VA #1 Supply and Demand Activity

In an economy, there are producers and consumers. **Producers** sell their products at the highest possible price, in order to make the most profit. **Consumers** buy products at the lowest possible price to save money.

In this activity, half of you will be producers and half of you will be consumers. You will randomly draw a card from either the “consumer” deck or the “producer” deck. This card has a price on it.

If you are a **consumer**, this price reflects the amount you are willing to pay for a product. You can pay the price on the card or any price *lower* than this. Remember, *you want to save the most money*.

If you are a **producer**, this price reflects the amount you are willing to sell your product for. You can ask for this price or any price *higher* than the amount on your card. Remember, *you want to make the most profit*.

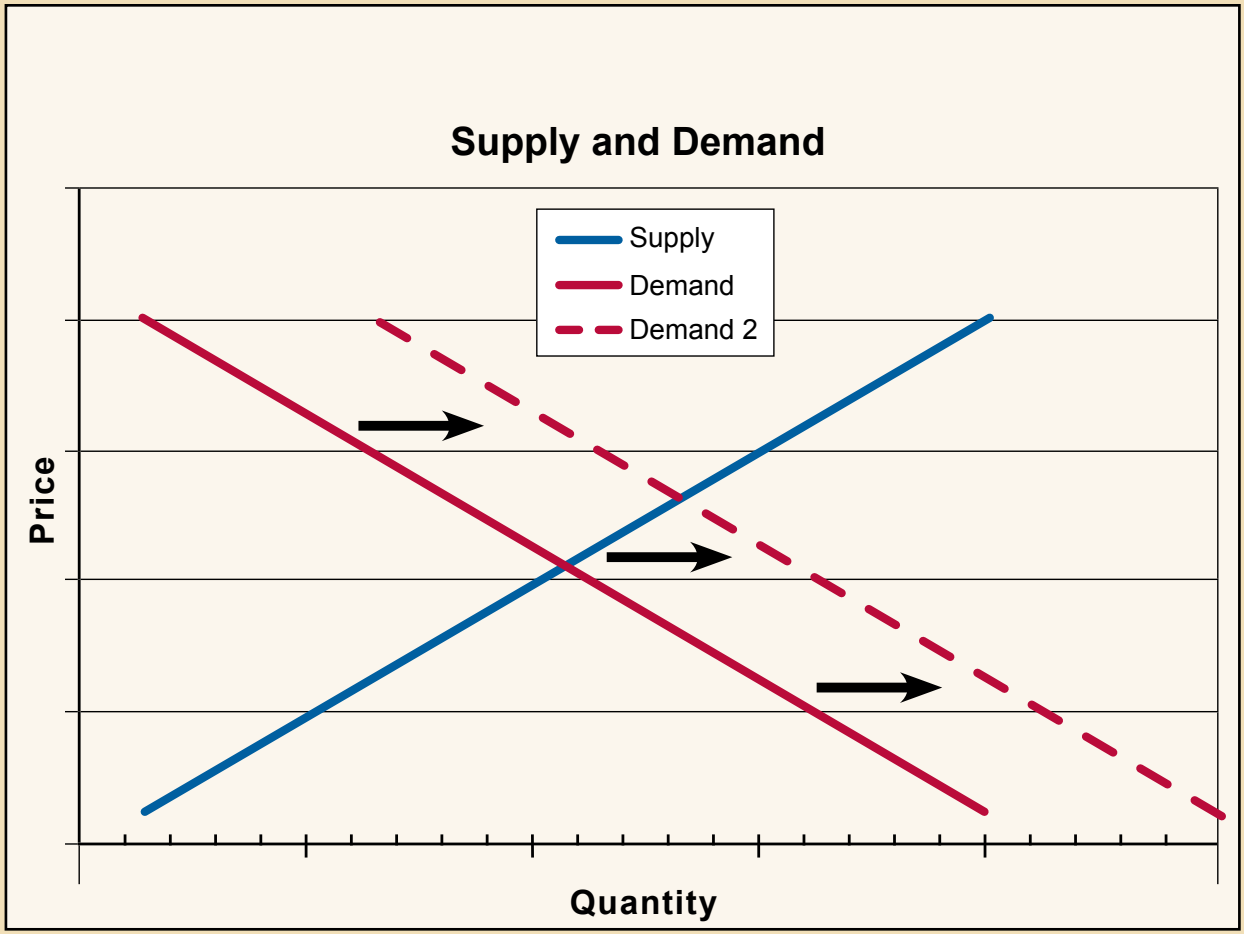
The **recorder**, will create a “demand curve,” by plotting the number of consumers who would buy an MP3 player at each price on the chart.

