



## What happens when there's not enough of something that everybody needs?

By the time we reach the third grade we have learned something about the basics of “supply and demand.” They are the fundamental elements of economics.

**Supply** is how much of something is available. **Demand** is how much of something people want. To illustrate how these two principles work together, let's consider Adam's Apple Farm.

People love apples! And, thanks to improved technology for storing them fresh, transporting them across the country, and selling them in all kinds of grocery stores, there is a year-round supply -- and demand -- for the tart fruit. There are also many places they are grown, and many different varieties which contribute to the supply of apples.

Adam works hard all year to protect the apple trees in his orchard. He plants new trees and decides how much fruit to grow each year to have enough for all the people who want to buy his apples. Sometimes Mother Nature steps in to make his job more difficult. Insects or disease may invade his orchard or there may not be enough workers to harvest the fruit. There may be too much rain at the wrong time of the year, or there may not be enough rain (drought) for the fruit to grow well.

Obviously, Adam has many things to consider before his crop ripens and is ready for sale. He has many costs associated with his orchard: new trees, paying his workers and himself, keeping his machinery in good working order and buying new when they wear out, and the cost of transporting and marketing his fruit.

Adam considers all his orchard operating expenses when he decides how much his apples will cost. When there is a good crop -- and there are plenty of apples and competition from other growers -- the price will likely be lower. If, on the other

hand, if it isn't a good year for apples and fewer make it to market, the price will be higher.

Sometimes, producers (like Adam) discover that more sellers are also offering the same product or service. Adam figures that keeping the price artificially low for his good crop will help create a large demand. Sometimes these decisions backfire. For example, when the Nintendo Wii video game system was first released, the company wanted the product to be affordable for average families so they set a low price. Demand skyrocketed and supply of the game simply couldn't keep up! Even a year later, it was still very hard to find one in the stores.

What happens when the product or commodity in high demand cannot be created, grown, produced or built? What happens when what we don't have enough of is something we can't live without? Get the picture? What happens when it's WATER we're talking about? We know that Mother Nature can -- and does -- impact the supply picture with a drought. We can't create this valuable natural resource...we can only preserve and protect it every way we possibly can.

We have all learned some hard lessons from the recent (and ongoing) drought. Population is booming here in Texas and this increases the demand for water — for our cities, for our crops and livestock, for factories and businesses, and for families at home. Do the math....the more people in Texas to share our finite resources, the less WATER there'll be to go around for future generations of Texans.

That's why it's important for each of us to make a commitment to **AVOID WASTING WATER!** Before turning on a faucet, the sprinklers, the dishwasher or washing machine – ask yourself: **Is it worth the use?** For more information on how you can help, visit [www.SaveWaterTexas.org](http://www.SaveWaterTexas.org).

**Water...what would we do without it?**

