Texas Market Connections

Trace how buyers near and far shape Texas production.

7.12.A "explain the impact of national and international markets on the production of goods and services in Texas, including agriculture and oil and gas;"

NAME ____________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB In each paragraph, underline a market change or condition and circle the Texas production or service response it can cause. This will help you trace how markets influence Texas producers.

Buyers Beyond Texas

1 Texas producers do not sell only to nearby customers. A cotton grower in the High Plains may sell bales to a U.S. clothing company. If shoppers across the country buy more jeans, the company may order more cotton. The grower can plant more acres, hire workers, and buy equipment. If national demand falls, the company may order less. Producers then may reduce output or look for other buyers. National markets therefore influence what Texas farms and businesses make.

2 International markets connect Texas producers with buyers in other countries. A Texas cotton exporter may ship fiber to a textile mill overseas. When foreign mills want more cotton, Texas gins and farms may process and produce more. However, shipping costs, trade rules, and changes in currency values can affect the price foreign buyers pay. A drought or harvest in another cotton-growing country can also change world supply and demand, affecting Texas production decisions.

3 Oil and gas are also sold in wide markets. Texas companies drill wells, operate pipelines, refine petroleum, and provide services such as trucking and equipment repair. Oil prices respond to supply and demand around the world. When prices are high enough, a company may drill more wells and employ more workers. When prices fall, it may delay drilling because new wells could earn less. Demand from U.S. drivers, factories, and foreign buyers can therefore affect both Texas energy production and related services.

2 ANSWER WITH EVIDENCE

Use the passage

1. How could increased demand for jeans across the United States affect a Texas cotton grower?

2. How can a drought or harvest in another cotton-growing country affect Texas cotton producers?

3. What might a Texas oil company do when oil prices are high enough, and why?

4. How can demand from foreign buyers affect Texas services connected to oil and gas?

3 YOUR TURN

Your own words

Choose a Texas good or service not named in the passage. Write three sentences that explain one national market change, one international market change, and how the Texas producer or service business might respond.

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PART 1 · READ AND MARK

In each paragraph, underline a market change or condition and circle the Texas production or service response it can cause. This will help you trace how markets influence Texas producers. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	How could increased demand for jeans across the United States affect a Texas cotton grower?	**The clothing company may order more cotton, so the grower may plant more acres, hire workers, and buy equipment.**
2	How can a drought or harvest in another cotton-growing country affect Texas cotton producers?	**It can change world cotton supply and demand, which can affect Texas producers' production decisions.**
3	What might a Texas oil company do when oil prices are high enough, and why?	**It may drill more wells and employ more workers because new wells could earn enough money.**
4	How can demand from foreign buyers affect Texas services connected to oil and gas?	**Foreign demand can affect Texas energy production and related services, such as trucking and equipment repair.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

A Texas pecan company learns that restaurants in several U.S. states are ordering more pecans for desserts. It may buy more nuts from growers and hire a trucking company to deliver larger shipments. If overseas buyers also place orders, the company may package more pecans for export.

Accept any realistic Texas good or service and a clear explanation of both a national and an international market influence. The response should connect each market change to a reasonable production or service response.