The **recorder**, will also create a “supply curve,” by plotting the number of producers who would sell an MP3 player at each price.

Assumptions:

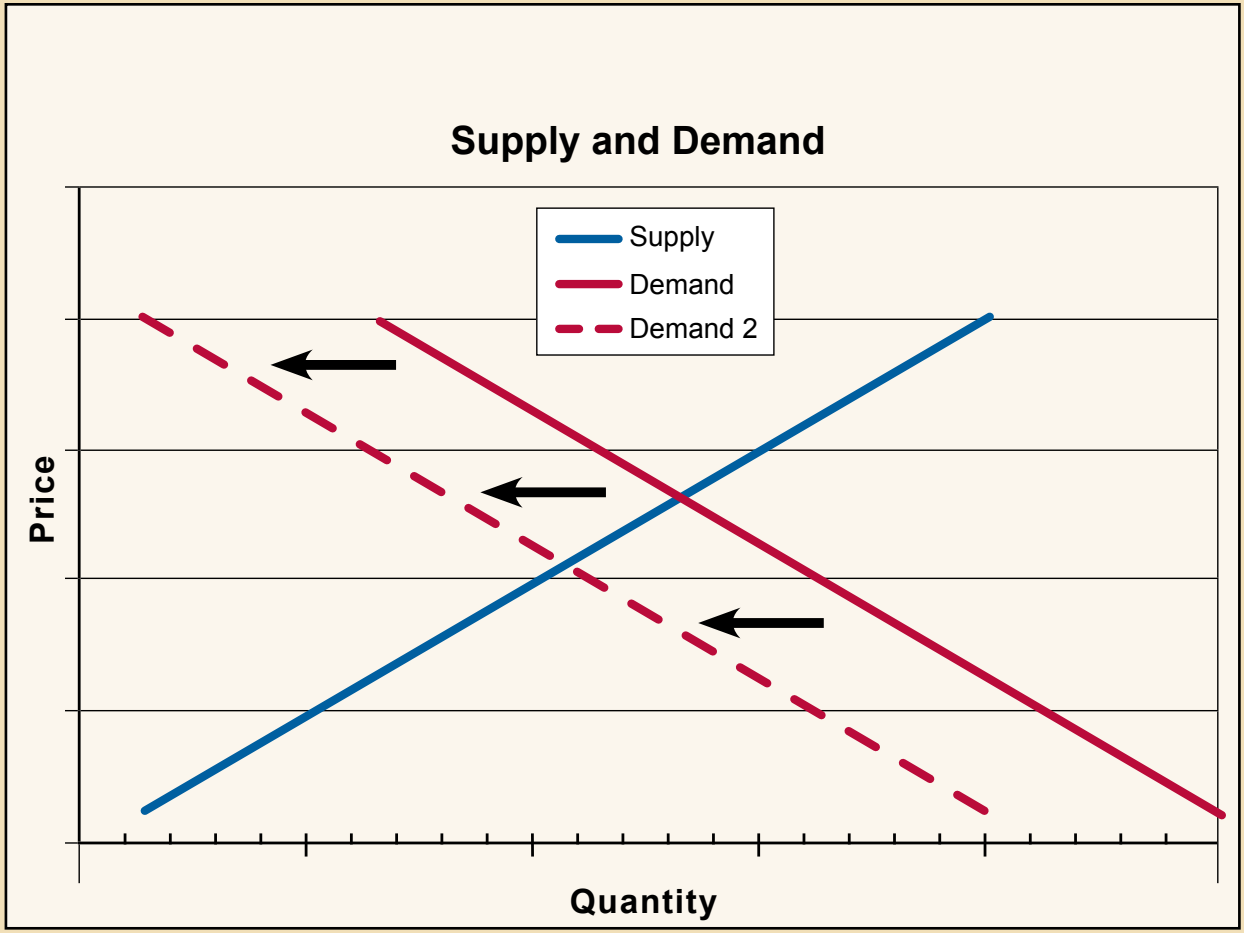
- Every **consumer** wants an MP3 player and no one has one yet.
- Each **producer** has just one MP3 player to sell this year.

