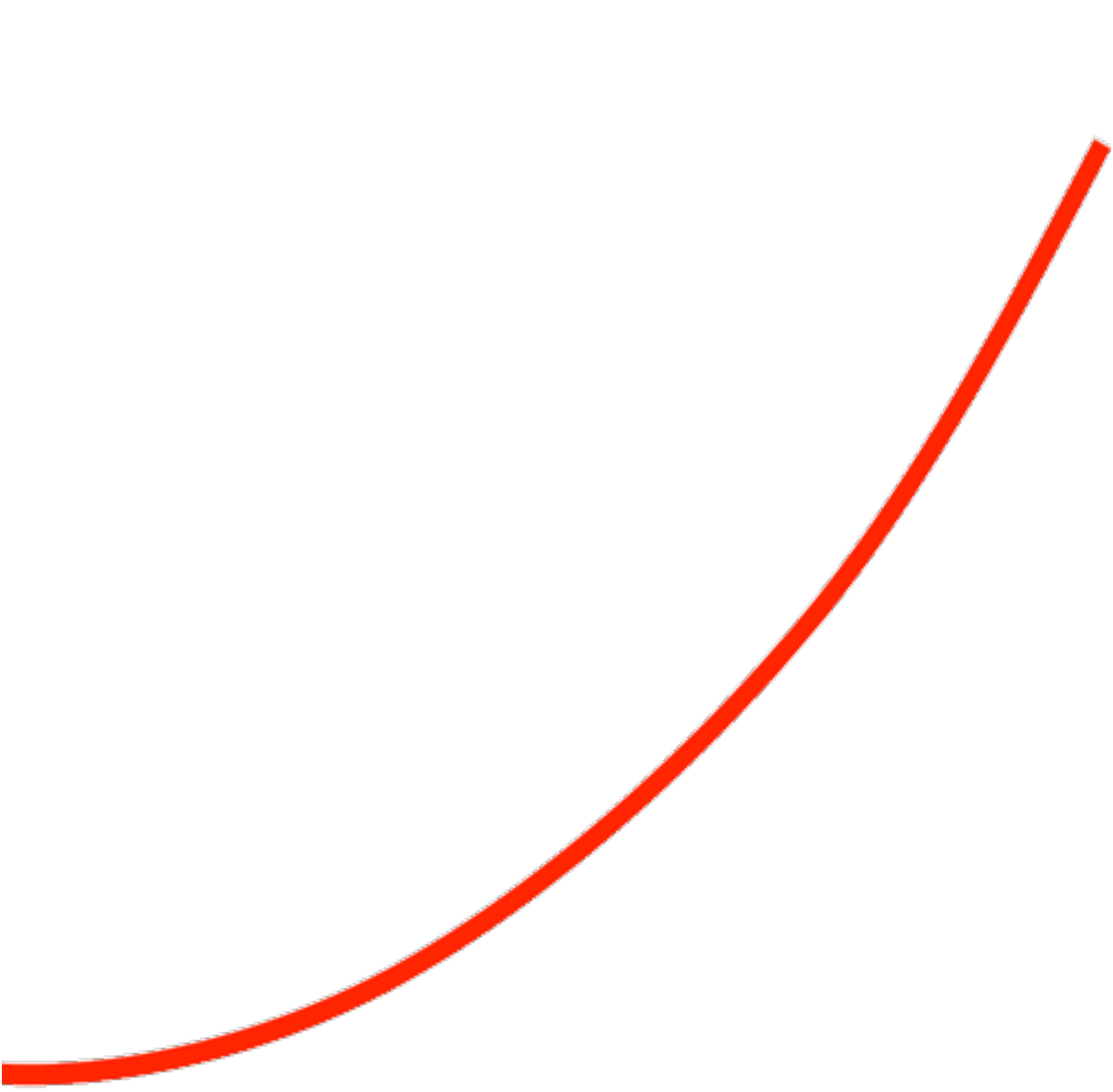


Cost per unit

5

10

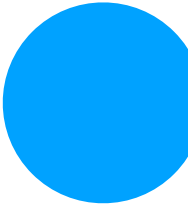
15

20

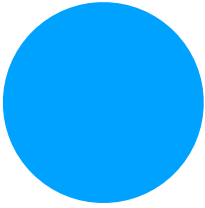
25

0.40

