

Name: _____

Period: _____

Lesson 26

The Mystery of the Unwanted Melons

Directions. Read the *Handy Dandy Guide* and the mystery. Read the clues. Be careful.

While all the clues are correct, only some are *useful* in solving the mystery. Decide which clues are most relevant to solving the mystery. Use the clues and one or more of the ideas from the *Handy Dandy Guide* to figure out a solution to the mystery. Write your solution.

Handy Dandy Guide

1. People *choose*.
2. People's choices involve *costs*.
3. People respond to *incentives* in predictable ways.
4. People create *economic systems* that influence individual choices and incentives.
5. People gain when they *trade* voluntarily.
6. People's choices have consequences that lie in the *future*.

The Mystery

In the early 1990s, some U.S. farmers who ordinarily grew cotton and peanuts began planting crops that were unusual for them—squash and melons, for example. Many of these farmers did not take good care of their new crops. They planted them at odd times, did not irrigate them, and generally did not attend to them. In fact, they hoped they would never harvest these new crops.

Why would farmers plant crops they do not want to harvest?

The Clues

1. Millions of dollars are paid each year to compensate farmers for crops that fail.
2. The number of crops eligible for crop-failure payments has grown and now includes 14 types of melons, 22 kinds of beans, and 86 flowers.
3. Congress declares crop disasters about once a year.
4. The number of farms in the United States peaked at 6.8 million in 1935.
5. Today, there are fewer than two million farms in the United States.
6. In 1993, American farmers received \$22 billion in farm subsidies (payments from the government).
7. Success in farming depends a great deal on weather conditions.
8. In New Zealand, only 4 percent of farm income derives from subsidies.
9. One U.S. government audit identified \$92.5 million in questionable payments to farmers requesting compensation for crop failures.

Record your solution and explain it briefly here:
