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Preface

In 2004, The Northeast Center convened faculty and educators at two workshops on priority issues facing the region and served as a catalyst for multi-state grant applications to public and private funding agencies. The Center also served as a conduit for the rural development research and outreach materials generated in the land grant universities of the northeastern US. For example, our web-site now contains a Toolbox with extensive links to land use programs and resources available at universities in the region. Leveraging other external funds, we contributed to the creation of new knowledge about rural development through in-house research activities. Finally, we continue to identify emerging opportunities for cross-state research and outreach activities, many of which are described in this annual report.

The expectations and the need for multi-state collaboration continue to grow. However, even with the widespread availability of information technology, the transactions costs associated with identifying specific areas of common interest among faculty and educators, and of working across state lines generally, remain high and very real. We invite our partners in the region to draw on the services we can provide and to contact us with opportunities for multi-state collaboration on current and emerging issues related to rural development.

January 2005
University Park, PA
Forging Regional Collaboration & Dialog

A key role The Center plays is to convene faculty and educators from the region at workshops and conferences that focus on high-priority issues. These workshops are opportunities for sharing innovative methods and research findings; for discovering common interests among participants; and for ensuring that efforts are not duplicated within the Northeast land grant system. During 2004, we sponsored workshops on land use and on industry targeting and clustering. Considerable potential and interest exists in identifying and upgrading the capacity of food industry and agricultural commodity clusters to accomplish rural development objectives. In addition, planning efforts were launched for one national and two regional conferences to be held in 2005.

1. Regional Workshops/Conferences Sponsored or Supported

2004 Regional Workshop on Extension Land Use Programming, State College, PA, May 5-6, 2004. A primary objective was to follow-up on the 2003 Regional Workshop, which was designed to identify programmatic gaps and opportunities for cross-state collaboration in the area of land use. A major outcome of this meeting was the creation of NEELUN--The Northeast Extension Land Use Network, which was approved by the Northeast Extension Directors (NEED) association at the 2004 Summer Meeting.

Rural Industry Cluster/Industry Targeting (IC/IT) Research Workshop, December 2-3, 2004 in Orlando, FL. Sponsored by The Northeast Regional Center for Rural Development, Penn State University, in collaboration with Regional Project NE-1011 and the Rural Poverty Research Institute (RUPRI). An out-growth of the NE-162/1011 Regional Research Project, “Rural Development Alternatives in the New Economy,” with an emphasis on research, outreach and grant-seeking opportunities. Workshop objective: To address the questions, in the current jobless recovery, and in an environment of continued natural resource-based and manufacturing job losses from rural areas, is Industry Targeting and Clustering a viable tool for communities to retain and expand their employment base? If so, how? What is the role of homegrown and public sector entrepreneurship in this context? The workshop papers represent the state-of-the-art of work in this area, building on the

“The workshop was excellent and offered an opportunity to hear what some of the best from around the country are doing in this area. The topic is timely and has high visibility in our state at this time – we are able to participate more effectively in the discussion as a result of the workshop.”
NE-162/ 1011 Regional Project. Tangible outputs include a web-based proceedings volume containing papers presented, a How-To-Manual for extension and community decision-makers, and a series of topics for development into research grant applications to various agencies.

Workshops in Progress (for 2005)

2005 NACDEP Conference: Building Our Future Together will be held February 15-18, 2005 at the Tropicana Casino & Resort, Las Vegas, NV. NERCRD will host a regional summit at this conference of the newly-formed National Association of Community Development and Extension Professionals, and plans are underway for a conference in the Northeast in 2006.

Rural Poverty in the Northeast: Strengthening the Regional Research Effort
This NERCRD / Rural Poverty Research Center conference will be held in State College, PA on May 3-4, 2005 at the Days Inn Penn State.

Expanding the Multi-State Funding Portfolio

The Center was instrumental in developing and submitting three multi-state and multi-disciplinary grant applications valued at close to $1.5 million to the USD A/NRI (these applications are pending) in three different program areas. The proposals seek answers to the question of how rural places and agricultural communities can thrive in the face of continued pressure from globalization, urban development, and the effects of technical change. In addition, The Center was involved in three grants designed to address related priority issues in the region.

