

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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March 13, 2024

The Honorable Thomas J. Vilsack
Secretary
U.S. Department of Agriculture
1400 Independence Ave. SW
Washington, D.C. 20250

Dear Secretary Vilsack:

The Committee on Oversight and Accountability (the Committee) is investigating the Chinese Communist Party's (CCP or the Party) active infiltration of American farming, and efforts the U.S. Department of Agriculture (USDA or the Department) is undertaking to protect the American food supply and agricultural industry from this threat. It has been reported that "China has breached the inner walls of the U.S. agriculture industry in what has arguably been the most expansive heist in farming history and is currently attempting to steal or hack every conceivable facet of U.S. agriculture technology."¹ Indeed, the CCP reportedly aims to control the U.S. food supply²; influence U.S. agriculture, policy, and global markets³; and increase American dependence on the People's Republic of China's (PRC) non-market economy.⁴ American farmers need safe and efficient farming policies and secure infrastructures which do not risk the threat of CCP control, espionage, or influence, especially in times of food shortages and foreign conflicts.

Broader Committee Investigation

The Committee is conducting oversight of the federal government's work to protect the American people from CCP "political warfare"⁵ and nefarious influence operations. For

¹ Chris Bennett, *While America Slept ... China Stole the Farm: Feds Watch as Top U.S. Customer Pilfers Ag Industry*, AgWeb Farm Journal (Jun. 8, 2021).

² See Adam Kredo, *How China's Push to Control U.S. Food Supply Prepares It for War with Taiwan*, Wash. Free Beacon (Aug. 3, 2023).

³ *Id.*

⁴ See Brent Sadler, *America's Dependence on China Is a Crisis in the Making*, The Heritage Foundation (Oct. 4, 2022); see also Memorandum from Leah Wils-Owen, Office of Pol'y, Enf't & Compliance, Int'l Trade Admin, U.S. Dept. of Com. to Gary Taverman, Dep. Asst. Sec. for Antidumping and Countervailing Duty Operations, Int'l Trade Admin., U.S. Dept. of Com. (Oct. 26, 2017) (designating China as a non-market economy for antidumping purposes).

⁵ Political warfare "seeks to influence emotions, motives, objective reasoning, and behavior of foreign governments, organizations, groups, and individuals in a manner favorable to one's own political-military objectives." Mark

decades, the CCP has sought to infiltrate and influence every aspect of American society.⁶ The CCP's goal is plain: defeat the "main enemy," which counterintelligence officials have identified as America.⁷ The fronts are multiple; according to the CCP itself: "[t]he battlefield will be everywhere."⁸ And the tools are myriad, with the "united front"⁹ leading as one of the PRC's¹⁰ "magic weapons,"¹¹ as described by General Secretary Xi Jinping,¹² to advance the Party's aim of global domination.¹³ United front work (UFW), which may be executed by the United Front Work Department (UFW) or elsewhere in the Party, is a "unique blend of engagement, influence activities, and intelligence operations" that the CCP uses to "influence other countries' policy toward the PRC and to gain access to advanced foreign technology."¹⁴ UFW "generally involves covert activity and is a form of interference that aids the CCP's rise."¹⁵ United front "networks" are used "to carry out relationship-focused influence campaigns through a multitude of proxies."¹⁶

Despite years of false promises to the West, the CCP openly seeks to achieve its destructive ambition. In 1999, two People's Liberation Army Air Force colonels authored *Unrestricted Warfare*, which has been described as a strategic military vision for the PRC to defeat America through political warfare.¹⁷ Retired Brig. Gen. Robert Spalding, who has served

Stokes, Project 2049, *The People's Liberation Army General Political Department: Political Warfare with Chinese Characteristics* (Oct. 14, 2013).

⁶ See generally Constantine C. Menges, *China The Gathering Threat* (2005); Report of the Select Committee on U.S. National Security and Military/Commercial Concerns With The People's Republic of China ("Cox Report") (Jan. 3, 1999); Robert Spalding, *War Without Rules* (2022); Col. Grant Newsham, *When China Attacks: A Warning to America* (2023); Kerry K. Gershaneck, *Political Warfare: Strategies for Combating China's Plan to "Win without Fighting"* (2020); see also Larry Diamond and Orville Schell, *China's Influence & America's Interests: Promoting Constructive Vigilance*, Hoover Institution (2019).

⁷ Menges, *supra* note 6; Gershaneck, *supra* note 6 ("The PRC is engaged in war against the United States. It is not mere competition or malign influence, but war by PRC definition."); Newsham, *supra* note 6 at 60 (The CCP "seeks global domination" and "will fight its main enemy, the United States, to achieve it.").