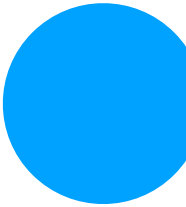
0.50

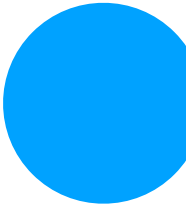


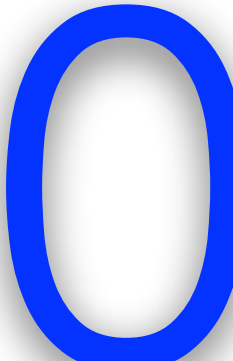
0.66



1







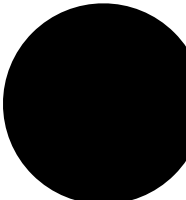
5

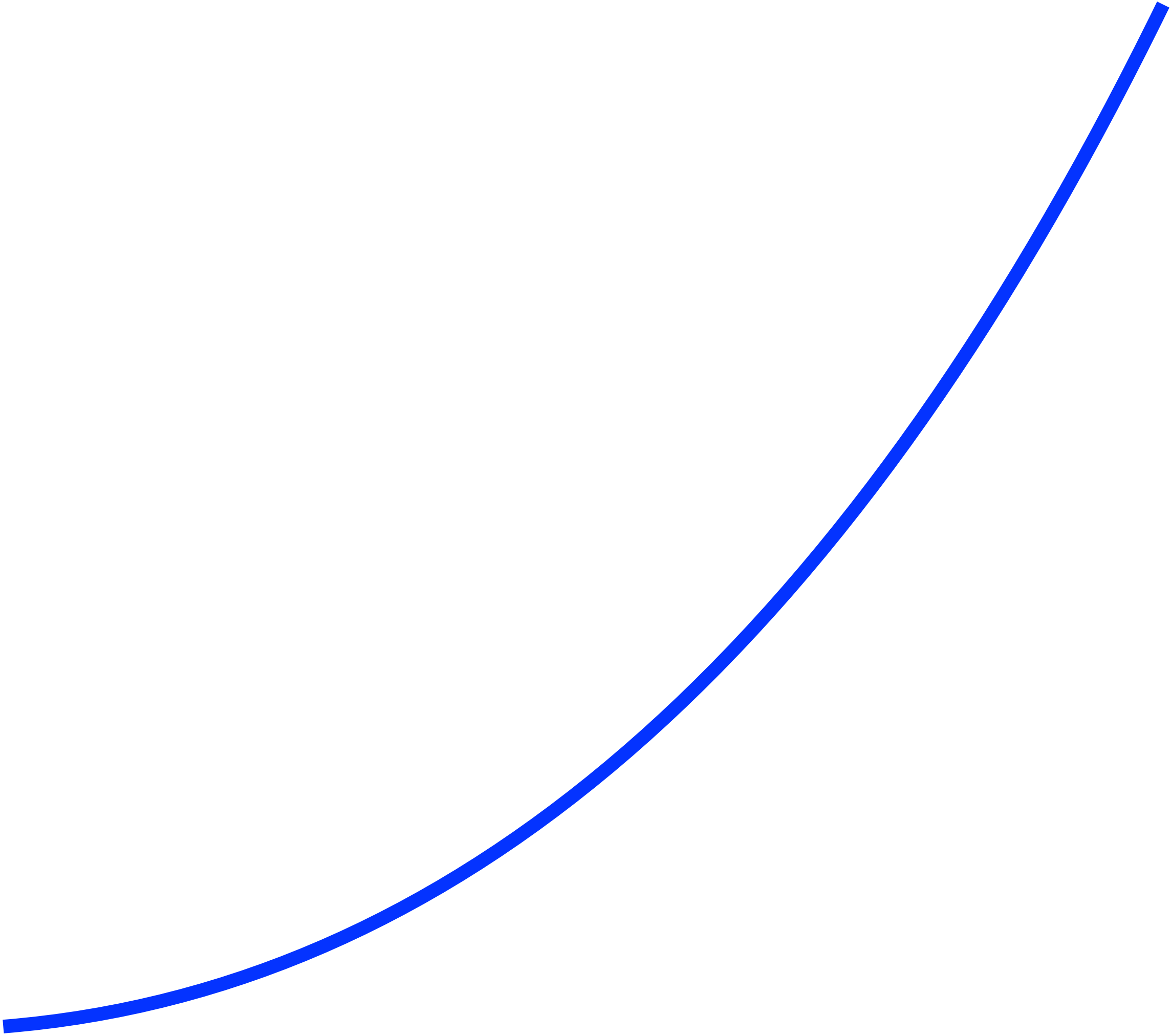
10

15

20

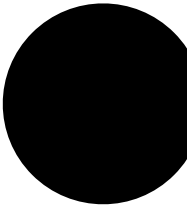
25

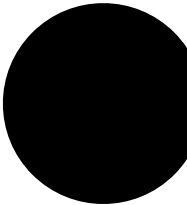