2. Current and Pending Externally-Funded Grants

1. The Competitiveness of Agriculture: Do Communities Have a Role? A $499,675, multi-disciplinary USDA-NRI proposal in program area 61.0 Markets and Trade. Participants: T. Kelsey, S. Goetz, K. Brasier (PSU); L. Lynch (UMd); C. Brown (WVU); K. Liang (UVermont); T. Lyson, (Cornell, consultant). [Pending]

2. Enhancing the Prosperity of Small Farms and Rural Agricultural Communities: The Role of Industry Clusters, S.J. Goetz (PD) and K. Brasier (PSU); T. Gabe (U of Maine); T. Kelsey (PSU); D. Kuennen (UMd Eastern Shore); F. Mangan (UMass); A. Rangarajan (Cornell); D. Smith (Cornell); W. Whitmer (PSU/Extension); co-PDs. Total funding requested: $497,670. USDA/NRI Program Area 66.0: Enhancing the Competitiveness of Small Farms and Communities. [Pending]

3. The Rural Brain Drain: An Examination of its Relative Causes, Consequences and Policy Implications for Place-Based Development Strategies, with M. Shields [PD ], (PSU); S. Goetz, Jennifer James and Diane McLaughlin, (PSU); D. Kay, (Cornell); J. Halstead, (UNH); T. Gabe, (UNH). $479,937 Dec. 7, 2004. USDA/NRI Program area 62.0, Rural Development. [Pending]

4. Chesapeake Bay Smart Growth Network for High School Teachers, Chesapeake Bay B-WET, NOAA’s Bay Watershed Education & Training (B-WET) Program. October 18, 2004. $99,983; Tim Collins, PD, and collaborating with Univ. of Maryland [Pending].

5. Agriculture, Forestry and Food Industry Workforce Development Issues, PA Department of Labor and The Keystone Research Center grant. Examines workforce development issues in the context of clusters. $21,000; funded.

6. Evaluation Research and Strategy Development for the Tourism Enterprise Development Activities of the Progress Fund, WV and PA cooperating. In this project the effect of the tourism industry in general, and Progress Fund-sponsored initiatives in particular, on economic development in West Virginia and 39 counties in Pennsylvania is examined. $66,000; funded.
Northeast Center publications of various types serve as outlets for rural development work conducted at the land grant universities and at The Center. We are pleased to announce the publication (in early 2005) of an edited volume on land use issues and recommendations that resulted from the 2002 workshop sponsored by The Center.

3. Publications from The Northeast Center


Land Use Problems and Conflicts: Causes, Consequences and Solutions

Editors: Stephan J. Goetz, James S. Shortle and John C. Bergstrom

1. Contemporary Land Use Problems and Conflicts; Stephan J. Goetz, James S. Shortle and John C. Bergstrom

Section I: Land Use Problems & Conflicts: Causes

2. Rural Land Use Problems and Policy Options: Overview from a US Perspective; Lawrence W. Libby
3. Land Use Problems: A European Perspective; Nick Hanley and Fiona Watson
4. Employment Growth, Population Growth and Electronic Technologies as Determinants of Land Use; Charles Barnard
5. Failing Markets and Fragile Institutions in Land Use: Colorado’s Experience; Andrew F. Seidl
6. Postproductivism and Changing Rural Land Use Values and Preferences; John C. Bergstrom
Section II: A Closer Look at Consequences of Land Use Problems and Conflicts

7. Urban Development Impacts on Ecosystems; Elizabeth P. Marshall and James S. Shortle
8. Urban Growth, Rural Land Conversion and the Fiscal Well-Being of Local Municipalities; Steven Deller
9. Sense of Place as an Integrated Framework for Understanding Human Impacts of Land Use Change; Richard C. Stedman
10. Socioeconomic and Health Outcomes of Land Use; Stephan J. Goetz

