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**RURAL ECONOMIC DEVELOPMENT: ALTERNATIVES IN THE NEW  
COMPETITIVE ENVIRONMENT**

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**Reporting period:** 10/01/2000 to 09/30/2001

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**Progress Report:**

Completed food sector growth for German industry with U.S. comparison. While the food industry in Germany is going through a period of concentration resulting in a declining number of establishments for several industries, factors driving location are similar to those in the U.S. Population agglomeration and highway infrastructure are dominant factors. Completed agricultural cooperative study finding that successful cooperatives have merged and taken on more business lines serving non-member customers as a survival strategy. Further, in remote rural areas, cooperatives are a critical source of local income and employment in addition to their contribution to the farm production supply chain. Continued work on the functional food industry is building on industry awareness survey. Initiated analysis of consumer survey data to assess attitude toward the long-term health benefits of various food types to assess the relationship of socioeconomic characteristics and health attributes to attitudes. Completed data collection for Indiana manufacturing sector assessment. Are now in the process of data entry and will begin data analysis in late fall. The research is assessing how issues related to technology, labor, and strategic alliances influence the sustainability of rural manufacturing establishments.

**Publications:**

Brunet, Alexia, Larry DeBoer and Kevin T. McNamara. "Community Choice Between Volunteer and Professional Fire Departments." *Nonprofit and Voluntary Sector Quarterly*, 30(1): 26-50, 2001.

Drescher, Klaus, and Kevin T. McNamara. "Cost Factors, Market Structure, Agglomeration and Infrastructure, and Local Growth in Germany." *Review of Regional Research*, 21(2): 153-169, 2001.

Drescher, Klaus and Kevin T. McNamara. "Market Power in Regional Retail Gasoline Markets? An Empirical Analysis." *Journal of Economics and Statistics*, 22(1): 1-13, 2001.

McKinnis, David R., Kevin T. McNamara, Thomas Kuczek, and Gavriel Salvendy. "The Instructional Benefits From Faculty Participation in Industrial Outreach." *Journal of Engineering Education*, July: 429-435, 2001.

Watkins, Bruce A., and Kevin T. McNamara. "Indiana Food Industry Functional Foods Assessment ." Center for Enhancing Foods to Protect Health, Purdue University. May, 2001.

Vandeburg, Jennifer, Joan Fulton, Susan Hine, and Kevin T. McNamara. "What Do Locally Owned Cooperatives in Indiana Look Like? Purdue Agricultural Economics Report, Purdue Cooperative Extension Service, page 8-12, West Lafayette, Indiana, December, 2000.

Vandeburg, Jennifer, Joan Fulton, Susan Hine, and Kevin T. McNamara. "Local Cooperative Restructuring." Purdue Agricultural Economics Report, Purdue Cooperative Extension Service, page 8-12, West Lafayette, Indiana, February, 2001.

**Impact:**

The agricultural cooperative research is being used to illustrate the importance of cooperatives to rural communities as sources of community income and employment, and to help cooperative managers assess the benefits of expanding lines of business to maintain competitiveness. The food manufacturing location/growth research is being used to help economic development professionals assess the probability of food industry/agribusiness recruitment as a development strategy. Some, remote, rural communities are not necessarily competitive locations for agribusiness or food processing establishments.