Supply & Demand in Agriculture
Terminology

Supply

<u>Supply</u> is the amount of goods or services that is available to sell.

Utah farmers add over 800 tons of tart cherries to our food supply each year.

Utah farmers add over 16 million pounds of apples to our food supply each year.

Demand

<u>Demand</u> is the desire or willingness a consumer has to purchase a good or service.

School lunch programs serve milk to thousands of students each day, increasing the demand or need for milk.

The demand for boneless, skinless chicken increases as more people become overweight and need lean sources of protein for their diet.

Producer

A <u>producer</u> is a person or company that makes, grows, or supplies goods to sell.

Circle 4 Farms, located in Milford, Utah, produces pigs for market each year.

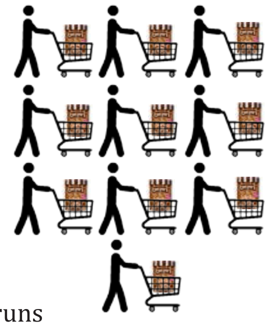
Oakdell Eggs in Lewiston, Utah, raises laying hens that produce eggs.

Consumer

A <u>consumer</u> is an individual or group who purchases goods.

Families are consumers. They purchase food and other agricultural products.

Schools and businesses are consumers. They purchase food and other agricultural products.



A grocery store supplies 10 gallons of ice cream and runs out. Five consumers leave without ice cream.

Shortage

A <u>shortage</u> occurs when the quantity of goods supplied is LESS than what is demanded or desired by consumers.

Surplus

A <u>surplus</u> occurs when the quantity of goods supplied is HIGHER than the quantities that are demanded.

A farmers market has 20 cases of strawberries, but only 3 cases are sold. There is a surplus of 17 cases.

The number of beef cattle raised each year is equal to the number of beef cattle that are purchased and consumed.

The number of peaches grown in orchards is equal to the number of peaches that are purchased and consumed.

Equilibrium

<u>Equilibrium</u> is the point where supply and demand are balanced.

Shifters

<u>Shifters</u> are factors that change or shift the supply or demand.

A hurricane destroys thousands of citrus trees in Florida. The supply is shifted down, and the price of citrus fruits goes up.

A new raspberry harvester is invented which makes picking raspberries faster and more efficient. Raspberry farmers start growing more berries. Supply rises, and the price decreases.