

# INTERNATIONAL LAND GRABBING: HOW IOWA ANTI-CORPORATE FARMING AND ALIEN LANDOWNER LAWS, AS A MODEL, CAN DECREASE THE PRACTICE IN DEVELOPING COUNTRIES

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## I. INTRODUCTION

The “farm race” is defined as “a scramble for the acquisition of farmland,” occurring most often in areas where land is fertile and easily cultivated, water is readily available and abundant, labor is inexpensive, and access to global markets is somewhat simple.<sup>1</sup> This trend is also known as land grabbing.

In many developing countries, land users lack secure property rights because the government owns a majority of the rural land in these countries.<sup>2</sup> This combination of property rights and user rights creates instances where the cultivators of the land are not the owners of the land, despite rent payments via cash or crops.<sup>3</sup> These problems lead to local governments allowing foreign investors to dispossess cultivators of the land they use on a daily basis.<sup>4</sup> Foreign investors may even be attracted to countries (and areas within countries) where land rights are not formally recognized.<sup>5</sup>

States and foreign investors often classify the land used by indigenous peoples as idle, marginal, or degraded.<sup>6</sup> However, the land is often used by indigenous or impoverished peoples for grazing animals, or for gathering fuelwood or medicinal plants.<sup>7</sup> These uses, according to foreign investors, make the land sought for investment “unproductive” or “underutilized.”<sup>8</sup> Often, the idea of “reserve land” is calculated based on official census data, a method that is historically unreliable in many countries.<sup>9</sup> This lack of a clear definition of what encompasses “productive” use leaves indigenous populations subject to abuse because of the lack of security in local land rights.<sup>10</sup>

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1. Olivier De Schutter, *The Green Rush: The Global Race for Farmland and the Rights of Land Users*, 52 HARV. INT'L L. J. 504, 516 (2011) [hereinafter *The Green Rush*].

2. See U.N. Special Rapporteur on the Right to Food, *Large-Scale Land Acquisitions and Leases: A Set of Core Principles and Measures to Address the Human Rights Challenge*, 7, U.N. Doc. A/HRC/13/33/Add.2 (June 11, 2009) available at [www2.ohchr.org/English/issues/food/docs/BriefingNotelandgrab.pdf](http://www2.ohchr.org/English/issues/food/docs/BriefingNotelandgrab.pdf).

3. KLAUS DEININGER ET AL., WORLD BANK, *Rising Global Interest in Farmland: Can It Yield Sustainable and Equitable Benefits?* (2011), available at <http://siteresources.worldbank.org/DEC/Resources/Rising-Global-Interest-in-Farmland.pdf>.

4. See *id.*

5. Smita Narula, *The Global Land Rush: Markets, Rights, and the Politics of Food*, 49 STAN. J. INT'L L. 101, 113-14 (2013).

6. Saturnino Borrás, Jr. & Jennifer Franco, *From Threat to Opportunity? Problems with the Idea of a “Code of Conduct” for Land-Grabbing*, 13 YALE HUM. RTS. & DEV. L.J. 507, 511 (2010).

7. *Id.* at 512.

8. *Id.*

9. *Id.* at 516.

10. LORENZO COTULA ET AL., LAND GRAB OR DEVELOPMENT OPPORTUNITY?

The livelihoods and food security of countless people become at-risk when land grabs become an option for these “resource poor but cash rich” areas.<sup>11</sup> Small-scale farmers, herders, and pastoralists rely on grazing and fishing grounds, while others rely on the products of the forest; these populations face the world’s greatest food security challenges.<sup>12</sup> In addition to lack of recognition of communal property rights, no limit on alien landownership exists in nations outside the United States or on an international scale. Without these types of alien landowner laws, developing nations are disproportionately at risk to become victims of land grabbing. This note advocates that Iowa’s anti-corporate farming laws, which prevent corporations from owning farmland in Iowa, and alien landowner laws, which place restrictions on the amount of land non-Iowans can own within the state, should be used as a model for foreign nations to minimize land grabs.

Part II of this Note overviews the basics of land grabbing, including definitions, a contextual basis for such land acquisitions, and historical discussions in the United States and on an international scale. This section also highlights examples of land grabs: North Sudan, where private companies are the purchasers of agricultural land; and Ethiopia, where the Saudi Arabian governmental entity, Saudi Star Agricultural Development, is the buyer of land.

Part III provides a background of anti-corporate farming and alien land laws in the United States, including pertinent definitions, and uses Iowa as a demonstrative example. Iowa’s anti-corporate farming laws are then compared to international property laws in general, including communal property rights. Part IV discusses the lack of an international equivalent to U.S. anti-corporate farming and alien landowner laws, as well as the effect of land grabbing on agriculture that results from the lack of these laws. This includes both general and specific consequences of land grabbing. Part V proposes implementing Iowa’s anti-corporate farming and alien landowner laws as a model for foreign countries, thereby creating anti-corporate farming and alien landowner laws in foreign nations and, ideally, minimizing land grabbing.

## II. THE BASICS OF LAND GRABBING

The world population is 6.8 billion and increasing while the total arable land is approximately 4.1 billion acres and decreasing. Some regions such as States within North Africa and the Near East are using all of their arable land. Without enough arable acreage to go around, foreign investors from

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AGRICULTURAL INVESTMENT AND INTERNATIONAL LAND DEALS IN AFRICA 91 (2009) [hereinafter LAND GRAB OR DEVELOPMENT OPPORTUNITY?].

11. Narula, *supra* note 5, at 112.

12. *Id.* at 120.

land poor States such as Saudi Arabia are vying for potentially arable land in States like Ethiopia that appear to have surplus land to lease.<sup>13</sup>

The concept of land grabbing is based on “long-term control of large landholdings beyond one’s own national borders [as] necessary to supply the food and energy needed to sustain one’s own population and society into the future.”<sup>14</sup> Following the food crisis of 2008, the ability of governments to “offshore” their food production via farmland purchases abroad was attractive because it meant no longer having to rely on the volatile international food market to feed the country’s citizens.<sup>15</sup> These large-scale land acquisitions of agricultural land are frequently described as a vehicle for utilizing “unused” agricultural resources to improve food security within the nation.<sup>16</sup> The reality often becomes a pattern of dislocating small-scale farmers, amplifying rural poverty, and creating a lack of food security.<sup>17</sup> Land located close to water resources is highly coveted because it allows for the implementation of irrigation at a relatively low cost. Land near existing markets, allowing for easy exportation of products, is also highly sought after.<sup>18</sup>

#### A. Definition of Land Grabbing

Land grabbing is defined as “the sale of large tracts of fertile land, mostly in developing countries, to large-scale agr[i]business, foreign and domestic investors and foreign governments.”<sup>19</sup> The International Land Coalition’s Tirana Declaration defines land grabbing as acquisitions or concessions in one or more of the following instances:

- i) In violation of human rights, particularly the equal rights of women; ii) not based on free, prior, and informed consent of the affected land users; iii) not based on a thorough assessment, or are in disregard of social, economic,

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13. Anastasia Telesetsky, *Resource Conflicts Over Arable Land in Food Insecure States: Creating an United Nations Ombudsman Institution to Review Foreign Agricultural Land Leases*, 3 GOETTINGEN J. OF INT’L L. 283, 286 (2011).

14. Borras, Jr. & Franco, *supra* note 6, at 508.

15. SYLVIA KAY, POSITIVE INVESTMENT ALTERNATIVES TO LARGE-SCALE LAND ACQUISITIONS OR LEASES 5 (2012).

16. JULIA QUINN & CONNIE DE LA VEGA, THE RIGHT TO FOOD: INTERNATIONAL DISCOURSE VERSUS GLOBAL ERADICATION OF HUNGER; THE THREAT OF IMPROPER FOOD AID AND LAND ACQUISITIONS 11 (2012), available at <http://www.humanrightsadvocates.org/wp-content/uploads/2010/05/Right-to-food-HRC-19th-sess..pdf>.

17. *See id.*

18. *See* U.N. Special Rapporteur on the Right to Food, *supra* note 2.

19. QUINN & DE LA VEGA, *supra* note 16.

and environmental impacts, including the way they are gendered; iv) not based on transparent contracts that specify clear and binding commitments about activities, employment and benefits sharing, and v) not based on effective democratic planning, independent oversight and meaningful participation.<sup>20</sup>

The process of implementing such expansive industrialized agricultural production facilities is framed as a benefit to developing countries—a way of managing under-utilized agricultural potential and improving food security.<sup>21</sup> In reality, these changes dispossess small-scale farmers, often indigenous to the land, amplifying the problems of rural poverty and food insecurity in these developing nations.<sup>22</sup> With approximately one-third of all persons in the global workforce (just over one billion people) being employed in the agriculture sector, the effects of land grabbing around the world are astounding.<sup>23</sup>

The intent of these massive investments in agriculture is to eliminate the need for countries to use international trade markets to gain access to crops and other agribusiness goods.<sup>24</sup> These nations are looking for a stable supply of food from either public or private investors.<sup>25</sup> This mindset stems from the aftermath of the 2007-2008 worldwide food crisis, where food prices exploded as biofuel production increased dramatically.<sup>26</sup> This phenomenon led to an increasing commodification of land and water for agricultural use, rather than only crops being deemed commodities.<sup>27</sup> Globally, water and land rights were created, where before, no rights whatsoever existed. Land has also been grabbed for use in areas such as mining, road construction, dams, and general building.<sup>28</sup> The World Bank estimated that between October 2008 and August 2009 investors demonstrated interest in approximately 138,379,013 acres of land globally—an area en-

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20. INT'L LAND COAL., TIRANA DECLARATION (2011) *available at* [www.commercialpressuresonland.org/sites/default/files/Tirana\\_Declaration\\_ILC\\_2011\\_ENG.pdf](http://www.commercialpressuresonland.org/sites/default/files/Tirana_Declaration_ILC_2011_ENG.pdf).

21. QUINN & DE LA VEGA, *supra* note 16.

22. *Id.*

23. See INT'L LABOR ORG., GLOBAL EMPLOYMENT TRENDS 2013: RECOVERING FROM A SECOND JOBS DIP 140 (2013), [http://www.ilo.org/global/research/global-reports/global-employment-trends/2013/WCMS\\_202326/lang--en/index.htm](http://www.ilo.org/global/research/global-reports/global-employment-trends/2013/WCMS_202326/lang--en/index.htm).

24. See Howard Mann & Carin Smaller, *Foreign Land Purchases for Agriculture: What Impact on Sustainable Development?*, 8 SUSTAINABLE DEV. INNOVATION BRIEFS Jan. 2010 at 1, 2.

25. *Id.* at 6.

26. Borras, Jr. & Franco, *supra* note 6, at 509.

27. See Mann & Smaller, *supra* note 24, at 2.

28. See Fred Magdoff, *Twenty-First-Century Land Grabs: Accumulation By Agricultural Dispossession*, MONTHLY REV., Nov. 1, 2013, <http://www.monthlyreview.org/2013/11/01/twenty-first-century-land-grabs/>.

compassing forty percent all the farmland in the European Union.<sup>29</sup> As of May 2012, between 80 and 200 million acres of global farmland were transferred to foreign control, with these figures continuing to increase yearly.<sup>30</sup>

The term “land grab” and labeling an acquisition of land as such focuses less on the purpose for which an investor or country desires said land; on the contrary, the more important characteristic is whether acquiring that land results in an alienation or expropriation of the land.<sup>31</sup> Most often, this involves takings from individuals of a weaker socioeconomic class.<sup>32</sup> Land grabs can also involve situations where a government grabs the land, arguing a national interest, yet refusing to provide fair compensation to those displaced as a result of the land grab.<sup>33</sup>

### B. History of Land Grabbing

#### 1. In the United States

Dating back to the first settlements in the United States, land was one of the most basic resources and arguably one of the foundational aspects of civilization, as we know it.<sup>34</sup> Land, specifically in the United States, is one of the earliest examples of a capitalistic system at work, beginning with the dispossession by colonial settlers of Native Americans from the land settlers claimed as their own.<sup>35</sup> This process is also known as “capital accumulation by dispossession,” and demonstrates an early example of land grabbing in the United States.<sup>36</sup>

The nineteenth century’s boom of the cotton industry in the United States, in the aftermath of the invention of the cotton mill during the Industrial Revolution, created a desire and need for significant amounts of land.<sup>37</sup> By this time, land takings by the European colonies had already begun: Native Americans were forced onto reservations or designated tribal areas, and the European settlers

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29. See *The Green Rush*, *supra* note 1, at 517.

30. Magdoff, *supra* note 28.

31. Yasin Abdalla Eltayeb ElHadary & Franklin Obeng-Odoom, *Conventions, Changes, and Contradictions in Land Governance in Africa: The Story of Land Grabbing in North Sudan and Ghana*, 59 AFR. TODAY 58, 68 (2012).

32. *Id.*

33. *Id.*

34. Magdoff, *supra* note 28.

35. See *id.*

36. *Id.*

37. See *id.*

made the land either government-owned or private land.<sup>38</sup> Before 1840, native tribes such as the Seminole, the Creek, the Chickasaw, the Choctaw, and the Cherokee were transplanted to unfamiliar land west of the Mississippi River.<sup>39</sup> Millions of acres of native land were put up for sale by the U.S. government.<sup>40</sup> Capital investments from Britain and the United States poured resources into the market for land to use for cotton production.<sup>41</sup>

Cotton mills were booming and many people who had previously worked as farmers were now wage laborers.<sup>42</sup> This continued to negatively affect the native population. The General Allotment Act, more commonly known as The Dawes Act of 1887, furthered governments' and private citizens' ability to accumulate land under the guise of helping Native Americans assimilate to society—in reality, the Dawes Act led to the loss of an immeasurable amount of Indian-owned land.<sup>43</sup> “Thus were Indian land, African-American labor, Atlantic finance and British industry synthesized into racial domination, profit, and economic development on a national and global scale.”<sup>44</sup>

The twentieth century brought a reduction in farming and acquisition of agricultural land. Farming was deemed an unwise investment based on the unpredictability of outcomes, profits, and prices.<sup>45</sup> Farms that were larger in scale were profitable more often than small-scale farms; this continues to be true today in the United States, and often internationally as well.<sup>46</sup> Profitability occurred based on financial advantages that larger farms could acquire, such as price cuts on purchases in general, rates of loads, and the sale price of agricultural commodities.<sup>47</sup> The inability of small-scale farms to achieve the benefits of economies of scale led to larger farms dispossessing smaller farms, and the loss of millions of small farms during the Great Depression and the decades to follow.<sup>48</sup>

In the twenty-first century, foreign corporations and private foreign inves-

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38. *Id.*

39. Walter Johnson, *King Cotton's Long Shadow*, THE N.Y. TIMES, Mar. 30, 2013, <http://opinionator.blogs.nytimes.com/2013/03/30/king-cottons-long-shadow/>.

40. *Id.*

41. *Id.*

42. *Id.*

43. The General Allotment (Dawes) Act of 1887, Pub. L. No.106-462, 24 Stat. 388, repealed by Indian Land Consolidation Act Amendments of 2000, Pub. L. No. 106-462, 114 Stat. 2007. (The Dawes Act gave the President the ability to divide land designated to a Native American tribe into individual allotments for each Native American.); Magdoff, *supra* note 28.

44. Johnson, *supra* note 39.

45. Magdoff, *supra* note 28.

46. *Id.*

47. *Id.*

48. *Id.*

tors began purchasing agricultural land and farms in the United States, presumably based on U.S. laws which did not require foreign entities or individuals to pay the same taxes as U.S. citizens or corporations.<sup>49</sup> This led to the creation of “factory farms”—huge operations involving the integration of all steps of poultry, hog, and cattle production—running smaller U.S. farms out of business.<sup>50</sup> To combat this, Congress enacted the Agricultural Foreign Investment Disclosure Act (AFIDA) in 1978; AFIDA established a nationwide system to monitor foreign ownership and purchases of U.S. land suitable for agriculture.<sup>51</sup> AFIDA requires “any foreign person who acquires, transfers or holds an interest in agricultural land [located in the United States] to report such interest to the Secretary of Agriculture.”<sup>52</sup> The enactment of the Foreign Investment in Real Property Tax Act of 1980 removed the tax advantage of foreign individuals and corporations to purchase agricultural land, making them subject to the same taxes as U.S. citizens and corporate entities.<sup>53</sup>

Today, there is significant interest from “institutional investors, private capital, pensions and endowment foundations,” to invest in agricultural land.<sup>54</sup> Private capital investments related to farming are expected to increase to up to seven billion dollars within two years, compared to the two-and-a-half to three billion dollars in investments during the past two years.<sup>55</sup> Currently, independent entities and operators, not large corporations, manage the majority of farmland in the United States.<sup>56</sup> However, a trend has recently emerged, indicating that financial firms are beginning to purchase land in “areas dominated by industrial-scale agriculture, like Iowa,” seeking the opportunity to invest in “a reassuringly tangible commodity,” with the potential for “solid, if not excellent returns.”<sup>57</sup>

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49. See Reka Potgieter Hoff, *Foreign Investment in U.S. Farmland—the Facts and the Law*, 31 DRAKE L. REV. 547, 547-49 (1981).

50. Magdoff, *supra* note 28.

51. The Agricultural Foreign Investment Disclosure Act (AFIDA), 7 U.S.C. §§ 3501-3508 (2012).

52. Hoff, *supra* note 49, at 549-50.

53. Foreign Investment in Real Property Tax Act of 1980, 26 U.S.C. § 897 (2012).

54. Naveen Thukral, *Farm Private Investment Seen Doubling in Two Years*, ALBERTA FARMER EXPRESS, Apr. 26, 2011, <http://www.albertafarmerexpress.ca/daily/farm-private-investment-seen-doubling-in-two-years>.

55. *Id.*

56. See USDA, ACH12-13, FARMS AND FARMLAND: NUMBER, ACREAGE, OWNERSHIP, AND USE (September 2014), available at [http://www.agcensus.usda.gov/Publications/2012/Online\\_Resources/Highlights/Farms\\_and\\_Farmland/Highlights\\_Farms\\_and\\_Farmland.pdf](http://www.agcensus.usda.gov/Publications/2012/Online_Resources/Highlights/Farms_and_Farmland/Highlights_Farms_and_Farmland.pdf).

57. DOWN ON THE FARM, WALL STREET: AMERICA’S NEW FARMER, 4 (Anurandha Mittal & Melissa Moore eds., The Oakland Inst. 2014), available at [http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI\\_Report\\_Down\\_on\\_the\\_Far](http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI_Report_Down_on_the_Far)



## 2. *Internationally*

On an international scale, early instances of the private sector becoming involved in agriculture reach as far back as relations between traders or state-mandated companies in the colonial era.<sup>58</sup> For European powers, empires set on foreign expansion, developing countries were suddenly a commodity: a place to gain access to natural resources, as well as cheap labor via indentured workers or slaves.<sup>59</sup>

Agricultural development was framed by state-led cooperatives in the 1960s and 1970s.<sup>60</sup> States grouped farmers into cooperatives, instructed them what to grow, and fixed prices at which the crops could be sold; in exchange, the farmers received the inputs for production and quality growing materials.<sup>61</sup> However, the prices paid by state governments for these farmers' crops were incomparably low, and state institutions overseeing these operations were riddled with corruption and mismanagement.<sup>62</sup> This led to extreme rural poverty and accelerated the process of rural migration into urbanized areas.<sup>63</sup>

During the 1980s, states took a more laissez-faire approach to agriculture with the hope the private sector would incite demand and facilitate production.<sup>64</sup> The anticipation was that the private sector would make the necessary capital investments as well as encourage production of the most sought-after crops.<sup>65</sup> Small-scale farmers could not adapt to selling their crops based on market values, leading to increased poverty in rural areas.<sup>66</sup> This intense poverty led small-scale farmers to farm only on a subsistence basis, cultivating only enough to feed their families.<sup>67</sup> With no possible reward, or even the means to farm more than what

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m.pdf; see Tom Philpott, *Wall Street Investors Take Aim at Farmland*, MOTHER JONES, Mar. 14, 2014, <http://www.motherjones.com/tom-philpott/2014/03/land-grabs-no-just-africa-anymore>.

58. U.N. Conference on Trade and Development, Geneva, Switz., Sept. 14-25, 2009 *World Investment Report 2009: Transnational Corporations, Agriculture Production and Development*, 105, Sep. 17, 2009.

59. *Id.*

60. *The Green Rush*, *supra* note 1, at 508.

61. HA-JOON CHANG, *BAD SAMARITANS: RICH NATIONS, POOR POLICIES, AND THE THREAT TO THE DEVELOPING WORLD SECRETS* 23 (2007).

62. See MARTIN MEREDITH, *THE STATE OF AFRICA: A HISTORY OF FIFTY YEARS OF INDEPENDENCE* 279 (2005).

63. *Id.* at 279-80.

64. *Id.*

65. See DAVID HALLAM, *FOOD & AGRIC. ORG., THE STATE OF AGRICULTURAL COMMODITY MARKETS* at 43 (2009).

66. *The Green Rush*, *supra* note 1, at 510.

67. *Id.*

was essential, some farmers relinquished farming altogether; some worked on plantations, others relocated to cities in hope of more fruitful opportunities.<sup>68</sup> This pattern continued throughout the 1990s with little government investment in agriculture.<sup>69</sup>

In the early 2000s, food supply chains became increasingly globalized.<sup>70</sup> Corporations involved in agribusiness saw foreign direct investment in agricultural land as “a means to lower their costs and ensure the long-term viability of their supplies.”<sup>71</sup> This sensation began as a global food versus fuel controversy; both sides argued over what was the most productive use of agricultural lands: for food or for biofuels.<sup>72</sup> The issue came to a head in 2007-2008 when basic food prices skyrocketed in response to a global boom in biofuels production.<sup>73</sup> Small-scale farmers (the ones remaining, at least) were unable to rebound from the price surges as a result of “insufficient access to credit and infrastructure, depleted soils, and . . . a system of international trade in agricultural products that ha[d] largely decimated agricultural production.”<sup>74</sup>

Following this food crisis, nation-states, especially “resource poor but cash rich” ones, began to “seek opportunities to invest in foreign farmland in order to secure reliable food sources for their domestic populations.”<sup>75</sup> As of 2009, between fifteen and twenty million hectares (approximately 37,065,807 - 49,421,076 acres) of farmland in developing countries worldwide was subject to transactions involving foreign investors.<sup>76</sup>

### *C. Contextual Framework that Facilitates Land Grabbing*

Many countries believe gaining access to or ownership of large landholdings outside their own borders is a necessary means of supplying citizens with food and energy resources for the present and future.<sup>77</sup> The volatile nature of the international food market creates this necessity, giving governments a sense of urgency to acquire farmland abroad.<sup>78</sup> Due to a lack of rural development, and

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68. *Id.*

69. *Id.*

70. See FLAVIA ECHANOVE & THOMAS REARDON, MICHIGAN STATE UNIV., WHOLESAL MARKET, HORTICULTURE PRODUCTS, AND SUPERMARKETS IN MEXICO 1-3 (2006).

71. *The Green Rush*, *supra* note 1, at 512.

72. Borrás, Jr. & Franco, *supra* note 6, at 509.

73. *Id.*

74. *The Green Rush*, *supra* note 1, at 513.

75. Narula, *supra* note 5, at 112.

76. U.N. Special Rapporteur on the Right to Food, *supra* note 2, at 3.

77. Borrás, Jr. & Franco, *supra* note 6, at 508.

78. See KAY, *supra* note 15.

the financial inability of most governments to provide the capital required to supplement the agriculture industry, large-scale land acquisitions are often framed as an opportunity for investment.<sup>79</sup>

Various rationales are provided by countries acquiring these large agricultural footholds in other countries including: the rush toward agro-fuel production as an alternative to fossil fuels; natural resources being exhausted due to urbanization and population growth; fears regarding the availability of fresh water; a surge in demand for raw commodities; and speculations that farmland prices will increase.<sup>80</sup> The unreliability of stock markets and low investment returns, at best, create a climate in which the value of non-tangible assets of nations fluctuate, making land grabs the preferred method for investors to fight inflation and maximize profits.<sup>81</sup>

#### *D. Examples of Land Grabbing*

##### *1. Private Companies as Land Buyer – North Sudan*

Between 2004 and 2008, land grabs in North Sudan covered 9,884,215 acres, which involved leases that averaged fifty-year terms.<sup>82</sup> Despite the land acquisition investments being provided by private, foreign, and local investors, the North Sudan government actively participated in expropriating land from individuals who held customary rights to the land.<sup>83</sup> Customary land, also known as “informal” land, finds its basis in a tribal system of customary law, known as Elidara Elahlia—an institution that lacks legal recognition in North Sudan.<sup>84</sup> By enacting the Unregistered Lands Act of 1970, the government of North Sudan laid claim to all customary land, including unfarmed land and areas used for grazing and gathering wood.<sup>85</sup> The result of the Unregistered Lands Act was unequal land distribution, and a lack of uniformity in recognition of customary land rights across North Sudan; the central areas of the country are the only regions that tend to honor these rights.<sup>86</sup>

The uncertainty of land ownership in North Sudan is considered a significant factor surrounding the violence and armed conflict that has escalated around

79. See Borrás, Jr. & Franco, *supra* note 6.

80. U.N. Special Rapporteur on the Right to Food, *supra* note 2, at 4.

81. See *The Green Rush*, *supra* note 1, at 516.

82. ElHadary & Obeng-Odoom, *supra* note 31, at 69.

83. *Id.*

84. *Id.* at 59, 61.