VA #2 Increase in Demand



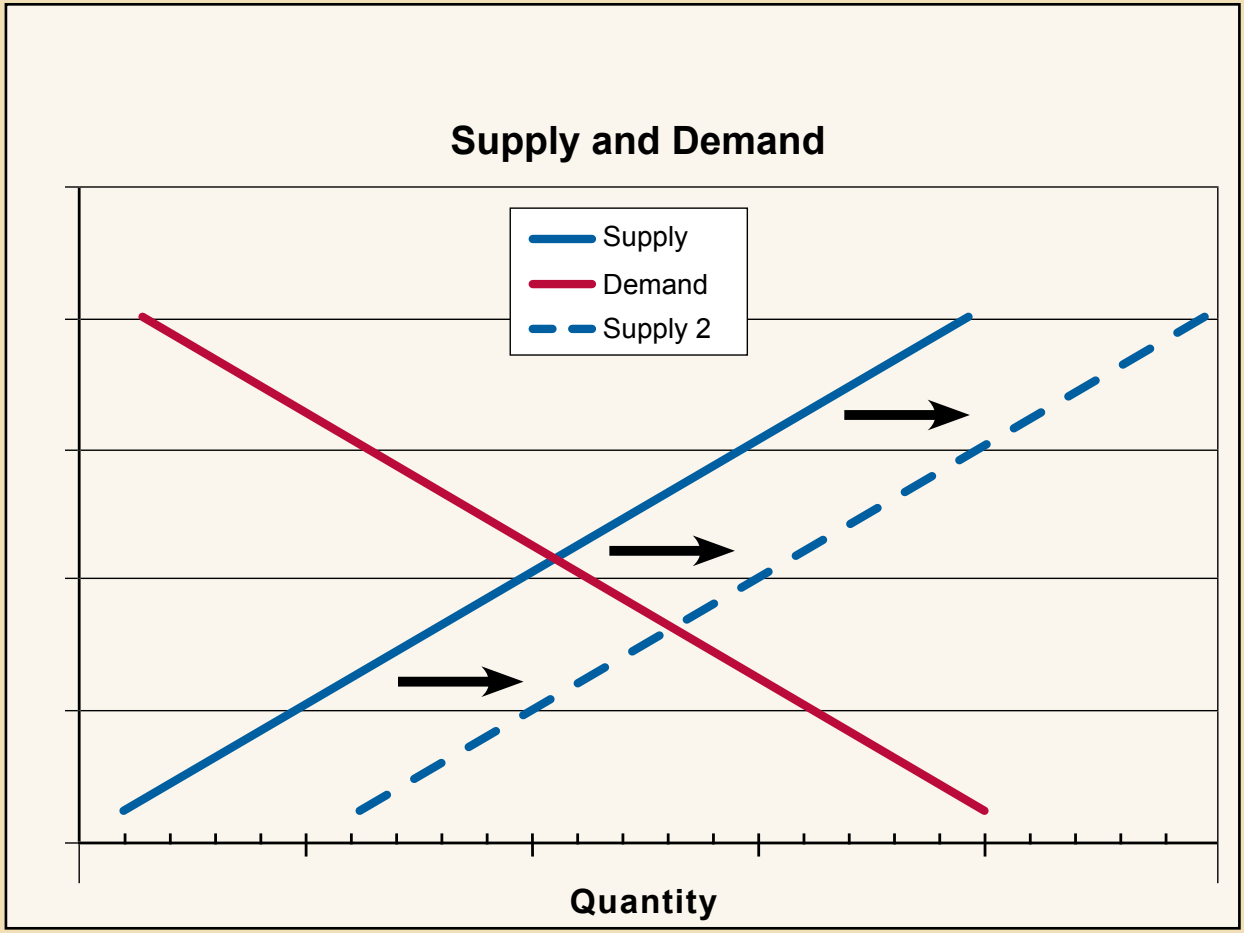
This graph illustrates what happens when there is an increase in demand for a product, not related to price.

