

Name: _____

Lesson 30

Period: _____

Why Grow Rice in the Desert?

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

We think of farmers as sensible, practical people, inclined to make prudent decisions about their work. But farmers sometimes make decisions that seem very strange. For example, farmers in California grow large crops of rice (which requires a great deal of water) in the desert (the Sacramento Valley).

Why would farmers grow rice in the desert?

The Clues

1. Farmers in California are able to earn an income growing and selling rice.
2. Most of the water used in growing rice comes from government-sponsored irrigation projects.
3. The price California farmers pay for water used in irrigation is well below the market price.
The farmers get a substantial discount.
4. Starting in 1902, the federal government began to subsidize construction of large water storage and delivery projects.
5. In periods of severe drought, Californians are warned against flushing toilets, watering lawns, and taking showers.
6. Rice is grown in many parts of the world, especially in Asia.
7. California farmers, like farmers everywhere, have good years (sunshine and adequate rain) and bad years (drought).
8. Many grape producers in California went out of business in the 1980s.

Record your solution and explain it briefly here:
