The Egg Squeeze

Trace how a shortage affects buyers, businesses, and public decisions.

E.C.8.2 "Explain how economic conditions, including supply and demand, have an impact on consumers, producers, and government policymakers."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Underline the changes in egg supply and demand, circle their effects on prices, and number one effect each on consumers, producers, and the school board. Use your marks to explain how the same market conditions affect each group.

When Eggs Get Scarce

1. At the start of winter, a bird flu outbreak forces several egg farms near Lakeview to remove infected flocks. Fewer eggs reach local stores just as families begin buying more eggs for holiday baking. With demand rising and supply falling, stores sell out faster and raise prices. A carton that once fit easily into a family's grocery budget now competes with other needs. Some shoppers buy fewer eggs or choose oatmeal instead. Others keep buying the same amount because eggs remain useful for quick meals. The higher price does not mean every family can afford to pay it.

2. For egg farmers whose hens remain healthy, higher prices can bring more revenue per carton. Yet farmers cannot instantly add hens that lay eggs, and feed and disease prevention cost money. A bakery that uses eggs is also a producer. Its costs rise when egg prices climb, so it may charge more for muffins, make fewer muffins, or switch recipes. If customers reject a higher muffin price, the bakery's profits may shrink. Rising egg prices therefore help some sellers in the short run but put pressure on others, depending on what they produce and what they must buy.

3. Lakeview's elected school board must also respond. Its breakfast program buys eggs, and the higher price strains a fixed food budget. Board members could pay more for eggs and cut another menu item, or serve less expensive foods while keeping the number of breakfasts steady. They might also approve temporary funds, but that money would have to come from taxes, savings, or another program. None of these choices creates new hens right away. As farms rebuild flocks, egg supply may recover and prices may ease, but the timing is uncertain.

2 ANSWER WITH EVIDENCE

Use the passage

1. How do changes in both supply and demand raise egg prices in Lakeview, and how do some shoppers respond?

2. Why might higher egg prices help a farmer with healthy hens but hurt the bakery?

3. How does the higher egg price affect the school board's budget decisions? Explain one tradeoff it faces.

4. If farms rebuild their flocks, what might happen to egg prices, and how could that affect families and the bakery?

3 YOUR TURN

Your own words

A storm cuts the supply of tomatoes to your town just as demand for tomato soup rises. In one paragraph of 5 to 6 sentences, explain likely price changes and effects on consumers, a tomato-sauce producer, and a local government food program; propose one policy choice and its cost or limit.

ANSWER KEY # The Egg Squeeze

PART 1 · READ AND MARK

Underline the changes in egg supply and demand, circle their effects on prices, and number one effect each on consumers, producers, and the school board. Use your marks to explain how the same market conditions affect each group. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How do changes in both supply and demand raise egg prices in Lakeview, and how do some shoppers respond?	**The outbreak reduces egg supply while holiday baking increases demand, pushing prices up. Some shoppers buy fewer eggs or choose oatmeal.**
2	Why might higher egg prices help a farmer with healthy hens but hurt the bakery?	**The farmer may earn more per carton, while the bakery must pay more for an ingredient and may lose sales if it raises muffin prices.**
3	How does the higher egg price affect the school board's budget decisions? Explain one tradeoff it faces.	**Eggs cost the breakfast program more. The board could cut another menu item to keep buying eggs, or seek temporary funds from taxes, savings, or another program.**
4	If farms rebuild their flocks, what might happen to egg prices, and how could that affect families and the bakery?	**As egg supply recovers, prices may ease. Families may find eggs more affordable, and the bakery may spend less on eggs.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

With fewer tomatoes arriving and more people wanting tomato soup, tomato prices will probably rise. Some shoppers will buy less soup or choose other meals, while others will spend more of their food budgets. A sauce maker may pay more for tomatoes and raise its prices, but customers might then buy less sauce. The city could give its food pantry extra money to buy other vegetables so it can keep serving meals. This choice uses public funds and cannot replace the missing tomato supply right away.

Accept other passage-supported effects and tradeoffs in the short answers. For Your Turn, look for a plausible price increase, distinct effects on all three groups, and a policy choice with a realistic cost or limit.