

0.40



0.66



1



2



0.5



Cost per unit (eventually) increases

5

10

1

5

20

25

Pounds of Coffee Produced

0.40





0.50





0.66







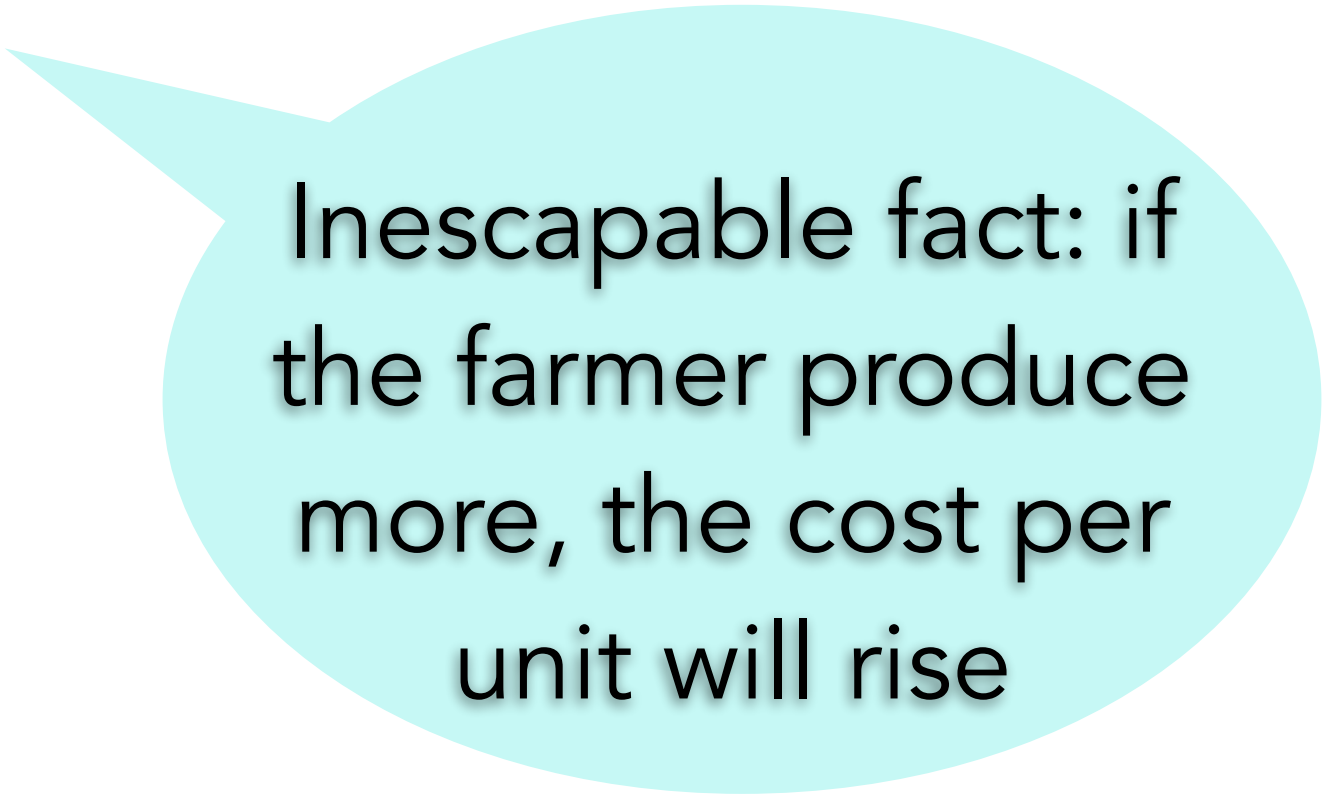




2

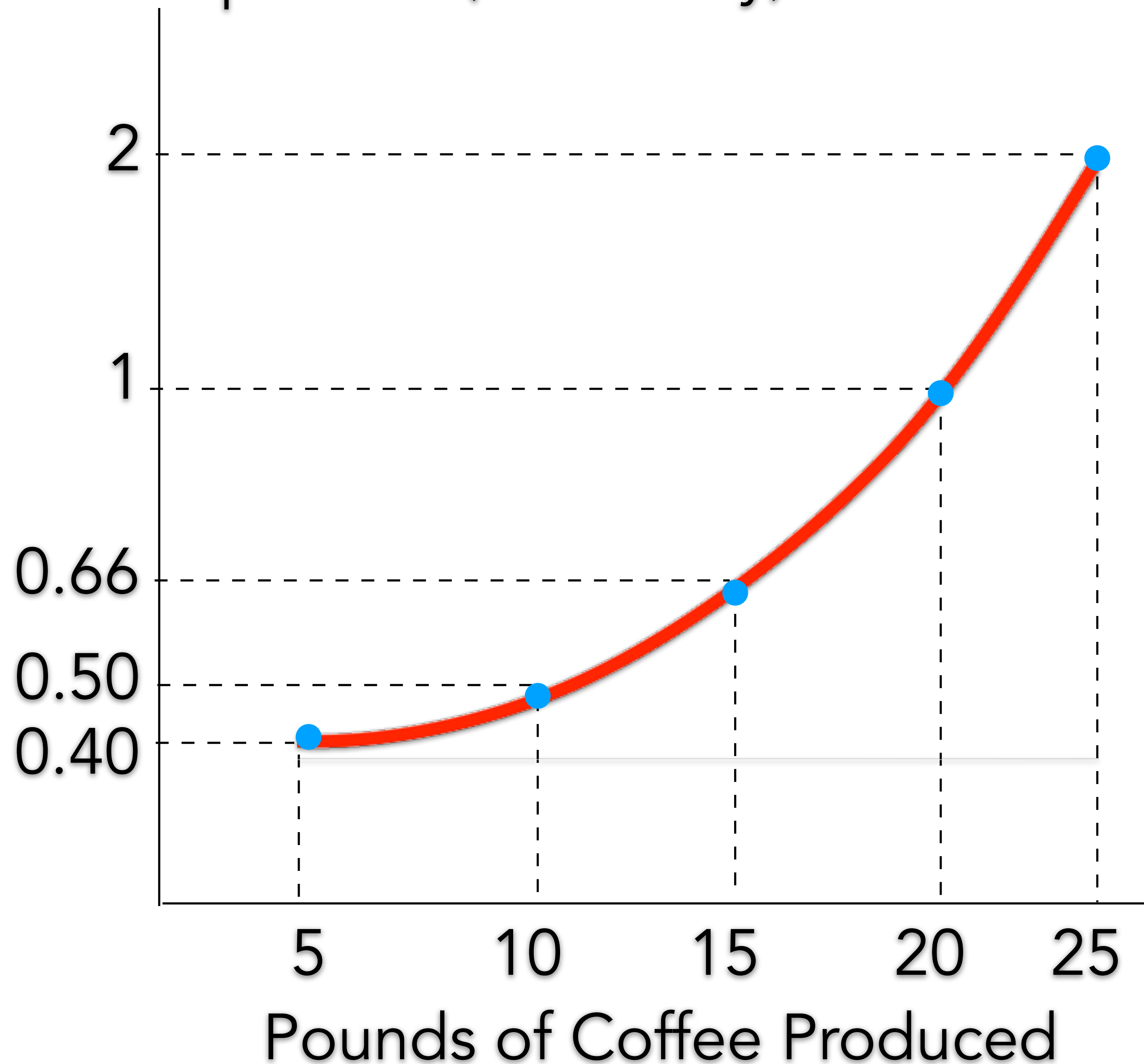






Inescapable fact: if
the farmer produce
more, the cost per
unit will rise

Cost per unit (eventually) increases



Inescapable fact: if the farmer produce more, the cost per unit will rise

Price is not the same as **Cost**!