Who Bakes Bread?

Compare economic systems through one neighborhood staple.

SS24.E.3c "Compare the ways that different economic systems address competition, consumer sovereignty, government regulation, private ownership, and profit motive."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB As you read, underline who owns the bakeries and circle how shoppers influence production. Write 1 beside evidence of competition, 2 beside a government rule or decision, and 3 beside a profit incentive or its absence.

Three Ways to Supply a Neighborhood

1. In a mostly market-based city, several privately owned bakeries sell bread to the same neighborhood. Each bakery chooses its recipes, prices, and production levels, hoping sales will exceed costs and yield a profit. Because customers can switch shops, competing bakers may add whole-grain loaves when shoppers ask for them. A bakery that ignores buyers risks losing revenue. In this system, purchases help steer production. Government still enforces food-safety rules and bans deceptive labels, but it does not normally assign each bakery a daily bread quota. If flour becomes scarce, bakeries may raise prices or offer smaller loaves.

2. In a centrally planned version of the same city, the government owns the bakeries and sets output targets, prices, and flour deliveries. Officials may order every shop to make a standard loaf to ensure a basic supply, rather than allow bakeries to compete for sales. Workers may receive wages, but earning a private profit is not the reason the shops operate. Shoppers can request whole-grain bread, yet their purchases do not directly determine the production plan. If flour runs short, planners may redirect supplies or reduce each shop's allotment. Government decisions shape production itself, not just safety or truthful labels.

3. Most real economies mix these approaches. Imagine a city where private bakeries compete and keep profits, while public schools buy bread through government contracts. Shoppers still influence what bakeries stock, but schools specify nutrition requirements for the loaves they purchase. A city inspection office checks food safety, and officials use public funds to pay for school bread. They do not set the price of every loaf sold in stores. If flour becomes scarce, retail prices might rise, while a school contract could require bakers to deliver an agreed quantity at an agreed price. Private ownership and profit coexist with public purchasing that limits some choices.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do bakery ownership and the profit motive differ between the mostly market-based and centrally planned cities?

2. Compare how competition and shoppers' choices affect which loaves are made in the mostly market-based and centrally planned cities.

3. Both the mostly market-based and mixed cities have private bakeries. How does the government's role differ in the two examples?

4. If flour becomes scarce, compare a possible response in each of the three cities.

3 YOUR TURN

Your own words

After a storm, a town needs more bicycle repairs. In 80 to 110 words, compare how a mostly market-based, centrally planned, and mixed system might respond. Address ownership, competition, customer choice, government rules or decisions, and profit.

ANSWER KEY

Who Bakes Bread?

GRADE 12 · SS24.E.3c

PART 1 · READ AND MARK

As you read, underline who owns the bakeries and circle how shoppers influence production. Write 1 beside evidence of competition, 2 beside a government rule or decision, and 3 beside a profit incentive or its absence. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do bakery ownership and the profit motive differ between the mostly market-based and centrally planned cities?	**Private owners run the market-based bakeries to earn profit. The government owns the centrally planned bakeries, which operate to meet the plan rather than earn private profit.**
2	Compare how competition and shoppers' choices affect which loaves are made in the mostly market-based and centrally planned cities.	**Market-based bakeries compete for shoppers, so requests and purchases can lead them to make whole-grain loaves. Planned bakeries do not compete for sales, and shoppers' purchases do not directly set production.**
3	Both the mostly market-based and mixed cities have private bakeries. How does the government's role differ in the two examples?	**In the market-based example, government enforces food-safety and labeling rules without assigning bread quotas. In the mixed example, it also buys bread for schools through contracts with nutrition requirements.**
4	If flour becomes scarce, compare a possible response in each of the three cities.	**Market-based bakeries may raise prices or offer smaller loaves. Central planners may redirect flour or reduce allotments. In the mixed city, retail prices might rise, while a school contract could hold its agreed quantity and price.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In a mostly market-based town, privately owned repair shops compete for riders. Customers choose shops by price and wait time, so owners add mechanics to win business and earn profit; safety rules still apply. Under central planning, the government owns repair centers, assigns mechanics, and sets priorities. Centers do not compete for profit, and riders have less influence over services. In a mixed system, private shops still compete for customers and profit, but the town may pay them to repair essential workers' bikes first. Government safety rules and that contract shape service while riders still choose among shops.

Accept plausible differences within each system, not claims that every real economy follows one model exactly. For the flour question, the passage describes possibilities rather than guaranteed outcomes.