

CRITICAL THINKING 5

MAKING GENERALIZATIONS ABOUT THE SUPPLY OF HOGS

Generalizations are judgments that are usually true, based on the facts at hand.

Directions: Combine the facts in the following table with what you have read about the law of supply. Then answer the questions and choose the most likely generalizations below.

U.S. Hog Production and Prices
(in thousands)

Year	Production	Price per Hog
1980	67,318	\$38.00
1990	53,788	\$53.70
1992	57,649	\$41.60
1994	57,904	\$39.90
1996	57,150	\$51.90
1998	61,600	\$81.00

1. What is the law of supply?

2. A sure sign that the law of supply is prevailing is when production and prices are up. In which year on the table does it appear that the law of supply is prevailing? _____

3. How does the production of hogs differ from the production of a product that can be made in a matter of hours?

4. Based on your answer to question 3, when would you most likely see a decrease in the rate of hog production?

5. When would you expect an increase in the rate of hog production?

6. Did the production of hogs increase or decrease between 1980 and 1990? By how much?

7. Circle the letter of the generalization that is best supported by facts in the table.

- a. Farmers offer more hogs for sale when the price per hog is high.
- b. Farmers increase the production of hogs for sale after the price per hog goes up.