

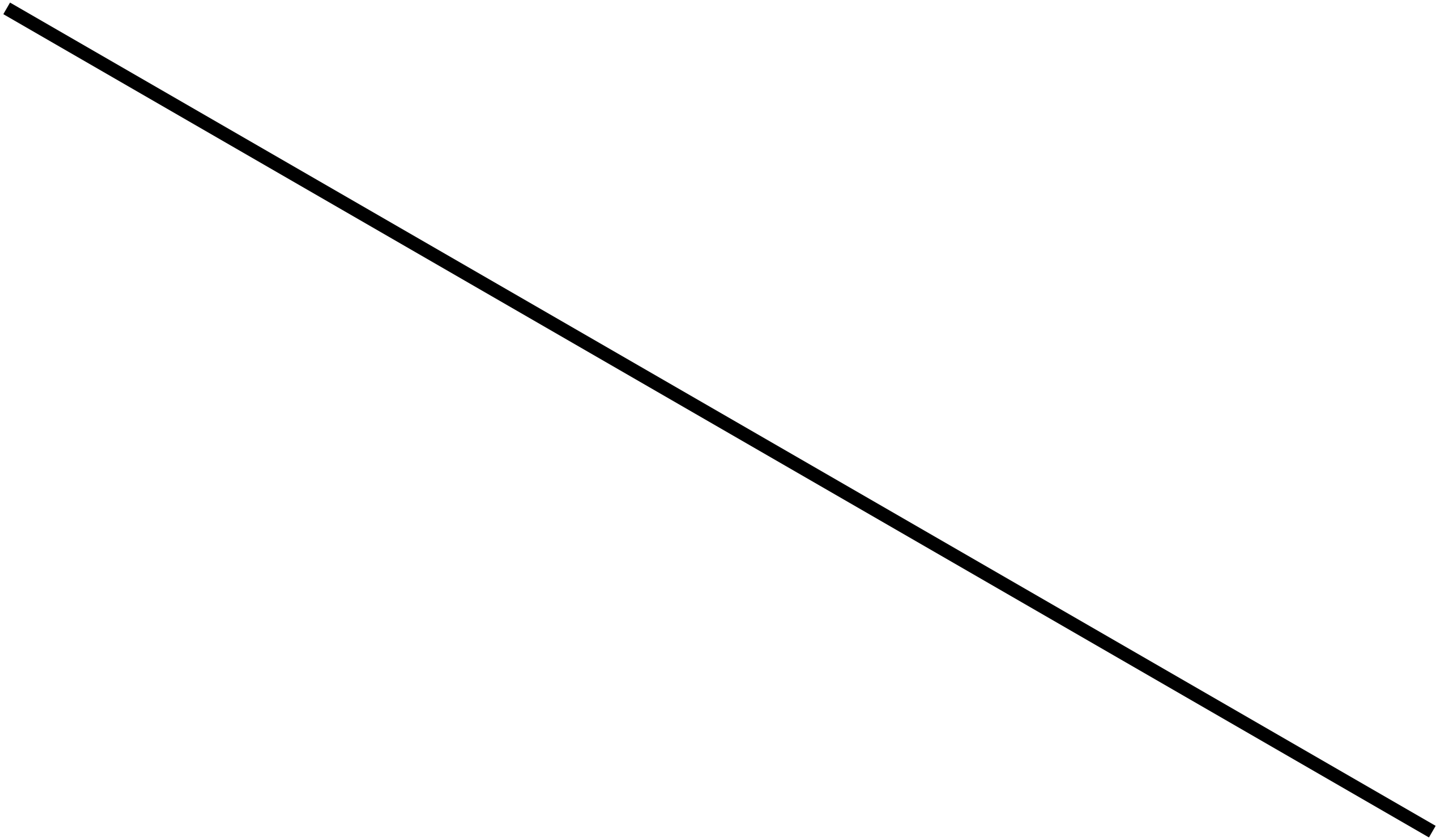
Purchase and Release

6

2





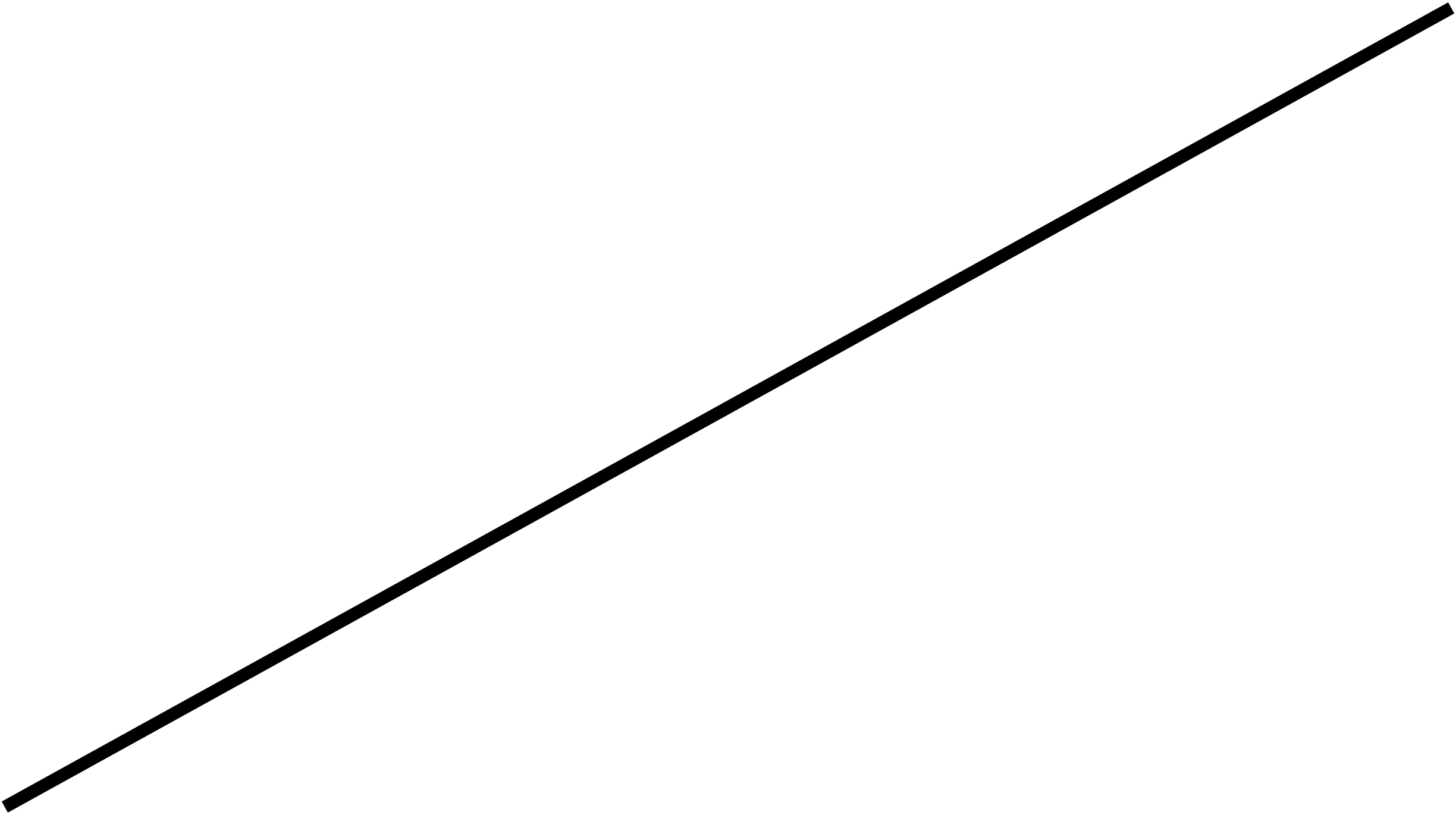


DO



So

\$1.5



40



20





\$2



