

Cost per unit

5

10

15

20

25

Pounds of Coffee Produced

0.40





0.50





0.66











2





Quantity Supplied =

5

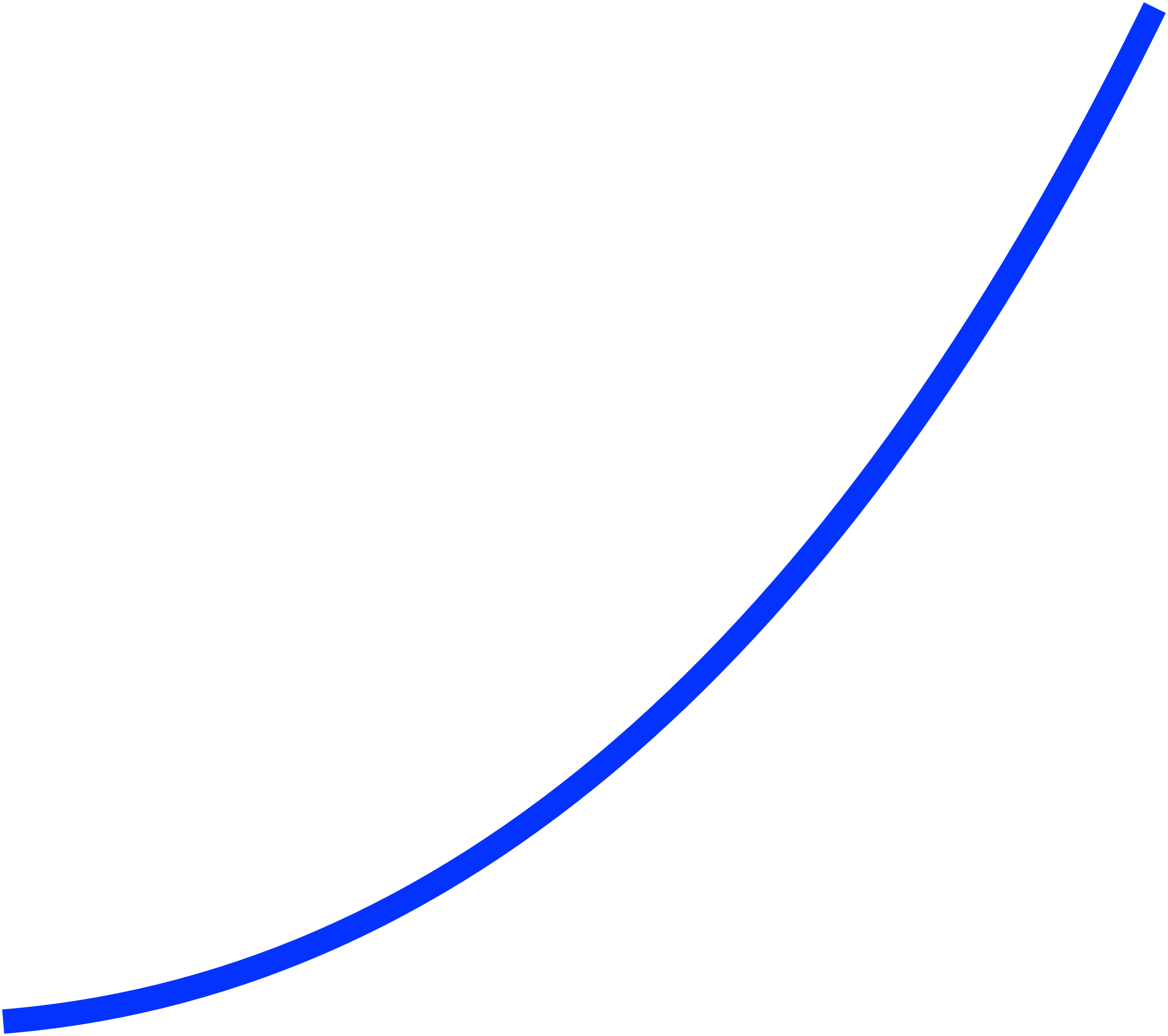
10

15

20

25





Supply

Price per unit









Quantity Supplied =

P = 0.40

