Farm Ownership & Corporate Farming Laws:  
Missouri

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§ 350.010. Definitions

For the purposes of this section, the terms defined in this section have the meanings here given them:

(1) “Agricultural land” means land used for farming.

(2) “Authorized farm corporation” means a corporation meeting the following standards:
   (a) All of its shareholders, other than any estate, or revocable and irrevocable trusts, are natural persons;
   (b) It must receive two-thirds or more of its total net income from farming as defined in this section;

(3) “Corporation” means a corporation or a cooperative.

(4) “Family farm” means an unincorporated farming unit owned or leased by one or more persons residing on the farm or actively engaging in farming.

(5) “Family farm corporation” means a corporation incorporated for the purpose of farming and the ownership of agricultural land in which at least one-half of the voting stock is held by and at least one-half of the stockholders are members of a family related to each other within the third degree of consanguinity or affinity including the spouses, sons-in-law and daughters-in-law of any such family member according to the rules of the common law, and at

Mo. Rev. Stat. §§ 350.010 to 350.040
Mo. Rev. Stat. §§ 442.560 to 442.592

Current through laws passed by the 2021 Regular and First Extraordinary Sessions of the 101st Missouri General Assembly.
At least one of whose stockholders is a person residing on or actively operating the farm, and none of whose stockholders are a corporation prohibited by section 350.015 from entering into farming, or any corporation which is subject to the controlled expansion provisions of section 350.015; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any gift, devise or bequest of shares of voting stock. A person actively operating a farm shall include, but not be limited to, a person who has an ownership interest in the family farm corporation and exercises some management control or direction.

(6) “Farming” means using or cultivating land for the production of (a) agricultural crops; (b) livestock or livestock products; (c) poultry or poultry products; (d) milk or dairy products; or (e) fruit or other horticultural products, provided; however, “farming” shall not include a processor of farm products or a distributor of farming supplies contracting to provide spraying, harvesting or other farming services.

§ 350.015. Corporations not to engage in farming—exceptions

After September 28, 1975, no corporation not already engaged in farming shall engage in farming; nor shall any corporation, directly or indirectly, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to agricultural land in this state; provided, however, that the restrictions set forth in this section shall not apply to the following:

(1) A bona fide encumbrance taken for purposes of security;

(2) A family farm corporation or an authorized farm corporation as defined in section 350.010;

(3) Agricultural land and land capable of being used for farming owned by a corporation as of September 28, 1975, including the normal expansion of such ownership at a rate not to exceed twenty percent, measured in acres, in any five-year period, or agricultural land and land capable of being used for farming which is leased by a corporation in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of September 28, 1975, and the additional acreage for normal expansion at a rate not to exceed twenty percent in any five-year period, and the additional acreage reasonably necessary, whether to be owned or leased by a corporation, to meet the requirements of pollution control regulations;

(4) A farm operated wholly for research or experimental purposes, including seed research and experimentation and seed stock production for genetic improvements, provided that any commercial sales from such farm shall be incidental to the research or experimental objectives of the corporation;

(5) Agricultural land operated by a corporation for the purposes of growing nursery plants, vegetables, grain or fruit used exclusively for brewing or winemaking or distilling purposes and not for resale, for forest cropland or for the production of poultry, poultry products, fish or mushroom farming, production of registered breeding stock for sale
to farmers to improve their breeding herds, for the production of raw materials for pharmaceutical manufacture, chemical processing, food additives and related products, and not for resale;

(6) Agricultural land operated by a corporation for the purposes of alfalfa dehydration exclusively and only as to said lands lying within fifteen miles of a dehydrating plant, and provided further said crops raised thereon shall be used only for further processing and not for resale in its original form;

(7) Any interest, when acquired by an educational, religious, or charitable not-for-profit or pro forma corporation or association;

