

Trade Effects of Immigration Enforcement on Labor-Intensive Crops*

Samyam Shrestha

Abstract

The U.S. farm labor supply depends heavily on foreign-born workers, almost half of whom are unauthorized. Over the past few decades, this labor supply has steadily declined, leading to tighter farm labor markets, worker shortages, and rising wages. At the same time, domestic production of major labor-intensive fruit and vegetable (FV) crops has decreased, while imports and trade deficits have grown substantially. This study examines whether intensified immigration enforcement in the U.S. interior, a supply-side shock to farm labor availability, affects domestic and international FV trade flows. First, I show that a state's FV production decreases with the intensification of immigration enforcement. Using reduced-form gravity models, I then show that immigration enforcement reduces FV exports to other U.S. states and foreign trading partners and increases imports from other U.S. states, especially from those with lower enforcement levels, and from foreign partners. I also show that accounting for changes in the competitive advantage of a state's domestic trade partners is essential to estimating some of these effects; specifically, I find a positive relationship between a domestic import partner's enforcement and international imports. Most of the effects are driven by police-based rather than employment-based enforcement.

Keywords: U.S. farm labor, immigration enforcement, agricultural trade, U.S. food systems, fruits and vegetables, Poisson Pseudo-Maximum Likelihood

JEL Codes: F14, F16, K37, Q10, Q17

*University of Georgia, samyam@uga.edu. I thank Diane Charlton and Nicholas Magnan, whose guidance throughout the project greatly benefited this paper. I also thank Mateusz Filipski and Genti Kostandini for their constructive comments. All errors are my own.