

NE-162

Annual Report " 2001 (North Dakota)

Progress:

The impacts of new agricultural processing plants on rural communities are evaluated through data collected from community leaders, company officials, and area residents in four North Dakota towns that are the sites of new agricultural processing facilities, developed during the 1990s. Study results indicated that improved job opportunities and enhanced incomes were generally seen as major positive effects of each of the new processing plants. Residents'™ incomes were enhanced both by the plants'™ jobs and payroll (which often represented second incomes for area households) and by increased incomes for area farmers (either from dividends paid directly by the processing plants, or from higher prices for a crop already being produced, or by allowing producers to raise a commodity that previously had no viable market). Because most of the plant jobs were taken by persons already living in the area, the new plants did not lead to substantial in-migration or major population growth in the host communities, but rather served to stabilize the local economy and population (or to slow the rate of decline). Of all the effects of the plants, only air quality and water quality were more often rated as negative than positive by local residents. However, interviews with community leaders indicated that even these effects did not constitute major problems or issues. Results were published as two journal articles and a departmental report.

Impact:

The impact of the project includes increased economic information for state and local decision makers concerning the effects of expansion of the agricultural processing sector in the state. Specifically, this information can be useful when decisions are made regarding alternative uses of state and local resources to support development efforts.

Publications:

Coon, Randal C., and F. Larry Leistritz. 2001. Economic Impact of Production and Processing of Irrigated Potatoes in Central North Dakota. Agribusiness and Applied Economics Report No. 452. Fargo: NDSU Dept. of Agribusiness and Applied Economics.

Leistritz, F. Larry, and Randall S. Sell. 2000. Socioeconomic Impacts of Agricultural Processing Plants. Rural America 16 (1): 27-34.

Leistritz, F. Larry, and Randall S. Sell. 2001. Socioeconomic Impacts of Agricultural Processing Plants. Journal of the Community Development Society 32 (1): 130-159.