VA #3 Decrease in Demand



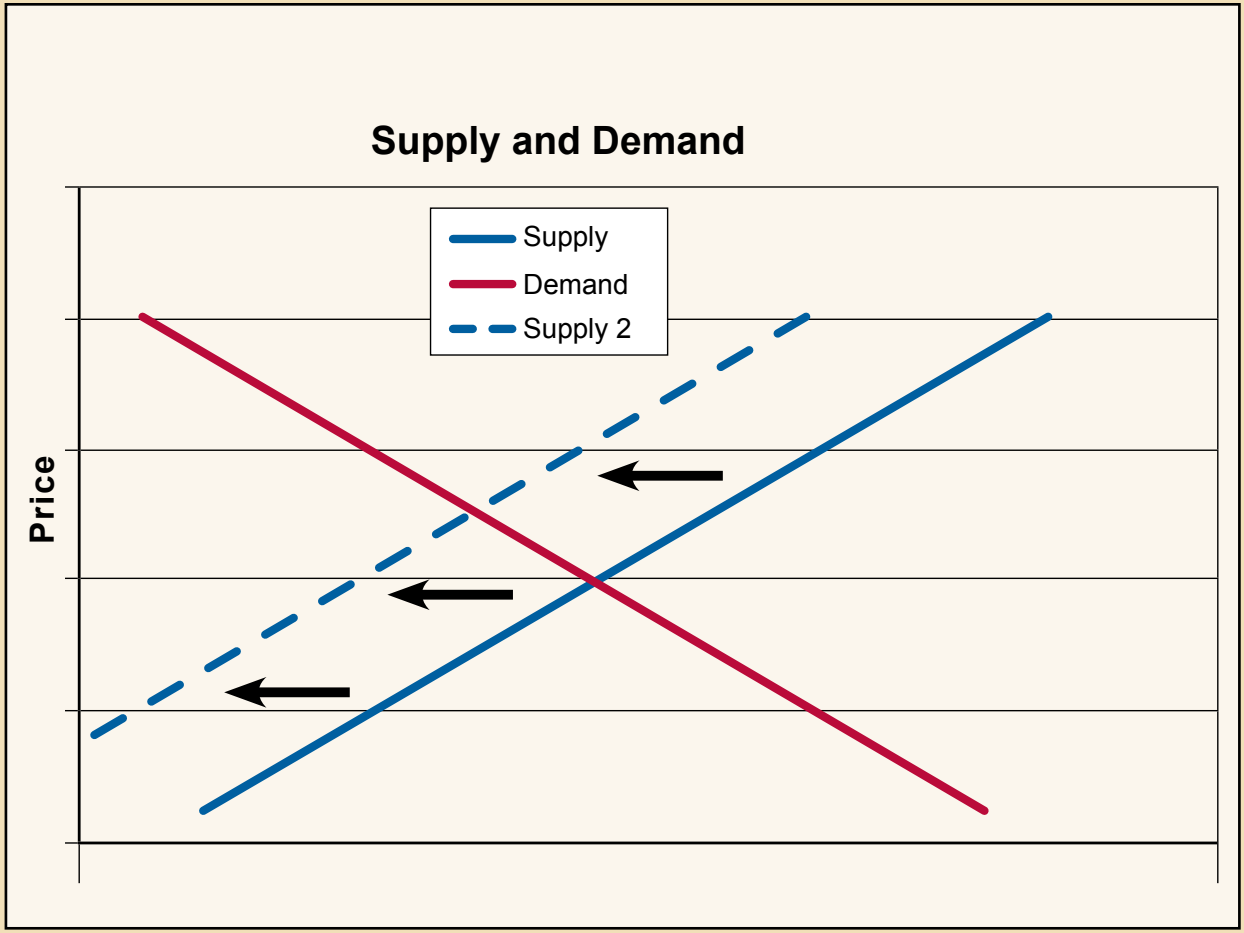
This graph illustrates what happens when there is a decrease in demand for a product, not related to price.

VA #4 Increase in Supply



This graph illustrates what happens when there is an increase in supply for a product, not related to price.

