



# Network09

A QUARTERLY NEWSLETTER FOR NORTHEAST RURAL DEVELOPMENT • SEPT 2009

FROM THE DIRECTOR

## Supporting Innovation in Specialty Crops Production and Distribution

Economist Paul Romer argues that the number of new products that could be created merely by combining existing chemicals in new ways is staggering. Even if the entire human race were put to work on such an effort, we would be in no danger of exhausting the possibilities for generations to come. Humans consistently underestimate the new products and better ways of doing things that lie just beyond the horizon.

Innovations can originate in the minds and laboratories of scientists, during professional business seminars, or at trade shows and farmers markets where consumers and producers share ideas for new or different types of foods. Valuable new ideas often arise by combining existing products in new ways. Consider the case of Johannes Gutenberg, inventor of the mechanical printing press which played a monumental role in spreading knowledge. In *Borrowing Brilliance: The Six Steps to Business Innovation by Building on the Ideas of Others* (Gotham Books 2009), David

*How does one encourage a sensor technologist to join a plant physiologist in developing an implantable water status monitor for grape vines? How can affinity networks be created across diverse disciplines to solve complex practical problems?*

Murray points out that Gutenberg adopted the mechanical gears used by winemakers and olive oil producers for his printing presses.

The most fertile and productive soils, on farms as in academia, are often found at the margins between different fields. However, the transactions costs

facing academics and business leaders seeking to collaborate in creating new products or in solving increasingly complex and trans-disciplinary problems also are significant. For example, how does

one encourage a sensor technologist to join a plant physiologist in developing an implantable water status monitor for grape vines? How does a plant physiologist meet a biomedical engineer to develop an in-field diagnostic system to detect a fungicide-resistant pathogen?

Under the leadership of Dr. Robert Seem of Cornell University at Geneva, and in partnership with USDA-CSREES,

*continued on page 2*

CONFERENCES

## NESAWG

It Takes A Region: A Working Conference to Build the Northeast Food System, will be held November 13-14, 2009 in Albany, NY.

The conference will draw upon the exciting efforts already underway in our region and nationally, including alternative supply chain networks, research projects, infrastructure initiatives and policy education.

Logistics, registration and program available at: <http://www.ittakesaregion.org/>



**NESAWG**  
The Northeast Sustainable Agriculture Working Group

## Specialty Crops Technology Conference

The 3rd annual international advanced technology food & agriculture conference, December 3-4, 2009, in Rochester, NY.

The unique feature of this conference is that people who never would have crossed paths otherwise have an opportunity to meet and start to solve problems involving the production and distribution of specialty crops (see adjacent column).

To register, please visit [www.factny.org](http://www.factny.org) or contact: Susan Noble at: 315-781-0070.

The Technology Farm ([www.thetechnologyfarm.com](http://www.thetechnologyfarm.com)), and the Infotonics Technology Center ([www.itcmems.com](http://www.itcmems.com)), the Northeast Center is co-sponsoring an exciting conference on specialty crops that seeks to bring together individuals who otherwise would never meet.\* These crops are a diverse and valuable component of US agriculture but the many challenges to producing and marketing them tend to be overshadowed by those in major crops. Challenges occur in production, pest protection, processing, food safety, marketing, and distribution. The producers and processors affected by these challenges are often small businesses, and they also face emerging concerns such as environmental standards, traceability, and verification of safe production and products.

The International Advanced Technology, Food and Agriculture Conference ([www.factny.org](http://www.factny.org)) will bring together representatives from small to large technology companies and research centers who share an interest in investigating the challenges within specialty crops. The conference will allow participants to see the *big picture* about specialty crops and their challenges and the role that new technologies might play. It also focuses on individual specialty crops and their specific challenges, and on common areas of production, protection, processing, distribution and marketing. A key outcome of the conference will be a road map of how new technology can lead to better, safer, more healthful specialty crops. Of particular interest to the Northeast Center is to use social network analysis at the conference to understand how so-called affinity networks can be encouraged across diverse disciplines to solve complex problems.

This conference builds on an earlier NSF-funded New Knowledge

Fusion Project, and the conference organizers seek broad representation from all Northeastern states, and beyond. For further information, please visit the web-site listed on page 1 under the Conference Announcement or contact us directly.

