Trump's immigration crackdown would hurt state's ag industry, experts say

By WisPolitics.com

Agricultural observers in Wisconsin are leery of Donald Trump’s mass deportation plan, saying it could deal a multi-billion dollar blow to the state’s ag industry.

Trump has pledged to declare a national emergency after he’s inaugurated in January in order to deport immigrants living in the country illegally en masse, as well as mobilize military assets to do so.

While the exact size of the undocumented workforce in Wisconsin and elsewhere is notoriously difficult to pin down, the Migration Policy Institute estimates 70,000 undocumented immigrants live in Wisconsin, including 47,000 or 70% that are employed. That total includes 5,000 working in agriculture. Wisconsin agriculture more broadly supports about 354,000 jobs annually, or 9.5% of the state’s total employment, according to DATCP.

Those MPI figures are based on 2019 data, but a spokesperson said the institute does “not think that the size of the unauthorized population has increased exponentially” since then, noting the overall undocumented immigrant population in the United States has remained relatively stable for the past 15 years or so.

When asked about the potential economic impact of mass deportations on
the state’s farming industry, UW-Madison Professor and economist Steven Deller offered a “rough estimate” of $4.49 billion based on the undocumented ag worker total from MPI.

To create a working model, he assumed all 5,000 work on Wisconsin dairy farms, which he said collectively employ about 49,000 people in the state and add $15.2 billion in industry sales or revenues.

“If you removed 5,000 undocumented immigrant workers that would have an economic impact of 14,396 jobs and $4.49 billion in industry sales … undocumented immigrants account for 29.5% of the impact of dairy farms,” Deller wrote in an email. “That is a reflection of how important these immigrants have become to Wisconsin dairy.”

Tyler Wenzlaff, director of national affairs for the Wisconsin Farm Bureau Federation, warns of a “ripple effect” of mass deportations throughout the economy due to state agriculture’s employment of undocumented workers. Though he added “it’s hard to assess” specific
impacts beyond a loss of workforce before a concrete policy proposal comes out.

But Wenzlaff told WisBusiness in a recent interview that farmers in Wisconsin are taking a “wait and see” approach at this point, noting campaign rhetoric can differ from governing policy.

“Sometimes, those can look very different from what was originally posed, and what you might have in your mind,” he said, adding many WFBF members are Trump supporters. “What he actually does can look completely different from what we think we might see, when the proposal actually comes to implementing it and what that mass deportation might actually look like.”

Paul Mitchell, director of the Renk Agribusiness Institute at UW-Madison, also questioned “how much of this is political posturing,” though he expects at least some deportations to happen as a fulfillment of election promises.

But in a recent interview on the public affairs TV program “UpFront,” Gov. Tony Evers pledged to push back on mass deportations in Wisconsin.

“As far as taking people from farms and factories in this state, that are the backbone of this economy, that will not work for us,” Evers said. “We’ll find out if they get that far. I’m not sure they will get that far.”

Jose Martinez, CEO of nonprofit immigrant advocacy group UMOS Inc., said both farmers and immigrants are “very concerned, very nervous” about the threats of mass deportation. The group provides social services and workforce support to this community, which he argues takes on the jobs “that nobody wants to do” such as picking fruits and vegetables and other fieldwork.

“I always tell folks, if there’s an agricultural labor job that’s
considered labor-intensive, then you’re going to find that folks that
are working in these labor-intensive jobs are individuals that are undocumented,” he said in an interview, adding mass deportations would leave a “void” in the state’s workforce.

Mitchell also said deportations and rhetoric around undocumented immigrants would likely have a “chilling” effect on the broader immigrant community, as those working in the country with work visas may reconsider staying and others may change their plans to come to the United States.

“These changes would likely increase the cost of labor for the agricultural economy, creating disruptions and putting upward pressure on prices, at least in the short-term,” Mitchell said in an email. “Longer-term, companies would look for labor saving changes,
continuing the trend to invest in automation that has been ongoing for several years.”

Aside from shouldering positions that may be otherwise hard to fill, undocumented workers also have “an enormous impact” on the economy, Martinez argued. Based on 2022 figures, he said these workers across all industries pay $240 million in taxes in Wisconsin without benefiting from Social Security and other tax-funded programs.

How undocumented workers are compensated varies farmer-to-farmer, Martinez explained, though in most cases they’re paid in cash. Some farmers pay them by check, while “they pay taxes but they don’t identify the workers,” referring to them as contract labor.

“Therefore, they’re required to obtain a W9 from contract labor. Sometimes that is reported, sometimes it’s not reported,” he said.

In other cases, farmers will bring in a third-party entity that employs the undocumented farm workers. That outside employer, typically a U.S. citizen, will use their own tax information for reporting purposes, according to Martinez.

“The grower will still take out the taxes on payroll, and that is reported, but that is reported under this individual who then turns around and pays [undocumented workers,]” he said. “But does the grower fear, in terms of retribution? Of course, because it’s illegal … but we have to also understand that some of these are mom and pop operations. They’re just trying to survive.”

Meanwhile, Wenzlaff highlighted the shifting economic landscape in rural Wisconsin, noting the state’s dairy industry has lost 30% of its farms over the past decade or so.

“When you think about the agricultural workforce, it looks a lot different from 20, 30 years ago,” he said. “Family members are asked to get off-the-farm jobs now to help support the farm. And it isn’t the neighboring kid who comes to help out … because that farm that had the neighbor kids that helped out, probably went out of business.”

He also noted dairy farms are excluded from the H-2A visa program that allows certain U.S. employers to hire foreign workers for temporary agriculture jobs. He argued opening that up to dairy farms as well as extending the duration of the visas provided under the program “would be a huge help” for Wisconsin’s ag industry.

“When I talk to farms, they talk about how they love their employees, how they enjoy having them around, how they’re productive members of the community and that they’ve been on their farm for years,” Wenzlaff said. “Their families are part of the community, and part of the farming lifestyle in rural Wisconsin. Whether they’re here illegally or not, they’re part of the Wisconsin landscape.”

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