VA #5 Decrease in Supply



This graph illustrates what happens when there is a decrease in supply for a product, not related to price.

VA #6 Forces at Work in the Global Fish Market

Forces in the Global Fish Market

Competition

Supply

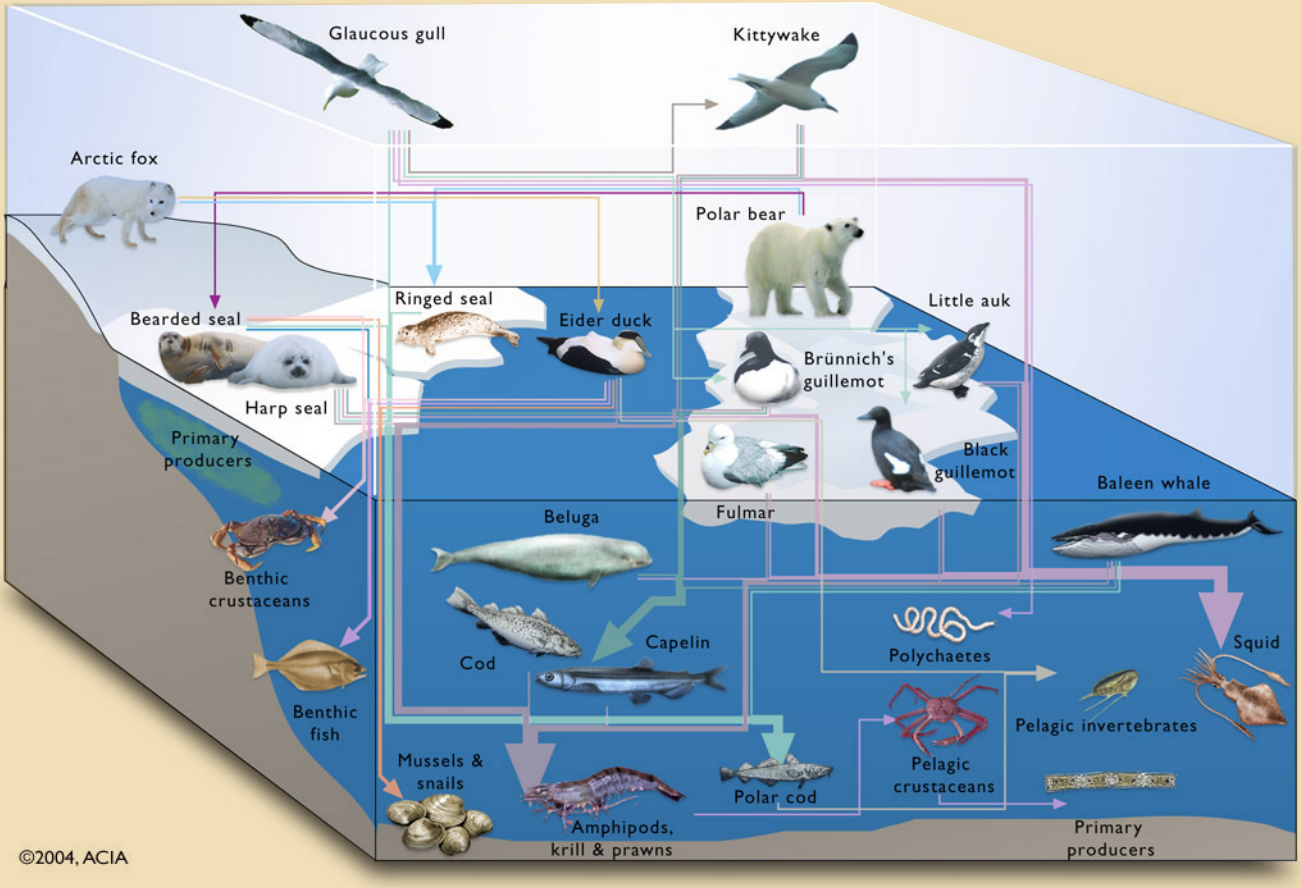
Demand

Scarcity

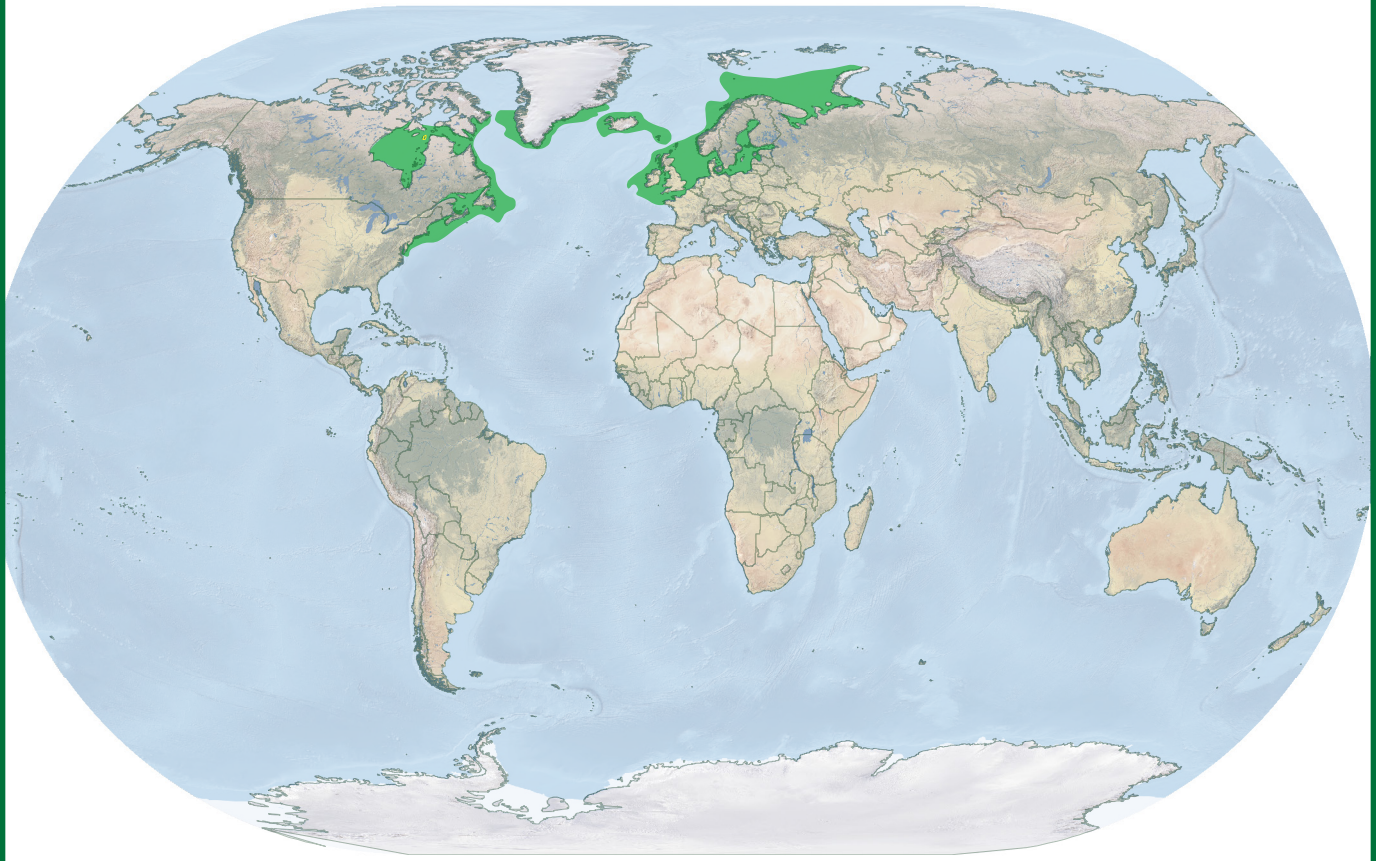
Price

Regulation

VA #7 An Ocean Ecosystem



VA #8 Species Distribution of the Atlantic Cod (*Gadus morhua*)



Distribution of Atlantic Cod (*Gadus morhua*)

0 1,000 2,000 4,000
Miles

N
W E
S

VA #9 Considering the Effects of and on the Global Fishing Industry

Effects of the Fishing Industry on the Natural System (Ocean)	Effects of the Natural System (Ocean) on the Fishing Industry

Shrimp Is Most Popular U.S. Seafood

Per Capita Consumption of Seafood Species
by Americans, 2006 (in pounds)

Shrimp	4.400
Canned tuna	2.900
Salmon	2.026
Pollock	1.639
Tilapia	.996
Catfish	.969
Crab	.664
Cod	.505
Clams	.440
Scallops	.305

Shrimp is the most popular seafood among Americans. Canned tuna is second, despite concerns about high mercury levels in some types of tuna.