85. UNREGISTERED LAND ACT OF 1970 (Act No. 23/1970) (N. SUDAN).

86. See ElHadary & Obeng-Odoom, *supra* note 31, at 65.

various parts of the country.<sup>87</sup> In areas where land rights are considered “fragile and insecure,” such as Darfur, the violence stems from seemingly unjust marginalization of rural populations, and unnecessary socioeconomic variations between urban and rural communities.<sup>88</sup> This dramatic reaction seems to lose its frivolity when one considers that land is everything to these people—it provides a source of livelihood, dignity, wealth, and social peace.<sup>89</sup> These essential elements of a person’s being are lost when their land is lost, leaving a “nothing left to lose” attitude, resulting in subsequent deadly violence.<sup>90</sup>

Sudan, like many other countries, has no unified legal framework of property law—despite official laws on the books, most practices center around colonial land laws.<sup>91</sup> For example, in Darfur, most pastoralists do not own land in the hakura land tenure system, a way of managing land that dates back to the pre-colonial era.<sup>92</sup> The hakura system granted parcels, or dars, of land to various tribes within Darfur; however, Arab camel herders, especially those located in North Darfur, did not receive a dar.<sup>93</sup> Instead, the camel herders continued to access the land and water they needed how they always had: simply herding their caravan through suitable land.<sup>94</sup> Darfur saw crippling droughts in the 1970s and 1980s, which led to strife in the once-cooperative relationship between the camel herders and settled farmers.<sup>95</sup> Legislation was introduced which increased powers of the state government, allowing individuals with government ties to essentially strip rural people of their land.<sup>96</sup> This left many pastoralists, like the camel herders, without a way to sustain their livelihoods. When conflict erupted in Darfur, these groups without land took it upon themselves to expand their access to land and water by less-than-formal means.<sup>97</sup>

## 2. *Governments as Land Buyer – Ethiopia*

Ethiopia has a growing population of over eighty-five million people and has one of the highest population densities in the world.<sup>98</sup> The nation-state is also

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87. *Id.* at 64-65.

88. *See id.* at 65.

89. *See id.*

90. *See id.*

91. SARA PANTULIANO, *THE LAND QUESTION: SUDAN’S PEACE NEMESIS* 3 (2007).

92. *Id.* at 7.

93. *Id.*

94. *Id.*

95. *Id.* at 7-8.

96. *See id.* at 7.

97. *Id.* at 8.

98. THE OAKLAND INST., *UNDERSTANDING LAND INVESTMENT DEALS IN AFRICA*,

one of Africa's poorest countries.<sup>99</sup> Estimates state 7.8 million Ethiopians are chronically hungry.<sup>100</sup> Following the food crisis in 2008, another 6.4 million Ethiopians required emergency food assistance.<sup>101</sup> Food insecurity is "driven by droughts, rapid population growth, environmental degradation, economic underdevelopment and regional conflicts [that have] plagued the country throughout its history."<sup>102</sup> This chronic food insecurity led the Ethiopian government to support foreign investment development in its agricultural land.<sup>103</sup>

The Gambella Region of Ethiopia sits along the Sudan border and has become a coveted parcel based on its extensive natural resources, including deposits of gold and oil.<sup>104</sup> Ethiopia's Ministry of Agricultural and Rural Development fielded and attracted significant investor interest in the area by highlighting the area's extensive and untapped land and water resources.<sup>105</sup> Saudi Star Agriculture Development, a public food company that produces sugar, rice, and edible oil, purchased a 10,000-hectare parcel from the Ethiopian government to create a rice farm.<sup>106</sup> Considered a cash crop, the rice farm covers nearly five million acres of farmland, an area the size of Belgium, and Saudi Star holds the lease to the land for five years.<sup>107</sup>

In order to facilitate the infrastructure of this rice farm, Saudi Star cleared forests and community farmland and created a dam in the Alwero River.<sup>108</sup> Losing access to these essential resources, several Ethiopian communities were forced to relocate; there was no compensation for losing this land, and no meetings were held with the communities affected by this land grab.<sup>109</sup> The Ethiopian government and the World Bank have framed these types of land acquisitions as "critical for agricultural modernization" and necessary for increased food produc-

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COUNTRY REPORT: ETHIOPIA 4 (2011), *available at* [http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI\\_Ethiopa\\_Land\\_Investment\\_report.pdf](http://www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OI_Ethiopa_Land_Investment_report.pdf); *see also* JOHN RICHARDSON, JMR PORTFOLIO INTELLIGENCE, AGRICULTURAL DEVELOPMENT AND LAND RIGHTS: WHO WINS AND WHO DIES? 10 (<http://www.ssrn.com/abstract=1989058>) (2011).

99. RICHARDSON, *supra* note 98.

100. *Id.*

101. *Id.*

102. *Id.*

103. *Id.*

104. *Id.* at 11.

105. *Id.*

106. *Id.* at 12.

107. William Davison, *Ethiopia Plans to Rent Out Belgium-Sized Land Area to Produce Cash Crops*, BLOOMBERG, Oct. 26, 2010, <http://www.bloomberg.com/news/articles/2010-10-26/ethiopia-plans-to-rent-out-belgium-sized-land-area-to-produce-cash-crops>.

108. RICHARDSON, *supra* note 98, at 12.

109. *Id.* at 12-13.

tion. In practice, the land grabs compromise and sacrifice the rights of generational land users based on rhetoric of a “greater national good.”<sup>110</sup> “In western Ethiopia, the government’s land allocations to external agribusiness investors in and around Gambella National Park threaten local pastoralist communities’ livelihoods.”<sup>111</sup>

Ethiopia has one of the most complex systems of land tenure in the world: it varies based on region and differing cultural and political views of land ownership.<sup>112</sup> Prior to 1974, all land was state owned. Collective ownership of land was first recognized in 1974; however, the 1980s brought a string of constitutional revisions that made communal rights less favored over market-based land rights.<sup>113</sup> In 2002, Proclamation 280/2002 permitted investment in land for purposes of improving foreign trade and technological advancement; laws that followed in the wake of Proclamation 280/2002 created tax incentives and duty waivers in the hopes of promoting foreign investment in Ethiopia.<sup>114</sup> Despite constitutional grants of land rights, including the right to transfer, right to compensation, and pastoral rights, the Ethiopian government has disregarded these enumerated privileges in favor of large-scale land acquisitions and land grabs.<sup>115</sup>

### III. ANTI-CORPORATE FARMING LAWS & ALIEN LAND LAWS IN THE UNITED STATES

#### A. Description of Anti-Corporate Farming Laws

Nine states currently have statutory anti-corporate farming laws in place: Oklahoma, Nebraska, South Dakota, North Dakota, Wisconsin, Minnesota, Kansas, Missouri, and Iowa.<sup>116</sup> The laws have been deemed anti-corporate because they prevent corporations or other investment-based entities from engaging in farming within their state; in some states, such entities may not directly or indi-

110. *Id.* at 14-15.

111. TOM BLOMLEY, DILYS ROE, FRED NELSON, & FIONA FLINTAN, INT’L INST. FOR ENV’T AND DEV., ‘LAND GRABBING’: IS CONSERVATION PART OF THE PROBLEM OR THE SOLUTION? (2013), <http://pubs.iied.org/pdfs/17166IIED.pdf>.