Stephan J. Goetz

\*Portions of this article are drawn from the conference flyer.

## NEWS RELEASE

## Broadband Study

USDA Study Finds Rural Communities Benefit from Greater Broadband Internet Access  
Washington, August 18, 2009 – A new USDA economic analysis has found that rural communities with greater broadband Internet access had greater economic growth than areas with less access. The study, 'Broadband Internet's Value for Rural America' by economists at USDA's Economic Research Service, compared counties that had broadband access relatively early - by 2000 - with similarly situated counties that had little or no broadband access. Employment growth was higher and non-farm private earnings greater in counties with a longer history of broadband availability.

Copies of 'Broadband Internet's Value for Rural America' are available at:

[www.ers.usda.gov/publications/err78](http://www.ers.usda.gov/publications/err78)



## RDP 45

Natural Amenities and Rural Development: The Role of Land-Based Policies, David A. Fleming, David A. McGranahan and Stephan J. Goetz

Although natural amenities are generally not considered as a program outcome in the US (at least not formally at the Federal level), environmental and ecological programs have important socioeconomic consequences that need to be identified. This paper examines, in the context of land use more broadly, how one would assess the socioeconomic outcomes of land-focused programs, and the barriers to such an assessment. We first summarize the pertinent literature on the effects of various amenities – including those subject to public policy change and those that are not – on socioeconomic factors. Then we describe the myriad State and Federal programs that affect land use as an amenity. One problem in evaluation is the large and diverse number of actors involved in land use policy, including State, local and private conservancy programs. A further gap in knowledge is the extent to which States see land-use programs as having socioeconomic impact, and the sizes of these State/local/nonprofit programs. We conclude with a discussion of key factors that need to be taken into account and a proposed framework to evaluate the effects of land-based policies on the provision of amenities and on socioeconomic conditions.

<http://mercrd.psu.edu/Publications/rdppapers/rdp45.pdf>

## REPORT

Healthy Food For All: Building Equitable and Sustainable Food Systems in Detroit and Oakland, Sarah Treuhaft, PolicyLink and Michael J. Hamm and Charlotte Litjens, Michigan State University. Full Report is available at: [www.policylink.org/](http://www.policylink.org/)

## RDP 46

### Evaluating Rural Entrepreneurship Policy,

Stephan J. Goetz, Mark Partridge and Steven C. Deller, June 28, 2009 (revised)

Interest in entrepreneurship and policy to influence entrepreneurial behavior has increased dramatically in recent years among academics and some practitioners.

In this paper, we examine the position of entrepreneurship in economic development, using cross-country evidence. This is followed by a conceptual framework embedded in new growth and agglomeration theories. The framework is valuable for sorting out different types of entrepreneurship and extracting key policy-relevant variables. We present greater detail on data sets available within the US for potential policy evaluation, distinguishing among different geographic levels. We finally review existing entrepreneurial development programs, including those of Small Business Administration (SBA), Kellogg and the Appalachian Regional Commission, and outline econometric studies that could be helpful in evaluating entrepreneurial policy and suggest further research topics.

<http://nercrd.psu.edu/Publications/rdppapers/rdp46.pdf>

### CONFERENCE

## NACDEP 2010

“Building Bridges for Sustainable Communities,” will be held April 12-14, 2010, in Bloomington, Minnesota.

<http://nacdep.net/>



## Marcellus Shale

Emerging Trends in the Marcellus Shale, Jeffrey Jacquet and Richard Stedman, Cornell University

