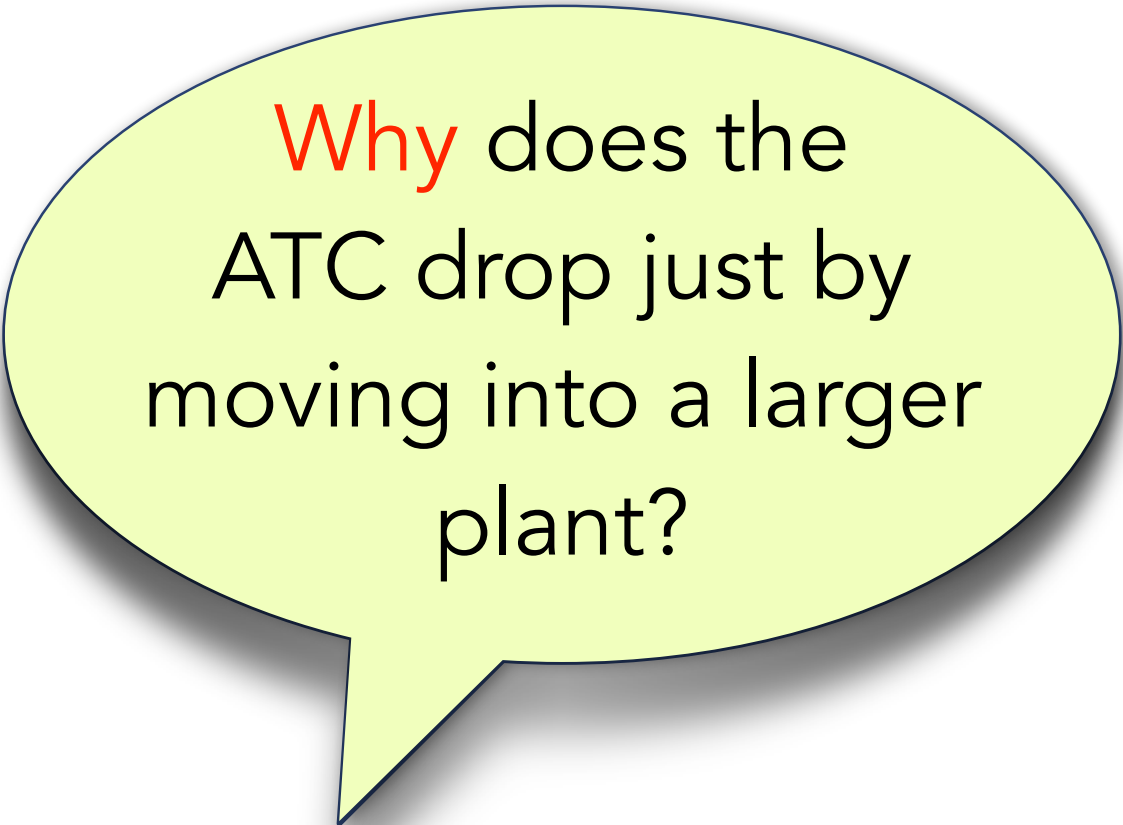




Increasing Returns to Scale

Reduction in costs
only possible with a
larger farm



Why does the
ATC drop just by
moving into a larger
plant?

Increasing Returns to Scale

Why does the ATC drop just by moving into a larger plant?

Reduction in costs only possible with a larger farm



Increasing Returns to Scale



Using tractors is only possible in a larger farm