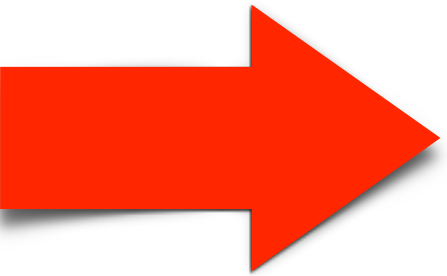




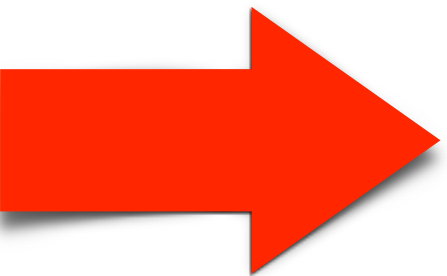
Price is not the same as Cost!

If the **Price** per unit is **higher**  
than the **Cost** per unit



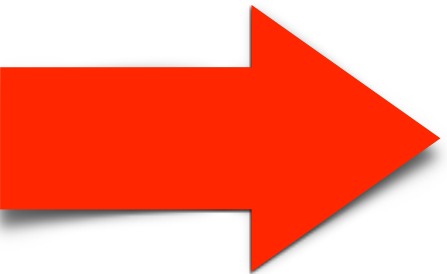
The farmer will make a  
**profit** and has an incentive  
to produce

If the **Price** per unit is **equal**  
to the **Cost** per unit



The farmer will **break even**  
and has no incentive to  
produce

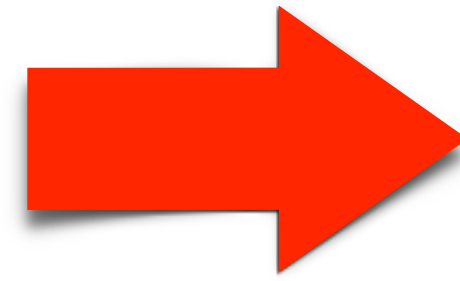
If the **Price** per unit is **lower**  
than the **Cost** per unit



The farmer will incur a **loss**  
and has no incentive to  
produce

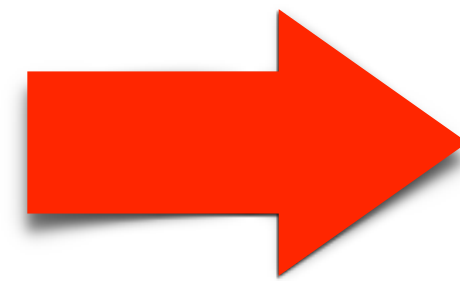
# Price is not the same as Cost!

If the **Price** per unit is **higher**  
than the **Cost** per unit



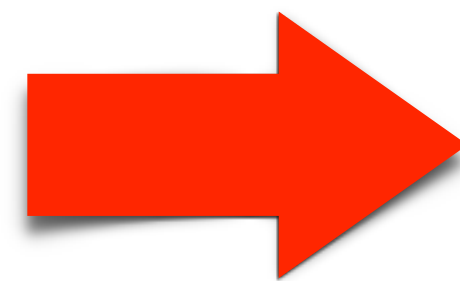
The farmer will make a **profit** and has an incentive to produce

If the **Price** per unit is **equal**  
to the **Cost** per unit



The farmer will **break even** and has no incentive to produce

If the **Price** per unit is **lower**  
than the **Cost** per unit



The farmer will incur a **loss** and has no incentive to produce



To produce more, a farmer adds more inputs to a ***fixed*** size farm