⁸ Qiao Liang and Wang Xiangsu, *Unrestricted Warfare: China's Master Plan to Destroy America* (Beijing: PLA Literature and Arts Publishing House, Feb. 1999) (military colonels describing twenty-four varieties of warfare).

⁹ "While the CCP's United Front Work Department has functional responsibility for these [warfare] operations and activities, PRC united front work is a task of all CCP agencies and members." Gershaneck, *supra* note 6 at 22.

¹⁰ It is essential to understand that Xi Jinping has removed any "vener of separation between the [CCP] and the Chinese state." Gershaneck, *supra* note 6 (quoting Ann-Marie Brady, *Exploit Every Rift: United Front Work Goes Global*, in David Gitter et al., *Party Watch Annual Report*, Center for Advanced China Research (2018)).

¹¹ Ann-Marie Brady, *Magic Weapons: China's political influence activities under Xi Jinping*, Wilson Center (Sept. 18, 2017); see also The Select Committee on the Chinese Communist Party, *Memorandum: United Front 101*, ("United Front 101 Memo") <https://selectcommitteeontheccp.house.gov/sites/evo-subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/uf-101-memo-final-pdf-version.pdf>.

¹² Alex Joske, *The party speaks for you: Foreign interference and the Chinese Communist Party's united front system*, Australian Strategic Policy Institute (2020) (quoting Xi Jinping at 2015 Central United Front Work Meeting).

¹³ See, e.g., Newsham, *supra* note 6 at 43 ("The People's Republic of China may settle for dominance rather than occupation, but it does indeed aim to rule us all.").

¹⁴ United Front 101 Memo, *supra* note 11 at 1.

¹⁵ Joske, *The party speaks for you*, *supra* note 12.

¹⁶ Alex Joske, *Spies and Lies: How China's Greatest Covert Operations Fooled the World* (2022) at 63.

¹⁷ Gershaneck, *supra* note 6.

in senior positions in strategy and diplomacy with the U.S. Departments of Defense and State for decades, characterizes the book as “the main blueprint for China’s efforts to unseat America as the world’s economy, political, and ideological leader,” which “shows exactly how a totalitarian nation set out to dominate the West through a comprehensive, long-term strategy that includes everything from corporate sabotage to cyberwarfare to dishonest diplomacy; from violations of international trade law and intellectual property law to calculated abuses of the global financial system.”¹⁸ Kerry Gershaneck, former counterintelligence officer who wrote a seminal book on combatting PRC Political Warfare, has explained that *Unrestricted Warfare* details CCP use of “any methods” where “the boundaries between war and non-war and between military and non-military affairs [have] systemically broken down.”¹⁹ To successfully combat these highly organized and pervasive warfares spawned by China, federal agencies must first recognize and understand them.

The CCP “know[s] the strength of the American people, of the American idea, and that’s why China has launched so many warfares to try to weaken us, divide us, and get us to hate ourselves and each other.”²⁰ Retired Col. Grant Newsham, former U.S. Marine Liaison Officer to the Japan Ground Self-Defense Force and U.S. Foreign Service Officer, has advised that “the way out of this is to rediscover why we are an exceptional country, get to know each other better, and fight side by side.”²¹

As all Americans are targets of the PRC’s warfare,²² federal agencies have responsibilities to (1) conduct outreach to citizens about the dangers they may encounter, and (2) provide appropriate incentives for Americans to proactively protect themselves—their communities, schools, houses of worship, businesses, finances, food, and more—from the threat. Federal agencies must prepare Americans to “take action.”²³ To stop the CCP’s “destructive actions,” retired Brig. Gen. Spalding advises that it will “take macrolevel strategic changes by our

¹⁸ Spalding, *War Without Rules*, *supra* note 6 at xii; *see also* Robert Spalding, *Stealth War* at 12-13 (2019) (*Unrestricted Warfare* “should be required reading for all branches of the US government and for business leaders, because it outlines, in no uncertain terms, the strategy behind China’s policies,” including stating that the “new principles of war” are “no longer ‘using armed force to compel the enemy to submit to one’s will,’ but rather are ‘using all means, including armed force or non-armed force, military and non-military, and lethal and non-lethal means to compel the enemy to accept one’s interests.’”).

¹⁹ Gershaneck, *supra* note 6 (quoting Qiao Liang and Wang Xiangsu, *supra* note 8).

²⁰ Newsham, *supra* note 6 at 341.

