



FIXING OUR BROKEN IMMIGRATION SYSTEM

The Economic Benefits to Agriculture and
Rural Communities

The Executive Office of the President

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Fixing Our Immigration System: Benefits to Agriculture and Rural Communities



PRESIDENT BARACK OBAMA TOURS A FARM WITH AGRICULTURE SECRETARY TOM VILSACK, LEFT, AND FARMER LOWELL SCHACHTSIEK IN PALMYRA, MISSOURI, APRIL 28, 2010. (OFFICIAL WHITE HOUSE PHOTO BY PETE SOUZA)

“So if we're truly committed to strengthening our middle class and providing more ladders of opportunity to those who are willing to work hard to make it into the middle class, we've got to fix the system. We have to make sure that every business and every worker in America is playing by the same set of rules. We have to bring this shadow economy into the light so that everybody is held accountable — businesses for who they hire, and immigrants for getting on the right side of the law. That's common sense. And that's why we need comprehensive immigration reform.”

– President Barack Obama, January 29, 2013

Home to some of the most industrious and productive Americans, rural communities and our nation's agriculture sector are vital contributors to employment and America's competitiveness. From dairy owners to ranch workers to nursery operators to fruit and vegetable growers and pickers, participants in the U.S. agriculture sector serve as a key engine of economic growth. The sector not only puts food on the table of American families at affordable prices and provides raw material for a range of vital purposes—the U.S. agriculture industry also employs approximately three million workers, and is a key economic driver in many rural communities.

In recent years, the agriculture sector has seen strong growth, with farm income and agriculture exports both reaching historic highs. In 2013, net farm income is forecast to total \$128.2 billion,

which would be the highest level since 1973 after adjusting for inflation.¹ Much of this growth is due to the demand for American agriculture exports: the value of agriculture exports has steadily risen in recent years and is projected to reach \$135.8 billion in 2013, which would also establish a new record.² But among all economic sectors, the U.S. agriculture sector is particularly reliant on foreign-born workers.

Currently, the agriculture industry is hampered by a broken immigration system that fails to support a predictable and stable workforce. Moreover, there continue to be insufficient U.S.-born workers to fill labor needs: of those crop workers surveyed between 2007 and 2009, 71 percent were foreign born.³

In June, the Senate passed historic legislation that is largely consistent with the President's principles for commonsense immigration reform with a strong bipartisan vote. The Senate's Border Security, Economic Opportunity and Immigration Modernization Act (S. 744) represents a good opportunity for our country to modernize our immigration system. Among its most important provisions, the bipartisan bill would provide an earned path to citizenship for unauthorized farmworkers who are vital to our nation's agriculture industry, and a new temporary worker program negotiated by major grower associations and farmworker groups.

It is time to act to fix the broken immigration system in a way that requires responsibility from everyone—both from workers here illegally and from those who hire them—and guarantees that everyone is playing by the same rules. To this end, the President urges the House of Representatives to take action and move the Senate bill or similar comprehensive legislation forward, and stands willing to work with all parties to make sure that commonsense immigration reform becomes a reality as soon as possible.

This report highlights the important benefits provided by the bipartisan Senate bill for the domestic agriculture sector, its workforce, and rural American communities.

Benefits of Commonsense Immigration Reform for the U.S. Agriculture Industry

The bipartisan Senate bill would help ensure the stable agriculture workforce that industry needs in order to remain competitive with other nations and maintain our abundant food supply. For millions of farmworkers who live in the shadows, the bill will provide an opportunity to earn citizenship by contributing to America's agriculture economy. For growers it will provide a skilled and reliable

¹ U.S. Department of Agriculture, Economic Research Service, "Highlights from the 2013 Farm Income Forecast," webpage, February 25, 2013, <http://ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-2013-farm-income-forecast.aspx#UfLFj9LtV8E>.

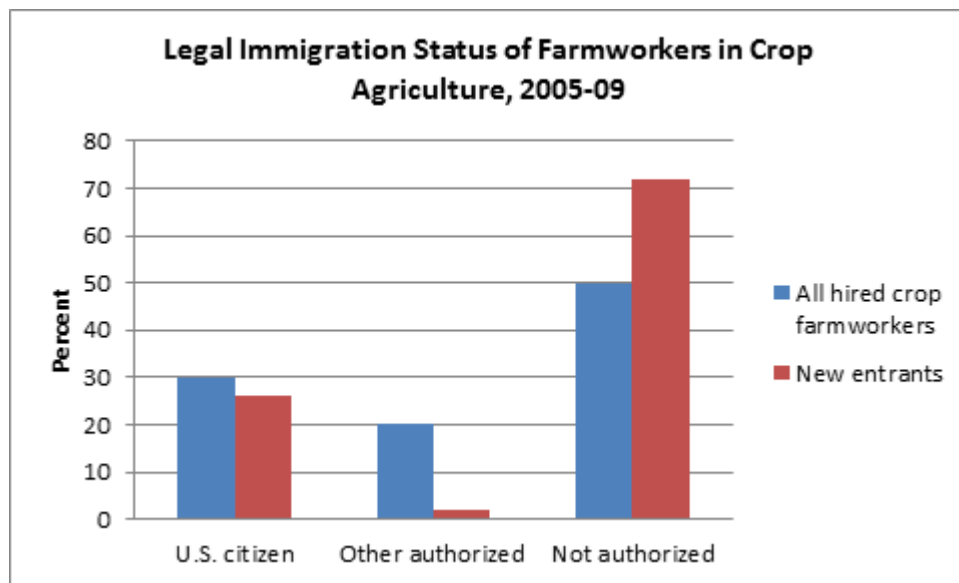
² U.S. Department of Agriculture, Office of the Chief Economist, *USDA Agricultural Projections to 2022*, Long-term Projections Report OCE-2013-1, February 2013, <http://www.ers.usda.gov/media/1013562/oce131.pdf>.

³ U.S. Department of Agriculture, Economic Research Service, "Immigration and the Rural Workforce," webpage, May 8, 2013, <http://www.ers.usda.gov/topics/in-the-news/immigration-and-the-rural-workforce.aspx#Hired>.

workforce by legalizing existing workers and creating a new temporary worker program. Together, these provisions will provide certainty and a dependably stable workforce for the agriculture sector, boosting output and production while creating new jobs.

