

The Facts About Foreign Involvement In Oklahoma Agriculture

IN THE DEBATE over State Question 777, there’s been a lot of discussion about whether foreign persons or foreign corporations can own agricultural land or engage in the agricultural trade in Oklahoma. This is relevant, because 777 specifically grants both “citizens *and lawful residents*” the power to challenge laws passed by Oklahoma voters, legislators, and local governments.

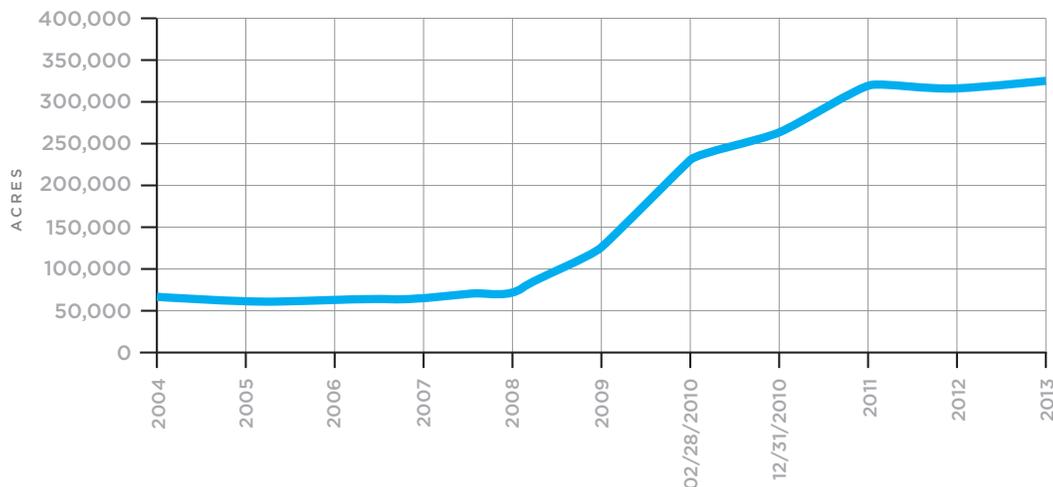
Some have argued there’s no danger of a foreign-owned company overriding the decisions of Oklahoma voters, because Oklahoma law prevents foreign involvement in state agriculture. Others argue that nothing in Oklahoma law prevents that kind of foreign engagement, and that several foreign-owned companies are already present and operating in Oklahoma’s agricultural field. Here are the facts.

Can Foreign Persons Own Oklahoma Agricultural Land? **YES.**

FACT: As of 2014, foreign investors owned 370,425 acres of Oklahoma agricultural land. (USDA/AFIDA)

FACT: From 2004 to 2014, the amount of Oklahoma agricultural land owned by foreign investors increased by 475%. (USDA/AFIDA)

Foreign Ownership of Oklahoma Ag Land, 2004-2014



FACT: Oklahoma law (18 O.S. 951) prohibits “foreign corporations” from owning agricultural land, but that prohibition only applies to corporations that aren’t formed under Oklahoma law (meaning a Texas corporation is just as “foreign” as a Chinese one, and a Chinese one is no more foreign than a Texas one.) **Moreover, a separate statute (18 O.S. 954) says any corporation, domestic OR foreign, can own agricultural land if it’s used for swine or poultry operations or livestock feeding operations.**

Are Foreign Corporations Engaged In Oklahoma Agriculture? **YES.**

Here are three examples of foreign-owned corporations operating in Oklahoma.

Industrias Bachoco is a Mexican-based poultry corporation that owns O.K. Foods, an Arkansas-based company with facilities in Oklahoma City, Muldrow, Stigler, and Heavener.

JBS is a Brazilian-owned cattle corporation that owns JBS Five Rivers Cattle Feeding, LLC, a 66,000-head feedyard in Cimarron County with annual livestock payments of over \$150 million.

Smithfield is a Chinese-owned hog corporation that owns Smithfield Hog Production (also known as Murphy-Brown LLC), which owns 45,000 sows and two 10,000-head sow farms in Harper, Ellis, and Beaver counties. Smithfield has 220 employees in the Oklahoma panhandle, including the current president of the Oklahoma Pork Council.

Would These Foreign Corporations Qualify as “Lawful Residents” Under SQ777? **ALMOST CERTAINLY.**

As with many questions raised by 777, the answer can’t be known unless 777 passes, and the Oklahoma Supreme Court weighs in with a legal opinion in a fully litigated case. However, it’s difficult to conceive of a definition of “lawful resident” that would exclude foreign-owned corporations who are legally present in the state and legally engaged in the agricultural field.