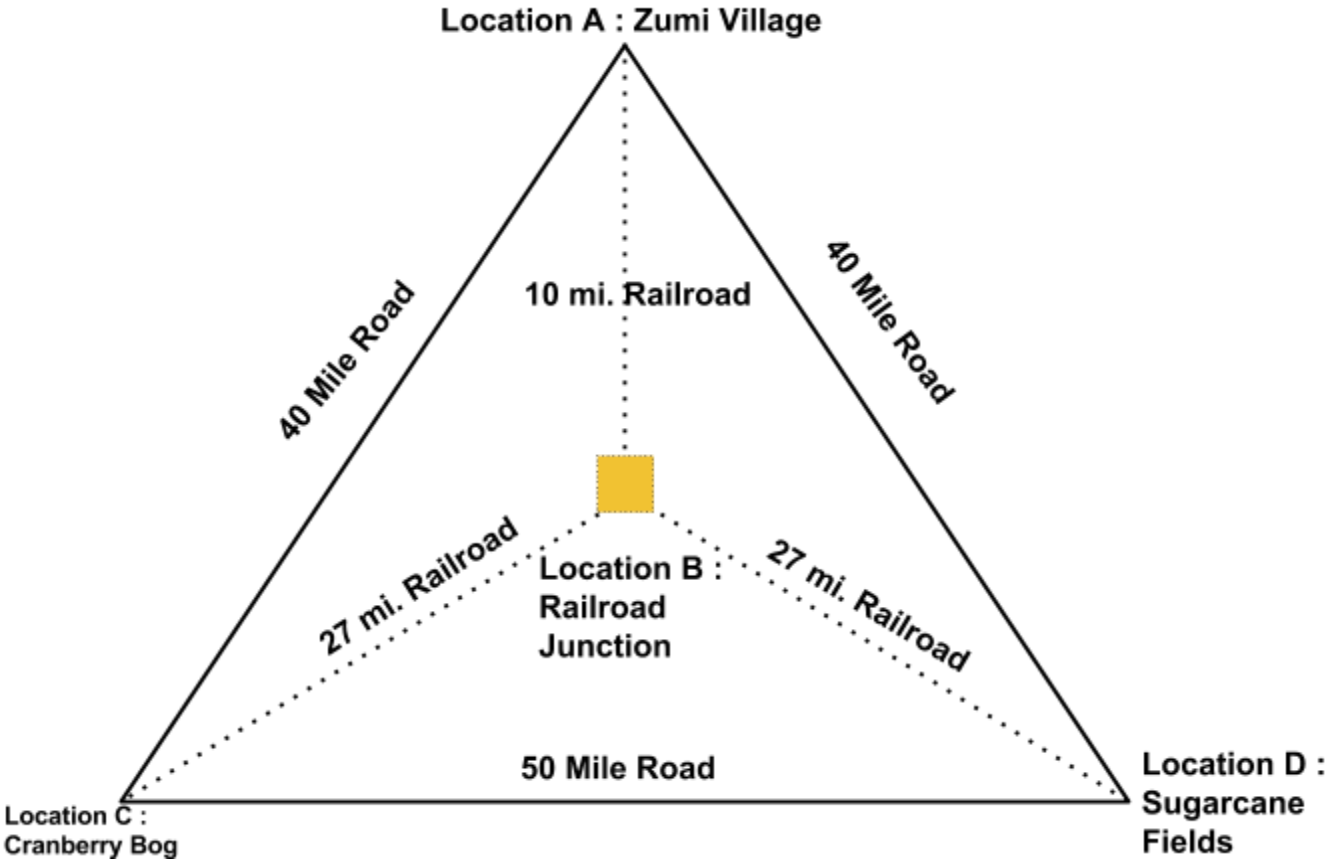
Location Theory Practice

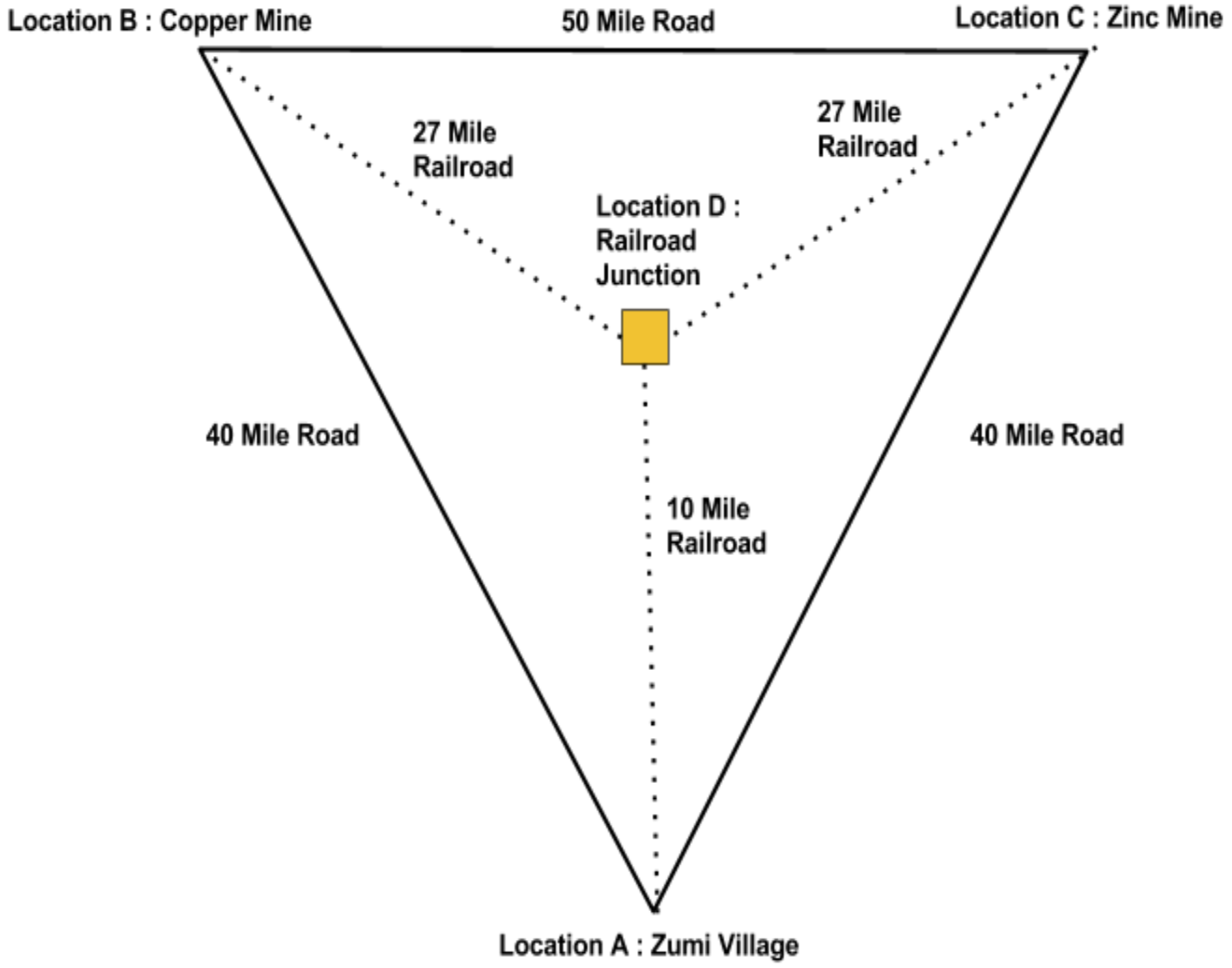
This activity focuses on Alfred Weber's Least Cost Theory. You will only consider transportation costs when placing the different industries. Keep in mind what product is material-oriented, and what is market-oriented. This will help you narrow down likely locations to place the industries.

Zumi village has a new cranberry juice bottling plant. You have to decide where it should be located. You need to place the plant in the location which will have the lowest transportation cost. You have to get the raw materials to the bottling plant and then the bottles to the village. For example, if you place the plant at Location C, you must get the sugar to the location, and the juice is bottled there. Then you must get the juice to Zumi village.



Material (per case)	Road Transport Cost	Rail Transport Cost
Cranberries	$.12/mile	$.10/mile
Sugar	$.07/mile	$.04/mile
Bottled Cranberry Juice	$.30/mile	$.27/mile

Zumi village also has a brass plant. Zumi village is pretty neat in that there just happens to be a copper mine and zinc mine nearby (along with that cranberry bog and sugarcane field). These are the raw materials that are needed to make brass. Where should the brass plant be placed, so that transportation costs are the lowest? The same goals apply here as they did with the cranberry juice plant.



Material (per ton)	Road Transport Cost	Rail Transport Cost
Zinc	$.34/mile	$.29/mile
Copper	$.40/mile	$.45/mile
Brass	$.35/mile	$.18/mile