The Role of Farmworkers in U.S. Agriculture

According to one survey, approximately 1.1 million full-time farmworkers were employed in the agriculture sector in 2012.⁴ Many of these workers lack the immigration status needed to work legally in the U.S: in crop agriculture, half of the farmworkers surveyed by the Department of Labor between 2005 and 2009 indicated that they were currently working without employment authorization.⁵ Though this share has fallen slightly from its peak during 1997 to 2001, it is up significantly from the levels seen in the early to mid-nineties. Among new entrants to farmwork (those having worked on a farm for less than two years), fully 72 percent of farmworkers in crop agriculture reported working without authorization — with shares of 97 percent in fruit production and 90 percent in vegetable production.



Agriculture producers cite difficulty in locating qualified and available authorized workers—both foreign and domestic—as one reason for the high rate of unauthorized labor. Moreover, there continue to be insufficient U.S. workers to fill labor needs: of those crop workers surveyed between 2007 and 2009, 71 percent were foreign born.

⁴ USDA-ERS analysis of Farm Labor Survey in USDA-ERS, “Farm Labor,” webpage, February 14, 2013, <http://www.ers.usda.gov/topics/farm-economy/farm-labor/background.aspx>. Note that estimates vary significantly depending on survey method, sector definition, type of counted worker, and other parameters.

⁵ U.S. Department of Agriculture, Economic Research Service. “Immigration and the Rural Workforce.” Webpage. May 8, 2013. <http://www.ers.usda.gov/topics/in-the-news/immigration-and-the-rural-workforce.aspx#Hired>.

During 2007-2011, there were on average 505,000 noncitizen farmworkers (including both authorized and unauthorized) in the United States, representing 43 percent of all crop and livestock farmworkers.⁶ In California, such workers represented fully 73 percent of the farm workforce.⁷ Over this period, noncitizens filled more than one quarter of farm jobs in Alabama, Arizona, California, Colorado, Florida, Georgia, Hawaii, Idaho, Kentucky, Michigan, Nevada, New Jersey, New Mexico, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah, Washington, and Virginia.⁸ Conservative estimates suggest that roughly 60 percent of the entire nation's noncitizen farmworkers are unauthorized.⁹

Evidence of Labor Scarcity in Agriculture

In recent years, farmers and ranchers in various parts of the country have often reported difficulties in securing sufficient workers for critical tasks.

For example, a Texas survey conducted in 2008 of growers and packers of fresh produce located near the Mexican border identified concerns about the availability of hired labor. About three-fourths (77 percent) of the respondents indicated that a lack of available workers had led them to contract the size and/or scope of their businesses. Additionally, 27 percent reported that they had shifted a portion of their operations abroad, and the same percentage stated that they were considering going out of business as a result of labor shortages.¹⁰

More recent surveys of Georgia growers conducted in the aftermath of the passage of state immigration laws found that growers had experienced labor shortages. One 2011 survey found that 78 percent of growers had experienced "harvest/packing labor shortages" during the spring season. A second survey, conducted by the Georgia Department of Agriculture, found that 26 percent of agriculture producers and processors had experienced a loss of income in 2011 due to a lack of available workers for their operations.¹¹

According to the National Milk Producers Federation, U.S. dairies employed 138,000 full-time equivalent workers in 2008, of which 57,000 (41 percent) were foreign born.¹² Nationwide, over

⁶ USDA-ERS analysis of American Community Survey Public Use Microdata Sample files, 2007-2011.

⁷ USDA-ERS analysis of American Community Survey Public Use Microdata Sample files, 2007-2011.

⁸ USDA-ERS analysis of American Community Survey Public Use Microdata Sample files, 2007-2011.

⁹ See the share for miscellaneous agricultural workers in Table B3 of Passel, J., and D. Cohn, *A Portrait of Unauthorized Immigrants in the United States*, Pew Hispanic Center, April 14, 2009, <http://pewhispanic.org/files/reports/107.pdf>

¹⁰ Rosson, P., F. Adcock, M. Palma, and L. Ribera, "Hired Labor Use in the Texas Fresh Fruit and Vegetable Industry," Center for North American Studies, Texas A&M University, April 2008, <http://cnas.tamu.edu/Publications/Labor%20Survey%20Texas%20Fruit%20Vegetable.pdf>.

¹¹ Georgia Department of Agriculture, *Report on Agricultural Labor as Required by House Bill 87*, January 2012, http://agr.georgia.gov/Data/Sites/1/media/ag_administration/legislation/AgLaborReport.pdf.

¹² National Milk Producers Federation, "The Economic Impacts of Immigration on U.S. Dairy Farms," June 2009, <http://www.nmpf.org/sites/default/files/NMPF%20Immigration%20Survey%20Web.pdf>.

one-fifth of dairy farmers surveyed in 2008 reported a labor shortage during the previous two years.¹³

The most meaningful empirical indicator of labor scarcity is the coincidence of rising wages and falling levels of employment. To this end, researchers at the U.S. Department of Agriculture's (USDA) Economic Research Service (ERS) have used data from the Quarterly Census of Employment and Wages to identify particular crops and counties in which farm wages were rising at the same time that employment was falling. Using this criterion, they found evidence of possible labor shortages in the production of fruit and vegetables and in support activities such as farm labor contractors and crew leaders, soil preparation, and planting and cultivating — particularly in counties in California, Michigan, and several other states.¹⁴

Studies of Economic Responses to Potential Reductions in Labor Supply to Agriculture

Without providing a path to earned citizenship for unauthorized farmworkers and a new temporary program that agriculture employers would use, a significant portion of this farm workforce will remain unauthorized, thereby susceptible to immigration enforcement actions that could tighten the supply of farm labor.

USDA-ERS researchers have used a simulation model to evaluate the effects of a hypothetical decrease in the number of unauthorized workers across the economy, including in agriculture.¹⁵ In one scenario, the researchers projected that a sharp reduction in the size of the unauthorized workforce (by 40 percent, relative to the status quo) would result in long-run decreases in agriculture output and exports, particularly in labor-intensive sectors. In this scenario, after 15 years, three such sectors (fruit, vegetables, and nursery products) would experience a 2.0- to 5.4-percent decrease in output and a 2.5- to 9.3-percent decrease in exports, compared with the base forecast. As explained in detail below, the study also found that an increase in temporary foreign-born farmworkers would increase both agriculture output and exports.

Studies conducted by researchers outside USDA have reached similar conclusions. A study of U.S. crop agriculture considered a hypothetical scenario in which growers no longer had access to unauthorized workers. In the long run, total U.S. agriculture output was projected to fall by about 3-6 percent (\$6.5 billion to \$12.0 billion). For California, long-run production losses were projected at \$2.3 billion to \$4.2 billion, while for Florida, they were in the range of \$729 million to \$1.3 billion.¹⁶ In the Northeast (Connecticut, Massachusetts, New Hampshire, New Jersey, New York, and Rhode

¹³ National Milk Producers Federation (2009).