### What is the Issue?

The Marcellus Shale is a geologic shale bed that extends across much of Pennsylvania (PA) and southern New York State (NYS), and is estimated to contain one of the world's largest deposits of natural gas. Despite reduced natural gas commodity prices in the fall of 2008 and the current economic recession, natural gas development continues in many areas of PA. In particular, Bradford and Susquehanna counties, just south of the NYS border, have experienced some of the most intense drilling in all of the Marcellus Shale. Energy companies plan to nearly double the number of drilling rigs by the end of the year, with more increases projected in the years to follow. Given the larger current economic considerations, this development illustrates the attractiveness of market proximity and the quality of Marcellus Shale gas, and portends what may lie ahead for NYS. Development of the Marcellus Shale natural gas requires “unconventional” extraction methods. The increased depth, horizontal drilling techniques, and hydraulic-fracturing are much more industrial, labor-intensive, and time-intensive than the conventional, shallow-gas drilling historically used in the region. And, compared to shallow gas wells, the royalties from producing gas wells can provide land owners with much larger incomes. Given all of these issues and the pace and scale of development occurring in PA, the Marcellus Shale has the potential to create significant environmental, land use, economic, and social changes in the communities of NYS's southern tier. While development activity in PA is increasing rapidly, the NYS Department of Environmental Conservation (DEC) has put an effective “moratorium” on Marcellus Shale development

within NYS as the agency completes a review of the state's regulatory policy towards these unconventional drilling methods. The DEC's policy document, called the Supplemental Generic Environmental Impact Statement (or SGEIS) is expected to be released in final form by the fall of 2009.

Research & Policy Brief Series Issue Number 30/July 2009

<http://devsoc.cals.cornell.edu/cals/devsoc/outreach/cardi/publications/upload/07-2009-RPB.pdf>

### FUNDING INFORMATION

## SARE Grants

Northeast SARE and the Northeast Center are again partnering to offer Sustainable Community Grants.

To apply, you must be affiliated with Cooperative Extension, NRCS, a municipality, a state department of agriculture, a college or university, a community organization, or other institutional entity. 2010 proposals are due November 24, 2009.



Information is available at: <http://nesare.org/get/sustainable-community/>

## USDA RD Programs

Harnessing USDA Rural Development programs to support local and regional food systems

Further information on the program is available at: <http://nercrd.psu.edu/LocalFoods/USDA.RegFoods.pdf>

The Northeast Regional Center for Rural Development  
Penn State University  
7 Armsby Building  
University Park, PA 16802-5602  
(814) 863-4656  
(814) 863-0586 FAX

Nonprofit  
Organization  
U.S. Postage  
PAID  
State College, PA  
Permit No. 1

#### NORTHEAST CENTER STAFF

Dr. Stephan J. Goetz	Director
Heidi Mouillesseaux-Kunzman	Associate Director
Mary Peabody	Associate Director
Walter Whitmer	Associate Director
Pamela A. Hearn	Business and Web Manager
Pamela K. Hileman	Administrative Support Assistant
Kristi D. Thompson	Administrative Support Assistant

The Northeast Center is one of four regional rural development centers in the nation that focus specifically on rural challenges and opportunities. The Northeast Center provides support to the experiment stations and extension services of sixteen land-grant institutions in twelve northeastern states and the District of Columbia. The Center receives core funds from USDA-CSREES and the Northeastern Regional Association of State Agricultural Experiment Station Directors. Any opinions expressed in Center publications are strictly those of the authors and do not necessarily reflect the positions of funders.

#### STAFF UPDATE

## Center Staff Update

We are pleased to welcome Heidi Mouillesseaux-Kunzman and Mary Peabody to the Northeast Regional Center as half-time Associate Directors.

Heidi will remain at Cornell University where she is Community Development Coordinator and Extension Support Specialist at the Community and Rural Development Institute (CaRDI). Heidi can be contacted at: 607-255-0417 or [hmm1@cornell.edu](mailto:hmm1@cornell.edu)

Mary will stay at the University of Vermont where she is an Extension Specialist in Community Development. Mary can be reached at: 802-223-2389 x13 or [mary.peabody@uvm.edu](mailto:mary.peabody@uvm.edu)

#### MAGAZINE

## CHOICES Magazine

Choices is an online peer-reviewed magazine published by the Agricultural & Applied Economics Association for readers interested in the policy and management of agriculture, the food industry, natural resources, rural communities, and the environment. Online subscriptions are free of charge.

<http://www.choicesmagazine.org/magazine/issue.php>



## Electronic Copy Available

If you would prefer to receive this newsletter electronically, please send your e-mail address to [pkb4@psu.edu](mailto:pkb4@psu.edu)

*Penn State Multimedia and Print Center, 3025, 09/09 (24:3)*