6

0



\$0.5

\$

1



Government purchase the
surplus at \$2



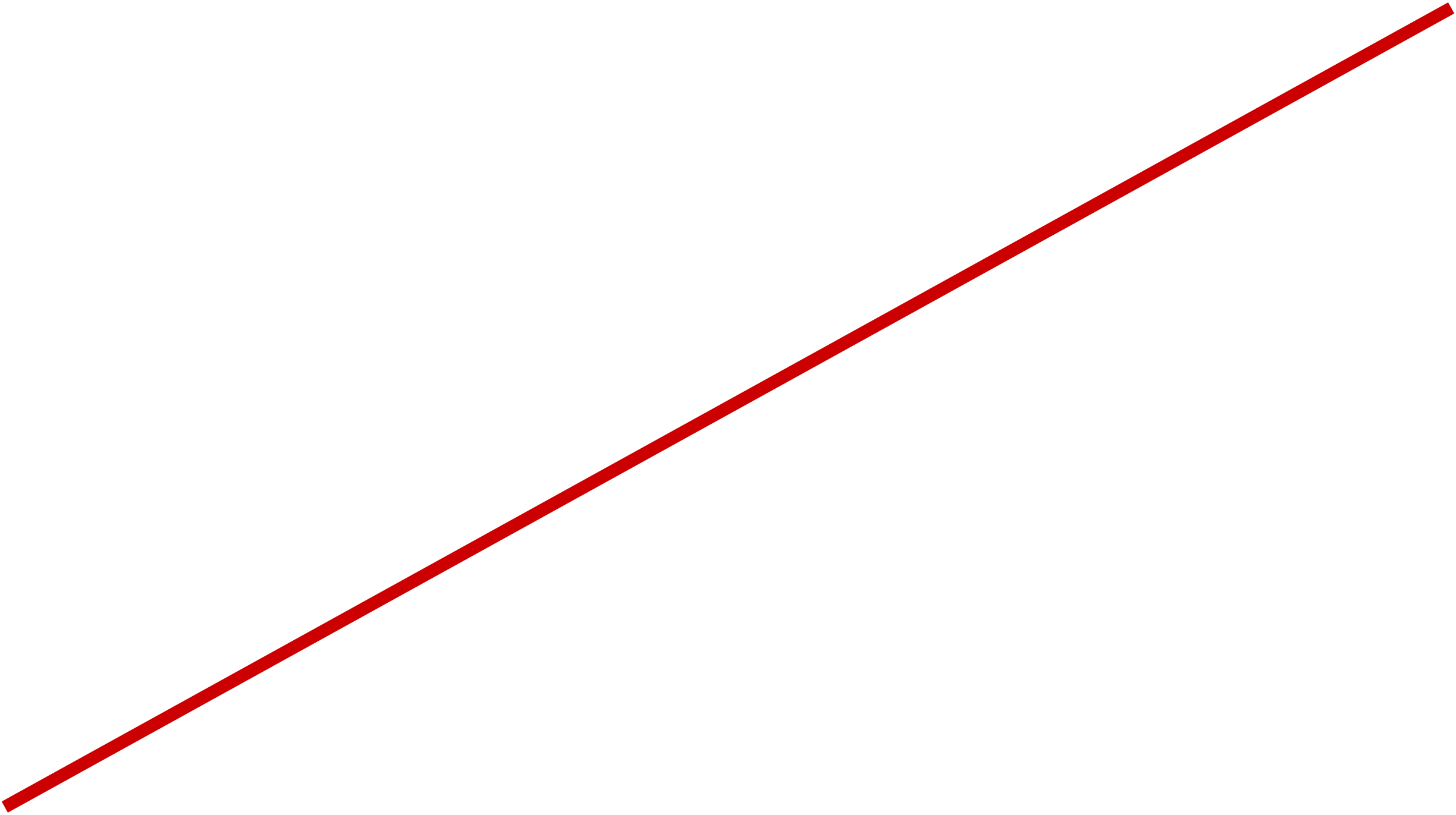
D₁

If the price in the market rises above

