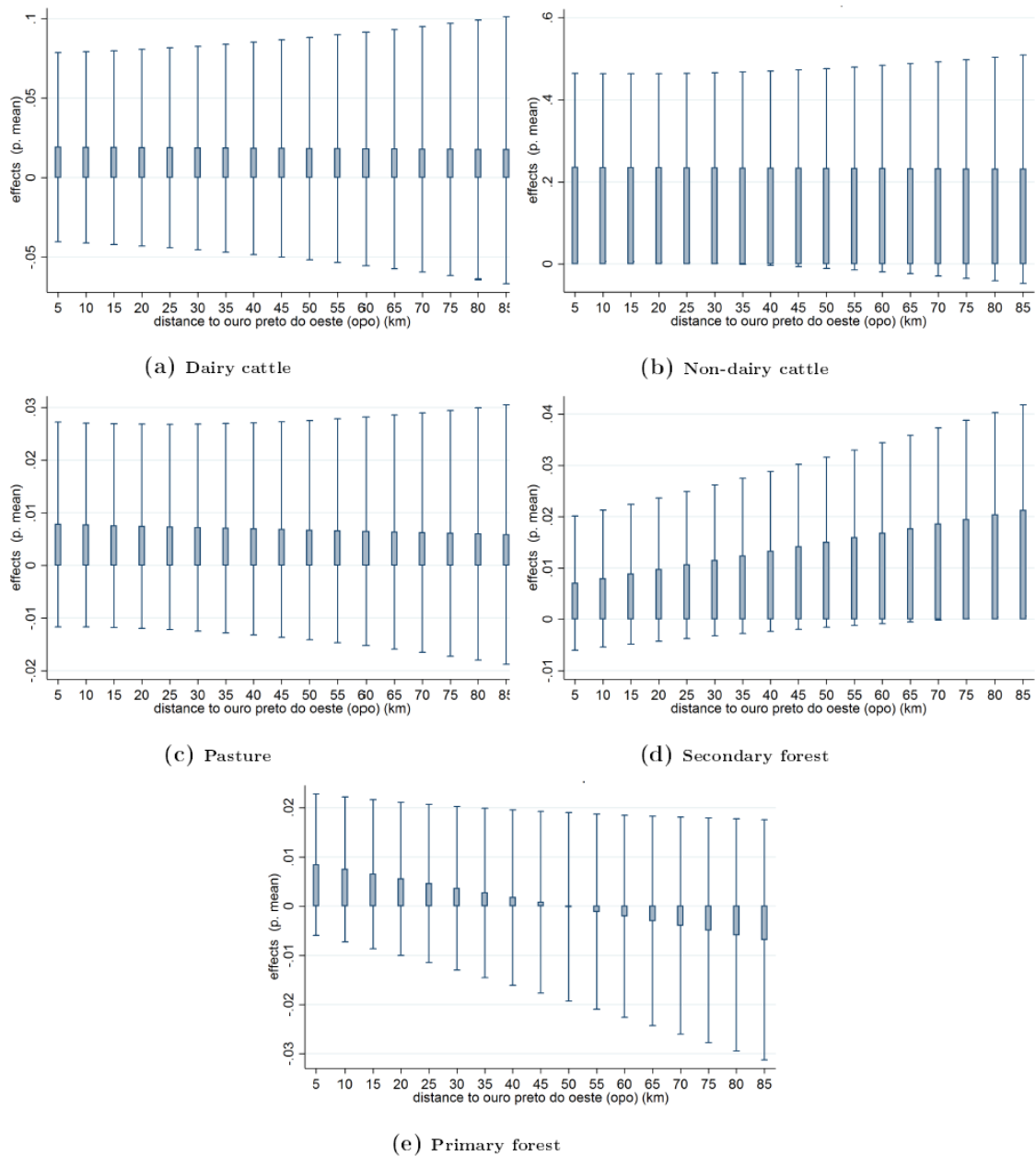


APPENDIX C: MARGINAL EFFECTS OF MILK & BEEF PRICES

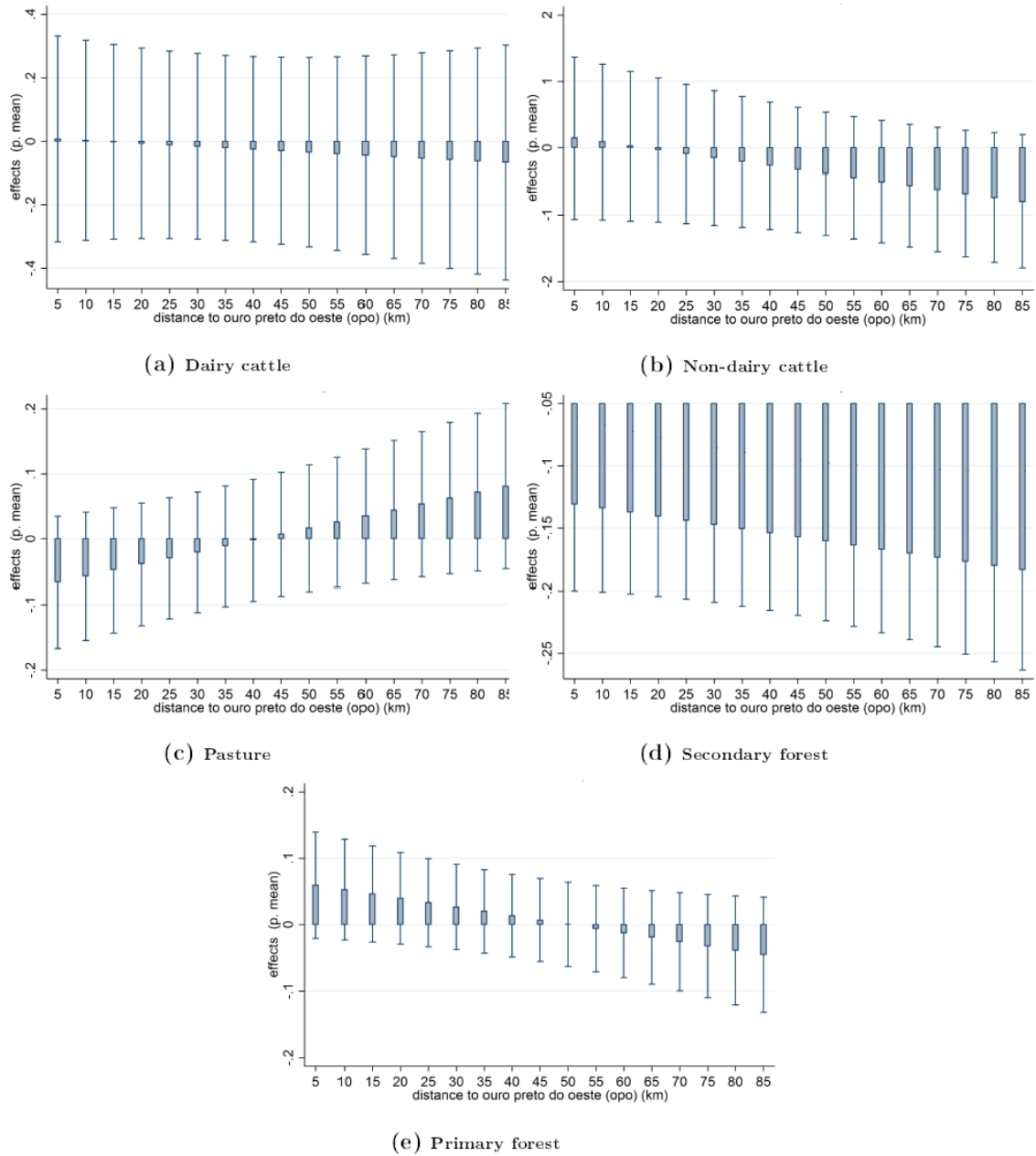
Figure C.1: Marginal impacts - milk prices



^a

^aNotes: The error bars denote the 95% confidence interval. As a result, when one extremity of the error bar is not visible, this implies that the result is statistically significant at the 5% level. For this part of the analysis, we re-scaled the milk price variable. In the main analysis the milk price variable is in reais. However, the increases in milk prices have often been small (3-5 cents in real terms over the sample period). As such, in order to make the scale of the figures more realistic, we have re-scaled the variable to centavos (cents) (i.e. we multiplied the milk price variable by 100). Therefore, the coefficients in the graphs can be interpreted as a 1 cent increase in the price of milk leads to a $\beta * 100$ decrease in the proportion of land under the land-use cover. For instance, if for a given distance the marginal coefficient is -0.03, this suggests that a 1 cent increase in the real price of milk leads to a 0.03 (or 3 percentage point) decrease in the proportion of cover under the land-use.

Figure C.2: Marginal impacts - beef prices



^a

^aNotes: The error bars denote the 95% confidence interval. As a result, when one extremity of the error bar is not visible, this implies that the result is statistically significant at the 5% level. For this part of the analysis, we re-scaled the beef price variable. In the main analysis, our beef price variable is in 1,000 reais. However, in our sample over the period analyzed a most increases in beef prices are below 100 reais. As such, in order to make the scale of the figures more realistic, we have re-scaled the variable to 100 reais. Therefore, the coefficients in the graphs can be interpreted as a 100 dollar increase in the real price of beef leads to a $\beta * 100$ change in the proportion of land under the land-use cover. For instance, if for a given distance the marginal coefficient is -0.1, this suggests that a 100 dollar increase in the price of beef leads to -0.1 (or 10 percentage point) decrease in the proportion of cover under the land-use.