AGRICULTURAL AND RESOURCE ECONOMICS REVIEW

Place-Based Economic Policy: Innovation or Fad? / Thomas G. Johnson

A Consumption Base Theory of Development: An Application to the Rural Cultural Economy / *Ann Markusen*

Spatial Analysis of Rural Economic Development Using a Locally Weighted Regression Model / Seong-Hoon Cho, Seung Gyu Kim, Christopher D. Clark, and William M. Park

What Is Historic Integrity Worth to the General Public? Evidence from a Proposed Relocation of a West Virginia Agricultural Mill / *Vishakha Maskey, Cheryl Brown, Alan R. Collins, and Hala F. Nassar*

The Emergence of Rural Artistic Havens: A First Look / Timothy R. Wojan, Dayton M. Lambert, and David A. McGranahan

The Effects of Workforce Creativity on Earnings in U.S. Counties / *Todd M. Gabe, Kristen Colby, and Kathleen P. Bell*

Net Gains from 'Net Purchases? Farmers' Preferences for Online and Local Input Purchases / Marvin T. Batte and Stan Ernst

Can Health Care Services Attract Retirees and Contribute to the Economic Sustainability of Rural Places? / James F. Oehmke, Satoshi Tsukamoto, and Lori A. Post

Amenities and Rural Appalachia Economic Growth / Steven Deller and Victor Lledo

Ambient Returns: Creative Capital's Contribution to Local Manufacturing Competitiveness / *Timothy R. Wojan and David A. McGranahan*

Regional Growth Impacts on Agricultural Land Development: A Spatial Model for Three States / *Yohannes G. Hailu and Cheryl Brown*

Published by the Northeastern Agricultural and Resource Economics Association Volume Number

36/1

April 2007

The Agricultural and Resource Economics Review (ISSN 1068-2805) (formerly the Northeastern Journal of Agricultural and Resource Economics, ISSN 0899-367X) is the official publication of the Northeastern Agricultural and Resource Economics Association (NAREA). The purpose of the Review is to foster and disseminate professional thought and literature relating to the economics of agriculture, natural resources, and community development. It is the editorial policy of the ARER to encourage manuscript submission without regard to author affiliation and/or location. The ARER is published in April and October. In addition to normal refereed articles, it also publishes invited papers presented at the annual meetings of the NAREA as well as abstracts of selected papers presented at those meetings. It periodically calls for articles written on a specific topic. Membership dues include a subscription to the Review and are \$25.00 per year for regular membership and \$5.00 per year for students. The single-copy price is \$15.00 per issue. The library (or institutional) subscription price is \$125 per year.

Address all manuscripts and editorial material to Dr. Titus O. Awokuse and Dr. Joshua M. Duke at the University of Delaware. Please see inside back cover for submission instructions.

Address requests for membership, subscriptions, and changes of address to:

Dr. Douglas E. Morris NAREA Secretary-Treasurer Department of Resource Economics and Development 316 James Hall 56 College Road University of New Hampshire Durham, NH 03824-3589 e-mail: dr.doug@unh.edu

Copyright © 2007 by the Northeastern Agricultural and Resource Economics Association. No article or other material appearing in the *Agricultural and Resource Economics Review* may be republished in full or in part without the written permission of the editor or the NAREA Secretary-Treasurer.

PUBLISHED BY THE NORTHEASTERN AGRICULTURAL AND RESOURCE ECONOMICS ASSOCIATION

PRINTED BY THE SHERIDAN PRESS, INC., HANOVER, PENNSYLVANIA

AGRICULTURAL AND RESOURCE ECONOMICS REVIEW

Volume 36 / Number 1
April 2007

Lori Lynch and Wesley N. Musser, Co-Editors University of Maryland

> Liesl Koch, Technical Editor College Park, Maryland

EDITORIAL BOARD

David Abler, Pennsylvania State University Titus Awokuse, University of Delaware Kathleen Bell, University of Maine Richard Boisvert, Cornell University Cheryl Brown, West Virginia University Julie Caswell, University of Massachusetts Steven C. Deller, University of Wisconsin Brent Gloy, Cornell University Ken Leonard, University of Maryland Doug Lipton, University of Maryland Jim Opaluch, University of Rhode Island Mario Teisl, University of Maine

ASSOCIATION OFFICERS

PRESIDENT	.Harry Kaiser, Cornell University
PRESIDENT-ELECT	Stephen Smith, Pennsylvania State University
PAST PRESIDENT	.Tim T. Phipps, West Virginia University
SECRETARY-TREASURER	Douglas E. Morris, University of New Hampshire.

EXECUTIVE COMMITTEE

Kathleen P. Bell, University of Maine	David Just, Cornell University
Director, 2005–2008	Director, 2006–2009
Joshua M. Duke, University of Delaware	Susan Leetmaa, Office of Management and Budget
Director, 2004–2007	Government Representative (ex-officio)
Jacqueline Geoghegan, Clark University	Cynthia Nickerson, USDA/ERS
Director, 2005–2008	Director, 2004–2007
Robert Johnston, University of Connecticut, Avery Point	Robert Yonkers, International Dairy Foods Association
Director, 2006–2009	Industry Representative (ex-officio)

AGRICULTURAL AND RESOURCE ECONOMICS REVIEW

Volume 36 / Number 1 April 2007

Contents

Some papers in this volume were presented at the Opportunities and Challenges Facing the Rural Creative Economy Workshop of the NAREA annual meetings, Mystic, Connecticut, June 13–14, 2006.	
Foreword	
Special Issue on Opportunities and Challenges Facing the Rural Creative Economy / <i>Todd Gabe</i>	iii
Invited Papers	
Place-Based Economic Policy: Innovation or Fad? / Thomas G. Johnson	1
A Consumption Base Theory of Development: An Application to the Rural Cultural Economy / Ann Markusen	9
Contributed Papers	
Spatial Analysis of Aural Economic Development Using a Locally Weighted Regression Model / Seong-Hoon Cho, Seung Gyu Kim, Christopher D. Clark, and William M. Park	24
What Is Historic Integrity Worth to the General Public? Evidence from a Proposed Relocation of a West Virginia Agricultural Mill / Vishakha Maskey, Cheryl Brown, Alan R. Collins, and Hala F. Nassar	
The Emergence of Rural Artistic Havens: A First Look / Timothy R. Wojan, Dayton M. Lambert, and David A. McGranahan	53
The Effects of Workforce Creativity on Earnings in U.S. Counties / Todd M. Gabe, Kristen Colby, and Kathleen P. Bell	71
Net Gains from 'Net Purchases? Farmers' Preferences for Online and Local Input Purchases / Marvin T. Batte and Stan Ernst	84
Can Health Care Services Attract Retirees and Contribute to the Economic Sustainability of Rural Places? / James F. Oehmke, Satoshi Tsukamoto, and Lori A. Post	95
Amenities and Rural Appalachia Economic Growth / Steven Deller and Victor Lledo	107
Ambient Returns: Creative Capital's Contribution to Local Manufacturing Competitiveness / Timothy R. Wojan and David A. McGranahan	133
Regional Growth Impacts on Agricultural Land Development: A Spatial Model for Three States / Yohannes G. Hailu and Chervl Brown	149

The NAREA Rural Creative Economy workshop received funding from the Northeast Regional Center for Rural Development.