

**Department of Economics
2025-2026
Seminar Series**



Wednesday, October 08, 2025
12:30 PM - 1:50 PM
SBS, Room N603

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Cows and Trees

Abstract: The Brazilian Amazon plays a crucial role in regulating global climate and preserving biodiversity, yet it faces mounting pressures from deforestation, driven primarily by cattle ranching. The expansion of cattle pastures is shaped by the dual role of cattle as output and capital stock, leading to nontrivial dynamic patterns. We develop a structural empirical model of ranchers' cattle management and land use decisions that accounts for deforestation costs, herd dynamics, and price expectations. The model estimates reveal that deforestation is inelastic to temporary shocks to beef prices but highly elastic to persistent price changes. Finally, we simulate various policies and discuss the implications of deforestation being highly elastic in the long run. With Eduardo Souza-Rodrigues and Skand Goel

All in-person seminars will be held in the Social and Behavioral Sciences Building, Room N603. For additional information, contact the seminar organizers: Profs. Jonathan Becker and Lorenz Ekerdt. Visit our webpage for additional information: stonybrook.edu/economics.

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