The Strawberry Price

How buyers and sellers shape a market price

9-12.EC.2 "Identify ways in which the interaction of all buyers and sellers influences prices."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Circle changes in the number or choices of buyers, underline changes in what sellers offer, and write ↑, ↓, or ? beside each stated effect on price.

Three Saturdays at the Market

1. At the Saturday farmers market, several stands sell baskets of strawberries. On a typical morning, shoppers compare prices and can walk to another stand. One Saturday, a local food festival brings many more shoppers, but the number of stands and baskets stays about the same. More people now want the limited baskets at the old price. Some shoppers offer to pay more before the fruit sells out. Sellers notice that baskets move quickly and raise their posted prices. The price tends to rise because the combined demand of buyers has increased while the amount sellers offer has not.

2. Now imagine a different Saturday with no festival. The usual number of shoppers arrives, but a large harvest lets farmers bring many more baskets, and two new stands join the market. At the old price, sellers cannot sell all the fruit they brought. To attract shoppers away from other stands, some sellers cut their prices. Others match those cuts rather than carry ripe fruit home. The market price tends to fall, even if one seller would prefer a higher price. The outcome reflects the choices of all sellers competing for buyers, not a decision by a single farmer.

3. On a third Saturday, the festival and the large harvest happen together. More buyers seek strawberries, and more sellers offer them. These changes push in opposite directions: added buyers put upward pressure on price, while added baskets and stands put downward pressure on it. Without knowing which change is stronger, no one can predict from these facts alone whether the price will rise, fall, or stay close to normal. Shoppers can choose among stands, and sellers can respond to unsold fruit or fast sales. Their many offers, purchases, and price changes shape the price people actually pay.

2 ANSWER WITH EVIDENCE

Use the passage

1. On the festival Saturday, why does the price tend to rise even though the number of baskets stays about the same?

2. On the Saturday with a large harvest but no festival, how do the choices of multiple sellers affect price?

3. Why might the price fall even if one farmer wants to charge more?

4. When the festival and large harvest happen together, why can't you tell from the passage whether the price will rise or fall?

3 YOUR TURN

Your own words

Choose a market other than strawberries. In 3 or 4 sentences, invent one change affecting buyers and one affecting sellers, then predict how those changes together would affect price and explain why.

ANSWER KEY

The Strawberry Price

HIGH SCHOOL · 9-12.EC.2

PART 1 · READ AND MARK

Circle changes in the number or choices of buyers, underline changes in what sellers offer, and write ↑, ↓, or ? beside each stated effect on price. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	On the festival Saturday, why does the price tend to rise even though the number of baskets stays about the same?	**More shoppers compete for about the same number of baskets, so sellers can raise prices.**
2	On the Saturday with a large harvest but no festival, how do the choices of multiple sellers affect price?	**With more baskets and stands competing for the usual shoppers, some sellers cut prices and others match them, pushing the price down.**
3	Why might the price fall even if one farmer wants to charge more?	**Shoppers can buy from other stands, so one farmer's preference does not outweigh the competition among sellers for buyers.**
4	When the festival and large harvest happen together, why can't you tell from the passage whether the price will rise or fall?	**More buyers put upward pressure on price, while more baskets and sellers put downward pressure on it. The passage does not say which change is stronger.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In a town's used bicycle market, a new bike trail opens and more people want bikes. At the same time, several sellers move away and list fewer bikes. Buyers compete for fewer available bikes, so prices tend to rise. No single buyer or seller causes that change alone.

Accept answers that connect price to the combined choices of buyers and sellers, rather than to one person's decision. For Your Turn, accept a prediction of no clear price change if the invented buyer and seller changes exert opposing pressures and the explanation notes that their relative strength is unknown.