112. RICHARDSON, *supra* note 98, at 18.

113. THE OAKLAND INST., *supra* note 98, at 11.

114. See ETHIOPIAN INVESTMENT PROCLAMATION, PROCLAMATION 280/2002, available at [http://www.wipo.int/wipolex/en/text.jsp?file\\_id=248270](http://www.wipo.int/wipolex/en/text.jsp?file_id=248270).

115. RICHARDSON, *supra* note 98, at 18.

116. Keith D. Haroldson, *Two Issues in Corporate Agriculture: Anticorporate Farming Statutes and Production Contracts*, 41 DRAKE L. REV. 393, 402 (1992).

rectly own or acquire an interest in any agricultural land within the state.<sup>117</sup> The stated purpose for anti-corporate farming laws is to protect and promote family-owned farms and operations by placing limits on how corporations can do agriculture-related business within any of these nine states.<sup>118</sup>

The risk is that corporations would gain a pseudo-monopoly on the market that produces a large portion of the country's—and the world's—food supply and the ability to control prices without the safety mechanism of competition.<sup>119</sup> Each states' anti-corporate farming laws vary in what they allow and prohibit, but uniformly these laws create hierarchies of ownership structures for farms and agricultural operations.<sup>120</sup> Generally, corporations that are not run by families have the most restriction on their participation in farming activities; family corporations, partnership arrangements, and sole proprietorships see little to no restriction.<sup>121</sup> A common restriction for corporate farms is a cap on the number of acres owned—for example, Iowa caps non-family corporate agricultural acres at 1,500 acres.<sup>122</sup>

Despite the risks that exist in corporate farming, these nine states also recognize the benefits of having certain forms of structured business influence farming and agriculture. While almost all non-familial-based corporation ownership of agricultural land is prohibited, each state lists a variety of exceptions, stating business structures that are allowed to own agricultural land.<sup>123</sup> For example, Iowa allows agricultural land to be purchased for research or experimental purposes, or by non-profit organizations, including land operated for state university research, among various other exceptions.<sup>124</sup>

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117. RICK WELSH, CHANTAL LINE CARPENTIER, & BRYAN HUBBELL, ON THE EFFECTIVENESS OF STATE ANTI-CORPORATE FARMING LAWS IN THE UNITED STATES 544 (U.S. Env'tl. Prot. Agency Papers 2001).

118. *Id.*

119. *Id.*

120. See NEB. CONST. art. XII, § 8; OKLA. CONST. art. XXII, § 2; IOWA CODE § 9H.4 (2015); KAN. STAT. ANN. § 17-5904 (2007); MINN. STAT. ANN. § 500.24 (West 2012); MO. ANN. STAT. § 350.015 (West 2001); N.D. CENT. CODE ANN. § 10-06.1-02 (West 2012); S.D. CODIFIED LAWS § 47-9A-1 (2004); WIS. STAT. ANN. § 182.001 (West 2002).

121. See NEB. CONST. art. XII, § 8; OKLA. CONST. art. XXII, § 2; IOWA CODE § 9H.4; KAN. STAT. ANN. § 17-5904; MINN. STAT. ANN. § 500.24; MO. ANN. STAT. § 350.015; N.D. CENT. CODE ANN. § 10-06.1-02; S.D. CODIFIED LAWS § 47-9A-1; WIS. STAT. ANN. § 182.001.

122. See IOWA CODE § 9H.5.

123. See NEB. CONST. art. XII, § 8; OKLA. CONST. art. XXII, § 2; IOWA CODE § 9H.4; KAN. STAT. ANN. § 17-5904; MINN. STAT. ANN. § 500.24; MO. ANN. STAT. § 350.015; N.D. CENT. CODE ANN. § 10-06.1-02; S.D. CODIFIED LAWS § 47-9A-1; WIS. STAT. ANN. § 182.001.

124. IOWA CODE § 9H.4.

1. *Iowa Anti-Corporate Farming Laws*

Iowa's anti-corporate farming laws are found in section 9.H of the Iowa Code.<sup>125</sup> The laws were first enacted by the Iowa legislature for the purpose of limiting livestock processors from becoming involved in livestock production, leaving the prospect of a vertical monopoly theoretically open.<sup>126</sup> While Iowa law does not expressly prohibit corporations from engaging in farming, the limit the law places on a corporation's ability to hold an interest in agricultural land constructively eliminates the prospect of profits in an industry where land is the most valuable and necessary aspect of one's success.<sup>127</sup>

The bulk of the anti-corporate farming laws are focused on the cattle and swine industries,<sup>128</sup> preventing any processor of beef or pork from owning, controlling, or operating a feedlot in which hogs or cattle are fed for slaughter.<sup>129</sup> However, the law provides exceptions for, most notably, family farm corporations, but also other authorized family farm entities.<sup>130</sup> Family farm corporations are "founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons related to each other," such as spouses, parents, and grandparents.<sup>131</sup> Authorized farm corporations are similarly "founded for the purpose of farming and the ownership of agricultural land;" however, the authorized farm corporation is not considered a family farm corporation, the stockholders must not exceed twenty-five people, and must be natural persons.<sup>132</sup>

The code states that corporations shall not directly or indirectly obtain or lease any agricultural land in the state of Iowa.<sup>133</sup> Exceptions are included for uses such as research and experimental purposes; corporations can also obtain an interest in agricultural land and convert the land to non-agricultural use.<sup>134</sup> Fami-

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125. See IOWA CODE § 9H.1-5.

126. Jennifer M. Vogel, *Iowa Code Chapter 9H.2: The State of Iowa's Battle Against Corporate Farming*, 30 J. OF CORP. L. 199, 206 (2004).

127. See Haroldson, *supra* note 116, at 410.

128. IOWA CODE § 202B.102 ("Processor" means a person who alone or in conjunction with others directly or indirectly controls the manufacturing, processing, or preparation for sale of beef or pork products, including the slaughtering of cattle or swine or the manufacturing or preparation of carcasses or goods originating from the carcasses, if the beef or pork products have a total annual wholesale value of eighty million dollars or more for the person's tax year").

