

- 5.** Brazil is the world's largest coffee producer. There was a severe drought in Brazil in 2013–2014 that damaged Brazil's coffee crop. The price of coffee beans doubled during the first 3 months of 2014.
- a.** Draw and discuss a supply-and-demand diagram to explain the increase in coffee prices.
 - b.** Are coffee and tea substitutes or complements? Explain.
 - c.** What do you think the impact of this drought has been on the equilibrium price and quantity of tea? Draw a supply-and-demand diagram for the tea market to explain your answer.