²¹ *Id.*

²² “The Three Warfares, the traditional foundation of PRC political warfare, include public opinion/media warfare, psychological warfare, and legal warfare.” Gershaneck, *supra*, note 6; It “requires efforts to unify military and civilian thinking, divide the enemy into factions, weaken the enemy’s combat power, and organize legal offensives.” Elsa Kania, *China Brief: The PLA’s Latest Strategic Thinking on the Three Warfares*, Jamestown Foundation (Aug. 22, 2016).

²³ Spalding, *War Without Rules*, *supra* note 6 at 214.

government, but also microlevel actions by individuals, businesses and other civic institutions.”²⁴ The Committee is surveying each agency’s role to secure Americans and their communities.

Congress has recognized the threat posed by the PRC for some time. Notably, in 1999, the U.S. House Select Committee on U.S. National Security and Military/Commercial Concerns with the People’s Republic of China concluded that in the preceding decade, the PRC used a “variety of techniques including espionage, controlled commercial entities, and a network of individuals that engage in contact with scientists, business people and academics” as part of its warfare operations.²⁵

With varying degrees of effort and success, federal agencies have sought to address the CCP’s attack on what Col. Newsham has aptly described as “[t]he core of America.”²⁶ However, the threat is grave and work must be done across agencies to protect America.²⁷ Peter Mattis, former staff director of the Congressional-Executive Commission of China and counterintelligence analyst at the CIA counsels that

Only by being clear in public about the actions and intentions of the Chinese party-state, and being publicly accountable for the actions the U.S. government takes in response, will the United States be able to address Beijing’s challenges while upholding our democratic commitment to fair, transparent justice for all Americans.²⁸

To this end, the Committee is conducting this investigation and implores each federal agency to uphold its duty to the American communities for whom they are responsible.

CCP Economic and Resource Warfare Against American Farming

The CCP’s targeting of the U.S. agricultural sector is alarming. The U.S.-China Economic and Security Review Commission found that China has sought to address their agricultural needs through investment and acquisition of farmland, animal husbandry, agricultural equipment, and intellectual property abroad.²⁹ America is a global leader in all of

²⁴ *Id.*; see also Peter Mattis and Matt Schrader, War On the Rocks, *America Can’t Beat Beijing’s Tech Theft With Racial Profiling* (July 23, 2019) (“The U.S. government’s difficulties in telling a convincing story about the Chinese Communist Party point to a[n] important step: addressing a serious lack of ‘China literacy,’ both within the enforcement portions of the federal bureaucracy, and in U.S. society as a whole.”).

²⁵ Menges, *supra* note 6; see generally Cox Report, *supra* note 6.

²⁶ Newsham, *supra* note 6 at 33.

²⁷ See Newsham, *supra* note 6 at 309 (“We need to know, value, protect and build the strengths of the United States of America, and shed the light of truth on the corruption, in every sense of the word,” of the CCP. “That could mean in discussions with family, community, at school or wherever that understanding needs bolstering.” Education courses on PRC political warfare would benefit “[a]ny decision-makers who work with China.”); see Gershaneck, *supra* note 6 (outlining such courses to “build[] internal defenses”).

²⁸ Mattis and Schrader, *supra* note 24.

²⁹ Lauren Greenwood, *China’s Interests in U.S. Agriculture: Augmenting Food Security through Investment Abroad*, U.S.-China Econ. & Sec. Rev. Comm’n, at 3 (May 26, 2022).

these fields, making it both a prime trade partner for the PRC and a target for the CCP to utilize illicit means to strengthen the PRC's agricultural sector and food security.³⁰

There are many facets of the CCP's warfare tactics to infiltrate American farming. The success of these operations can be seen through the increased presence of USDA representatives and American agricultural firms at the China International Import Expo (CIIE) (which occurred in Shanghai and which was reported on by a Beijing-based media outlet),³¹ record agricultural deals being struck between the U.S. and China,³² and statistics compiled by USDA for 2022 revealing that the PRC was America's top agricultural export market with a total export value of \$40.8 billion.³³ USDA currently ranks China as the U.S.'s top agricultural export destination, with notable increases in exports over the past decade.³⁴ This ranking includes over a staggering 2,500,000% increase in "Beef & Beef Products" and an 1,800% rise in "Coarse Grains" over the last ten years to 2022.³⁵ U.S. farmers are becoming increasingly reliant on the PRC market while China has strategically reduced their reliance on U.S. suppliers.³⁶

It has been reported that agriculture "is absolutely one of the CCP's top targets of intelligence collection," and that agriculture "is one of the softest targets through the theft of intellectual property, privileged company research, or the physical theft of seeds."³⁷ U.S. farmers claim the PRC is stealing seed technology to interfere with U.S. agricultural advances.³⁸ For example, in 2011, a farmer in Iowa spotted an unfamiliar man in business attire digging in one of his fields.³⁹ The FBI investigated the incident, uncovering a Chinese seed smuggling ring.⁴⁰ In 2022, a Chinese national pled guilty to conspiracy to commit economic espionage for stealing the algorithm to a software platform being developed by his employer for farmers to visualize and analyze field data.⁴¹ The man "took copies of the algorithm on a one-way flight back to China, where he later worked for the Chinese Academy of Science's Institute of Soil Science."⁴² In 2019, the FBI estimated that Chinese intellectual property theft costs the U.S.