129. IOWA CODE § 202B.201; Vogel, *supra* note 126.

130. IOWA CODE 9H.4.

131. IOWA CODE 9H.1(9).

132. IOWA CODE 9H.1(3).

133. IOWA CODE 9H.4.

134. *Id.*



ly farm corporations must derive at least sixty percent of their revenues from farming.<sup>135</sup> Authorized farm corporations are limited to a maximum of 1,500 acres.<sup>136</sup> The most common penalty for violating the anti-corporate farming laws is the issuance of an injunction by a court, forcing the unauthorized owner to either convey their interest to the State or other transfer to an authorized owner pursuant to the Code.<sup>137</sup>

As a result of the anti-corporate farming laws in Iowa, recent years have seen a dramatic decline in the number of hog farmers statewide.<sup>138</sup> Nationally, the number of hog farmers has also dropped, and the price of hogs remains low; low prices may be attributed to the growing number of large-scale corporate farming operations in states without anti-corporate farming laws.<sup>139</sup> Factory farms, such as Smithfield Foods, raise thousands of hogs, while small-scale family farmers are only able to raise a fraction of that, forcing small farms out of the market.<sup>140</sup>

#### *B. Alien Landownership Restrictions in the United States and Iowa*

In addition to Iowa's anti-corporate farming laws, Iowa's alien landowner laws provide a further obstacle for foreign (non-Iowa domiciled) corporations.<sup>141</sup> The spirit of restricting nonresident aliens,<sup>142</sup> as well as foreign business,<sup>143</sup> from purchasing agricultural land within states began when Congress passed the Territorial Land Act of 1887, which restricts nonresident aliens who have not declared an intention to become a citizen from owning real property in U.S. territories.<sup>144</sup> Many states have alien landowner laws, but our inquiry will focus on Iowa. Iowa bans nonresident aliens, foreign businesses, and foreign governments from ac-

135. IOWA CODE 9H.1(9)(c).

136. IOWA CODE 9H.5.

137. IOWA CODE 9H.3A.

138. Vogel, *supra* note 126.

139. *Id.*

140. *Id.*

141. See IOWA CODE § 9I.2.

142. IOWA CODE § 9I.1 (defining a non-resident alien as "an individual who is not any of the following: (a) [a] citizen of the United States; [or] (b) [a] person lawfully admitted into the United States for permanent residence by the United States immigration and naturalization service. An individual is lawfully admitted for permanent residence regardless of whether the individual's lawful permanent resident status is conditional").

143. *Id.* (defining a foreign business as "a corporation incorporated under the laws of a foreign country, or a business entity whether or not incorporated, in which a majority interest is owned directly or indirectly by nonresident aliens").

144. See Territorial Land Act of 1887, 48 U.S.C. §§ 1501-1507 (2012).

quiring ownership in agricultural land or an interest in agricultural land.<sup>145</sup> Any agricultural land that is acquired by a nonresident alien, foreign business, or foreign government must be converted to a purpose other than farming within five years of acquiring the interest;<sup>146</sup> additionally, the individual or entity must divest all rights, title, and interest in the land within two years of acquiring the interest.<sup>147</sup>

The Iowa Code also requires the land be registered with the Secretary of State within sixty days of acquisition or gaining the interest.<sup>148</sup> Reports to the Secretary of State must be made each year including: the name of the owner of the land, the location and number of acres of land, the date the interest was acquired, the pending use other than farming, and the present use of the agricultural land.<sup>149</sup> Iowa's Attorney General initiates an action in a state district court when any of these provisions are violated.<sup>150</sup> If the court finds a violation, the court will declare the land to be escheated to the state.<sup>151</sup>

### C. Comparison to General International Property Laws

#### 1. Basics of Communal Property Rights

In many foreign countries, especially developing countries particularly susceptible to land grabbing, property rights are non-existent. Instead, land tenure is often unregistered, based on custom, and communal.<sup>152</sup> It is common for states to fail to recognize land that has been registered in some form, and even more recurrent that there is no opportunity at all to register land ownership.<sup>153</sup> The nature of land rights varies considerably based on the nation in question.<sup>154</sup>

Depending on where land is nationalized and if private ownership of land is accustomed to land registration procedures being inaccessible, most rural areas

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145. See IOWA CODE § 9I.2-.3.

146. IOWA CODE § 9I.4.

147. IOWA CODE § 9I.5.

148. IOWA CODE § 9I.7.

149. IOWA CODE § 9I.8.

150. IOWA CODE § 9I.10.

151. IOWA CODE § 9I.11; Escheat is defined as the reversion of a deceased person's estate to his or her state of residence when the deceased person's rightful heirs cannot be located. Under these circumstances, the state will take possession of the land.

152. BLOMLEY ET AL., *supra* note 111.

153. *Id.*

154. LORENZO COTULA, INT'L INST. FOR ENV'T AND DEV., THE OUTLOOK ON FARMLAND ACQUISITIONS 18 (2011) [hereinafter THE OUTLOOK ON FARMLAND ACQUISITIONS].

provide people with use rights rather than ownership rights, which continue to lie with the state.<sup>155</sup> States may also condition the use of the land on the land's use being deemed 'productive,' which, as previously discussed, can lead to state justification for dispossessing rural populations and allowing land grabs to facilitate 'more productive' uses.<sup>156</sup> These communities are then forcibly deprived of legal rights to land and resources essential to their livelihoods.<sup>157</sup>

Land tenure systems based on customary practices, such as communal land use, do not guarantee equal access to land.<sup>158</sup> Structured as a hierarchy, certain rights are available based on groupings, including rules of descent and ethnicity.<sup>159</sup> Consequently, minorities and women often face discrimination even within areas facilitating communal land use.<sup>160</sup>

#### IV. LACK OF INTERNATIONAL EQUIVALENT TO ANTI-CORPORATE FARMING & ALIEN LANDOWNER LAWS & THE EFFECT LAND GRABBING HAS ON THE AGRICULTURE INDUSTRY

##### *A. Consequences of Land Grabbing*

"The commodification and privati[z]ation of land and the dispossession of farmers and herders is seldom taken into account in the boardrooms of corporations or in high-level meetings with governments."<sup>161</sup> The interests of small-scale farm operations are extremely unlikely to be the focus of corporations and governments when land grabbing is at issue. Like many things in our world today, investment potential and the prospect of high profit margins speak louder than the voices of those affected by land grabs. Real people and families are dispossessed of not only their land, but also their access to food; and in the process often lose their connection to their community and culture.<sup>162</sup>

Direct impacts of land grabs include: government takings, expropriation, dislocations, and local users withdrawing from land while allocating land to in-

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155. *Id.*

156. *Id.*

157. BLOMLEY ET AL., *supra* note 111.

158. PANTULIANO, *supra* note 91, at 7.

159. *Id.*

160. *See id.*

161. Jun Borrás, Ian Scoones, & David Hughes, *Small-Scale Farmers Increasingly at Risk from 'Global Land Grabbing'* THE GUARDIAN, Apr. 15, 2011, <http://www.theguardian.com/global-development/poverty-matters/2011/apr/15/risks-over-increasing-global-land-deals/print>.