Section III: Data and Empirical Issues

11. Spatial Analysis and Applied Land Use Research; Kathleen P. Bell
12. Public Preferences for Farmland Attributes in Conservation Easement Programs; Robert W. Paterson, Kevin J. Boyle, Mary Ahearn, Anna Alberini, John C. Bergstrom, Lawrence W. Libby and Michael P. Welsh
13. Value Conflict and Land Use Planning: An Example at the Rural/Urban Interface; Max J. Pfeffer, Linda P. Wagenet, John Sydenstricker-Neto and Catherine Meola

Section IV: A Closer Look at Solutions to Land Use Problems & Conflicts

15. Agri-environmental Complementarities: Challenges and Opportunities in an Old World; Ian Hodge
16. Multifunctionality, Land Use, and Agricultural Policy; David Abler
17. Sprawl: Contemporary Land Use Planning’s Paradigm; Mark B. Lapping
18. The Smart Growth Approach to Urban Land Use: Implications for Farmland Protection; Alvin D. Sokolow
19. Protecting Farmland: Why Do We Do It? How Do We Do It? Can We Do It Better? Lori Lynch
21. Future Research Needs for Rational Land Use Decisions; Stephan J. Goetz, James S. Shortle and John C. Bergstrom
3.1 Newsletter


URL: http://www.cas.nercrd.psu.edu/Publications/newsletter.htm

**From the Director** columns, published quarterly in Network04

- “Center Sponsors Session on State Job Creation Options at Regional Science Conference” (no. 1), March 2004
- “UNH’s Community Profiles Combine Civic Responsibility with Living Landscapes” (no. 2), June 2004
- “Economic Clusters and Agricultural Viability” (no. 3), September 2004
- “Big Boxes and Economic Development” (no. 4), December 2004

3.2 Rural Development Paper Series

Papers are available at: http://www.cas.nercrd.psu.edu/Publications/rdppapers.htm


3.3 Other Center Publications and Web Resources

1. Overview of cumulative investments over 2001-2004 by The Center in Land Use Workshops and Products, Handout (schematic is enclosed)

2. Land Use Research and Outreach Consortium (LUROC) Handout

3. The Northeast Regional Center for Rural Development Land Use Toolbox

URL: http://www.cas.nercrd.psu.edu/Toolbox/index.htm

This Toolbox is a work in progress and we continue to solicit comments and additions to its content.

3.4 Related Book Chapters (in press)


Jensen, Leif, Stephan J. Goetz and Hema Swaminathan, “Changing Fortunes: Poverty and Prosperity in Rural America” in David Portions of this work were featured in an article by Allison Schlesinger of the Associated Press, entitled “Forest County leads nation when it comes to recreational homes,” over the Labor Day weekend of 2004.


### 3.5 Related Publications


...[unexpectedly,] faster job growth was found to accelerate the rate of earnings growth per worker. ...counties concerned with job growth should recruit or attempt to spawn the creation of larger firms, recognizing that for some firms such a strategy may come at the cost of more rapid increases in pollution. Counties concerned with increasing the rate of growth in per worker earnings should instead focus on the creation of smaller firms.

...higher county cancer risks and the presence of superfund sites in a county, or a higher relative ranking on the Environmental Protection Agency’s hazard ranking system, reduce the relative attractiveness of a county to prospective migrants, while natural amenities on balance attract migrants [all else equal].
The Northeast Regional Center for Rural Development
Investments in Land Use Workshops & Products: 2001-2004

2001
- Farming on-the-Fringe Conference: Do Regulations Work? (co-sponsor with Swank Center, Ohio State)

2002
- Land Use Research Agenda-Setting Conference
  - Edited Book (2005)
  - NAREA* Land Use Policy Workshop: Conserving Farm and Forest in a Changing Rural Landscape
  - Land Use Website launched, Fall 2001
    http://www.cas.nercrd.psu.edu/Land_use.htm

2003
- Extension Prioritization of Land Use Issues Workshop
  - Galaxy II Conference Powerpoints
  - NAREA* Linkages Between Agricultural and Conservation Policies Workshop
  - NSF Workshop, Portland, ME

2004
- Extension Land Use Follow-Up Conference
  - NEELUN Northeast Extension Land Use Network Tools Inventory/Gap Core Competencies
  - LUROC: Land Use Research and Outreach Consortium
    www.cas.nercrd.psu.edu/LUROC.htm

July 6, 2004; S.J. Goetz
www.cas.nercrd.psu.edu

*NAREA is the Northeastern Agricultural and Resource Economics Association
Identifying Emerging Issues that Require Multi-State Engagement

The Northeast Center conducts a limited amount of in-house research on priority emerging issues, leveraging other externally-generated funds. This represents a contribution to the knowledge base, but it also serves as a platform for generating multi-state research ideas and extension programming. Four activities carried out during the last year are featured in this section.

