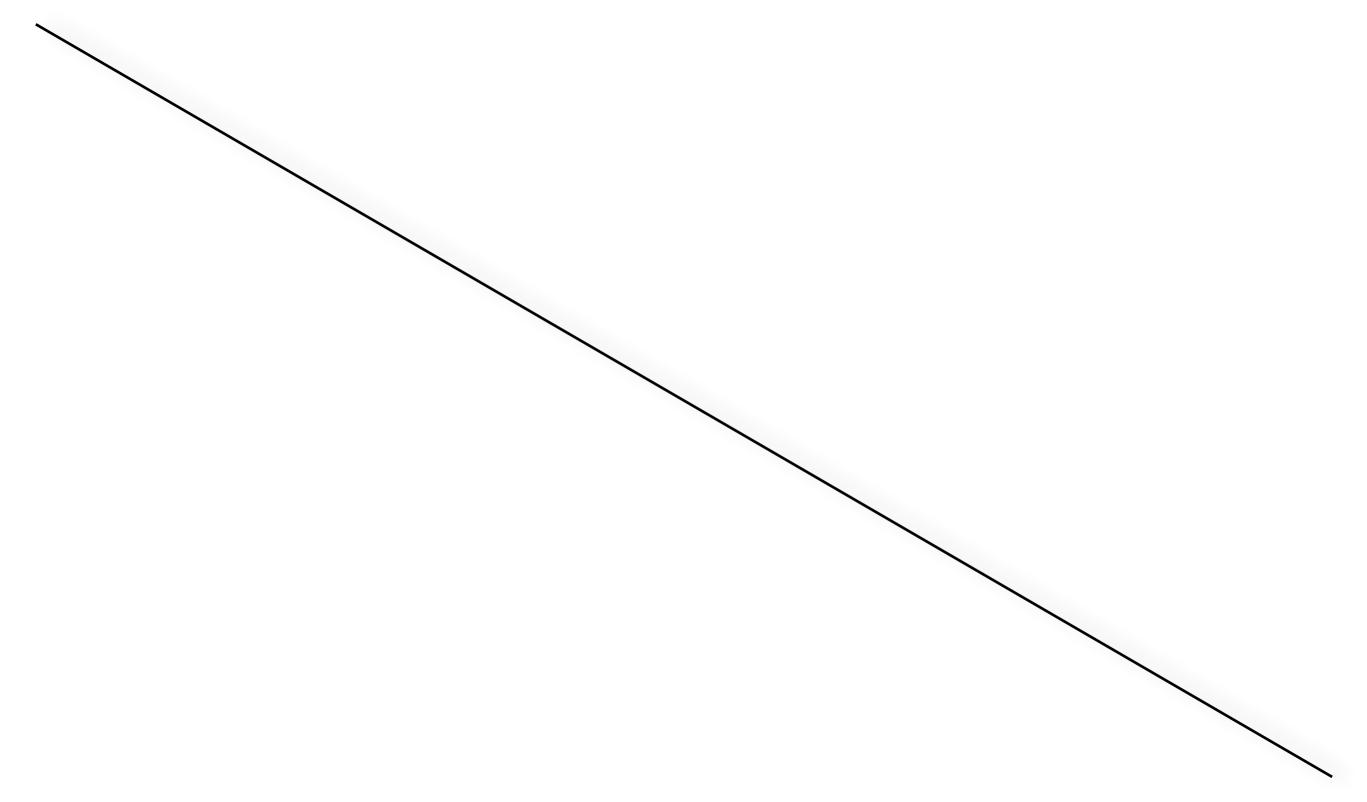
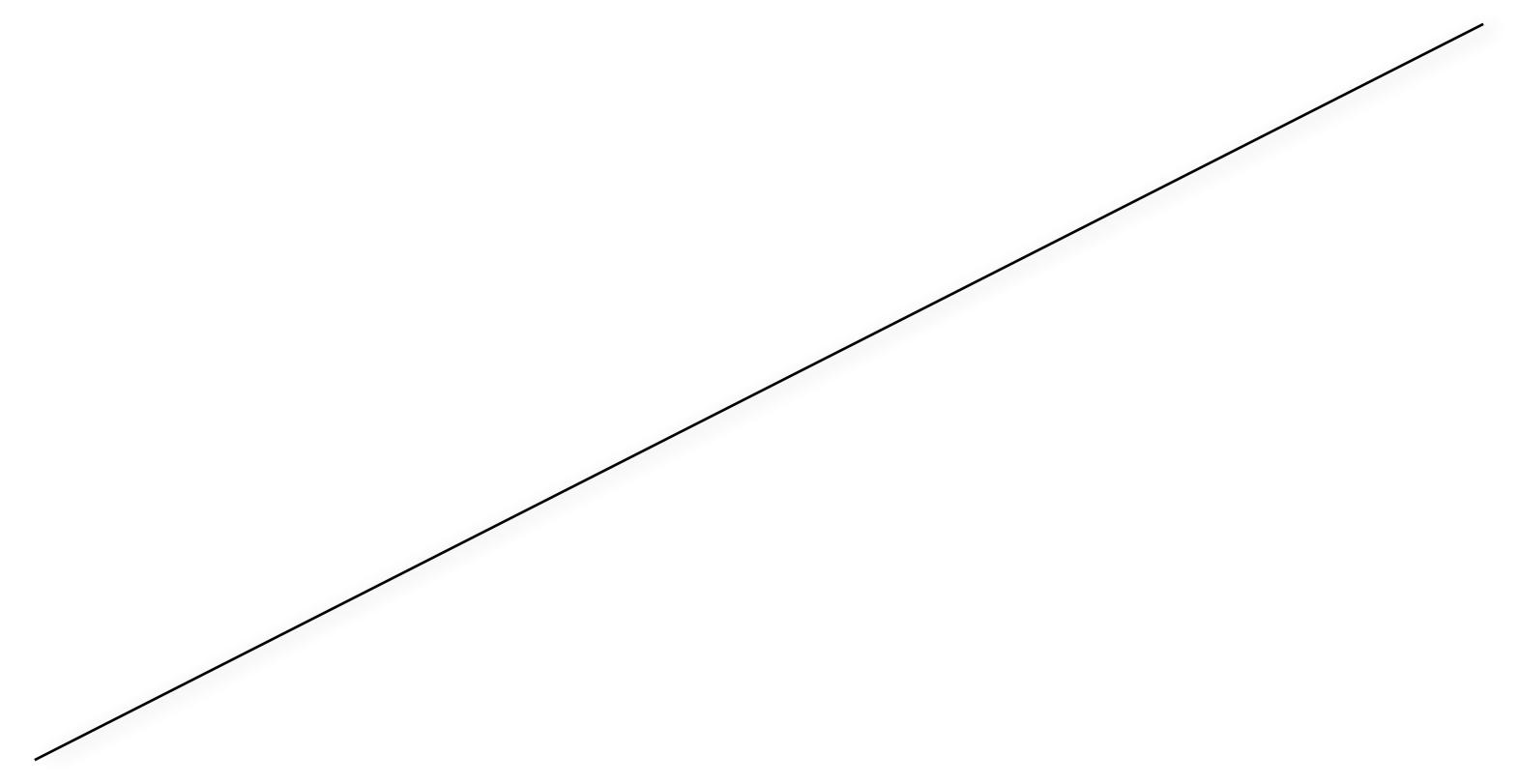
A price Floor prohibits prices below the floor