162. Magdoff, *supra* note 28.

vestors based on the presumption that the investors can use the land more economically.<sup>163</sup> Indirect impacts include displacement or leakage of biofuels and deforestation, which is caused by food crops being displaced by production of biofuels on high-value land.<sup>164</sup> “Weak governance and poor land use planning mean that commercial ‘land grabs’ often damage biodiversity as well as dispossessing people from customary rights and livelihoods.”<sup>165</sup>

“Large farms tend to displace small farmers directly by dispossession (whether by the use of force or by “legal” means) or indirectly by competition, have high levels of mechanization, and require few labor hours per acre.”<sup>166</sup> It takes an average of 7.8 hours per acre of labor to grow and harvest corn on a four hundred acre farm; a two thousand acre farm takes just 2.7 hours per acre – approximately one-third of United States farms are larger than two thousand acres.<sup>167</sup>

Treaties created among nations and investors create a double-edged sword: while attracting desperately-needed investment to struggling countries, these treaties often grant individual investors or investment companies the right to bring claims against the government in venues considerably more favorable to investors, such as arbitration.<sup>168</sup> Over 3,000 of these treaties have been created spanning 183 countries, leaving landholder rights almost universally governed by voluntary, non-binding agreements and principles.<sup>169</sup>

#### V. IMPLEMENTING IOWA MODEL OF ALIEN LAND LAWS IN FOREIGN COUNTRIES TO MINIMIZE LAND GRABBING

Regions outside North America and Europe that lack formalized property law and rely heavily on notions of communal property become targets for land grabs. Using Iowa’s alien landowner laws and anti-corporate farming laws as models, foreign countries should enact similar legislation to protect themselves from land grabbing while minimizing changes to their current structure of property rights centered on communal land use.

One strategy offered as a solution is to shift international investments in agriculture towards making already highly productive and efficient small-scale farming operations more so, and move away from seeking agreements involving

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163. See THE OUTLOOK ON FARMLAND ACQUISITIONS, *supra* note 154, at 16.

164. *Id.*

165. BLOMLEY ET AL., *supra* note 111.

166. INT’L LABOR ORG., *supra* note 23.

167. *Id.*

168. See Borrás et al., *supra* note 161.

169. *Id.*

large farm plantations or estates.<sup>170</sup> This shift would be ideal, but it is highly unlikely that nations will make this move without laws and regulations requiring people or entities in a position to purchase agricultural land on a large scale to act in a certain manner and, similarly, refrain from acting in certain circumstances—this gap is where implementing legislation similar to alien landowner laws and anti-corporate farming laws in Iowa can benefit the international community and, ideally, prevent land grabbing.

Systems that rely on local, custom-driven land management have certainly been successful on a small scale, in land arrangements between neighbors or family members; however, in a larger context, these custom-based structures are ineffective.<sup>171</sup> But this does not mean that small-scale farms are not profitable, economical, and sustainable in the world economy. In fact, small farms can often produce more food per acre using techniques such as intercropping.<sup>172</sup> These operations employ more labor, adding a societal benefit; small-scale farms are also more ecologically friendly than corporate farms, which rely heavily on chemical inputs into seeds, fertilizers, and pesticides—products that also require significant energy and resources to produce.<sup>173</sup>

Codifying a combination of laws modeled after Iowa's anti-corporate farming laws and alien landowner laws will allow countries to gain control over who can purchase land within their borders. This solution allows nations to continue to encourage communal land use and any customary uses of land—an often-cited drawback to formalizing property rights is the loss of these communal uses and practices rich in culture.

“Large agribusiness corporations have been uniquely buffered from the economic downturn and have benefitted from close ties with large banks and economies of scale.”<sup>174</sup> Connections to large financial institutions and fellow agribusiness companies have created “win-win scenarios” for corporate farms at the expense of small-scale or family farms; the financial institutions and companies are willing to finance large-scale land acquisitions to gain access to valuable land; if the corporate farm operation were to fail, the bank or company would still keep that access and gain title to the farmland.<sup>175</sup> In the interim, small-scale farmers face rapid rent increases, inability to gain access to credit, and extremely volatile prices in the market.<sup>176</sup>

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170. *Id.*

171. PANTULIANO, *supra* note 91, at 7.

172. Magdoff, *supra* note 28.

173. *Id.*

174. NAT'L FAMILY FARM COAL., U.S. FARMLAND: THE NEXT BIG LAND GRAB? (May 2012).

175. *Id.*

176. See FARM AID ET AL., DON'T BANK ON IT: FARMERS FACE SIGNIFICANT BARRIERS TO

The availability of credit is vital to any farming operation: it is virtually impossible to come up with enough funds to pay for things like fertilizer, seeds, and livestock, on top of land, equipment, and labor.<sup>177</sup> Lack of credit for these inputs creates a cycle where farmers cannot meet production needs and fall deeper into debt—this phenomenon hit U.S. farmers hard, and international farmers even harder.<sup>178</sup>

To combat these credit problems internationally, banks and large farm corporations should provide small-scale farming operations with similar credit benefits they would provide large operations. The number of people attempting to access these kinds of credit would be minimal with the addition of some variation of Iowa's anti-corporate and alien landowner laws in a given country. Additionally, the benefit of retaining title to the farmland if the owner defaults on an obligation would continue; with land being such a valuable commodity and its availability consistently decreasing, there is no question that the farmland would retain its long-term value.

## VI. CONCLUSION

Foreign countries that use Iowa's anti-corporate farming laws and alien land laws as a model for their own land regulations can expect to see benefits not only for small-scale farmers and those whose livelihoods are based in agriculture, but for communities and the nation as a whole. Large-scale land acquisitions, in a majority of cases, lead to forms of corporate farming structures. These corporate farms often bring undesirable consequences including environmental harm such as air, soil, and water contamination, economic consequences "trickling down" to urban and rural communities, inhumane treatment, and sometimes abuse, of animals, and the loss of small-scale and family farms. By formalizing property laws in a way that allows tradition and culture to continually be a part of rural communities, Iowa's anti-corporate farming and alien land laws, as a model, provide stability, uniformity, and predictability of land rights, while allowing small-scale and family farms to prosper by providing agricultural resources to the country and maintaining the livelihoods of individual farmers.

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CREDIT ACCESS DURING ECONOMIC DOWNTURN (March 2011), available at [http://documents.foodandwaterwatch.org/doc/farm-credit-survey.pdf#\\_ga=1.201402071.734441134.1434987213](http://documents.foodandwaterwatch.org/doc/farm-credit-survey.pdf#_ga=1.201402071.734441134.1434987213).

177. Jennifer Russell, *Cash Rents Reflect Rising Farmland Prices*, FARM JOURNAL, Mar. 9, 2012 at 2, [http://www.agweb.com/article/cash\\_rents\\_reflect\\_rising\\_farmland\\_prices/](http://www.agweb.com/article/cash_rents_reflect_rising_farmland_prices/).

178. See *id.*; Mission 2014: Feeding the World, *Small-Farm Cooperatives*, <http://www.12.000.scripts.mit.edu/mission2014/solutions/small-farm-cooperatives> (last visited Sept. 15, 2015).