



TIM GRIFFIN
ATTORNEY GENERAL

October 17, 2023

Northrup King Seed Co.
Syngenta Seeds
778 County Road 680
Bay, Arkansas 72411

Syngenta Seeds, LLC
2001 Butterfield Road, Suite 1600
Downers Grove, Illinois 60515

United Agent Group, Inc.
Agent for Service for Syngenta Seeds, LLC
609 SW 8th Street, Suite 600
Bentonville, Arkansas 72712

To Whom it May Concern,

I am writing for two purposes, both of which are related to Northrup King Seed Co. being listed as the owner of the Northeast Quarter of Section 25, Township 13 North, Range 5 East, Craighead County, Arkansas (the "Property").

First, I am placing you on notice that your holding of the Property appears to be in violation of Ark. Code Ann. § 18-11-110. Arkansas law bars a "prohibited foreign-party-controlled business" from acquiring or holding public or private land in the State of Arkansas, either directly or through affiliated parties.¹ The definition of "prohibited foreign party" includes several types of individuals or entities with a connection to a country subject to International Traffic in Arms Regulations ("ITAR").² The People's Republic of China is subject to ITAR.³

Publicly available information confirms that Northrup King Seed Co. a/k/a NK Seeds is a brand of Syngenta Seeds. Syngenta Seeds, in turn, is a business unit of Syngenta Group. Syngenta Group is registered in Shanghai, China, and is owned by China National Chemical Corporation a/k/a ChemChina, a Chinese state-owned chemical company. These links mean that "a party" is holding the Property "as an agent, trustee, or other fiduciary for a prohibited foreign-party-controlled business" in violation of the law.⁴

¹ A.C.A. § 18-11-110(b)

² See A.C.A. § 18-11-802(5)

³ 22 C.F.R. § 126.1(d)(1)

⁴ A.C.A. § 18-11-110(b)(2)

The Office of the Attorney General is tasked with enforcing this prohibition. If land held by a “prohibited foreign-party-controlled business” in violation of the statute is not divested within two years,⁵ the Attorney General “shall commence an action in the circuit court.”⁶ If the criteria outlined in the statute are met, the “circuit court shall order that the public or private land be sold through judicial foreclosure.”⁷

Please proceed with the divestment of the Property as required by Arkansas law. If you believe that the Property is *not* held in violation of Ark. Code Ann. § 18-11-110, please provide my office with the documentation you are relying on for that determination.

Second, under Ark. Code Ann. § 2-3-111, parties required to file a report with the United States Department of Agriculture (“USDA”) under the Agricultural Foreign Investment Disclosure Act (“AFIDA”) are also obligated to file a copy of that report with the Secretary of the Arkansas Department of Agriculture “within the time period required under federal law.”⁸

Syngenta Seeds is a required reporter under AFIDA, and filed an AFIDA report concerning the Property with the USDA most recently on March 8, 2022. The report stated that “[u]ltimately, the foreign person that holds indirectly a significant interest in the person owning the [Property] is from China.” Syngenta Seeds provided a copy of this AFIDA report to Secretary Wes Ward of the Arkansas Department of Agriculture on June 30, 2022. Construing the “time period required under federal law” most favorably to Syngenta Seeds, the filing of the AFIDA report with Secretary Ward was belated.⁹

For failure to file a report as required by Ark. Code Ann. § 2-3-111, the Attorney General “[s]hall impose a civil penalty not to exceed twenty-five percent (25%) of the fair market value” of the Property.¹⁰ I am therefore imposing the maximum civil penalty of \$280,000, a figure calculated as 25% of \$1,120,000, the estimated current value for the Property provided by Syngenta Seeds on its filing with the USDA.

Please remit payment in this amount to my office within 30 days. Please also be advised that the Attorney General is authorized to “bring an action to collect the civil penalty” imposed.¹¹

Thank you for your attention to these matters.

⁵ A.C.A. § 18-11-110(c)(1). Act 636 of 2023 became effective on August 1, 2023; for land held before that date, the violation would run from August 1, 2023, and the land would need to be divested by August 1, 2025.

⁶ A.C.A. § 18-11-110(c)(2)

⁷ A.C.A. § 18-11-110(c)(3)(A)

⁸ A.C.A. § 2-3-111(a)

⁹ The longest reporting period provided in 7 U.S.C. § 3501, the federal statute referenced in Arkansas law, is 180 days. This applies to “[a]gricultural land interests presently held by foreign persons... on the day before the effective date of this section.” The latest possible date that this period would run from is the effective date of A.C.A. § 2-3-111, which was July 28, 2021. Adding the longest possible reporting period to the latest possible starting date of the reporting period yields a required reporting deadline in January of 2022—well before the report was filed with the Arkansas Department of Agriculture.

¹⁰ A.C.A. § 2-3-111(b)(1)

¹¹ A.C.A. § 2-3-111(b)(2)

Northrup King Seed Co.
October 17, 2023
Page 3

Respectfully,



Tim Griffin
Attorney General

cc: Todd Barlow, Lead State Affairs, Syngenta
(via electronic mail to todd.barlow@syngenta.com)