

0.40





0.66



1



2



0.5







Cost per unit (eventually) increases

5



10

1

5

20

25

Pounds of Coffee Produced

0.40







0.50





0.66









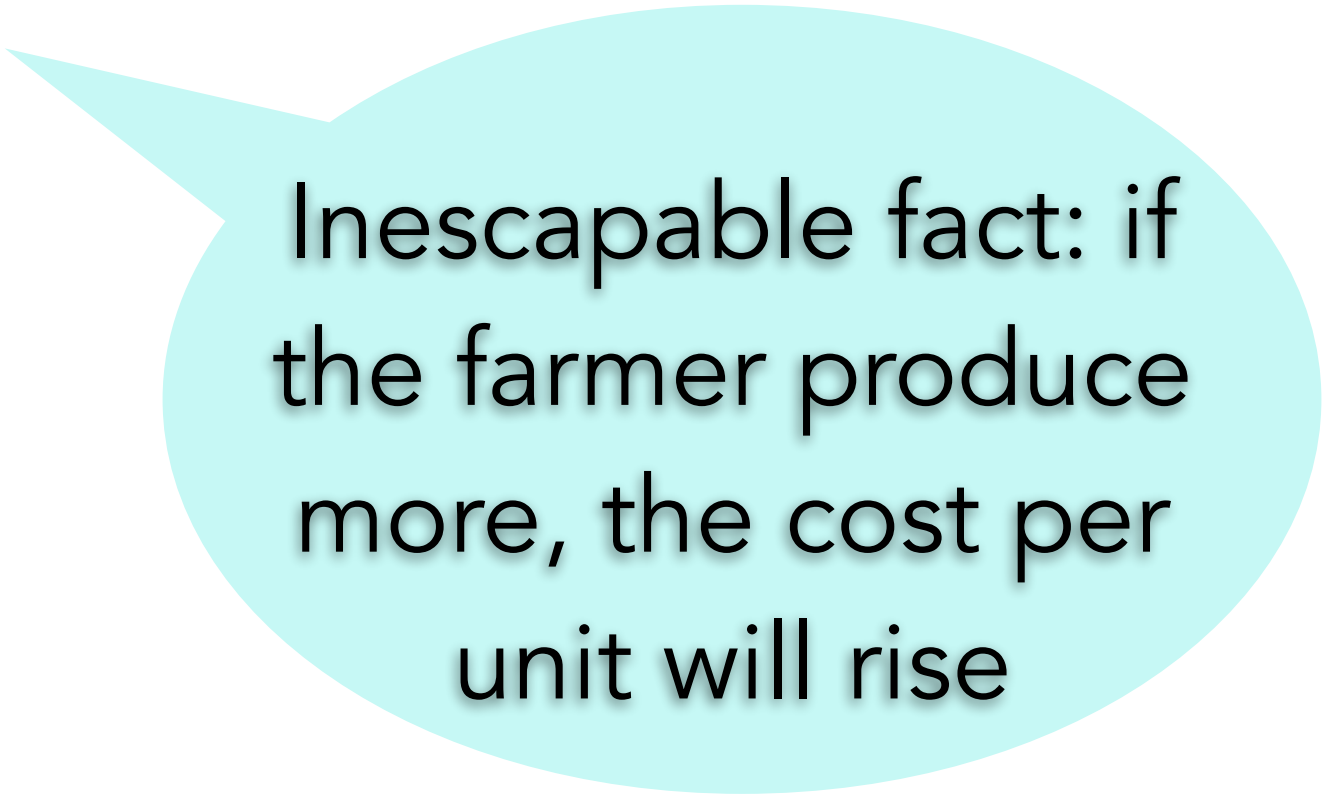




2

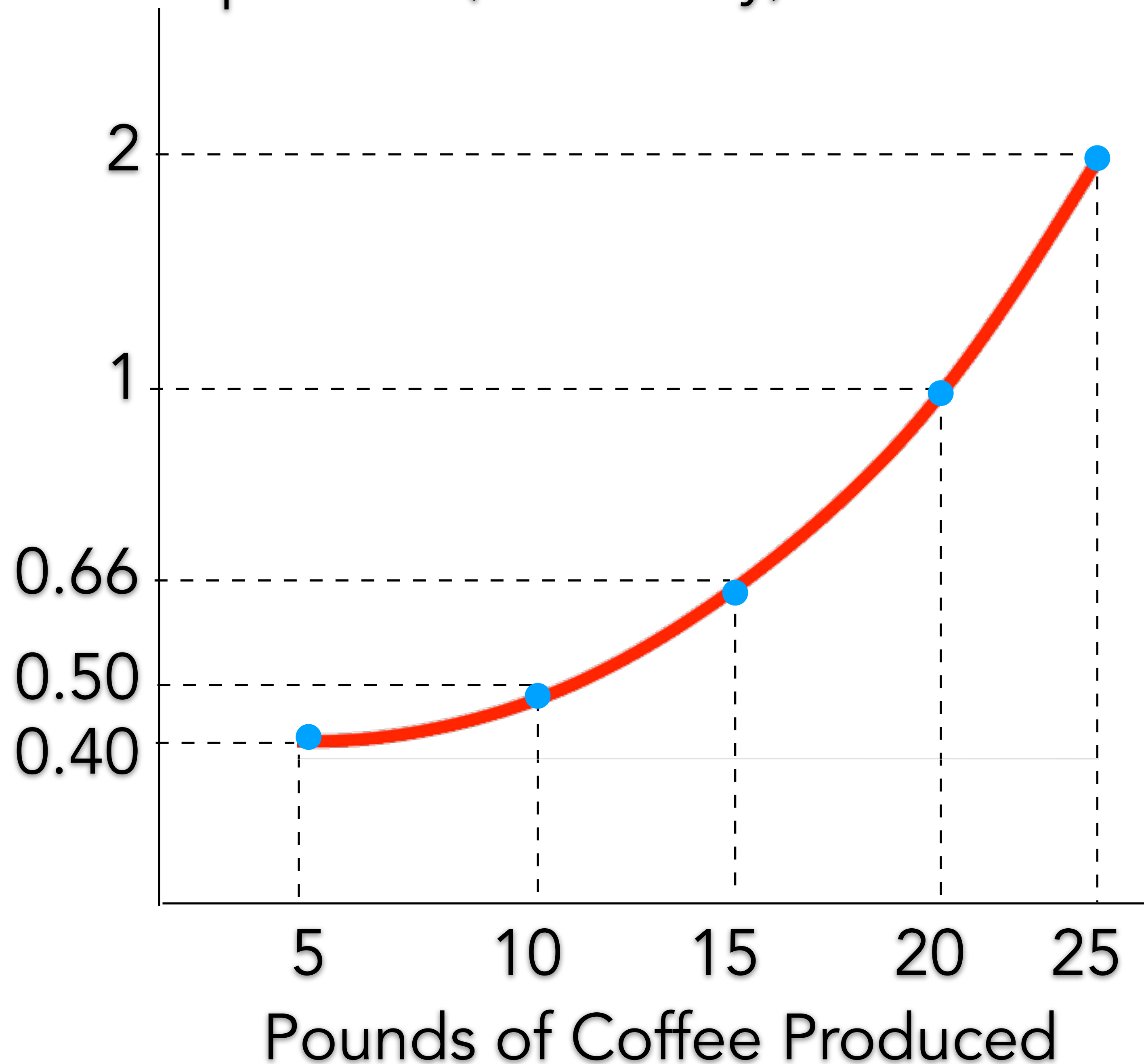






Inescapable fact: if  
the farmer produce  
more, the cost per  
unit will rise

Cost per unit (eventually) increases



Inescapable fact: if the farmer produce more, the cost per unit will rise

**Price** is not the same as **Cost**!