Price Floor: 0.8









 $Q_{e} = 400$

 $P_{e} = 0.50$

Price Floor: The minimum price is \$0.80/pound



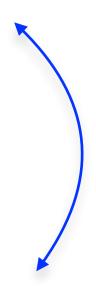
Price Floor

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Prevents price from reaching equilibrium

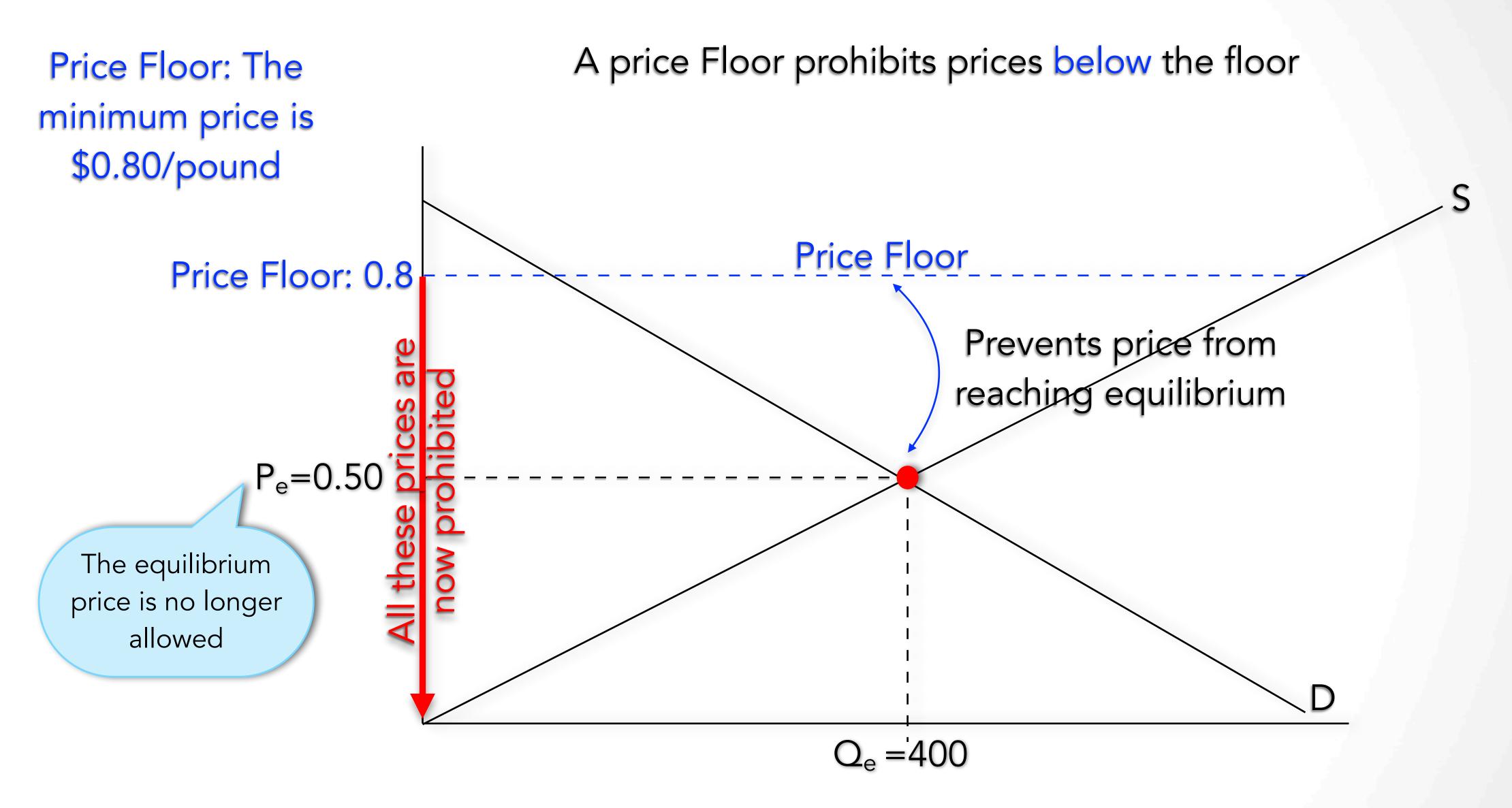


The equilibrium price is no longer allowed





To be effective, a price Floor must be placed above the equilibrium price



To be effective, a price Floor must be placed above the equilibrium price