(8) Agricultural land or any interest therein acquired by a corporation other than a family farm corporation or authorized farm corporation, as defined in section 350.010, for immediate or potential use in nonfarming purposes. A corporation may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or an authorized farm corporation, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, 42 U.S.C. 3901–3914), as amended, or a subsidiary or assign of such a corporation;

(9) Agricultural lands acquired by a corporation by process of law or voluntary conveyance in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, that any corporation may hold for ten years real estate acquired in payment of a debt, by foreclosure or otherwise, and for such longer period as may be provided by law;

(10) The provisions of sections 350.010 to 350.030 shall not apply to the raising of hybrid hogs in connection with operations designed to improve the quality, characteristics, profitability, or marketability of hybrid hogs through selective breeding and genetic improvement where the primary purpose of such livestock raising is to produce hybrid hogs to be used by farmers and livestock raisers for the improvement of the quality of their herds;

(11) A bank or trust company acting as administrator or executor under the terms of a will or trustee under the terms of a testamentary or inter vivos trust created by the owner of a family farm, or an inter vivos or testamentary trust, the principal of which is shares of a family farm corporation or authorized farm corporation and which trust is created by a shareholder of the family farm corporation or authorized farm corporation. However, a bank or trust company acting in the administration of an investment trust or a management trust formed with the primary purpose of making or managing investments or income-producing property and purchasing agricultural real estate with trust funds with the primary benefits accruing to investors or shareholders in
the trust is not exempt from the provisions of sections 350.010 to 350.030;

(12) Agricultural land that on June 1, 1998, was in compliance with section 350.016;

(13) Agricultural land in compliance with section 350.017.

§ 350.016. Restriction on corporate farming, exceptions, certain counties engaging in production of swine

The restrictions set forth in section 350.015 shall not apply to agricultural land which is used by a corporation or limited partnership for the production of swine or swine products located in any county of the third classification with a township form of government which has at least three thousand but no more than four thousand inhabitants, or any county which adjoins such county which has a population of at least four thousand five hundred but no more than six thousand five hundred inhabitants.

§ 350.017. Agricultural land in use as of September 28, 2007, exempt from certain restrictions for production of swine in certain counties—no expansion permitted

1. The restrictions under section 350.015 shall not apply to agricultural land in use as of September 28, 2007, by a corporation, limited liability company, or limited liability partnership for the production of swine or swine products located in:

   (1) Any county of the third classification without a township form of government and with fewer than two thousand five hundred inhabitants;

   (2) Any county of the third classification with a township form of government and with more than six thousand but fewer than seven thousand inhabitants and with a city of the fourth classification with more than one thousand seven hundred but fewer than one thousand nine hundred inhabitants as the county seat; or

   (3) Any county of the third classification with a township form of government and with more than eight thousand but fewer than nine thousand inhabitants and with a city of the fourth classification with more than one thousand seven hundred but fewer than one thousand nine hundred inhabitants as the county seat.

2. No corporation, limited liability company, or limited liability partnership under subsection 1 of this section shall expand its operations on such agricultural land, including but not limited to the purchase of contiguous land or the construction of new buildings that house animals or expansion of existing buildings that house animals; however, nothing in this subsection shall prevent any such corporation, limited liability company, or limited liability partnership from repairing, maintaining or rebuilding any of its buildings or conducting activities required in order to meet state or federal laws.
§ 350.020. Reports required, when—penalty for failure to file or false report

1. Every corporation engaged in farming, or proposing to commence farming, in this state after September 28, 1975, shall file with the director of the state department of agriculture a report containing the following information:

   (1) The name of the corporation and its place of incorporation;

   (2) The address of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation, the address of its principal office in its place of incorporation;

   (3) The acreage and location listed by section, township, and county of each lot or parcel of land in this state owned or leased by the corporation and used for farming; and

   (4) The names and addresses of the officers and the members of the board of directors of the corporation.

