

## Supply and Demand

After explaining the economic concepts of supply and demand to your students, conduct this simple but fun activity to check if your students really understand how supply and demand and price are related.

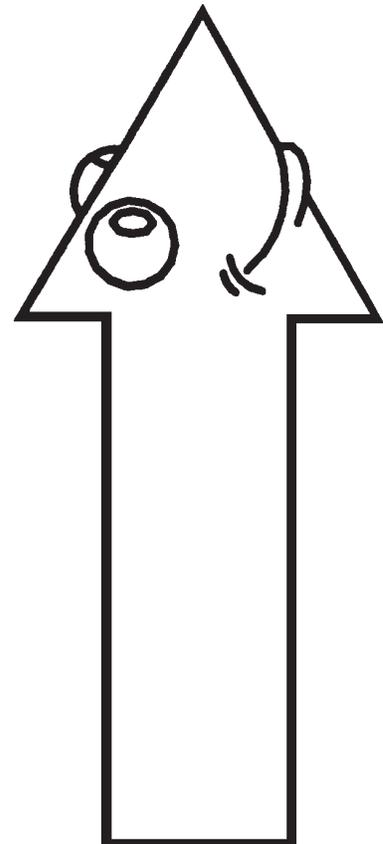
**If the price of a product increases, quantity demanded will decrease and quantity supplied will increase. If the price of a product decreases, quantity demanded will increase and quantity supplied will decrease. The forces of supply and demand determine prices, which are measures of the relative scarcity of different products.**

1. Cut apart the milk, pickle, and egg statements. To add interest to the activity place the milk statements into a milk jug that has a hole cut in the side opposite of the handle so a hand can reach in to get the statements. Place the pickle statements in an empty pickle jar, and place egg statements into an empty egg carton. On the outside of the jug, jar, or egg carton write the words:



### WHAT WOULD HAPPEN IF...

2. Divide the class into three groups, and give each group one of the containers.
3. Give each student an "arrow" card, which you have copied from below onto cardstock and laminated, for future use.
4. Begin by asking one group to read out-loud the first statement that they have pulled from the container.
5. Then ask students to hold their arrow facing you and respond by turning their card up or down based on your questions: What will happen to the supply? What will happen to the demand? What will happen to the price. Discuss each statement. The groups should take turns reading from their containers. By the end of the activity every student should have the idea about supply, demand, and price. You'll know the ones who don't and be able to work with them on an individual basis. Have fun and "don't look at your neighbors."



## Milk "What if" statements

Everyone started drinking orange juice instead of milk.

No one ate in the lunch room or needed milk for their sack lunches.

Fewer people wanted to be dairy farmers.

The government wanted to give everyone free cheese.

There was a chocolate milk drinking contest in New York, Houston, St. Louis, Denver, Atlanta, San Francisco, and Detroit.

Milk went on sale for .25 cents a gallon.

Ice Cream became America's most popular dessert.

A contest where gallon milk lids contained cash prizes.

Milk, instead of soft drinks, was sold at ball games.

Feed prices for dairy cows went up.



## Pickle "What if" statements

Cucumbers were found to cure the common cold.

The weather was bad and not many cucumbers were produced.

The honey bees did not pollinate the cucumbers.

People stopped buying pickles and started buying more hot peppers.

Pickle advertisements on television made more people buy pickles.

The fast food places stopped putting pickles on their hamburgers.

Everyone wanted small pickles instead of medium size or large pickles.

Foreign countries started importing pickles at a cheaper price.

There was a shortage of vinegar.



## Egg "What if" statements

Brown eggs became more popular than white eggs.

Scientists developed an egg without cholesterol.

Scientists developed a process to eliminate salmonella from all eggs.

All the 4th and 5th grade classrooms incubated eggs.

The price of grade "A" eggs was .50 a dozen.

Farmers with small flocks of chickens sold their eggs to grocery stores cheaper than large egg companies.

No one wanted medium size eggs, but they wanted extra large eggs.

Omelets became the most popular breakfast food.

"Egg Beaters" became more popular than eggs.

Several egg farmers in a certain area stopped raising laying hens (eggs) and started raising broilers (meat chickens) in their chicken houses.

A disease made half of the chickens unable to lay eggs.

