



TEXAS DEPARTMENT OF AGRICULTURE
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AGRICULTURE FREEDOM ZONES

Agriculture Freedom Zones (AFZs) would be federal or state legislation modeled on Opportunity Zones that would redirect data centers, industrial development, and large-scale infrastructure away from prime farmland and into non-agricultural or lower-productivity areas. AFZs protect food production and water resources while allowing America's digital economy to continue growing—using tax incentives, not subsidies or mandates.

The Problem

America faces mounting pressure on finite farm and ranch land as rapid data center and infrastructure growth, expanding renewable energy development, and continued urban sprawl collide with rising food demand, higher costs, and increasing water scarcity. Productive farmland is increasingly targeted because it is inexpensive and lightly regulated, but once converted, agricultural land and water resources are permanently lost—reducing food production capacity and driving higher food prices nationwide.



What are Agriculture Freedom Zones?

Agriculture Freedom Zones (AFZs) would be federal or state-designated, non-agricultural areas designed to absorb:

- Data centers
- High-density industrial development
- Large-scale commercial and residential growth

AFZs exclude prime farm and ranch land, critical irrigation zones, and strategic watersheds.



Striking a Balance

Data centers are vital to technological growth, supporting innovation, economic development, and America's global competitiveness. However, that progress cannot come at the expense of agricultural land, which is essential to food security and rural economies. Farm and ranch land is a limited resource, and smart planning must ensure technology expands without sacrificing the land that feeds the nation.



How Agriculture Freedom Zones Work

Under the AFZ framework, states nominate eligible areas—such as marginal land, brownfields, arid regions, or sites with existing grid access—for review by the U.S. Department of Agriculture, Department of the Interior, and Department of Energy, with final designation certified by the U.S. Treasury. Designated zones offer capital gains tax deferral, reduced gains for long-term investments, and tax-free appreciation for extended holdings, while providing no incentives for development outside AFZs, particularly on prime farm and ranch land.