¹⁴ Hertz, T., and S. Zahniser, "Is There a Farm Labor Shortage?" *American Journal of Agricultural Economics*, Vol. 95, No. 2, January 2013, pp. 476-81.

¹⁵ Zahniser, S., T. Hertz, P. Dixon, and M. Rimmer, *The Potential Impact of Changes in Immigration Policy on U.S. Agriculture and the Market for Hired Farm Labor: A Simulation Analysis*, U.S. Department of Agriculture, Economic Research Service, Economic Research Report No. 135, May 2012, http://www.ers.usda.gov/media/619408/err135_1.pdf.

¹⁶ American Farm Bureau Federation, Economic Analysis Team, *Impact of Migrant Labor Restrictions on the Agricultural Sector*, February 2006, <http://www.fb.org/newsroom/nr/nr2006/02-07-06/labor%20study-feb06.pdf>.

Island), analysis by Farm Credit East found that over 1,700 farms would be at risk of closure if immigrant labor severely contracted.¹⁷

How the Senate Bill Would Address These Problems

The Senate bill recognizes that farmworkers who have been working without legal status have been performing vital and challenging work to maintain America's food supply while, in many cases, earning barely subsistence wages. To this end, the Senate bill ensures that workers who commit to the long-term stability of our nation's agriculture industries will receive an earned path to citizenship through the new "blue card" program.

The legislation would establish a program for earned citizenship for agriculture workers and their spouses and children in the U.S.—provided that certain requirements are met, including passing national security and criminal background checks and proving that applicable taxes have been paid. Individuals who are 16 years or older would have to pay a processing fee, and those over 21 would have to pay a \$100 penalty in addition to the processing fee. Individuals would receive "blue cards," providing them with authorization to work legally and travel outside the United States. If they continue to work in agriculture, they would be eligible to apply for permanent resident status after five years, and eventually citizenship. A farmworker's spouse and children would also be eligible for earned citizenship, and would be permitted to live and work in the United States. If enacted, the Senate bill is estimated to allow an estimated 1.5 million agriculture workers and their dependents to obtain legal status.¹⁸

The Senate bill would phase out the existing temporary visa for agriculture (H-2A) and establish a new temporary worker program with two new worker visas: one for agriculture workers with a written contract for employment (W-3) and one for agriculture workers with an offer of employment (W-4). These new visas are intended to meet future labor needs. And for the first time this program will be available to the dairy industry because it will apply to year-round work. For the first 5 years, the program has an annual cap of 112,333 workers spread out evenly over four quarters. In later years, the Secretary of Agriculture, in consultation with the Department of Labor, would be responsible for establishing the annual cap after considering a number of factors.

Simulation Analysis of an Increased Number of Temporary Workers

Last year, USDA-ERS researchers estimated the effects of one possible model for an increase in the number of agriculture temporary workers at market-driven wages.¹⁹ In the hypothetical scenario, the

¹⁷ Farm Credit East, "Farm Credit East Advocates Workable Guest Worker Program before Congress," October 5, 2011, <https://www.farmcrediteast.com/News-and-Events/News/20111005GuestWorkerTestimony.aspx>.

¹⁸ S. 744: Border Security, Economic Opportunity, and Immigration Modernization Act, Congressional Budget Office Cost Estimate (June 2013), <http://cbo.gov/sites/default/files/cbofiles/attachments/s744.pdf>.

¹⁹ Zahniser, S., T. Hertz, P. Dixon, and M. Rimmer, *The Potential Impact of Changes in Immigration Policy on U.S. Agriculture and the Market for Hired Farm Labor: A Simulation Analysis*, U.S. Department of Agriculture, Economic Research Service, Economic Research Report No. 135, May 2012, http://www.ers.usda.gov/media/619408/err135_1_.pdf.

number of additional temporary workers — which are assumed to be available to all agriculture sectors, including those traditionally excluded by the H-2A program — reaches 156,000 after fifteen years. They found that in that scenario, agriculture output and exports would increase over the baseline projection, with particularly large benefits in labor-intensive sectors such as fruit, vegetables, tree nuts, and nursery products.

That simulation modeled an increase in the number of agriculture temporary workers that is roughly half as large as the maximum increase under the Senate bill’s agricultural temporary worker program. For changes of this magnitude, the model used by USDA to generate these results is approximately linear. This means that one may get a rough idea of the possible effects of the Senate bill’s agriculture temporary worker provisions by doubling the simulation results reported above. Thus, for example, the model suggests that over the long run (15 years from now) an expansion of the magnitude contemplated under the proposed agricultural temporary worker program could result in a 2.4 percent increase in fruit output (with exports growing by 3.4 percent) and a 5.4 percent increase in vegetable exports, relative to the base forecast.²⁰

Table 3: Long-run (Year 15) Effects of Expanded Agriculture Temporary Worker Program on Output and Exports, Compared with Base Forecast (Approximated Senate Bill Parameters)

Agriculture Sector	Output	Exports
Fruit	2.4%	3.4%
Vegetables	2.4%	5.4%
Greenhouse and nursery	2.2%	6.2%
Tree nuts (e.g., almonds, cashews, pecans)	4.0%	6.4%
Grain for livestock feed	0.8%	1.6%
Food grains (e.g., wheat, rice, soybeans)	0.6%	1.0%
Oil seeds (e.g., sunflower, mustard, poppy)	0.2%	0.4%
Sugar crops	0.6%	3.4%
Cotton	2.6%	3.4%
Grass seeds	0.8%	1.2%
Tobacco	0.6%	1.4%
Miscellaneous crops	1.2%	3.0%
Meat	0.6%	3.8%
Poultry	0.4%	1.4%
Dairy	0.6%	4.6%
Miscellaneous livestock	3.0%	5.2%

Source: Calculations based on Zahniser, Hertz, Dixon, and Rimmer (2012)

Studies conducted by researchers outside USDA have reached similar conclusions. For example, the Regional Economic Models, Inc. (REMI) projected the economic impact of an expansion of the

²⁰ These results do not incorporate the effects of legalizing the current unauthorized workforce or the specific parameters and requirements of the agricultural temporary worker program in S.744.

temporary worker visa program.²¹ Using the bipartisan Senate bill framework as a guide, REMI assumed the number of H-2A visas would increase to 337,000 within three years, and that 272,000 of those new slots would be filled by current unauthorized farmworkers. The result of such an expansion, according to REMI, is a substantial and immediate increase in total employment, GDP, and personal income. By 2017, REMI concludes that 51,330 jobs will have been created, \$6.6 billion will have been added to GDP, and personal income will have increased by \$3.3 billion.

