

Wooly Economics

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| Created by: IRRC | Date: |
| Subject: Economics | Grade Level: 9+ |
| Time Required: 1 hour | CCS Standards: (Informational text)  Reading: Integration of Knowledge and Ideas: 7 |

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| Overview | Students will watch video presentations about raising and marketing sheep, and answer questions about the information presented |
| Goal(s) & Objective(s) | Students will review the vocabulary terms supply, demand, scarcity, factors of production, and entrepreneurship as they apply to two different sheep ranching operations. Students will interpret a graph that models changes in lamb prices. Students will use given numbers to come up with a formula for calculating percent increase and decrease. |
| Materials: | * Computer with a projector to show the videos. * Computers with student internet access, **or** copies of the articles about the Noh Sheep Company and Lava Lake Lamb found at the websites listed below under “Read More”. |
| Teaching Activities:  *Instructional Approaches/Strategies* | Introduction:   1. Each video shows a different example of how a working ranch markets their product, and the effects of economic forces on the ranch.   Procedures:   1. Have students define the terms at the beginning of the worksheet using classroom resources. Let them know they will be applying these terms to two sheep ranches in Idaho. Let students know you will come back to some important points in the video to let them review the information. 2. Play the “Noh Sheep Company” video at <http://www.lifeontherange.org/range-stories/noh-sheep-company.asp> 3. Back up the video at about :29 seconds to allow the students to interpret the graph. Discuss as necessary 4. Play the “Lava Lake Lamb” video at <http://www.lifeontherange.org/range-stories/lava-lake-lamb.asp> 5. Give students time to read the articles with each video and finish answering the questions.   **Closure**   1. Discuss students answers to the questions either in small groups or as a class. |
| Assessment: | Use the attached answer sheet to correct student work |

**Wooly Economics Questions**

**Name**

**Before watching the videos, define the following terms using your textbook:**

1. Entrepreneur:
2. Scarcity:
3. Supply:
4. Demand:
5. Factors of Production:

**Noh Sheep Company:**

1. What does the red line on the graph indicate? What does the blue line indicate?
2. Compare the trend indicated by the red line with the trend indicated by the blue line.
3. How does this trend explain why John Noh was having a “great summer”?
4. How long has the Noh Sheep Company been operating in the Magic Valley?
5. How many bands of sheep do the Noh’s run on public land?
6. How many acres of land do the sheep use?

Read the article listed under “Read More”. Answer the following questions:

1. The article states “Last year, lamb prices were 95 cents per pound, and now they're $1.20 per pound, a 26 percent increase”. Show how this percent increase is calculated in the space below:
2. The article states “Wool prices have risen from 85 cents per pound to almost $2 per pound, a 135 percent increase.” Show how this percent increase is calculated in the space below:
3. Next year, if wool prices rise to $2.09 per pound, what will be the percent increase?
4. Next year, if wool prices drop from $2.00 per pound to $1.59 per pound, what will be the percent decrease?

**Lava Lake Lamb**

1. What types of lamb does Lava Lake Lamb produce?
2. About how many lambs did Lava Lake sell in this way six years ago?
3. Why does Cheryll Bennett say that selling in the local fresh market is challenging?
4. How many acres does Lava Lake Ranch run its 5-6 bands of sheep on?

After watching the video, open the article under “Read More”

1. How would you describe the types of restaurants (such as the Arid Club) where Lava Lake Lamb is sold?
2. How do the prices of Lava Lake Lamb compare to “what you might find at the grocery store”?
3. Certified organic and all-natural lamb involve production costs.
4. Bennett says “Our lamb is sold at a premium”. What does this mean?

**Comparing the Ranches**

1. Which of these ranches involve the most entrepreneurship in its operation? Explain your answer.
2. Explain how scarcity and production costs relate to the cost of Lava Lake Lamb.
3. Make a statement based on the videos about what has happened to the demand for lamb and wool over the last six years. Give an example from one of the ranches to support your answer.
4. What are two factors of production mentioned in both videos.

**Wooly Economics Questions**

**Name**

**Before watching the videos, define the following terms using your textbook:**

1. Entrepreneur: A person who uses initiative and takes risks to begin a new business venture
2. Scarcity: Humans have more wants than the ability markets have to provide for the wants
3. Supply: The amount of product available to consumers
4. Demand: The willingness and ability of consumers to pay for a product
5. Factors of Production: Inputs necessary to make a product

**Noh Sheep Company:**

1. What does the red line on the graph indicate? 2010 prices What does the blue line indicate? 2009 prices of lamb
2. Compare the trend indicated by the red line with the trend indicated by the blue line.

The red line is much higher than the blue line – prices are higher for 2010 than 2009.

1. How does this trend explain why John Noh was having a “great summer”?

The prices for his products are up.

1. How long has the Noh Sheep Company been operating in the Magic Valley?

About 100 years

1. How many bands of sheep do the Noh’s run on public land?

Two

1. How many acres of land do the sheep use?

36,000 acres

Read the article listed under “Read More”. Answer the following questions:

1. The article states “Last year, lamb prices were 95 cents per pound, and now they're $1.20 per pound, a 26 percent increase”. Show how this percent increase is calculated in the space below:

1.20-.95 = .25 .25/.95 x100% = 26%

1. The article states “Wool prices have risen from 85 cents per pound to almost $2 per pound, a 135 percent increase.” Show how this percent increase is calculated in the space below:

2-.85 = 1.15 1.15/.85 x 100% = 135%

1. Next year, if wool prices rise to $2.09 per pound, what will be the percent increase from last year?

2.09-2.0 = .09 .09/2.0 x 100% = 4.5%

1. Next year, if wool prices drop from $2.00 per pound to $1.59 per pound, what will be the percent decrease?

2-1.59 = .41 .41/2 x 100% = 20.5 % decrease

**Lava Lake Lamb**

1. What types of lamb does Lava Lake Lamb produce? All natural and organic.
2. About how many lambs did Lava Lake sell in this way six years ago? 50-75
3. Why does Cheryll Bennett say that selling in the local fresh market is challenging? Carcass balancing – being able to sell every cut of meat from an animal
4. How many acres does Lava Lake Ranch run its 5-6 bands of sheep on? 800,000 acres

After watching the video, open the article under “Read More”

1. How would you describe the types of restaurants (such as the Arid Club) where Lava Lake Lamb is sold?

Expensive, Higher class

1. How do the prices of Lava Lake Lamb compare to “what you might find at the grocery store”?

They are higher

1. Certified organic and all-natural lamb involve Higher production costs.
2. Bennett says “Our lamb is sold at a premium”. What does this mean? It is more expensive.

**Comparing the Ranches**

1. Which of these ranches involve the most entrepreneurship in its operation? Explain your answer.

Lava Lake Lamb is taking advantage of a new market in all-natural products

1. Explain how scarcity and production costs relate to the cost of Lava Lake Lamb.

There is a high demand for all natural products – this raises the cost because of scarcity. The production costs of all natural products are higher – this raises the cost because of production cost.

1. Make a statement based on the videos about what has happened to the demand for lamb and wool over the last six years. Give an example from one of the ranches to support your answer.

The demand for lamb and wool has increased, because as the Noh video shows, prices are up for all sheep products. Or, as the LLake Lamb video shows, their business has increased.

1. What are two factors of production mentioned in both videos?

Labor (the herders, scientists, marketing), and the availability of land