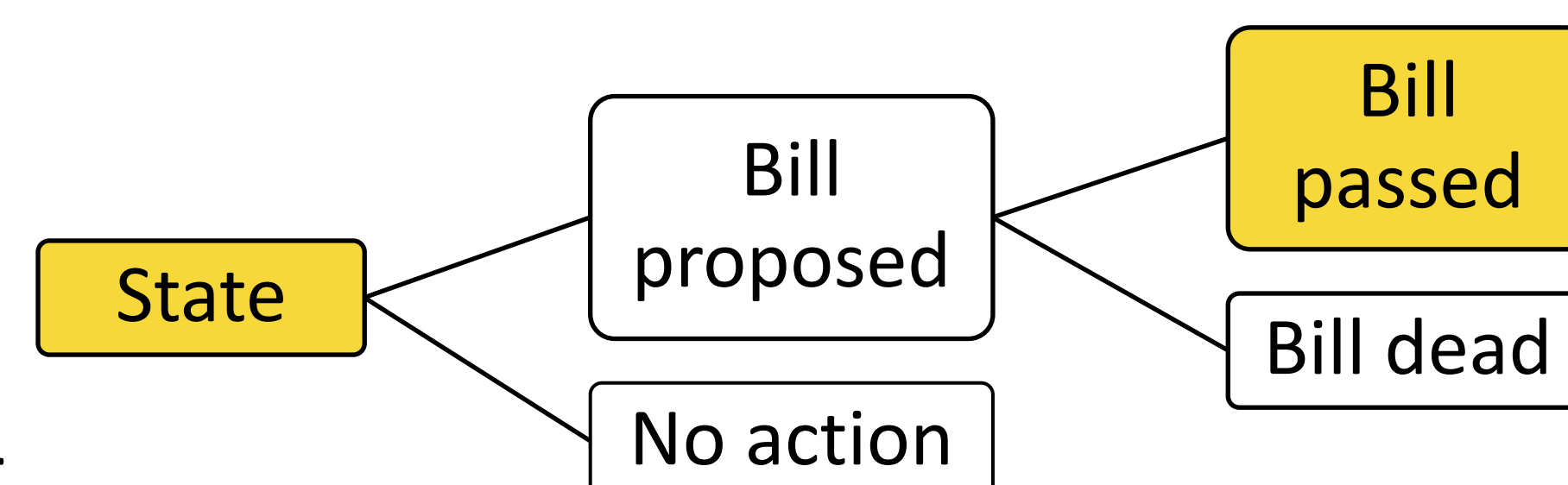
- 16 passed bills, 2,147 legislators
- Bivariate probit

$$Y_i = \{0, 1\} = \beta_0 + \beta_1 \text{Legislator}_i + \beta_2 \text{District}_i + I_s + \varepsilon_i$$

State level

- 49 states, from 2011 to 2023.
- Separate logit & Sequential logit

$$Z_{jt} = \{0, 1\} = \gamma_0 + \gamma_1 \text{Ag}_{jt-1} + \gamma_2 \text{Trade}_{jt-1} + \gamma_3 \text{Demo}_{jt-1} + \gamma_4 \text{Politics}_{jt} + a_t + \mu_{jt}$$



Conclusions

- Political affiliation, foreign-held cropland, and military installations are closely linked to legislative actions.
- From bill proposal to bill passage, states decide between restricting further Chinese investments and maintaining good relations for exporting agricultural products.
- Fundamentally, the motivation of the state legislative actions are to protect state croplands from further foreign investments and to respond to national security concerns raised by the China-related incidents in recent years.

Author information

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