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PUBLISHED: JULY 30, 2026

USDA Proposes Expanded AFIDA Reporting Requirements: What Renewable Energy Developers and Financing Parties Should Know

Industry

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On June 25, 2026, the U.S. Department of Agriculture (USDA) published a proposed rule that would significantly expand the scope and enforcement of the Agricultural Foreign Investment Disclosure Act (AFIDA), the federal law requiring foreign persons who acquire, transfer, or hold interests in U.S. agricultural land to report those transactions to USDA. For utility-scale wind and solar developers and their financing parties, the proposed rule is a material development. If the rules go into effect as proposed, solar and wind generation will be, for the first time, explicitly addressed in AFIDA regulations, strict penalties will apply, exceptions will be more limited, and enforcement will be more likely. Comments on the proposed rule are due by August 10, 2026.

At a high level, the proposed rule would:

Shift administration and enforcement to a national security agency. AFIDA oversight would transfer from USDA's Farm Service Agency to USDA's Office of Homeland Security (OHS), and data collected under AFIDA would be shared with the Committee on Foreign Investment in the United States (CFIUS).

Signal a more aggressive enforcement posture. The combination of OHS oversight, CFIUS data sharing, a modernized electronic filing system, and a stricter penalty structure reflects a clear policy shift toward treating AFIDA as an active national security enforcement tool rather than a routine reporting requirement.

Impose substantially higher penalties. The proposed penalty regime would increase the weekly accrual rate by as much as twenty-five times the current rate, remove all existing downward adjustments, and eliminate USDA's discretion to reduce penalties for mitigating circumstances.

Narrow available exemptions. Key exemptions, including for short-term leases, easements, and rights of way used for non-agricultural purposes, would be significantly curtailed or eliminated entirely.

Require disclosure of upstream ownership. Foreign persons would be required to report the identities and percentage interests of all persons exercising significant interest or substantial control, including through intermediary tiers of ownership, accompanied by a full ownership diagram.

For a deeper dive into how these proposed changes could impact renewable energy investments, including dramatically higher penalties, new solar and wind reporting requirements, and lower ownership thresholds, check out our detailed analysis on Climate Solutions Legal Digest.

Contact Us

If you have questions about how the USDA's proposed changes to AFIDA could affect renewable energy development, foreign investment reporting obligations, or ownership disclosure requirements, please contact Brynna Krough-Deaton, Daniel Fanning, or your Husch Blackwell attorney.