4. Selected Programs and Discoveries

Second Homes Study (selected findings reported by the Associated Press). In an increasingly affluent society, second homes become an important land use -- and potentially threaten natural resource-based rural employment. State spillovers arise because owners of the second homes often have their primary residences in another state; and environmental impacts of second homes in one state can extend into the watersheds of adjacent states. Research catalyzed through The Center investigated factors accounting for the location of second homes as well as the independent impacts of second homes on social capital, inequality and natural resource-dependent employment. The research determined that seasonal homes are a rural phenomenon that is becoming more rural; while the initial density of homes is associated with less social capital, growth in second homes is associated with more social capital levels; second homes contribute to rising income inequality (both the level and growth of second homes) and, contrary to widespread perception, second home development in fact does not threaten natural resource-based employment.

Big-Boxes and Economic Development. Community leaders across the Northeast region increasingly seek new sources of employment generation to compensate for job losses associated with globalization and technological advances. Big-Box retail stores in rural areas not only have implications for land use, but they are often viewed as crucial for creating new jobs; as a result, they are able to secure subsidies for infrastructure development and other purposes. The problem with this model is that, in many communities, the new jobs created by big-boxes merely displace existing jobs in retailing and in other sectors, because the big-boxes are highly efficient (after all, highly efficient use of labor along with concentrated purchasing power and economies of scale in marketing allow these stores to sell goods at lower prices in the first place). Research conducted through The Center suggested that the presence of Wal-Mart™ stores

Results of this research were featured in newspapers and periodicals, on television, and on radio stations and weblogs across the Northeast region and the nation, including Pennsylvania Business Central, The Atlanta Journal Constitution, the Saginaw News in Michigan and by organizations such as the National Association for Retail Marketing Services and The Hometown Advantage (reviving locally owned businesses).
reduced the ability of counties to lower their poverty rates during the booming 1990s decade. Cross-state spillovers arise in that zoning ordinances in one municipality can push development into adjoining jurisdictions; opportunities also arise for collaboration in terms of developing and delivering educational outreach materials.

**Industry Cluster Identification and Analysis**: the identification and upgrading of agricultural and food industry clusters is an important opportunity for cross-state collaboration among the land grant universities in the Northeast. Clusters are place-based and thus represent key units of analysis for regional efforts. Because they are commissioned by individual states, virtually all cluster studies end at state borders; yet some of the most interesting and important clustering effects extend across state borders, and this creates an important need for cross-state collaboration that can be facilitated by The Northeast Center. We prepared a report on this subject that has attracted interest from colleagues across the nation, and expect to continue working in this area with faculty in the Northeast. We also assembled a multi-state team of researchers and practitioners in the region to develop a grant proposal for USDA/NRI to both conduct research on the potential for clustering to increase small-farm productivity and to develop educational materials based on the research. This grant focuses specifically on small farmers organized around different commodities, farming practices or ethnic origins.

**Importance of Self-Employment.** Many economic developers and the elected leaders they serve remain focused on industrial recruitment of outside firms as the only path to growing their economies. Communities and regions that wish to thrive in a global economy, however, cannot afford to ignore their existing resources, including the self-employed. Disseminating knowledge about this important but widely neglected part of the workforce is central to our efforts. The Center’s research findings on self-employment were included as part of a keynote presentation made by one of our partners at the regional meeting of the Council of State Governments in Springfield, Massachusetts in August 2004. The session addressed agricultural and rural policy and the audience consisted of members of US state legislatures as well as the eastern Canadian provincial parliaments.

Examples of Emerging Opportunities for Multi-State Research and Engagement in the Northeast US

Manhattan, NY, residents are enticed into moving to Pike County, PA with misleading mortgage offers and face lengthy commutes that increase traffic congestion in New Jersey.