³⁰ *Id.*

³¹ Hu Xuan & Lin Jinbing, *U.S. Agriculture Department to Debut at China's Largest Import Fair*, Caixin Global (Nov. 4, 2023).

³² Daniel Ren, *CIIE Deals Hit Record US\$78.4 Billion Amid China's Push to Mend Trade Ties, Boost Global Economy*, S. China Morning Post (Nov. 10, 2023).

³³ USDA Foreign Agricultural Service, *China*, USDA Foreign Agricultural Service (last visited: Feb. 7, 2024).

³⁴ *Id.*

³⁵ *Id.*

³⁶ Chad P. Bown & Yilin Wang, *China is Becoming Less Dependent on American Farmers, but US Export Dependence on China Remains High*, Peterson Inst. for Int'l Econ. (Mar. 21, 2023).

³⁷ Bennett, *supra* note 1.

³⁸ Emily Finn & Taylor Delandro, *Agricultural tech theft: US farmers say China is stealing seeds*, News Nation (Aug. 4, 2023).

³⁹ Aleks Phillips, *Iowa Farmers Accuse China of Stealing American Seeds*, Newsweek (Aug. 4, 2023).

⁴⁰ Rep. Mike Gallagher & Rep. Ashley Hinson, *China doesn't just want our Silicon Valley secrets. China is coming for our seeds too*, Fox News (Aug. 8, 2023).

⁴¹ *Id.*

⁴² *Id.*

economy anywhere between \$255 billion and \$600 billion a year, describing China as the world's "principal" infringer of proprietary knowledge.⁴³

An additional component of the CCP's strategy to surpass the U.S. as the global leader includes acquiring American farmland.⁴⁴ Undisclosed and unregulated investments in U.S. agricultural assets and land acquisitions by Chinese individuals or PRC state-owned enterprises threaten American national security.⁴⁵ USDA requires foreign entities that buy U.S. agricultural land to file a report within 90 days, disclosing their purchase.⁴⁶ Reporting of foreign ownership of land has been described as "lax" and its enforcement as "minimal."⁴⁷ From 2015 to 2018, USDA did not penalize foreign parties for violating reporting rules.⁴⁸

Even more troublesome, PRC laws grant the CCP access to information held by its citizens and corporations.⁴⁹ USDA data from 2021 shows that Chinese-owned companies have been purchasing large swaths of U.S. farmland, owning an estimated 383,000 acres and their investment reportedly generating \$1.9 billion that year.⁵⁰ Chinese companies and investors have purchased major food companies like Smithfield Foods, America's largest pork processor.⁵¹

A PRC company bought land near a U.S. Air Force base in North Dakota in 2021, posing a major national security threat, to which lawmakers responded in force.⁵² The company, Fufeng Group, bought the property just 20 minutes away from Grand Forks Air Force Base, which is home to some of our country's most sensitive drone information.⁵³ A major at the base stated that the Air Force would have little ability to detect any electronic surveillance on drone and satellite transmissions from the Chinese property, which introduces a grave vulnerability to Department of Defense installations and compromises U.S. national security.⁵⁴

Lawmakers and government officials alike have sounded the alarm on CCP warfare in American farming. Senators on both sides of the aisle opposed the aforementioned North

⁴³ Bennett, *supra* note 1; see also *China: The Risk to Corporate America*, Fed. Bureau of Investigation (2019).

⁴⁴ *Arkansas Governor Forcing Chinese Company to Sell U.S. Farmland, Done with 'Dangerous Governments Infiltrating Our Country'*, Federal Newswire (Oct. 19, 2023).

⁴⁵ *Part II. The Plan to Counter China*, Heritage Foundation (Mar. 28, 2023).

⁴⁶ Emily Washburn, *How Much U.S. Farmland Does China Really Own? More Than Bill Gates – And Less Than 17 Other Countries*, Forbes (Mar. 1, 2023).