Benefits of Commonsense Immigration Reform for Workers

By establishing a path to earned citizenship for agriculture workers and making the agricultural temporary worker program more accessible to employers while also ensuring strong worker protections are in place, the Senate bill would benefit both American and foreign workers alike.

Benefits for Previously Unauthorized Workers

As noted above, currently unauthorized farmworkers who continue to work in agriculture would be eligible to apply for a “blue card” that grants them authorization to work legally and earn permanent residence and eventually citizenship.

By providing a path to earned citizenship for currently unauthorized farmworkers, the bipartisan Senate bill gives unauthorized workers and their families not only the security they need to invest in their own skills and education and pursue higher-paying employment — but also the ability to achieve homeownership by building credit and other documentation needed for a mortgage, and to make other investments in their local communities. This is important, because when individuals are insecure and uncertain about their position in the economy — whether they are living in the shadows, afraid to stand up for their basic rights, or unsure if they will be able to stay in the U.S. — their incentives and ability to make key investments are sharply undermined.

Research has shown that commonsense immigration reform will boost immigrant incomes and productivity. Studies of the 1986 immigration reform law found that legalizing immigrants saw wage gains in the range of 10 percent as a result of obtaining legal status.²² In a recent study, REMI assumed, citing to other projections, that yearly wages for newly legalized agriculture workers could increase roughly \$1,800 per person if workers were to have the opportunity to increase their human

²¹ “Key Components of Immigration Reform: An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas & Reforming Lesser-Skilled Visas,” Regional Economic Models, Inc., July 2013, <http://www.remi.com/download/Key%20Components%20of%20Immigration%20Reform.pdf>.

²² See Sherrie A. Kossoudji and Deborah Cobb-Clark. “Coming Out of the Shadows: Learning about Legal Status and Wages from the Legalized Population.” *Journal of Labor Economics*. July 2002; and Shirley Smith, Roger Kramer, and Audrey Singer. “Characteristics and Labor Market Behavior of the Legalized Population Five Years Following Legalization,” Immigration Policy and Research Division, Bureau of International Labor Affairs, U.S. Department of Labor. 1996.

capital through increased English education and skills training, as well as access a broader range of work.²³

Legalization would also alleviate farmworkers from the high risk of exploitative treatment – including wage theft and poor and unsafe working conditions – that comes with a lack of legal status. When immigrants (including farmworkers) enjoy the same workplace protections and economic mobility as others, they will be less likely to be subject to exploitation at the hands of employers whose practices undermine the wages and working conditions of American workers. The bipartisan Senate bill protects vulnerable immigrant workers from exploitation through strong new prohibitions against trafficking and abuses by labor recruiters.

To further facilitate their economic integration into American society, the Senate bill would provide farmworkers with an expedited pathway to earned citizenship if they meet certain requirements, including registering, passing national security and criminal background checks, paying fines and fees, and continuing to work in agriculture. To help farmworkers in the earned citizenship process, the Senate bill includes funding for NGOs to assist immigrants with the application process.

Benefits for Citizen and Authorized Workers

Researchers have found that immigrants increase the productivity of U.S. workers by complementing their skills.²⁴ Indeed, there is a growing body of recent research that suggests that the skills and talents that immigrants and natives bring to the labor market may not be good substitutes for each other, and that low-skilled immigrants may instead enhance the productivity of low-skilled natives. In particular, rather than replacing U.S. workers or reducing U.S. workers' wages, increases in the number of new immigrants lead U.S. workers to specialize in tasks requiring stronger English language and other skills, raising their earnings.²⁵

Additionally, over the long run, higher immigration increases U.S. workers' productivity by contributing to technological advancement, leading to higher average wages. For these reasons, CBO has estimated that the Senate bill will raise real wages among all workers by 0.5 percent in 2033, or the equivalent to an additional \$250 of income for the median American household.²⁶

²³ "Key Components of Immigration Reform: An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas & Reforming Lesser-Skilled Visas," Regional Economic Models, Inc., July 2013, <http://www.remi.com/download/Key%20Components%20of%20Immigration%20Reform.pdf>.

²⁴ See Peri, Giovanni. "Immigrants Complementarities and Native Wages: Evidence from California." NBER Working Paper 12956. March 2007. <http://www.nber.org/papers/w12956>.

²⁵ See, for example, Peri, Giovanni, and Chad Sparber, "Task Specialization, Immigration, and Wages," *American Economic Journal: Applied Economics*, 2009; and Peri and Sparber, "Highly-Educated Immigrants and Native Occupational Choice" *Industrial Relations*, Vol. 50, No. 3, July 2011.

²⁶ S. 744: Border Security, Economic Opportunity, and Immigration Modernization Act, Congressional Budget Office Cost Estimate (June 2013), <http://cbo.gov/sites/default/files/cbofiles/attachments/s744.pdf>. See also Hunt, Jennifer and Marjolaine Gauthier-Loiselle, "How Much Does Immigration Boost Innovation?" *American Economic Journal: Macroeconomics*, April 2010.

Beyond those general benefits, however, the Senate’s immigration bill includes protections for American workers that help ensure immigrants coming through other worker programs will complement the American workforce and make our economy more productive and competitive. One critical protection is the requirement that employers first recruit American workers before hiring temporary workers. The Department of Labor is also provided new tools and abilities to crack down on employers who fail to comply with the worker protections in the bill.

The Senate bill also introduces measures to provide immigrant workers with increased mobility and key labor protections so that they are not taken advantage of by unscrupulous employers. A 2010 Center for American Progress study found that “the wages of native-born workers also increase under the comprehensive immigration reform scenario because the ‘wage floor’ rises for all workers—particularly in industries where large numbers of easily exploited, low-wage, unauthorized immigrants currently work.”²⁷

And the bill also ensures that all workers will be subject to the same basic labor and employment protections, regardless of immigration status, so some employers cannot seek out unauthorized workers for the purpose of exploiting them and skirting the law. For example, under the bill, if an employer hires an unauthorized worker and commits a serious labor law violation, not only is that employer subject to higher penalties, but the worker may be able to stay in the country temporarily if he or she agrees to work with the government to investigate the employer. These provisions will also protect American workers by removing incentives to seek out and hire unauthorized workers.