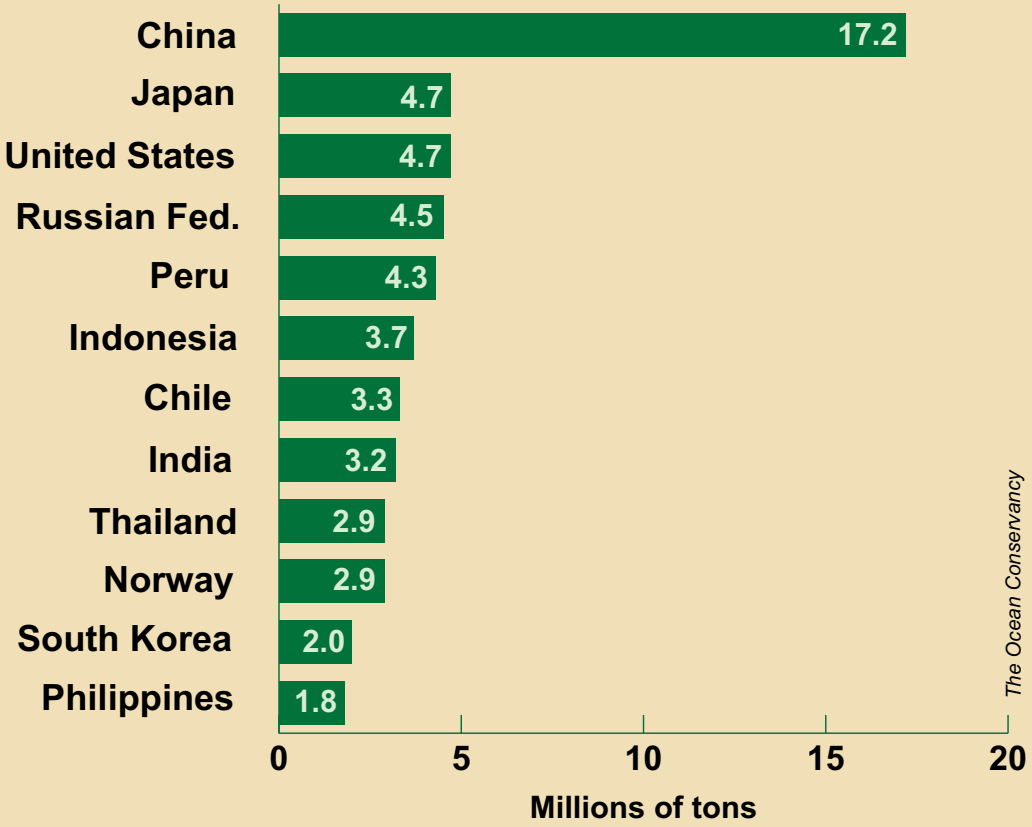
Source: National Fisheries Institute, www.aboutseafood.com

VA #11 Who's Fishing?

