

# Ans-1) considered as major elements for any agricultural companies essay

[Business](#), [Marketing](#)



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As we, all know that the concept of demand and supply is extremely important and powerful as far as subject of economics is concerned, as it has every bread and butter about this field of study. The study of economic inevitably associated with every occupation; hence, it is more than important for a person to have sufficient knowledge regarding this subject and its related terms (Samuelson, p. 47).

If the concepts of economics relate to every line of business, then it may also associated with the economy of a country as well and while making of Gross Domestic Product (GDP) or comes across with Purchasing Power parity (PPP). The core theme of this paper is to answer two different questions relates to the same topic of demand and supply.

United States (US), a mixture of manufacturing, based and agriculture economy has been seeing some major changes in its economy from last few decades, deems favorable for the country as far as economic strength is concerned. The harvesting of crops like corn and soya beans are some of the vital ones from the viewpoint of US entire economical structure. In addition, Corn and Soya bean productions is considered as major elements for any agricultural companies as well as two of their states, Indiana and Ohio are having a great time in growing such products (Field, p. 146).

Dr. Bruce Babcock stated in his book which published in the year 2012 that Corn is expected to increase by 28% in the upcoming year of 2013 as compared to the entire year's production of the last year, while the growth pertains to soya bean remains on the level of 8% in 2013. According to the statement of Dr. Bruce, the environmental and climate position of USA are

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now changing rapidly posing somewhat dominating and beneficial effects on different crops. Corn and Soya bean are some of those crops, which are having exceptional time during the growing season. Apart from that subsidy, giving to the agriculture sector from the government is also an integral element of this astounding growth. If the rates of increment of crop and soya bean are 28% and 8%, then it means that the level of supply would increase which ultimately affects on the final price and quantity demanded of the product. Both of the crops have the similar and mentioned reaction on its prices and quantity

There are two supply lines revealing in the diagram, the first one is showing the prices prior to the increment, while S2 is showing an expansion in the demand as well in the supply, which decreased the price on the level of \$ 80 then \$ 100.

## **Ans-2)**

Inevitably, there are number of things that specifically held responsible behind any sort of price fluctuation and dwindling in demanded quantity. In the year 2012, it is a general perception that the stance of temporary removal of ethanol gasoline, but there is nothing to deals with the corn market. Corn market has nothing to deal with ethanol gasoline. The government of the United States (US) has introduced the concept of bio fuel energy, which is to decrease the dependence on the foreign oils, which allows the country to include the things accordingly. The extent to analyze this thing is also quite higher in total. The same mode would be applied on the same question, but unfortunately, there is nothing to deal with the

correlation between the corn industry from the ethanol gasoline including removal and anything will not be impacted the country as a whole.

## **Works Cited**

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