

Forms of Price Supports

1. Government buy any quantity of a product offered at the guaranteed "support price."

A U.S. example is dairy products, which the CCC (Commodity Credit Corporation) buys to support the farm price of milk.

The CCC **disposes** of the commodities it buys in ways that will not depress the domestic market price.

For example, dairy products are often given away to low-income people, in the school lunch program, and as foreign aid.

A bright yellow, multi-pointed starburst or explosion-like shape is centered on a white background. Inside the starburst, the text "A price floor" is written in a black, sans-serif font. The text is arranged in two lines: "A price" on the top line and "floor" on the bottom line, both centered horizontally.

A price
floor

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