2. The report of a corporation seeking to qualify hereunder as a family farm corporation or an authorized farm corporation shall contain the following additional information:

   (1) The number of shares owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of consanguinity or affinity including their spouses, sons-in-law and daughters-in-law according to the rules of the common law;

   (2) The name, address and number of shares owned by each shareholder; and

   (3) A statement as to percentage of net receipts of the corporation derived from any sources other than farming.

3. No corporation shall commence farming in this state until it has filed the report required by this section.

4. Every corporation, except a family farm corporation, engaged in farming in this state shall file with the director of the state department of agriculture a report containing the information required in subsection 1 of this section. Said reports shall be filed:

   (1) Whenever any of the information required in subsection 1 changes;

   (2) Whenever ownership of the controlling interest in the corporation changes; and

   (3) Whenever the land owned or leased by the corporation ceases to be used for farming or is sold by the corporation.

5. The failure of a corporation to file a required report, or the use of false information in the report, shall be a misdemeanor for which the corporation shall be punished by a fine of not less than five hundred dollars or more than one thousand dollars.
§ 350.025. Farm cooperatives to file reports
All farm cooperatives who own farm land shall report under section 350.020 hereof.

§ 350.030. Attorney general to enforce—venue—divestment of lands, failure, effect of
If the attorney general finds a corporation is violating sections 350.010 to 350.030, he shall institute an action in the circuit court of Cole County, Missouri, if a foreign corporation, and if a Missouri corporation in the circuit court of any county in which the corporation owns any agricultural lands or if the land is located in two or more counties, then in the circuit court of a county in which a part of the land is located. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any portion of said lands are located. If the court finds that the lands in question are being held or used in violation of sections 350.010 to 350.030, it shall enter an order so declaring. The court shall file for record its order with the recorder of deeds of each county in which any portion of said lands are located. Thereafter, the corporation owning the land shall comply with the orders of the court, or if so ordered shall have a period of two years from the date of such order to divest itself of such land. The two-year limitation period shall be a covenant running with the title to the land against any corporate grantee or corporate assignee or the successor corporation of such corporation, except those corporations excluded by section 350.015. Any lands not divested within the time prescribed shall be ordered sold by the court at public sale in the manner prescribed by law for the foreclosure of a mortgage on real estate for default in payment.

§ 350.040. Farming corporations or cooperatives not to receive economic assistance, exceptions
Notwithstanding any other provision of law to the contrary, any corporation or cooperative engaged in farming as defined in subdivision (6) of section 350.010 shall not be eligible for any state tax credits, deductions, state grants, loans or other financial or economic assistance, unless a family farm or a family farm corporation as defined in subdivisions (4) and (5) of section 350.010 receives such credits, deductions, grants, loans, or other assistance. This section does not apply to agricultural processing or food processing facilities.

§ 442.560. Aliens and corporations of foreign countries may acquire, hold and alienate real estate—exception
Except as provided in sections 442.560 to 442.591, persons not citizens of the United States and not residents of the United States or of some territory, trusteeship, or protectorate of the United States, and corporations not created by or under the laws of the United States or of some state, territory, trusteeship, or protectorate of the United States shall be capable of acquiring, by grant, purchase, devise or descent, real estate except agricultural land as defined in
section 442.566, or any interest therein, in this state, and of owning, holding, devising, or alienating the same, and shall incur the like duties and liabilities in relation thereto as if they were citizens of the United States and residents of this state. The provisions of sections 442.560 to 442.591 shall not apply to agricultural land located in counties which border the state of Oklahoma which was owned by such a person described in this section prior to January 1, 1995.

