Discussion:
The Economic Consequences of International Labor Migration and Trade on Local Labor Markets

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The Economic Consequences of International Labor Migration and Trade on Local Labor Markets: Discussion

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Focus on the U.S. agricultural sector

- Farm labor force: approx. 1.1 million
- U.S. agricultural sector enjoys a trade surplus (about $40 billion in 2012)
- Exports
  - wheat, corn, soy beans, cotton (field crops, K-intensive)
  - China, Japan, Mexico
- Imports
  - fruits and vegetables (high-value crops, L-intensive)
  - Mexico, Chile, Canada, China, EU
Focus on the U.S. agricultural sector

- Difficult to evaluate the impact of increased agricultural imports on domestic agricultural labor markets
  - Trends following NAFTA similar to those prior to NAFTA
  - Also, trade diversion effects of agricultural trade barriers
- Not enough research to date
Focus on the U.S. agricultural sector

• Large fraction of crop workers (approx. 60%) are undocumented (primarily from Mexico)
• About 25% are migratory
• Supply of agricultural labor from Mexico is declining
• Migration patterns changing
• Substitution towards less L-intensive crops
• Increased demand for imports
Impact abroad

• Likely larger – agricultural labor force larger, so trade more important
• Workers less spatially mobile
• Agricultural trade barriers always difficult to negotiate
• Domestic agricultural (support) policies also important (as well as food aid)