Sean Russell - TA Matt

Professor Hill

Econ 202

October 5, 2014

Pumpkin Spice Latte

A decade ago, Starbucks introduced the pumpkin spice latte, greatly driving up demand for pumpkins and pumpkin flavored foods and beverages. In the last five years alone, pumpkin sales have increased by 34%. Similarly, acreage dedicated towards growing pumpkins has grown by a third. Pumpkin flavored beers are taking over store shelves, and all sorts of bizarre pumpkin flavored foods, from Oreos to Pringles, are appearing.

Demand for pumpkins has increased because of new consumer tastes. The supply is remaining the same, because there is no particular reason for supply to increase. *However*, quantity supplied definitely increased, as suggested by the increased amount of land used for cultivating pumpkins. Because demand is increasing, both the quantity of pumpkins and the price go up.

The article confirms that the quantity of pumpkins supplies has increased. However, it does not mention how the price has changed because of the increased demand. In this sense, the report is accurate, but incomplete.