§ 442.566. Definitions

As used in sections 442.560 to 442.591, unless the context clearly requires otherwise, the following terms mean:

(1) “Agricultural land”, any tract of land in this state consisting of more than five acres, whether inside or outside the corporate limits of any municipality, which is capable, without substantial modification to the character of the land, of supporting an agricultural enterprise, including but not limited to land used for the production of agricultural crops or fruit or other horticultural products, or for the raising or feeding of animals for the production of livestock or livestock products, poultry or poultry products, or milk or dairy products. Adjacent parcels of land under the same ownership shall be deemed to be a single tract;

(2) “Alien”, any person who is not a citizen of the United States and who is not a resident of the United States or of some state, territory, trusteeship, or protectorate of the United States;

(3) “Director”, the director of the Missouri department of agriculture;

(4) “Family members” includes all persons within the ninth degree of consanguinity, or the living or surviving spouse of any person within the ninth degree of consanguinity;

(5) “Foreign business”, any business entity whether or not incorporated, including but not limited to corporations, partnerships, limited partnerships, and associations, in which a controlling interest is owned by aliens. In determining ownership of a foreign business, legal fictions such as corporate form or trust shall be disregarded;

(6) “Residence”, the place of general abode; the place of general abode of a person means his principal, actual dwelling place in fact, where he intends to remain permanently or for an indefinite period of time at least.

§ 442.571. Aliens or foreign business, limitations on owning agricultural land—violation—acquisitions submitted to department, when—rulemaking authority

1. Except as provided in sections 442.586 and 442.591, no alien or foreign business shall acquire by grant, purchase, devise, descent or otherwise agricultural land in this state if the total aggregate alien and foreign ownership of agricultural acreage in this state exceeds one percent of the total aggregate agricultural acreage in this state. A sale or transfer of any agricultural land in this state shall be submitted to the director of the department of
agriculture for review in accordance with subsection 3 of this section only if there is no completed Internal Revenue Service Form W-9 signed by the purchaser. No person may hold agricultural land as an agent, trustee, or other fiduciary for an alien or foreign business in violation of sections 442.560 to 442.592, provided, however, that no security interest in such agricultural land shall be divested or invalidated by such violation.

2. Any alien or foreign business who acquires agricultural land in violation of sections 442.560 to 442.592 remains in violation of sections 442.560 to 442.592 for as long as he or she holds an interest in the land, provided, however, that no security interest in such agricultural land shall be divested or invalidated by such violation.

3. Subject to the provisions of subsection 1 of this section, such proposed acquisitions by grant, purchase, devise, descent, or otherwise of agricultural land in this state shall be submitted to the department of agriculture to determine whether such acquisition of agricultural land is conveyed in accordance with the one percent restriction on the total aggregate alien and foreign ownership of agricultural land in this state. The department shall establish by rule the requirements for submission and approval of requests under this subsection.

4. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2014, shall be invalid and void.

§ 442.576. Duties of director of agriculture and attorney general — court to order divestiture — when to be accomplished — failure

1. If the director finds that an alien or foreign business or an agent, trustee, or other fiduciary therefor has acquired agricultural land in Missouri in violation of sections 442.560 to 442.592, or the land ceases to be used for nonagricultural purposes under section 442.591, he or she shall report the violation to the attorney general.

2. The attorney general shall institute an action in the circuit court of Cole County or the circuit court in any county in which agricultural land owned by the alien or foreign business, agent, trustee or other fiduciary, alleged to have violated sections 442.560 to 442.592, is located.

3. The attorney general shall file a notice of the pendency of the action with the recorder of deeds of each county in which any portion of such agricultural lands is located. If the court finds that the lands in question have been acquired in violation of sections 442.560 to 442.592, it shall enter an order so declaring and shall file a copy of the order with the recorder of deeds of each county in which any portion of the agricultural lands is located. The court shall order...
the owner to divest himself of the agricultural land. The owner must comply with
the order within two years. The two-year limitation period shall be a covenant
running with the title to the land against any alien grantee or assignee. Provided,
however, an incorporated foreign business must divest itself of agricultural land
within the minimum time required by Article XI, Section 5,1 of the Missouri
Constitution. Any agricultural lands not divested within the time prescribed shall be
ordered sold by the court at a public sale in the manner prescribed by law for the
foreclosure of a mortgage on real estate for default in payment.