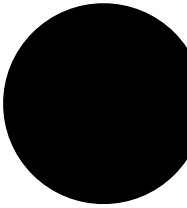


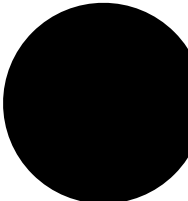
Old
Supply

Price per unit







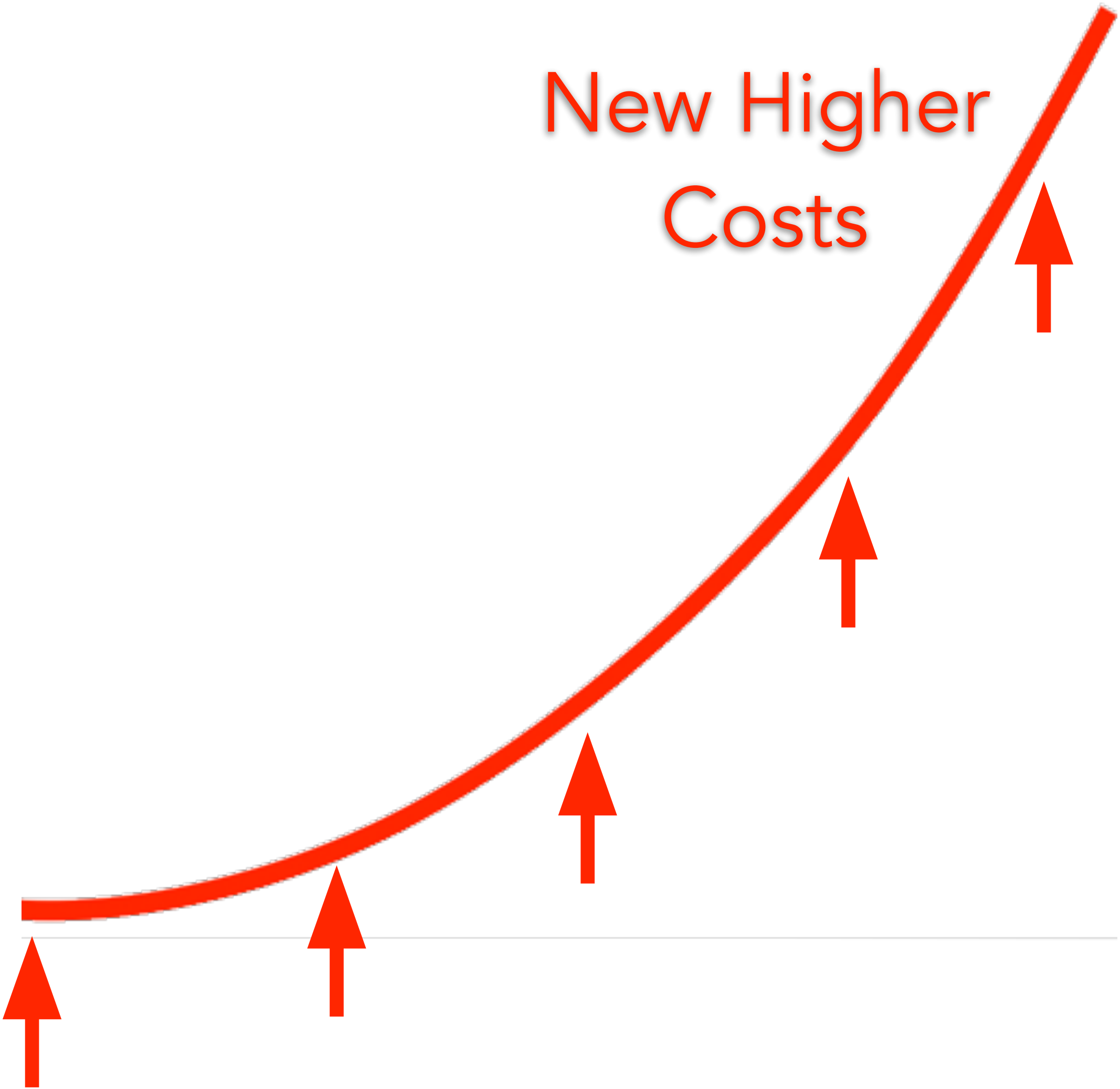


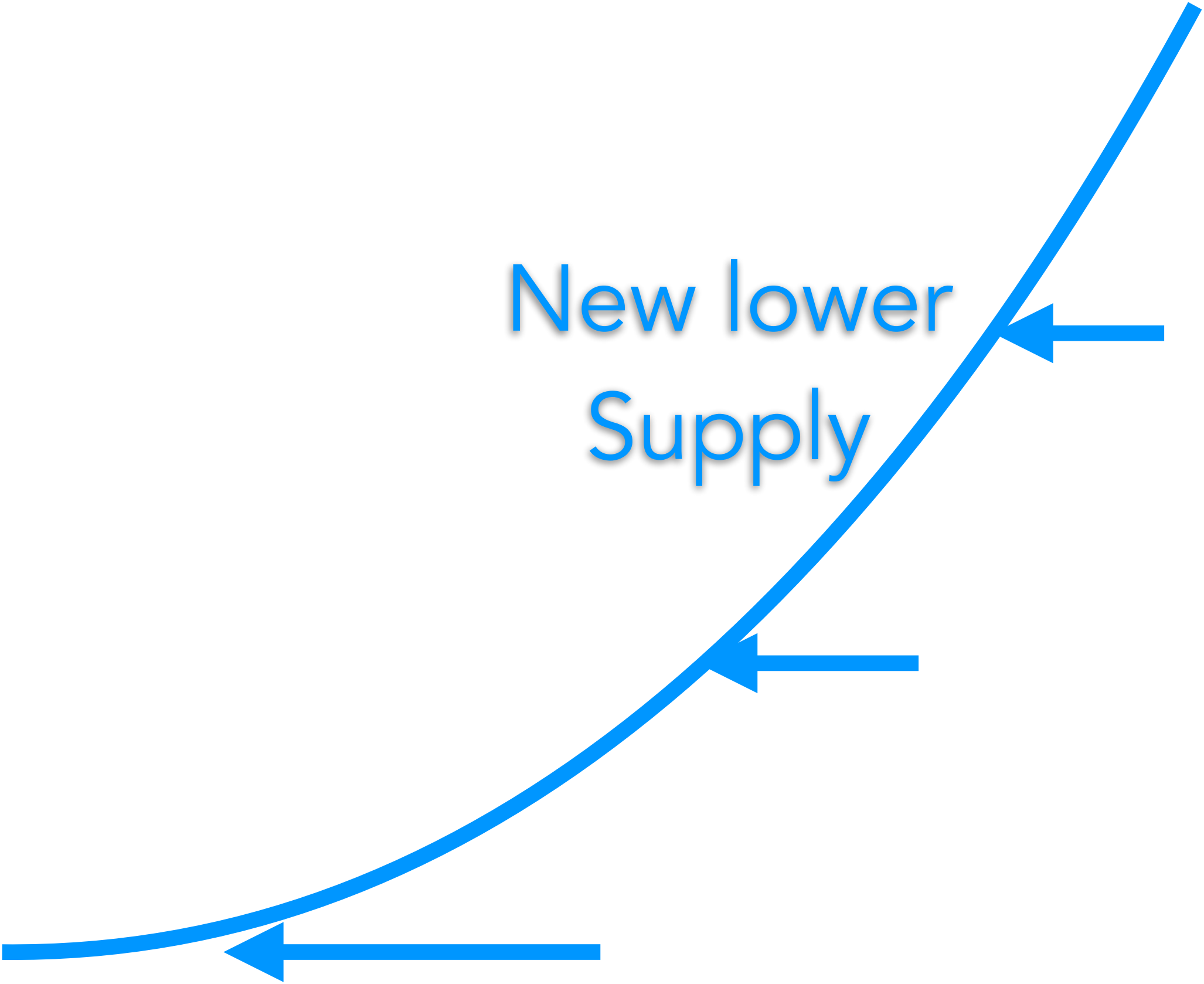
Quantity Supplied

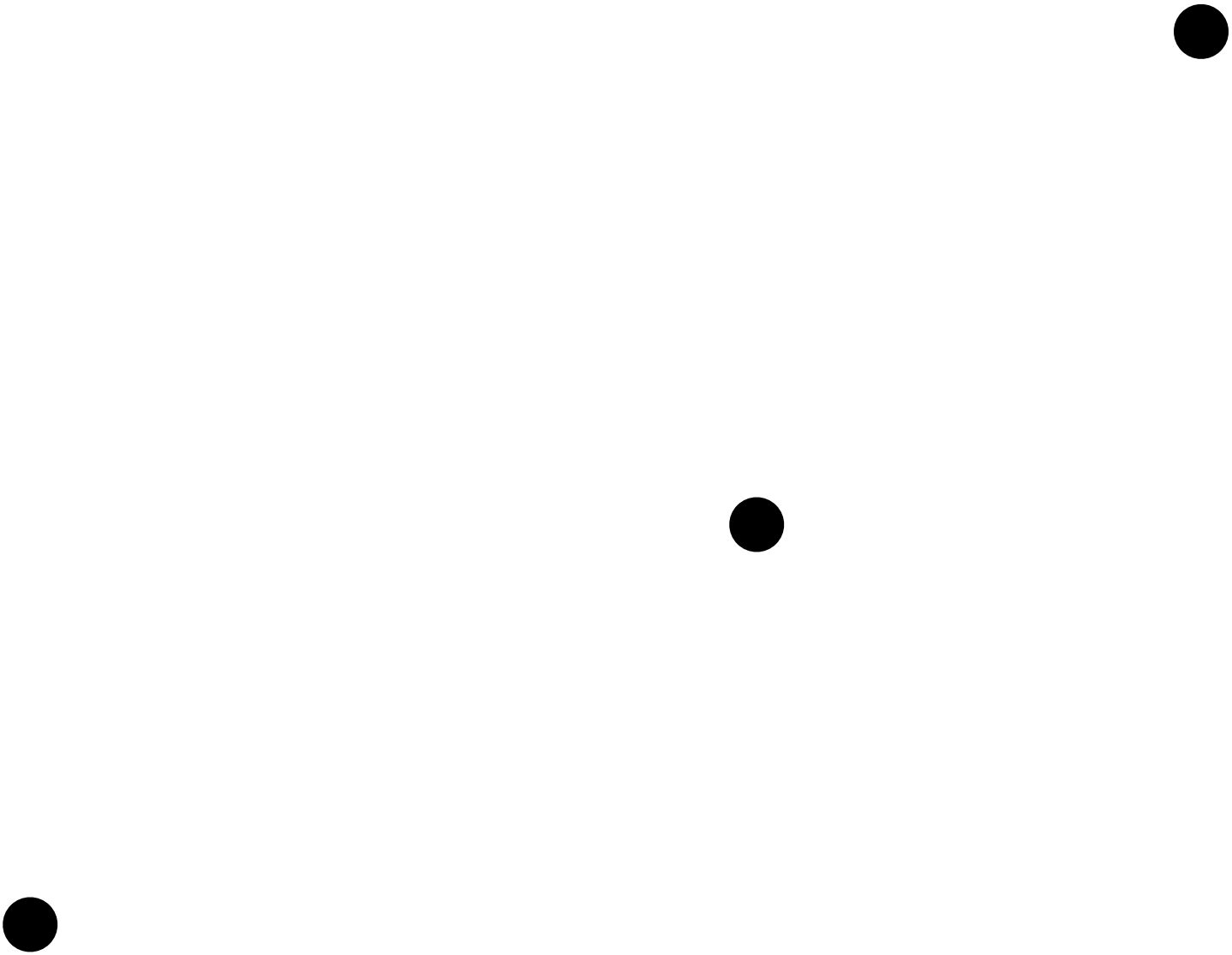
If the farmers' costs increase, they have NO power to change the price…