Moratoria on new home construction in Maryland push housing development into Pennsylvania, potentially leading to more pollution discharge into the Chesapeake Bay.
Networking at Regional & National Levels

5. Meetings Attended and Presentations Made
(*=supported with non-Center funds)


Western Regional Science Association’s 43rd annual meeting Wailei, Maui, HI, February 25 – March 1, 2004, presentation On the Determinants of Out-Migration from the Northeast U.S. Presented by Dr. Martin Shields; also networked with Census Bureau representatives.

Sponsored an organized paper session on “State Job Creation Options,” at the Southern Regional Science Association (SRSA) annual conference, New Orleans, LA, March 11-12, 2004; also presented two papers in that session.

Served as Panel Presenter & Discussant at Northeast Regional Workshop on USDA-CSREES National Research Initiative Competitive Grant Funding, Philadelphia, PA, April 8-9, 2004, “Perspectives of an Applicant and Reviewer.”

Sponsored and Hosted Extension Land Use Workshop, Days Inn, State College, PA, May 5-6, 2004 (follow up to the 2003 workshop – see Item 1. above).

Attended Economic Development Administration (EDA) Forum, Ramada Inn, State College, PA, May 20, 2004; discussion of EDA strategic planning process and cluster development.

*Attended Center for Rural Pennsylvania meeting, Harrisburg, PA, June 7, 2004, as member of the Board of Directors; travel supported by Center for Rural PA.


Attended Meeting between Cornell Cooperative Extension and visiting delegation from New Hampshire, Ithaca, NY, June 20-21, 2004; also met with CALS Director of Extension and Associate Director for Research, as well as Agri. Economics, Development Sociology, and CARDI faculty to discuss land use issues.


*Provided testimony at the NAREEE Listening Session, College Park, MD, July 28-29, 2004, on Rural/Urban Interface Issues Related to Water Quality in the Chesapeake Bay Area; travel sponsored by NAREEE (National Agricultural Research, Extension and Economics Advisory Board).

*Presented at 2004 American Agricultural Economics Association meeting, Denver, CO, August 1-4, 2004; on Wal-Mart™ and Rural Poverty; networking opportunities on poverty issues; also chaired a principal paper session on poverty and economic development; held in conjunction with Community Economics Network annual meeting; travel supported by USDA/NRI Grant.

*Presented at The 67th Annual Rural Sociological Society meeting, Sacramento, CA, August 11-15, 2004; on Second Homes Development – Causes and Impacts, and on Wal-Mart and Poverty; attended pre-conference workshop on Frameworks for Communicating Social Policies; travel supported by USDA/NRI Grant.
Attended the Rural Policy Research Institute’s (RUPRI’s) Rural Policy Consortium Meeting, Kansas City, MO, August 22-23, 2004; discussed formation of a national consortium of researchers and practitioners to address rural development issues.

Chaired ESCO P SSSC meeting, Washington, DC, September 9-10, 2004 (a small-group planning meeting).

Attended National Extension Public Policy Conference, St. Louis, MO, September 19-22, 2004; conference focus included entrepreneurship and self-employment, as well as watershed and water quality issues along the Missouri and Mississippi rivers.

Attended Community Capitals and Community Capacity Assessment Workshop, Ames, IA, October 11-12, 2004; hosted by North Central Regional Center for Rural Development.

Held Northeast Center Board of Directors Meeting, October 21-22, 2004, Baltimore, MD.

*Attended Center for Rural PA meeting, Harrisburg, PA, November 8, 2004, as member of the Board of Directors; travel supported by Center for Rural PA.

Attended University of Maryland’s 8th Annual Agricultural Outlook and Policy Conference, Laurel, MD, November 10, 2004. Provided background information on the impacts of development on rural communities for a presentation by UMd faculty member.

Organized and chaired annual meeting of Regional Rural Development Centers, November 11-12, 2004, Baltimore, MD. Meeting was attended by Center Board Chairs as well as foundation representatives.


Average Number of Page Views per Day of The NE Center's Website Feb. '99 - Dec. '04
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