§ 442.581. Lease deemed to be ownership, when

Any person who obtains a lease on agricultural land for a term of ten years or longer
or a lease renewable at his option for terms which might total ten years has acquired
agricultural land within the meaning of sections 442.560 to 442.591.

§ 442.586. Lands owned by resident aliens—cessation of residence—failure to
divest, effect

Sections 442.560 to 442.591 shall not apply to agricultural land now owned in this
state by aliens or foreign businesses so long as it is held by the present owners or
their direct descendants including any trust for the benefit of either and any legal
person owned or controlled by either including but not limited to corporations,
limited liability corporations, partnerships, and limited liability partnerships, nor to
any alien who is or shall take up bona fide residence in the United States; and any
alien who is or shall become a bona fide resident of the United States shall have the
right to acquire and hold agricultural lands in this state upon the same terms as
citizens of the United States during the continuance of such bona fide residence in
the United States; except, that if any resident alien shall cease to be a bona fide
resident of the United States, such alien shall have two years from the time he ceased
to be a bona fide resident in which to divest himself of such agricultural lands. Any
agricultural lands not divested within the time prescribed shall be ordered sold by
the court at a public sale in the manner prescribed by law for the foreclosure of a
mortgage on real estate for default in payment.

§ 442.591. Exceptions

The restrictions set forth in sections 442.560 to 442.592 shall not apply to
agricultural land or any interest therein acquired by an alien or foreign business for
immediate or potential use in nonfarming purposes. An alien or foreign business may
hold such agricultural land in such acreage as may be necessary to its nonfarm
business operation; provided, however, that pending the development of agricultural
land for nonfarm purposes, such land may not be used for farming except under lease
to a family farm unit; a family farm corporation defined in section 350.010; an
alien or foreign business which has filed with the director under sections
442.560 to 442.592; or except when controlled through ownership, options,
leaseholds or other agreements by a corporation which has entered
§ 442.592. Report required—content—failure to file, civil penalty, venue—foreign person, defined—rules, procedure

1. For the purposes of this section, the term “foreign person” means:

   (1) An individual who is not a citizen of the United States and who has not been lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act [8 U.S.C.A. § 1101 et seq.] or who has not been made a citizen by an act of Congress;

   (2) An entity, other than an individual or a government, that is created or organized under the laws of a nation other than the United States, or that has its principal place of business in a foreign nation;

   (3) An entity, other than an individual or a government, that is created or organized under the laws of the United States or of some state, territory, trusteeship or protectorate of the United States and that, as defined in regulations to be prescribed by the director, is substantially controlled by individuals referred to in subdivision (1) of this subsection, entities referred to in subdivision (2) of this subsection, governments of foreign nations, or any combination of such individuals, entities, or governments; and

   (4) A government of a foreign nation.

2. Any foreign person who holds any interest (including leaseholds of ten or more years and beneficial interests in the agricultural land under contracts of sale or similar arrangements), other than a security interest, in agricultural land on September 28, 1979, shall submit, or have a designated agent submit, a report to the director of agriculture not later than sixty days after September 28, 1979; provided, however, that no reporting requirement attaches to any holding by an alien or a foreign person or a foreign business of an interest in agricultural land for the extraction, refining, processing or transportation of oil, gas, coal or lignite. Such report shall be submitted in such manner as the director shall prescribe by regulation and shall contain:

   (1) The legal name and address of the foreign person;

   (2) In any case in which the foreign person is an individual, the citizenship of the foreign person;

   (3) In any case in which the foreign person is not an individual or a government:

       (a) The nation in which the foreign person is created or organized;

       (b) The principal place of business of the foreign person;
(c) The legal name and address of each person who holds a substantial interest (as defined in regulations to be prescribed by the director) in the foreign person and, in any case in which the holder of such an interest is an individual, the citizenship of the holder and, in any case in which the holder of such an interest is not an individual or a government, the nation in which the holder is created or organized and the principal place of business of the holder;

(4) The type of interest in the agricultural land that is held by the foreign person;

(5) A legal description of the agricultural land, including the county in which the land is located and the total acreage involved;

(6) The date of acquisition of the interest and the purchase price paid for, or any other consideration given for, the interest;

(7) A declaration of the type of agricultural activity engaged in by the reporting foreign person;

(8) In the case where any foreign person holds an interest in agricultural land for the purposes outlined in section 442.591, a declaration of intent as to the intended use of the land.