Top Fish–catching Nations

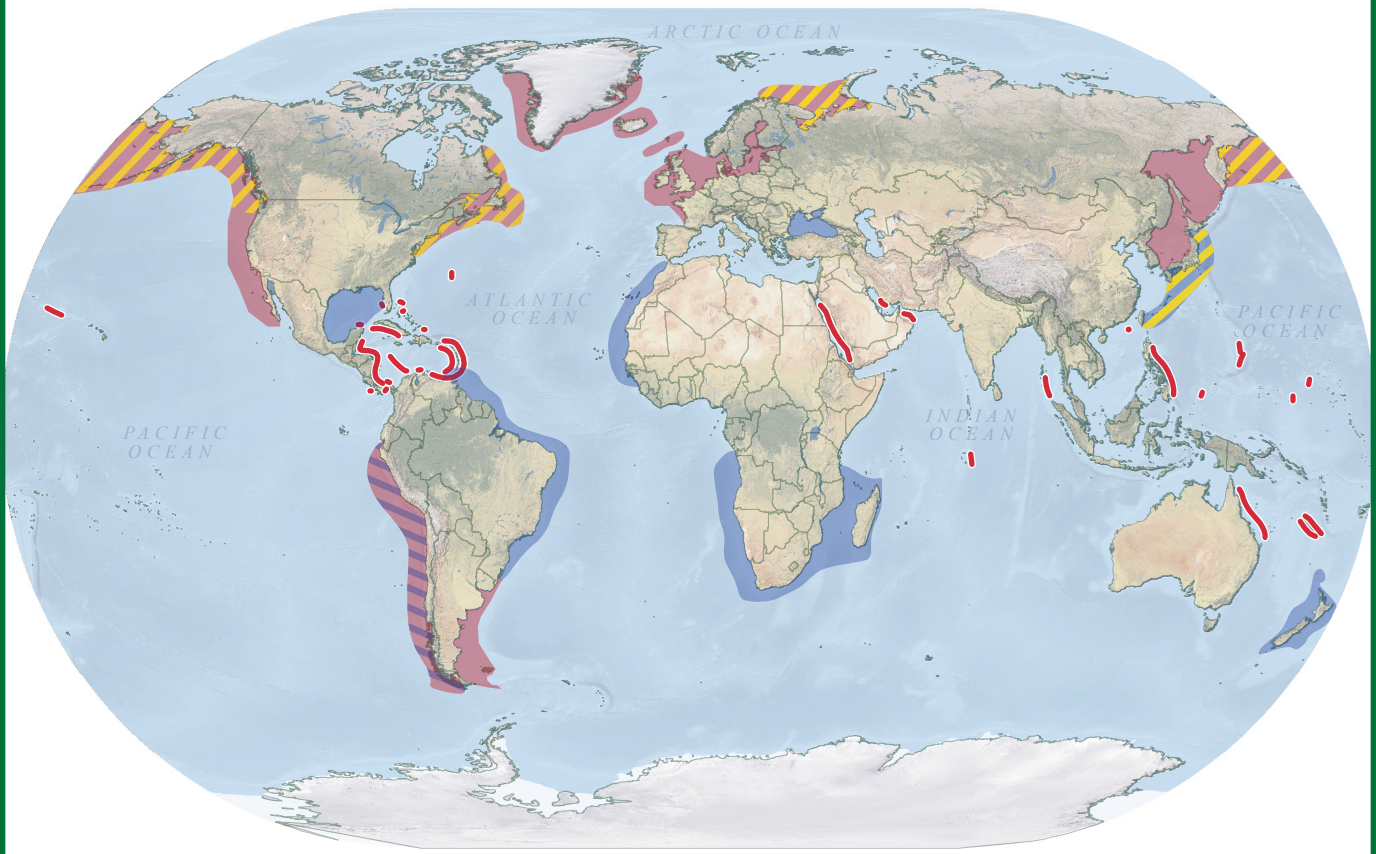
China harvests nearly twice as much fish annually as the United States and Japan combined, according to data supplied by China to the United Nations. But some scientists say Chinese officials grossly inflate the size of the catch.

Marine and Inland Fishing Harvests, 1999
(in millions of tons; excludes aquaculture)



Source: "The State of World Fisheries," U.N. Food and Agriculture Organization, 2000

VA #12 Oceans at Risk



Falling Marine Fish Catches Since 1970

- Cod and Cod-like Fish (Haddock, Hake)
- Flatfish (Flounder, Sole)
- Perch-like Fish (Grouper, Snapper)
- Diseased Coral Reef

N
W E
S

0 1,000 2,000 4,000
Miles

VA #13 Regulating the Fish Market 1

Regulatory Measure	Definition	How Used in the Fishing Industry	Effect on the Market (supply, demand, price)
Embargo			
Moratorium			
Quota			
Subsidy			

VA #14 Regulating the Fish Market 2

Regulatory Measure	Definition	How Used in the Fishing Industry	Effect on the Market (supply, demand, price)
Tariff			
Trade Agreement			
Zoning			