Rice, Prices, Choices

Use market data to weigh a trade policy

MWH.P.2.4 "Identify the principles of economic systems and develop an understanding of the benefits of a market system in local, national, and global settings. Evaluate economic data from charts and graphs, noting trends and making predictions..."

NAME _____ DATE _____

1 READ AND MARK

Read it twice

YOUR JOB Circle two table values that show a price trend, underline one intended result and one possible unintended result of the tariff in the passage, and number those results 1 and 2.

A Tax on Imported Rice

1 In the fictional country of Coastia, families buy rice from local growers and overseas sellers. Buyers compare prices, while sellers compete for their business. This market can offer choices and reward growers who produce efficiently. A corner shop can stock rice from both sources, linking local purchases to national production and global trade.

2 Coastia's government placed a tariff, a tax on imported rice, at the start of 2022 to help local growers compete. The table shows invented classroom data, not measurements from a real country. It tracks the average retail price of a rice bag and the number of locally grown bags sold. Other factors could also affect either measure.

COASTIA RICE MARKET, INVENTED CLASSROOM DATA

Year	Average price per bag	Local bags sold (thousands)
2020	$20	50
2021	$21	54
2022	$26	65
2023	$29	72

3 After the tariff, imported rice may cost shops more, which can push up prices for families. Local growers may sell more, as the table suggests, but the numbers alone cannot prove the tariff caused the change. A higher food bill could hurt families with tight budgets. If foreign sellers lose customers, cross-border trade could fall.

2 ANSWER WITH EVIDENCE

Use the passage

1. How did the price and local sales change from 2021 to 2023? Use numbers from the table.

2. What was the tariff meant to do, and what is one possible unintended effect on families?

3. How could a choice made by Coastia's shoppers affect sellers in another country?

4. If the price trend continues, predict a possible price in 2024. Why should you be cautious about that prediction?

3 YOUR TURN

Your own words

Propose a policy other than a tariff to help Coastia's rice growers compete. In four sentences, use two numbers from the table, explain a likely benefit and an unintended cost, and make a conditional prediction about shoppers or trade.

ANSWER KEY

Rice, Prices, Choices

PART 1 · READ AND MARK

Circle two table values that show a price trend, underline one intended result and one possible unintended result of the tariff in the passage, and number those results 1 and 2. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How did the price and local sales change from 2021 to 2023? Use numbers from the table.	**The average price rose from $21 to $29 per bag, and local sales rose from 54,000 to 72,000 bags.**
2	What was the tariff meant to do, and what is one possible unintended effect on families?	**It was meant to help local growers compete. Higher rice prices could make food harder to afford, especially for families with tight budgets.**
3	How could a choice made by Coastia's shoppers affect sellers in another country?	**If shoppers buy more local rice instead of imported rice, overseas sellers could lose customers and cross-border trade could fall.**
4	If the price trend continues, predict a possible price in 2024. Why should you be cautious about that prediction?	**A possible price is $32 per bag, continuing the $3 rise from 2022 to 2023. The prediction is uncertain because other factors could affect prices.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

Instead of a tariff, Coastia could offer grants for irrigation equipment to local rice growers. From 2021 to 2023, local sales rose from 54,000 to 72,000 bags, while the price per bag rose from $21 to $29, so expanding local supply without taxing imports might protect shoppers. The grants could help growers compete with overseas sellers, but taxpayers would pay for the program even if some farms did not improve. If grants increase harvests, shop prices might stabilize while imported rice remains available.

Accept reasonable predictions supported by the table and other plausible policies with a clear benefit and unintended cost. Students should not claim that the table proves the tariff caused the changes.