3. No rule or portion of a rule promulgated under the authority of sections 442.560 to 442.591 shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

4. Any foreign person who acquires or transfers any interest (including leaseholds of ten years or more and beneficial interests in the agricultural land under contracts of sale or similar arrangements), other than a security interest, in agricultural land shall submit, or have a designated agent submit, a report to the director not later than thirty days after the date of such acquisition or transfer; provided, however, that no reporting requirement attaches to an acquisition or transfer by an alien or a foreign person or a foreign business of an interest in agricultural land for the extraction, refining, processing, or transportation of oil, gas, coal or lignite. Such report shall be submitted in such manner as the director shall prescribe by regulation and shall contain:

(1) The legal name and address of the foreign person;

(2) In any case in which the foreign person is an individual, the citizenship of the foreign person;

(3) In any case in which the foreign person is not an individual or a government:

   (a) The nation in which the foreign person is created or organized;

   (b) The principal place of business of the foreign person;

   (c) The legal name and address of each person who holds a substantial interest (as defined in regulations to be prescribed by the director) in the foreign person and, in any case in which the holder of such an interest is an individual, the citizenship of the holder and,
in any case in which the holder of such an interest is not an individual or a
government, the nation in which the holder is created or organized and the
principal place of business of the holder;

(4) The type of interest in the agricultural land that is acquired or transferred by
the foreign person;

(5) A legal description of the agricultural land including the county in which the
land is located and the total acreage involved;

(6) The purchase price paid or received for, or any other consideration given or
received for, the interest;

(7) In any case in which the foreign person transfers the interest, the legal name
and the address of the person to whom the interest is transferred, and

(a) In any case in which the transferee is an individual, the citizenship of the
transferee; and

(b) In any case in which the transferee is not an individual or a government,
the nation in which the transferee is created or organized and the principal
place of business of the transferee;

(8) A declaration of the type of agricultural activity engaged in by the reporting
foreign person;

(9) In the case where any foreign person acquires an interest in agricultural land
for the purposes outlined in section 442.591, a declaration of intent as to the
intended use of the land.

5. The director may promulgate rules and regulations pertaining to the form and
content of reports required by this section; the procedures for filing such reports; and
the analysis and distribution of findings and determinations based on the reports
required by this section.

6. (1) The director shall:

(a) Analyze the information obtained under this section and determine the
effects of foreign persons acquiring, transferring and holding agricultural land,
particularly the effects of such acquisitions, transfers and holdings on family
farms and rural communities; and

(b) Transmit to the governor and each house of the general assembly a report
on the director's findings and conclusions regarding each analysis and
determination made under paragraph (a) above;

(2) An analysis and determination shall be made, and a report on the director's
findings and conclusions regarding such analysis and determination transmitted:

(a) With respect to information obtained by the director under this
section during the six-month period following September 28, 1979,
within nine months after such date;
(b) With respect to information obtained by the director under this section during the twelve-month period following September 28, 1979, within fifteen months after such date; and

(c) With respect to each calendar year following the twelve-month period referred to in paragraph (b), within ninety days after the end of such calendar year.

7. Any foreign person who fails to file a report required under the provisions of this section is liable to the state in civil penalty. The civil penalty shall be determined by the circuit court in an amount not to exceed twenty-five percent of the fair market value of the interest in agricultural land with respect to which the violations occurred on the date of the assessment of the penalty. The attorney general shall recover the amount of any civil penalty assessed in a civil action in the circuit court in the county in which any part of the land involved is located.