

Air Force Says Proposed Chinese-Owned Mill in North Dakota Is 'Significant Threat'

A proposal for a corn mill, which had been welcomed as an economic development success, reflects just how much things have changed with Chinese investment proposals in the U.S.



By Mitch Smith

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After more than a year of debate about whether a Chinese company's plan to build a corn mill in North Dakota was an economic boon or a geopolitical risk, an assistant secretary of the Air Force has weighed in with a warning that the "project presents a significant threat to national security."

The letter from Assistant Secretary Andrew P. Hunter, released publicly on Tuesday by North Dakota's senators, noted the proximity of Grand Forks Air Force Base to the proposed mill and said the project raised "near- and long-term risks of significant impacts to our operations in the area."

The debate over Fufeng USA's plan to build a giant milling facility on the edge of Grand Forks, less than 15 miles from the Air Force base, divided the Republican power structure in North Dakota and showed just how swiftly the economic relationship between the United States and China had changed.

Though the Air Force letter did not name specific threats, residents had voiced numerous concerns. Some in town said it was unwise to deepen economic ties with China, while others speculated that the mill could be used for spying on the Air Force, which the company denied.

The city's Republican mayor, Brandon Bochenski, a former supporter of the project, said on Tuesday that because of the federal guidance, he would move to block construction by trying to deny building permits and by refusing to connect city infrastructure to the building site.

"The Air Force left ambiguity off the table," the state's two senators, John Hoeven and Kevin Cramer, both Republicans, said in a joint statement that called for Grand Forks officials to work with them "to find an American company to develop the agriculture project."

The corn mill was the sort of job-creating opportunity that cities have long fought over, and one that just a few years ago would have been seen by most as an unambiguous win. Both Mr. Bochenski and North Dakota's Republican governor, Doug Burgum, celebrated in late 2021 when Grand Forks landed the project, which would have been the city's largest economic development project in recent history.

But within months after Fufeng chose Grand Forks, a college and military city with 59,000 residents, many in town began speaking out against the project. While some of the opposition focused on property rights and water use, the company's ties to China and the perceived national security risks became the focus of pushback. Still, the city moved forward, annexing the field where the mill would be built and entering into a development agreement with the company.

Mr. Bochenski, a first-term mayor and a former professional hockey player, said in an interview last year that the shifting geopolitical winds had been a challenge for the city. "Are we going to be the first one to basically say no to globalism?" he asked at the time.

But on Tuesday, in light of the Air Force's letter, Mr. Bochenski said he would seek the City Council's help to block construction, though he noted that Fufeng USA, the American subsidiary of a Chinese company, would still own the land where it had hoped to build.

Work on the project had been paused in recent months while the federal government's Committee on Foreign Investment in the United States reviewed the company's plans. That committee ultimately decided that it did not have jurisdiction.

"The response from the federal government during this process can only be viewed as slow and contradictory," Mr. Bochenski said. "This directive leaves open the question of other entities with Chinese connections across the nation," he added, including a Chinese-owned aviation company in Grand Forks "and Chinese students and professors at the University of North Dakota."

Mr. Burgum, who once called the Fufeng mill a "huge opportunity" for his state, said in a statement that he supported the mayor's decision to stop cooperating with the company given the concerns voiced by the Air Force.

The turnabout in North Dakota comes as the United States rethinks its longstanding trade relationship with China, and as politicians in both parties have come to view the country more as a threat than as an attractive economic partner. Several states are considering bills this year that would limit or ban Chinese land ownership.

Eric Chutorash, Fufeng USA's chief operating officer, has repeatedly denied that the mill would be used to spy on or harm the United States. He did not immediately respond to requests for comment about the Air Force's letter. China's embassy in Washington declined to comment.

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