If the price remains the same but costs are higher the farmer must decrease the amount supplied

New Higher Costs

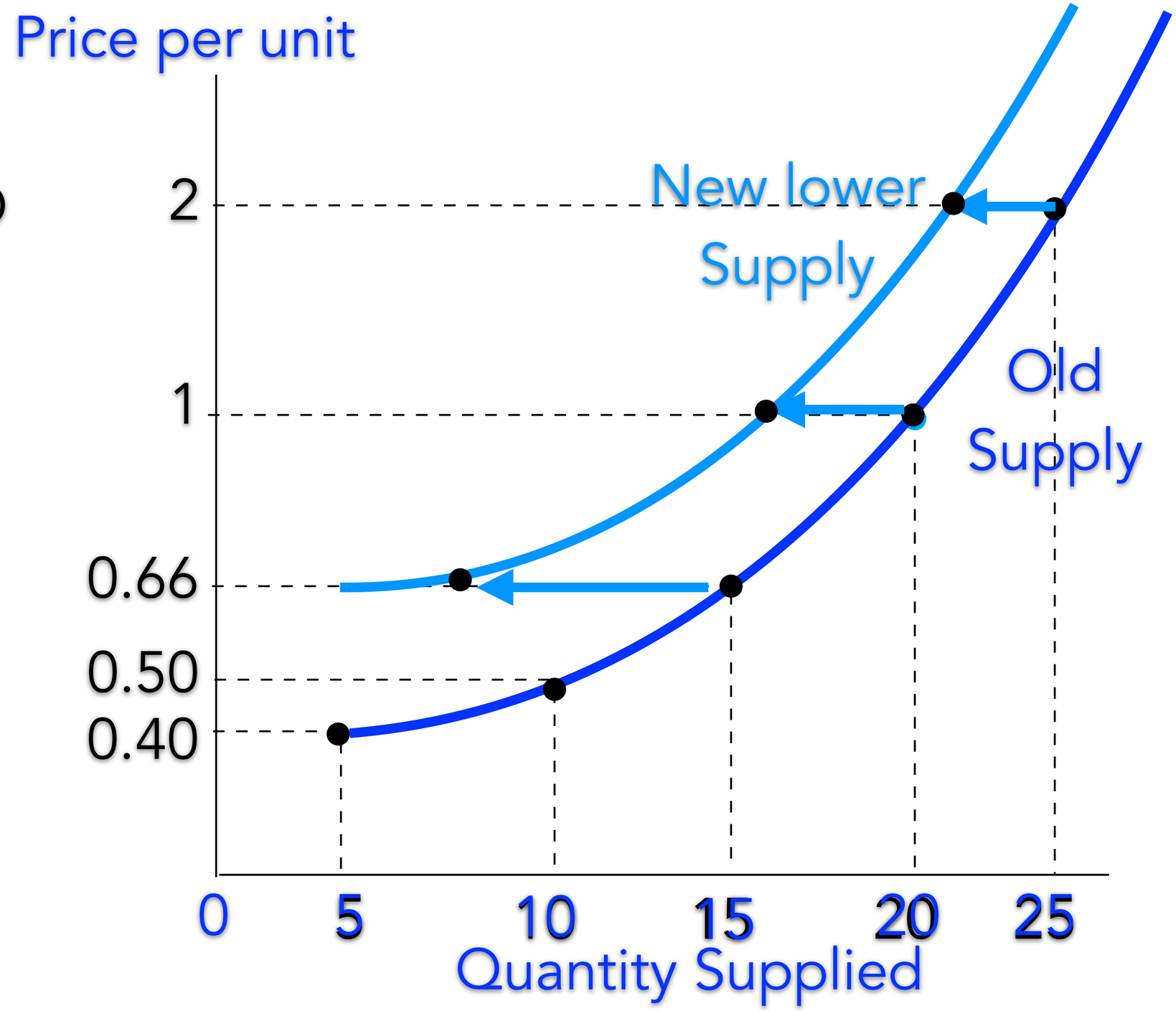


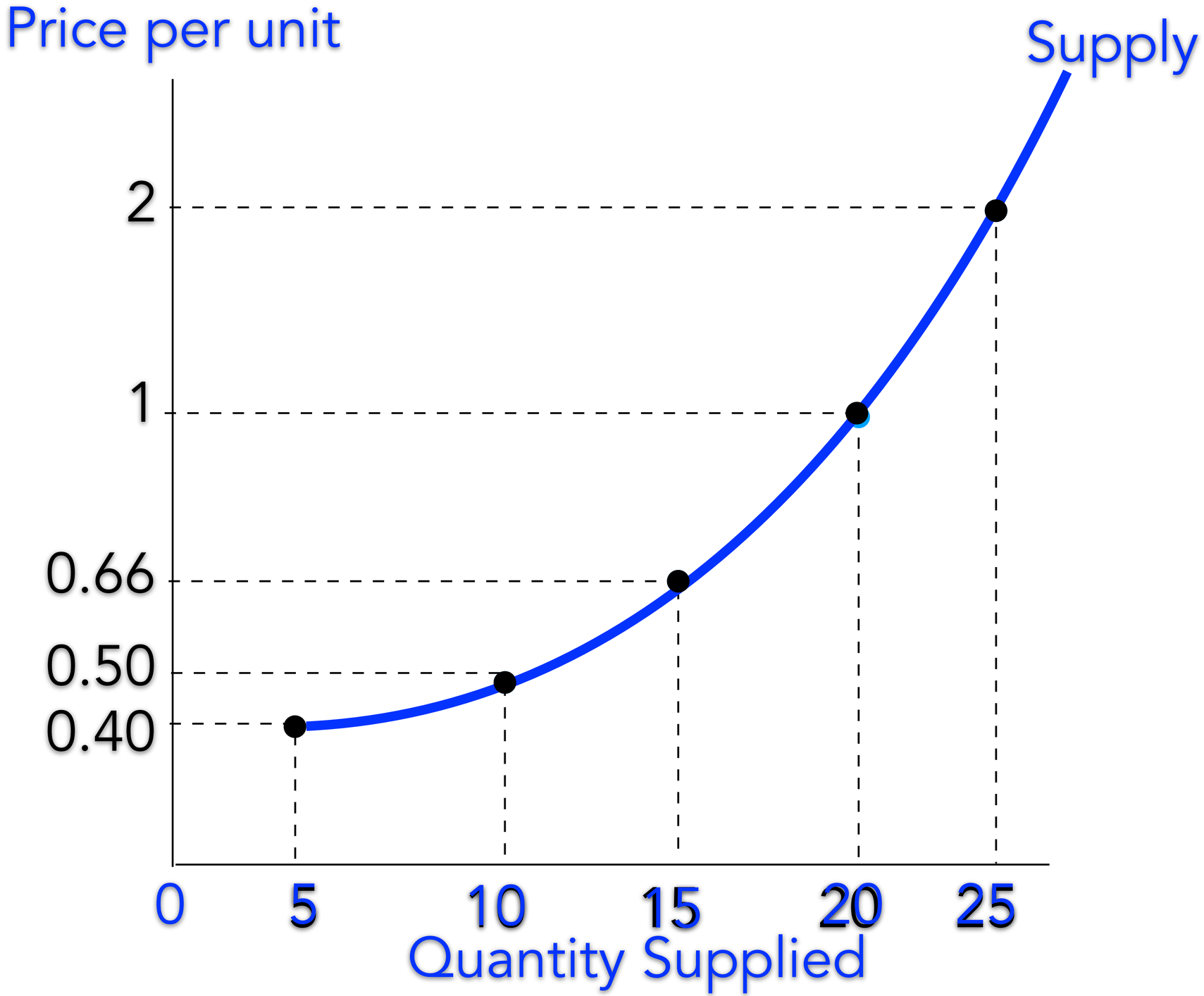

New lower
Supply



If the farmers' costs increase, they have NO power to change the price…

If the price remains the same but costs are higher the farmer must decrease the amount supplied




Price per unit
Supply
2
1
0.66
0.50
0.40
0
5
10
15
20
25
Quantity Supplied