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

Ivan Kandilov
North Carolina State Univ

Discussion presentation delivered at the 2013 Annual Meeting
of the International Agricultural Trade Research Consortium (IATRC)
Clearwater Beach, FL, December 15-17, 2013

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

Ivan T. Kandilov
North Carolina State University
IATRC
December 2013, Clearwater, FL

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)