Immigration reform would also make it easier for employers to comply with the law and deters future unauthorized immigration. Commonsense measures, such as mandating that every employer in the country use E-Verify, an electronic employment verification system to ensure that the workers they hire are in the U.S. legally and authorized to work, both establish a more transparent worksite and help to hold employers accountable for knowingly hiring unauthorized workers. This will protect businesses that play by the rules and invest in American workers. Because of the unique location of agriculture work, the Senate bill requires the Department of Homeland Security to study the use of E-Verify, and assess its use in the industry. The agriculture industry also is given four years after regulations are implemented to begin using E-Verify for all new hires (although employers can voluntarily participate in E-Verify at any time).

Additionally, increased investments in border security, on top of the historic investments already made by the Administration over the past four years, will also deter future unauthorized immigration. Combined, these efforts will allow more Americans and legal immigrants to secure well paying, middle-class jobs and ensure that U.S. companies continue to have access to the most productive workforce in the world.

Benefits of Commonsense Immigration Reform for Rural Communities

²⁷ The Center for American Progress. “Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform.” January 2010. <http://www.americanprogress.org/wp-content/uploads/2012/09/immigrationeconreport3.pdf>.

Strength in agriculture production supports other parts of the economy, particularly in rural communities. Farms and ranches buy fertilizer and seed, invest in farm machinery, contract the services of custom operators, and support the many local businesses that serve farms and farm families, including restaurants and retailers. High levels of production also benefit businesses like grain elevators, biofuel refineries, and processed food manufacturers.

Under the current system, rural America is losing opportunity and harvests due to lack of a stable workforce. Coupled with a decline in native-born rural populations, the strength and continuity of rural America is contingent on commonsense immigration reform that improves job opportunity, provides local governments with the tools they need to succeed, and increases economic growth.

Increased Economic Output and Employment

In rural communities focused on agriculture development, an agricultural temporary worker program and a path to earned citizenship for current unauthorized farmworkers will boost farm output and produce other positive spillover effects. According to an economic analysis by REMI, an expanded H-2A visa program – like the one found in the W-3 and W-4 provisions in the bipartisan Senate bill – would raise GDP by approximately \$2 billion in 2014 and \$9.79 billion in 2045.²⁸ And it would increase total employment by nearly 17,000 jobs in 2014 and nearly 40,000 jobs in 2045.

As noted above, commonsense immigration reform would improve worker productivity and ultimately result in higher average wages for all workers, and would also institute a number of new protections for American workers. Additionally, by providing an expedited pathway to earned citizenship for farmworkers, the bipartisan Senate bill would improve immigrant incomes and productivity – resulting in greater benefits for the rural communities in which these new citizens decide to settle and make new economic investments in education, housing, and new businesses. Among current farmworkers, surveys have found that citizens are less likely to live in poverty than their noncitizen counterparts.²⁹

Ensuring every farmworker is paid a fair and decent wage will revitalize rural economies so that Americans can continue to contribute to our 21st century economy from our nation’s rural landscapes.

Demographics

Rural communities are increasingly becoming attractive destinations for immigrants. Given their rising immigrant populations, rural communities are some of the hardest hit by the broken

²⁸ “Key Components of Immigration Reform: An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas & Reforming Lesser-Skilled Visas,” Regional Economic Models, Inc., July 2013, <http://www.remi.com/download/Key%20Components%20of%20Immigration%20Reform.pdf>.

²⁹ Kandel, W., *A Profile of Hired Farmworkers, A 2008 Update*, U.S. Department of Agriculture, Economic Research Service, Economic Research Report No. 60, July 2008, <http://www.ers.usda.gov/publications/err-economic-research-report/err60.aspx>.

immigration system. Fifteen percent of the U.S. population, or 46.2 million, live in 72 percent of the nation's land base, characterized as rural areas.³⁰ However, rural America lost roughly 44,000 people between 2010 and 2012, with a natural increase (births minus deaths) of 135,000 being more than offset by a net out-migration of 179,000.³¹ Since 1976, the natural increase in rural areas has declined from 0.5 percent to 0.2 percent, illustrating that birth and death rates alone may lead to a shrinking population.³² Given this decline in native-born rural populations, the strength and continuity of rural America is contingent on commonsense immigration reform that improves job opportunity, provides local governments with the tools they need to succeed, and increases economic growth.

It's no wonder, then, that some rural communities are encouraging new immigrants to make their neighborhoods home: Iowa recently awarded grants of \$50,000 to three counties to attract immigrants, and as a Chamber of Commerce official from one of those communities put it: "Economic development is about attracting people."³³ Across the country, many rural communities have experienced foreign-born population increases of 500 and even 1,000 percent in recent years.³⁴ Non-metro counties in Texas alone saw an increase of 212,450 immigrants between 1990 and 2000. Between 2000 and 2003, the immigrant rural population nationwide increased from 3 percent to 5 percent.³⁵ And during 2007-11, an average of 2.1 million foreign-born persons lived either in non-metro counties or in metro counties whose economies are heavily dependent on agriculture. In many of these counties, the share of population that is foreign-born has risen above one-quarter, including Aleutian Islands East Borough, Alaska (63%); Miami-Dade County, Florida (51%); Garza County, Texas (38%); Santa Cruz County, Arizona (33%); and Imperial County, California (32%).³⁶

Improved State and Local Finances

Trends in the agriculture sector – due in part to growing domestic demand for fresh fruit and vegetables year-round – indicate that farmworkers are increasingly settling permanently in places

³⁰ U.S. Department of Agriculture, Economic Research Service, "Population & Migration: Overview," webpage, May 14, 2013, <http://www.ers.usda.gov/topics/rural-economy-population/population-migration.aspx#Ue1V5I2yBjR>.

³¹ U.S. Department of Agriculture, Economic Research Service, "Population & Migration: Recent Population Change," webpage, May 14, 2013, <http://www.ers.usda.gov/topics/rural-economy-population/population-migration/recent-population-change.aspx#UfBQHY2yBjQ>.

³² U.S. Department of Agriculture, Economic Research Service, "Population & Migration: Recent Population Change," webpage, May 14, 2013, <http://www.ers.usda.gov/topics/rural-economy-population/population-migration/recent-population-change.aspx#UfBQHY2yBjQ>.

³³ Constance Newman, "Impacts of Hispanic Population Growth on Rural Wages," United States Department of Agriculture, Agricultural Economic Report Number 826, September 2003.

³⁴ Housing Assistance Council, "Immigration and Housing in Rural America," September 2007, <http://www.ruralhome.org/storage/documents/immigration2007.pdf>.