P = 0.50

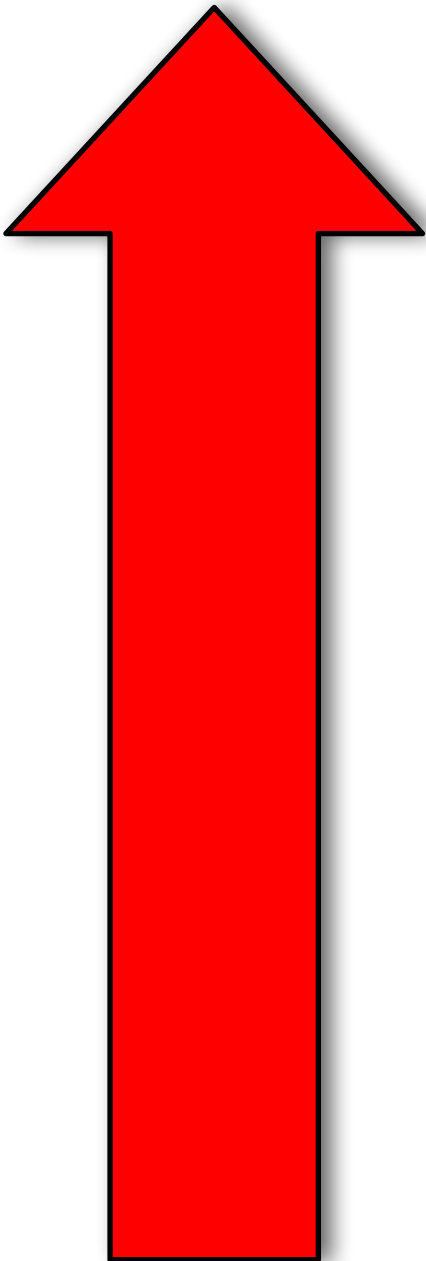
P = 0.66

P

=

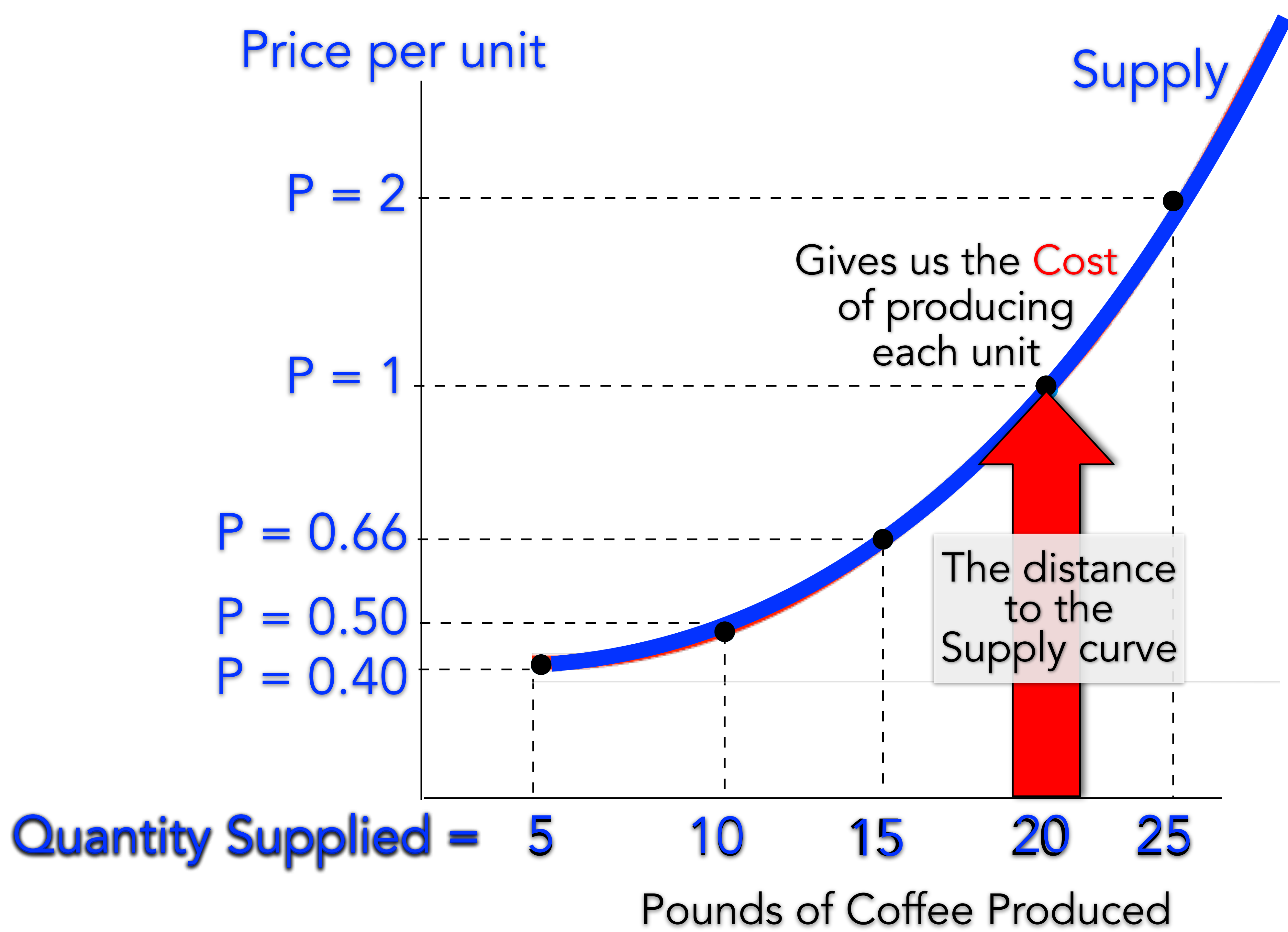
1

P = 2



The distance
to the
Supply curve

Gives us the **Cost**
of producing
each unit



How many many units **should** be produced?

