

Resource: A source of supply or support. Something we depend on for comfort or help.

Natural Resource: One that is found in the environment and results from nature.

Capital Resource: One that results from or is built with money.

Community: A group of interacting people living in a common location.

Economy: The management of resources and earnings in a particular community or region.

Consumer: One that uses the goods produced in an economy.

Processor: One that takes something and further refines it to make a product that people want.

Producer: Another word for farmer — someone who produces or makes something in their business.

Supplier: Someone who supplies goods or service to support another business.

Taxes: An amount of money the government takes from businesses and individuals to support the needs of the community.

Tax Collector: Someone who collects taxes to be used to support the local community.

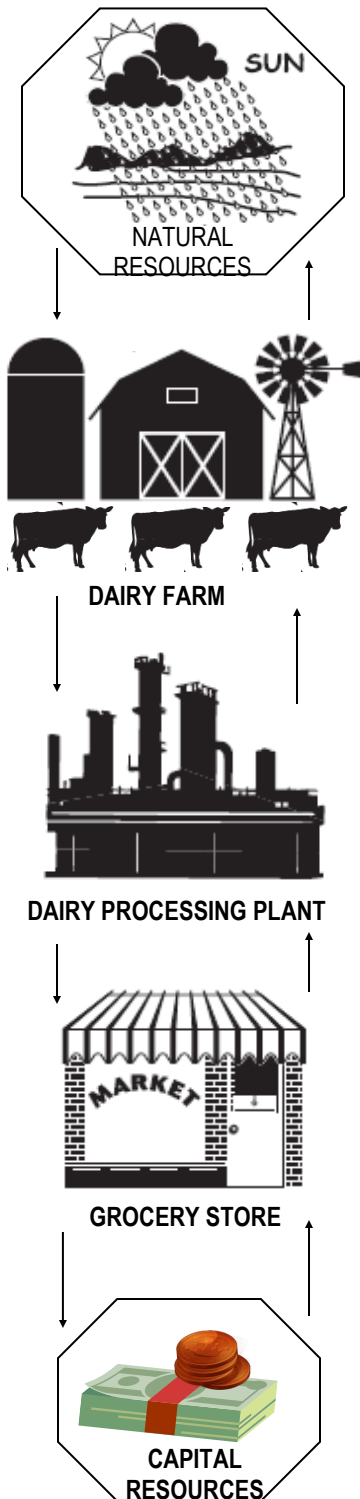
Employee: Someone who works for another person or a business in exchange for money.



Handin' It On Guided Reading Pamphlet



Discover Dairy is an initiative of the American Dairy Association North East, Center for Dairy Excellence, Midwest Dairy Council and the Pennsylvania Dairy Promotion Program, and, funded in part by the Center for Dairy Excellence Foundation of Pennsylvania.



One cow provides an economic impact of \$13,737 for the local community, and every nine cows supports one job somewhere within the dairy industry. Using these numbers, the adjacent table illustrates how different size dairy herds contribute to the local community.







What does a dairy farm with 180 cows contribute to the local community?

What does a dairy farm with 900 cows contribute?

How many cows would it take to support 100 jobs?

How many cows would it take to contribute \$1.2 million to the local community?

Dairy Farms' Contribution to the Community

<u>Number of Cows</u>	<u>Number of Jobs</u>	<u>Economic Activity</u>
	1	\$123,633
	5	\$618,165
	10	\$1,236,330
	20	\$2,472,660
	50	\$6,181,650
	100	\$12,363,300

How Dairy Farms Produce Capital Resources from Natural Resources:

Dairy farms play an important role in supporting the local community. They take natural resources like land, air and water and use them to produce milk. The milk can then be sold to bring back capital resources — or money — to the local community.

Follow the flow chart on the adjacent page to see how dairy farms produce capital resources by using natural resources.

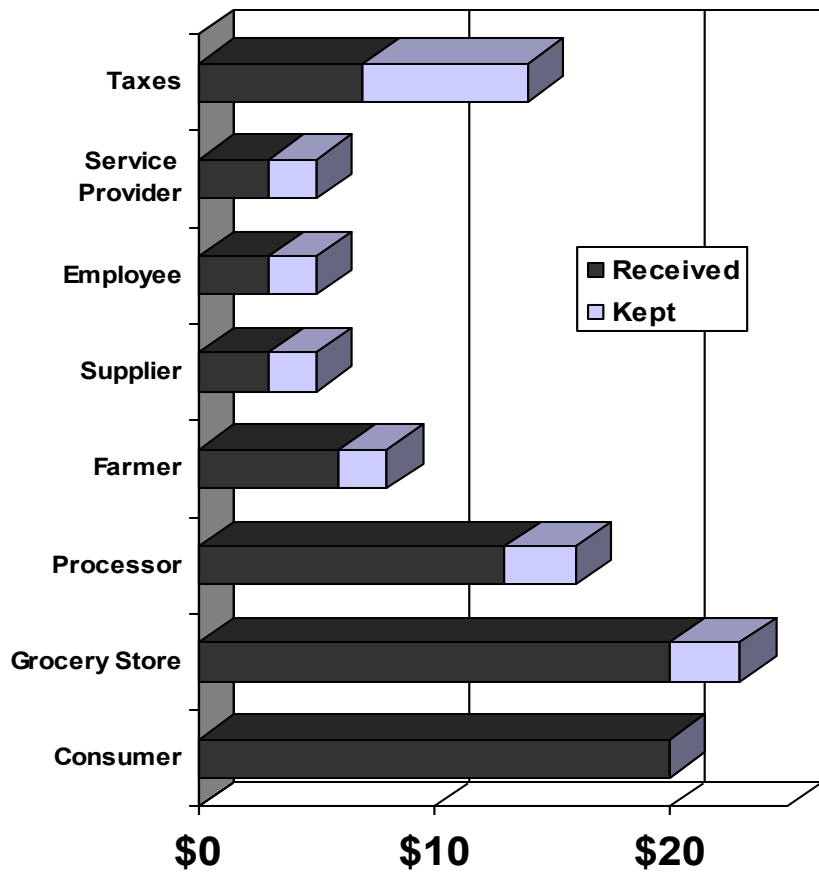
Dairy farmers feed their cows the crops that need natural resources to grow. Those cows produce the milk which is sold to the processing plant.

The processing plant takes that milk and makes it into something people want — like bottled milk, cheese, yogurt and ice cream. Then they sell those products to the grocery store. The grocery store sells those products in exchange for money.

That money then comes back to the processing plant and, in time, to the dairy farm. The dairy farm and the processing plant use their share of the money to pay employees and buy local supplies, giving that money to other people in the local community.

What happens if all the dairy farms and cows leave the community?

How Money Moves Through The Community



The adjacent graph illustrates how money moves through a community. In the example, the consumer pays \$20 for dairy products at the local grocery store. The grocery store then takes that \$20 and pays the processor \$13. The processor pays the farmer \$6 of his \$13. Then the grocery store owner, processor and farmer all pay the supplier, employee and service provider each \$1. Everyone pays \$1 for taxes.

The graph illustrates how much each person received and how much they kept in the end.

Who started with the most money?

Who kept the most money?

Who kept the least money?