³⁵ Housing Assistance Council, "Immigration and Housing in Rural America," September 2007, <http://www.ruralhome.org/storage/documents/immigration2007.pdf>.

³⁶ U.S. Department of Agriculture, Economic Research Service, "Immigration and the Rural Workforce: Foreign-Born Populations in Rural Areas," webpage, May 2013, <http://www.ers.usda.gov/topics/in-the-news/immigration-and-the-rural-workforce.aspx#Foreign>.

where they previously worked temporarily.³⁷ This means not only a more stable and available workforce for farmers, but also higher, year-round consumer demand in the local community's economy and higher government revenues. Indeed, providing opportunities for immigrants to work legally in the U.S. could add as much as \$2 billion to annual local and state tax revenues, according to the Institute on Taxation and Economic Policy.³⁸ State and local income tax revenues would increase by \$1.6 billion, with sales and property tax collections increasing by \$420 million and \$76 million respectively. By expanding the tax base, commonsense immigration reform will provide greater resources to these governments, including those in rural communities, to ensure every individual in their community has an opportunity to succeed and to prosper.

Strengthening the Housing Recovery

Immigrants are a crucial factor in the United States' housing recovery. A recent study from the Americas Society/Council for the Americas and Partnership for a New American Economy found that the 40 million immigrants currently in the U.S. have created \$3.7 trillion in housing wealth. While the home ownership rate is lower for rural immigrants (62 percent) than it is for their native counterparts (77 percent), rural immigrants have higher home ownership rates than urban immigrants (53 percent).³⁹ This added demand helps boost property values, revitalizing rural communities that would otherwise be facing declining home values. Moreover, the largest impacts of immigration on the housing market have been seen in areas hardest hit by the recession. In many Sunbelt locales, the direct and indirect effects of immigration over the last 10 years have contributed over \$10,000 to the value of the typical home, mitigating the recession's impact on hardest hit states like Arizona and New Mexico.

Immigration reform will further improve the housing market by: enabling more immigrants to achieve homeownership by building credit and other documentation needed for mortgage; boosting immigrant incomes, which will in turn drive housing demand through immigrants' growing purchasing power; and increasing the number of US residents by 10.4 million by 2023, according to CBO, in part by facilitating family reunification and household formation.

Encouraging Investment through the EB-5 Investor Program

For rural communities struggling to attract new businesses and economic activity, the bipartisan Senate bill also reforms and makes permanent the EB-5 immigrant investor program that grants permanent resident status to foreigners who invest above a minimum threshold in new job-creating commercial enterprises in the United States. Under current law, immigrants must invest a minimum

³⁷ William Kandel, "Hired Farmworkers a Major Input for Some U.S. Farm Sectors," Amber Waves, April 2008, <http://www.ers.usda.gov/AmberWaves/April08/Features/HiredFarm.htm>.

³⁸ Institute for Taxation and Economic Policy, "Undocumented Immigrants' State and Local Tax Contributions," July 2013, <http://www.itep.org/pdf/undocumentedtaxes.pdf>.

³⁹ Housing Assistance Council, "Immigration and Housing in Rural America," September 2007, <http://www.ruralhome.org/storage/documents/immigration2007.pdf>.

of \$1,000,000 in a new or existing U.S. business or project, or a minimum of \$500,000 if the business or project is located in either 1) a targeted employment area experiencing an unemployment rate of at least 150% of the national average, or 2) a qualifying rural area. The investment must either create or preserve a minimum of 10 full time jobs for qualifying U.S. workers within two years.

The bipartisan Senate bill would increase the number of immigrant investor visas available each year through reforms to the employment-based immigration system and add additional measures to encourage more investment in areas that are most in need of economic development, including rural communities. This will help to attract valuable investment capital into rural communities across America.

Improving Rural Health Outcomes through the Conrad 30 Program

The Senate bill also makes a number of important improvements to the Conrad 30 program, which allows foreign-born medical doctors to waive certain residency requirement if these doctors choose to work in areas with special needs for medical care for at least three years.⁴⁰ Today, only 10 percent of American physicians choose to practice in rural areas, leading to severe doctor shortages that increase healthcare costs in rural health systems.⁴¹ Rural areas have also been home to the worst declines in life expectancy since 1985 and stand to benefit greatly from expanded access to high-quality medical talent.

The Senate bill would make the Conrad 30 program permanent and expand its scope to meet today's challenges in medically underserved areas. The bill would also provide these doctors with further opportunities to look for positions in underserved communities in other states in the event that annual state caps under the Conrad 30 program are reached. This reform will utilize the talents of foreign doctors to improve medical care and save lives in these areas.⁴²

Improving System for Lower-Skilled Immigration Outside of Agriculture

In recent years, new immigrants have been drawn to non-metro areas to work for rural-centered, immigrant-reliant industries like meat processing, carpet manufacturing, oil extraction, timber harvesting, construction, and fish processing — and in the process, have helped revitalize many of these non-agriculture dependent rural communities.⁴³ Take for instance Storm Lake, Iowa, a town in northwest Iowa, which is home to several poultry and pork processing plants. Twenty years ago, the

⁴⁰ Before the Conrad 30 program was established in 1994, foreign doctors training in America on J-1 visas were required to return to their home country after their residency ended for two years before they could apply for another temporary work visa or green card.

⁴¹ "What's Different about Rural Health Care?" National Rural Health Association, webpage, <http://www.ruralhealthweb.org/go/left/about-rural-health/what-s-different-about-rural-health-care>.

⁴² Tim Marema and Shawn Poynter, "Change in Life Expectancy in Rural America," Daily Yonder, July 2013, <http://www.dailyyonder.com/life-expectancy-rural-america/2013/07/16/6624>.

⁴³ Kandel, W., and J. Cromartie, *New Patterns of Hispanic Settlement in Rural America*, U.S. Department of Agriculture, Economic Research Service, Rural Development Research Report No. 99, May 2004, http://www.ers.usda.gov/media/560863/rdr99fm_1_.pdf.

community of 12,000 was facing economic stagnation. Today, a thriving immigrant population has led to business growth, an expanded medical center, and a larger school district, providing the rural community with the services they need for a better quality of life.⁴⁴ As described above, the Senate bill provides increased opportunities for current and future immigrants to live and work in rural communities by strengthening existing visa process and creating new avenues for immigrant workers and their families.

⁴⁴ Jason Margolis, "Storm Lake, Iowa: A Meatpacking Town Fueled by Immigrant Labor," Public Radio International's The World, December 29, 2011, <http://www.theworld.org/2011/12/storm-lake-iowa-a-meatpacking-town-fueled-by-immigrant-labor/>.

