



How Georgia's Anti-Immigration Law Could Hurt the State's (and the Nation's) Economy

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Introduction and summary

In April, Georgia enacted H.B.87, an anti-immigration law that mirrors Arizona's ill-fated 2010 law, S.B.1070. Like S.B. 1070, Georgia's Illegal Immigration Reform and Enforcement Act makes it a crime to knowingly harbor or transport undocumented immigrants, imposes harsh penalties for providing false papers to an undocumented immigrant, and empowers law enforcement to check the immigration status of anyone they reasonably suspect to be in the country illegally. In addition, Georgia's law dramatically expands the requirement for employers to use the federal E-Verify system, which checks the work eligibility requirement of employees.²

These laws do not operate in a vacuum, and states and localities that recently passed anti-immigrant bills have experienced significant negative economic consequences. In Arizona, for example, the losses from S.B. 1070 totaled \$141 million in conference cancellations alone and \$253 million in overall economic output with the potential for far more in the future.³ Cities that passed anti-immigrant ordinances also saw steep costs—Farmers Branch, Texas, spent \$4 million in legal fees defending its laws, and Hazelton, Pennsylvania, will spend upwards of \$5 million to defend its law.⁴

Georgia's legislators acknowledge that the state's bill will affect its agricultural industry, which is heavily reliant on migrant workers to pick crops and gin cotton. Written into the preamble to Section 20.1 of H.B. 87 is a recognition of the importance of an industry that brings in 12 percent (roughly \$67 billion) of the state's gross domestic product:⁵

Whereas, Georgia's agricultural industry is a vital pillar for this state's economy and essential to the quality of life enjoyed by all Georgians. And whereas, understanding the impact of immigration reform measures on Georgia's important agricultural industry is a fundamental key to the implementation of immigration reform.⁶

Business groups attempted to stop the bill from being passed. Two hundred agricultural leaders sent a letter to the legislature expressing their opposition to the bill. But the legislature pressed on—even with the experience of Arizona behind them and even with an acknowledgment of the potentially devastating effects of the law on the agricultural sector.

What will the effects of Georgia’s anti-immigrant law be on the state? It is true that putting an exact figure on economic losses is difficult with the remarkable diversity of agricultural products, seasonal cycles, and size and sophistication of farming in Georgia. But we already have a sense of just how devastating H.B. 87 will be to Georgia’s economy with evidence trickling in that migrant workers are bypassing the state because of its immigration law.⁷

This report seeks to combine existing information on agricultural losses from H.B. 87 with in-depth reporting and interviews with growers on the ground who are experiencing the ramifications of passage for themselves. It also examines the long-term consequences for the state—and for America’s food security as a whole—if migrant workers continue to avoid Georgia.

The report makes four main arguments:

First, Georgia is already beginning to see a severe labor shortage from workers avoiding the state due to its immigration law. This shortage is likely to reverse a decades-long trend in which fruit and vegetable crops gained an increasing share of the state’s total farm value and enlarged Georgia’s agricultural sector. Early reports from the state already estimate economic losses for the 2011 growing season to be between \$300 million and \$1 billion.⁸

We further estimate Georgia would see close to \$800 million in lost farm gate value per year—the price of a crop when sold by a farm—if it replaced all of its handpicked crops with mechanically harvested crops as a way to avoid the problem of securing adequate migrant labor. Farm gate value is only a metric of the amount of money at the time of sale from the farm itself, not the ultimate price that consumers might pay. So these figures are conservative at best in terms of total economic loss to the state. (see Table 1)

Second, the effects of a lack of migrant labor will be felt most acutely by small farmers, who are already at a comparative disadvantage with larger growers. We estimate that

TABLE 1
H.B. 87’s devastating effects on Georgia’s agricultural economy

2011 losses

- **\$300 million** estimated loss in harvested crop statewide
- **\$1 billion** estimated in total economic impact on Georgia’s economy
- **Untold millions** in losses to the economies of small towns and farmers dependent on immigrant labor

Future losses

- **\$797 million** loss per year in crop value across the state if Georgia replaced all of its handpicked crops with mechanized crops that do not require migrant labor
- **\$1.2 million** loss per year in crop value for the average small farmer if he or she replaced all of their handpicked crops with mechanized crops that do not require migrant labor
- **Untold millions** in losses to the economies of small towns and farmers dependent on immigrant labor

Sources: Interviews with Bryan Tolar, July–August 2011; calculations done by the Center for American Progress using data from: Susan R. Boatright and John C. McKissick, “2009 Georgia Farm Gate Value Report” (Athens, GA: The University of Georgia Center for Agribusiness and Economic Development, 2010).

the average small farm will lose \$1.2 million per year in farm gate value by switching to machine-grown crops—a loss that will sink most small farms.

Third, Georgia's economy is a complex and intertwined machine. Losses in the agricultural sector have a multiplier effect that resounds throughout the economy. A loss of close to \$800 million per year in crop value to Georgia's economy will significantly increase unemployment and hurt the state as a whole.

By some estimates, each job in the agricultural sector supports three other “upstream” jobs, including in professions such as processing and transportation. H.B. 87 may ultimately mean not simply the loss of migrant jobs but jobs for American citizens in industries that rely on agriculture as well.⁹ Similarly, many small communities in Georgia rely on the money and consumption power of migrant workers to stay afloat, and they are in danger of seeing significant losses to their already strapped economies.

Finally, just as changes in the agriculture sector affect Georgia as a whole, changes in Georgia's ability to produce food affects the country as a whole. Losing hand-picked crops in Georgia such as berries, peaches, and onions would force us to import these crops from other countries. This change leaves our food security, health, and safety standards in the hands of others. Similarly, food prices will increase with longer travel times.

“We are in a darkened room, walking around with our arms out,” worried Ben Evans, a South Georgia cotton gin operator, about the future. Evans must wait until the seven-day-a-week, 12-hour shifts begin before he can determine how much his business, which runs on all-Hispanic crews, will be affected by the labor shortages.¹⁰

Evans's frank assessment also could describe where Georgia is in coming to terms with the challenges its number-one industry faces in the wake of last year's legislative action.

H.B. 87's full effects may not be observable in Georgia for many months or even a few years. But we hope that the preliminary findings laid out in this report provide a cautionary tale for legislators in other states considering their own version of anti-immigrant legislation.

A federal solution to the issue of undocumented labor in the agricultural industry, the AgJOBS bill, has been on the table for more than 10 years. But legislative

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opposition from the same breed of immigration restrictionists that promoted these state-based anti-immigrant measures has blocked it from enactment.

More to the point, this crisis in agriculture is just a symptom of the broader dysfunction in our broken immigration system. The only real solution to these problems is a comprehensive federal strategy. These state-based efforts are merely costly, counterproductive skirmishes that distract and prevent progress on reforming our immigration system.

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