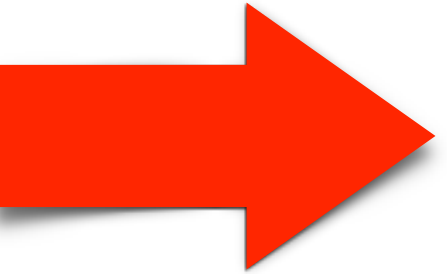


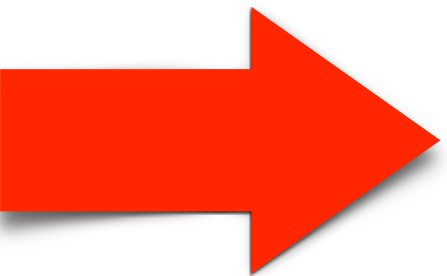
Price is not the same as Cost!

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



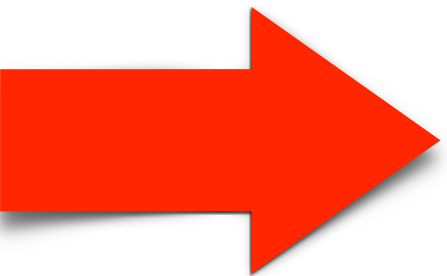
The farmer will make a
profit and has an incentive
to produce

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



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

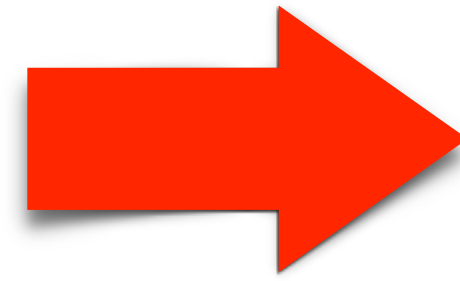
If the **Price** per unit is **lower**
than the **Cost** per unit



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

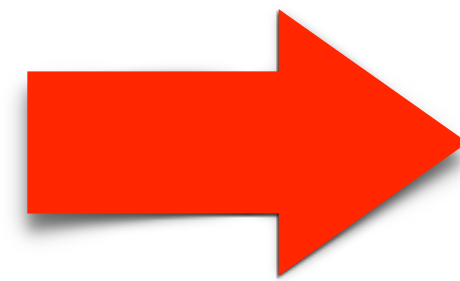
Price is not the same as Cost!

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



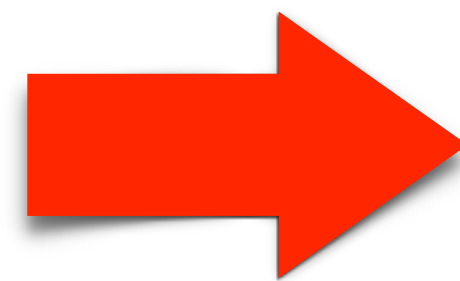
The farmer will make a **profit** and has an incentive to produce

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