Commonsense Immigration Reform: Impact on State Agriculture Sectors

State	# of Farms*	Total Ag Sales*	Noncitizen Farmworker Share [#]	Short-Term Ag Production Loss if Immigrant Labor Eliminated [^]	New Jobs in REMI-Simulated H-2A Expansion [@]
Alabama	48,753	\$4.4 billion	25%	\$34.8 million - \$62.6 million	570
Alaska	686	\$57 million	<1%	\$0.01 million - \$0.01 million	73
Arizona	15,637	\$3.2 billion	54%	\$114.1 million - \$205.3 million	993
Arkansas	49,346	\$7.5 billion	10%	\$7.9 million - \$14.2 million	571
California	81,033	\$33.9 billion	73%	\$1.73 billion - \$3.12 billion	9,426
Colorado	37,054	\$6.0 billion	29%	\$59.9 million - \$107.8 million	1,031
Connecticut	4,916	\$552 million	24%	\$26.9 million - \$48.4 million	264
Delaware	2,546	\$1.1 billion	20%	\$10.7 million - \$19.2 million	87
Florida	47,463	\$7.8 billion	59%	\$560.4 million - \$1.01 billion	2,466
Georgia	47,846	\$7.1 billion	35%	\$100.5 million - \$180.8 million	1,050
Hawaii	7,521	\$514 million	31%	\$50.6 million - \$91.0 million	204
Idaho	25,349	\$5.7 billion	42%	\$147.1 million - \$264.9 million	702
Illinois	76,860	\$13.3 billion	13%	\$46.5 million - \$83.7 million	1,737
Indiana	60,938	\$8.3 billion	13%	\$29.0 million - \$52.2 million	878
Iowa	92,856	\$20.4 billion	10%	\$10.4 million - \$18.8 million	961
Kansas	65,531	\$14.4 billion	16%	\$7.6 million - \$13.7 million	757
Kentucky	85,260	\$4.8 billion	26%	\$14.1 million - \$25.4 million	644
Louisiana	30,106	\$2.6 billion	6%	\$47.4 million - \$85.3 million	695
Maine	8,136	\$617 million	4%	\$23.2 million - \$41.8 million	133
Maryland	12,834	\$1.8 billion	21%	\$41.5 million - \$74.7 million	368
Massachusetts	7,691	\$490 million	19%	\$39.3 million - \$70.8 million	426
Michigan	56,014	\$5.8 billion	28%	\$151.0 million - \$271.8 million	1,169
Minnesota	80,992	\$13.2 billion	12%	\$83.1 million - \$149.6 million	1,095
Mississippi	41,959	\$4.9 billion	12%	\$11.8 million - \$21.2 million	455
Missouri	107,825	\$7.5 billion	5%	\$18.0 million - \$32.4 million	990
Montana	29,524	\$2.8 billion	2%	\$12.5 million - \$22.6 million	355
Nebraska	47,712	\$15.5 billion	7%	\$25.8 million - \$46.5 million	748
Nevada	3,131	\$513 million	28%	\$6.1 million - \$11.1 million	355
New Hampshire	4,166	\$199 million	3%	\$10.4 million - \$18.7 million	99
New Jersey	10,327	\$987 million	57%	\$64.5 million - \$116.1 million	645
New Mexico	20,930	\$2.2 billion	44%	\$32.1 million - \$57.8 million	411
New York	36,352	\$4.4 billion	19%	\$99.2 million - \$178.6 million	1,243
North Carolina	52,913	\$10.3 billion	46%	\$158.7 million - \$285.7 million	1,067
North Dakota	31,970	\$6.1 billion	3%	\$52.4 million - \$94.4 million	299
Ohio	75,861	\$7.1 billion	11%	\$88.7 million - \$159.7 million	1,262
Oklahoma	86,565	\$5.8 billion	17%	\$44.9 million - \$80.9 million	786
Oregon	38,553	\$4.4 billion	53%	\$188.1 million - \$338.5 million	1,197
Pennsylvania	63,163	\$5.8 billion	18%	\$97.2 million - \$175.0 million	1,190
Rhode Island	1,219	\$66 million	8%	\$8.5 million - \$15.4 million	53
South Carolina	25,867	\$2.4 billion	28%	\$36.6 million - \$65.8 million	454
South Dakota	31,169	\$6.6 billion	10%	\$8.3 million - \$15.0 million	308
Tennessee	79,280	\$2.6 billion	28%	\$33.4 million - \$60.2 million	835
Texas	247,437	\$21.0 billion	35%	\$180.1 million - \$324.2 million	4,721
Utah	16,700	\$1.4 billion	29%	\$9.4 million - \$17.0 million	536
Vermont	6,984	\$674 million	14%	\$9.9 million - \$17.8 million	91
Virginia	47,383	\$2.9 billion	26%	\$37.6 million - \$67.7 million	651
Washington	39,284	\$6.8 billion	60%	\$327.8 million - \$590.0 million	1,639
West Virginia	23,618	\$592 million	<1%	\$5.9 million - \$10.7 million	177
Wisconsin	78,463	\$9.0 billion	17%	\$84.1 million - \$151.4 million	1,144
Wyoming	11,069	\$1.2 billion	5%	\$8.6 million - \$15.5 million	208

Source: USDA-ERS analysis of American Community Survey Public Use Microdata Sample files, 2007-11

[^] Short-term only. Source: American Farm Bureau Federation. "Impact of Migrant Labor Restrictions on the Agriculture Sector." February 2006. <http://www.fb.org/newsroom/nr/nr2006/02-07-06/labor%20study-feb06.pdf>.

[@] New jobs in 2020 only. Source: REMI <http://www.remi.com/immigration-report>. Note that these jobs include not only agriculture, but also jobs in retail trade, construction, and other sectors.

Support for Commonsense Immigration Reform from Key Agriculture and Rural Stakeholders

Bob Stallman, President of American Farm Bureau Federation: “[The Senate bill is] the first step in reforming our broken immigration system and ensuring agriculture has access to a stable and legal workforce.”

Agriculture Workforce Coalition: “The Senate’s action today in approving comprehensive immigration reform is a landmark achievement in agriculture’s effort to ensure that America’s farmers and ranchers have access to a legal, skilled and stable workforce.

