

## **Abstract**

How do local economies adjust to an inflow of immigrants in addition than through price adjustments? This paper answers this question in the context of US agriculture in the first three decades of the 20th century. We estimate, using the location of past immigrants as instrument for the location choice of new immigrants, its impact on a number of margins of adjustments (output mix, technological choices and organizational structure) at the county level using Census of Agriculture data. We find that larger immigrant flows led to slower adoption of labor-saving technologies, a decrease in farm size, an increase in the share of land cultivated by tenants and a shift towards more labor-intensive crops. Crop mix adjustments appear to have been more used by counties that were previously less specialized in a given crop while technological and organizational changes were preferred in counties that were particularly well-suited for a given production (and thus were constrained to making crop mix changes). Nevertheless, an increase in the number of workers per acre farmed in a particular country led the farms to a lower capital-labor ratio, even once accounting for changes in crop or tenure, suggesting that these adjustments we document did not fully absorb the increase in labor supply without impacting wages.