⁴⁷ Laura Strickler & Nicole Moeder, *Is China really buying up U.S. farmland? Here's what we found*, NBC News (Aug. 25, 2023).

⁴⁸ Washburn, *supra* note 46.

⁴⁹ Ximena Bustillo & Connie Hanzhang Jin, *China owns 380,000 acres of land in the U.S. Here's where*, NPR (Jun. 26, 2023).

⁵⁰ Kristen Altus, *US farmer warns 'China is quietly taking over' food security*, Fox Business (Jul. 1, 2023).

⁵¹ Bustillo & Jin, *supra* note 49 (Three large Chinese-owned entities own the majority of Chinese-owned land in the U.S. – Smithfield Foods, Sun Guangxin's companies, Brazos Highland Properties LP and Harvest Texas LLC, and Walton International Group).

⁵² Washburn, *supra* note 46.

⁵³ Eamon James, *Chinese company's purchase of North Dakota farmland raises national security concerns in Washington*, CNBC (Jul. 1, 2022).

⁵⁴ *Id.*

Dakota land purchase.⁵⁵ Lawmakers in 33 states introduced 81 bills last year which would prohibit the PRC government, CCP, and some China-based businesses and Chinese citizens, from buying agricultural land or property near military bases.⁵⁶ The overwhelming concern is that the Chinese government could set up spy operations on land purchased near military bases, and the nation's food supply could be threatened if too much agricultural land is purchased.⁵⁷

In October 2022, then-Ranking Member Comer and then-Ranking Member Thompson requested a study on foreign investment in U.S. farmland and its impact on national security, food security, and trade.⁵⁸ In January of this year, the GAO released a report finding that USDA does not share timely data—important for Department of Defense and Treasury in risk analysis of transactions which may pose national security risks—on foreign investments in agricultural land under the Agricultural Foreign Investment Disclosure Act.⁵⁹

As the PRC acquires more land in America, the Committee seeks critical information about USDA efforts to protect American farmers and the agricultural industry from infiltration by the CCP on American soil. In order to assist the Committee in its investigation, please provide a briefing no later than March 20, 2024. This briefing should address:

1. How USDA strives to inspire and equip Americans to strengthen their communities, innovate, and create the technologies and phenomena that will secure a strong and prosperous future for our nation;
2. How USDA leadership ensures from the top down that all USDA employees are aware of CCP warfare and influence operations against America, and are equipped to address them wherever they arise;
3. USDA outreach to the agricultural industry about the risks of CCP infiltration in the U.S. as summarized in this letter and to include CCP/PRC threats to U.S. food security and agricultural intellectual property, as well as the danger in PRC agricultural investments in the U.S., especially in farmland and livestock;
4. Any USDA efforts to encourage or incentivize the agricultural industry to address CCP threats to the industry, including through the reporting of suspicious CCP activity;
5. USDA's actions to uncover unreported foreign entity land purchases by the CCP and to strengthen the "lax" and "minimal" reporting system for foreign land;
6. USDA's participation in the China International Import Expo (CIIE), including information on agreements or deals made as part of the expo and all U.S. agricultural firms involved;

⁵⁵ *Id.*

⁵⁶ Kimberly Kindy, *State lawmakers move to ban Chinese land ownership*, Wash. Post (Aug. 21, 2023).

⁵⁷ *Id.*

⁵⁸ Press Release, H. Comm. On Oversight and Accountability, *Comer, Thompson Statement on GAO Report on Foreign Ownership of U.S. Farmland* (Jan. 18, 2024).

⁵⁹ U.S. Gov't Accountability Office, GAO-24-106337, *Foreign Investments in U.S. Agricultural Land: Enhancing Efforts to Collect, Track, and Share Key Information Could Better Identify National Security Risks* (2024).

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7. USDA information on the impact of China's agricultural subsidy practices on U.S. farmers and the domestic agricultural market, including any comparative analysis with U.S. subsidy policies;
8. USDA's strategy for protecting U.S. agricultural technology and intellectual property in light of increasing competition and potential threats from the PRC; and
9. USDA collaboration with its field offices on the risk of CCP infiltration as summarized herein.

To schedule the briefing or if you have questions regarding this request, please contact the Committee on Oversight and Accountability staff at (202) 225-5074. The Committee on Oversight and Accountability is the principal oversight committee in the U.S. House of Representatives and has broad authority to investigate "any matter" at "any time" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,

A handwritten signature in black ink that reads "James Comer". The signature is written in a cursive style with a large, prominent "J" and "C".

James Comer

Chairman

Committee on Oversight and Accountability

cc: The Honorable Jamie B. Raskin, Ranking Member
Committee on Oversight and Accountability