Arturo Rodriguez, President of United Farm Workers of America: “There are about one million farm workers and their families that will benefit from gaining legal status here in the United States and continuing to work in agriculture to insure the food supply for America and to ensure that our ag industry maintains its viability. This will be a critically important piece of legislation and we need your continued support so we can ensure that our agriculture industry continues and our products that we consume every day, our fruits and vegetables, are grown in the United States and that consumers can get the best food possible for their families. Secondly, it ensures that farm workers will receive a decent wage and working conditions for doing the hardest work in America.”

National Cattlemen’s Beef Association: “A strong year-round workforce is paramount to the success of the cattle industry. Cattlemen and depend on a legal and stable workforce year round. We recognize that the first step in ensuring the success of our workforce is securing and maintaining our borders. The conversations taking place on the Hill right now are keeping these issues front and center and we truly appreciate those efforts.”

Tom Stenzel, CEO of United Fresh Produce Association: “We applaud the Senate for seizing the opportunity to enact immigration reform that is desperately needed in the fresh produce industry and many other sectors of agriculture. This bill will ease the burden on agricultural employers, create more jobs along the entire supply chain, and boost the economy. We appreciate the efforts of our allies in the Agriculture Workforce Coalition and United Farm Workers with whom we worked to advance provisions that will provide a legal and stable workforce for fruit and vegetable growers.”

National Farmers Union: “We believe that farmers and farm workers alike are best served by a free-market immigration system, as S. 744 would enact, that maximizes individual freedom and opportunity while being flexible enough to address the needs of businesses and protect the interests of workers. ... We urge your support for S. 744. ... It is a good deal for farmers and immigrant farm workers.”

Tom Nassif, CEO and President of Western Growers Association: “We thank the senators who voted in support of S. 744 today. For some it was an act of courage and statesmanship to do so, but a necessary step to fix an intractable problem that has adversely affected the economy, the integrity of our borders and the lives of millions of individuals seeking a better future. We look forward to the passage of a companion measure in the House of Representatives soon that will deal with this critical

issue the way it should be dealt with, in a conference committee. Our immigration system is broken. Without leadership and courage from our elected representatives and workable new legislation to correct these problems, it cannot be fixed. The hardworking farmers, farm workers and workers from every affected industry deserve a new immigration system from its elected representatives. Anything less than an earnest effort to solve this problem would be a breach of office.”

AGree: “Every sector of our economy will benefit immensely from this legislation, but maybe none more profoundly than American agriculture, which is why all food and ag sectors are united in support. This legislation will mean a better future for millions of foreign-born agricultural workers and for farmers and ranchers struggling with serious labor shortages.”

National Association of State Departments of Agriculture: “Millions of American jobs depend on agricultural production and will be enhanced with legislation that can secure a legal work force for agriculture as well as regularize the status of current agricultural workers through an adjustment program problem. Farmers in most regions of the United States have faced critical shortages of entry level workers for many years. ... NASDA has carefully considered the farm labor issue and has concluded that Congress needs to enact immigration reform legislation that provides workable and fair legal channels for farmworkers to enter the country, work, and return home when the season is over.”

Jerry Kozak, President and CEO of National Milk Producers Federation: “We’ve known for years that the status quo employment situation in dairy farming is not sustainable. Today, the Senate moved decisively past that admission, and voted to change our labor and immigration laws for the better. Rather than tinker with what wasn’t working, this new immigration measure builds something new and much better.”

Bruce Goldstein, President of Farmworker Justice: “While the agricultural worker programs are not perfect, they will help improve the lives and working conditions of the men and women working to put food on our tables and will help ensure a productive agricultural sector. If enacted, this bill would help stabilize the farm labor workforce and grant eligible unauthorized farmworkers the opportunity to earn legal immigration status by proving their recent agricultural work in the United States and continuing to work in agriculture. It would help families remain together and build better lives for farmworker families while affording growers access to skilled and reliable workers. The agricultural worker compromise included in the bill has the broad support of major agribusiness groups, farmworker advocates, and now the U.S. Senate. Lawmakers in the House of Representatives should follow the Senate’s lead and take up this bill without delay.”

North Carolina Blueberry Council, Inc.: “We support S.744, the comprehensive immigration reform proposal - including its agricultural provisions negotiated by the Agriculture Workforce Coalition and the United Farm Workers. The agreement reached by the AWC and the UFW is a major step forward to finding a lasting solution to the issue of current and future agricultural labor in the U.S.”

Georgia Agriculture Coalition, including **Dairy Farmers of America, Georgia Agribusiness Council, Georgia Blueberry Growers Association, Georgia Cattleman's Association, Georgia Pork Producers, and many others**: "Farmers in Georgia face a critical lack of workers which negatively impacts our economic competitiveness. ... S. 744 helps meet the labor needs of agriculture both now and in the future. In the short term, the bill would preserve agriculture's experienced workforce by allowing unauthorized farm workers to adjust to a legal status. For future needs, an agricultural worker visa program provides access to a legal and reliable workforce moving forward. This visa program is market based and has the flexibility to meet the needs of producers, including those with year-round labor needs, such as dairymen."

National Council of La Raza: "Our economy will grow, the deficit will shrink, jobs will be created and our taxpaying labor force will expand so that we have more workers contributing to our tax system. All of these positives should demonstrate to lawmakers working on reform that we shouldn't delay passage of an immigration bill which will provide our nation with additional economic benefits."

Cardinal Timothy Dolan, Archbishop of New York: "The Senate proposal, while not perfect, goes a long way toward correcting injustices in the system. Despite its shortcomings, the bill significantly improves upon the status quo and will assist millions of families. We look forward to continuing to work with Congress to improve the legislation, and we applaud lawmakers of both parties who are working together to bring 11 million people out of the shadows."

Richard Trumka, President of the AFL-CIO: "The United States Senate today moved our country a big step closer to building a common sense immigration system that will allow millions of aspiring Americans to become citizens. ... There is much that works for working people in the Senate bill. Most of all, it allows people who are American in every way except on paper to come out of the shadows, lift themselves out of poverty and be recognized as contributors to our communities and our country."

Business Roundtable: "BRT supports comprehensive immigration reform that addresses the status of the more than 10 million foreign individuals living in the United States illegally, provides for more efficient and accurate verification of worker eligibility, and improves legal channels that would allow immigrants to help meet the demand for labor across many economic sectors – including the hospitality, construction, agriculture and high-tech industries. We look forward to working with the President and Congress on sensible solutions to make America more competitive in the world economy."

U.S. Chamber of Commerce: "Immigration reform is one of the compelling challenges of our time. The Chamber will continue to utilize its resources and promote support among our members for broad immigration reform because America cannot compete and win in a global economy without the world's best talent, hardest workers, or biggest dreamers."