\$2



\$2.5





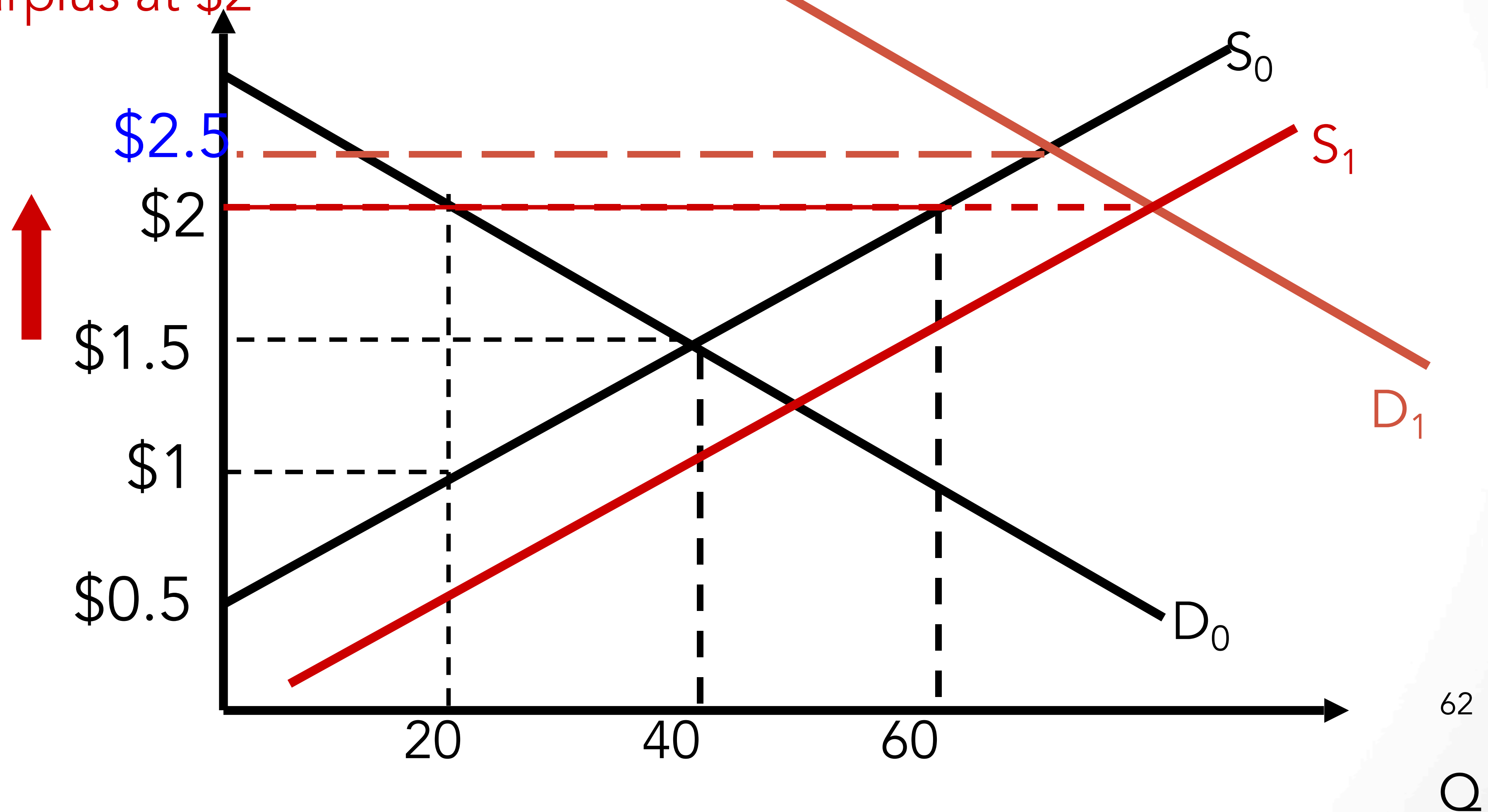
S1

The government releases the surplus until the price is \$2

Purchase and Release

If the price in the market rises above
\$2 The government releases the
surplus until the price is \$2

Government purchase the
surplus at \$2



Forms of Price Supports