

## Tengda Gong

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### **EDUCATION**

Ph.D., Agricultural & Development Economics, University of California, Davis, 2023-2024 (*expected*)

**Dissertation:** Demand dynamics in US grocery markets & economic impacts of securing land ownership in Latin America and the Caribbean.

**Committee:** [Michael Carter](#) (Chair), [Stephen Boucher](#), [Bulat Gafarov](#), and [Dalia Ghanem](#).

M.A., Economics, Xiamen University (China), 2014-2017

B.S., Finance, University of Science and Technology of China, 2010-2014

### **RESEARCH & TEACHING INTERESTS**

Agricultural Economics, Development Economics, Environmental Economics, and Applied Econometrics

### **JOB MARKET PAPER**

*Secular rise and pro-cyclical variation in markups: Evidence from US grocery stores.*

This paper documents substantial time variation in price elasticities of demand and therefore markups. We propose a two-step procedure to identify time-varying markups. Using the scanner data of US grocery stores from 2001 to 2020 we first estimate elasticities at the market-good-year level. We then efficiently aggregate these data by year to estimate a common trend and cyclical variation in elasticities and impute markups from there. We estimate (i) a secular increase in U.S. grocery store markups of 3.9% per year over the sample period and (ii) an average 13.6% cyclical decline at times of aggregate demand contractions. Our results imply pro-cyclical changes in markups. Across markets, elasticities vary with market-wide factors that we expect to influence preferences and market structure—real GDP, unemployment, and market concentration.

### **OTHER DISSERTATION CHAPTERS**

*The countervailing interaction between the investment and rental-supply effects of higher land ownership security and its welfare implications.*

Securing land ownership is hypothesized to bring about significant gains in both agricultural output and poverty reduction for an agrarian economy endowed with unequal land ownership distribution. These win-win economic gains hinge on the premise that the security improvement can simultaneously boost land-attached capital investments and increase land rental supply to facilitate land access for the poor who have relatively abundant labor endowment. However, this paper argues that non-security barriers to long-term land rental contracts, such as legal regulations capping the duration of land leasing, can downsize these economic gains by causing a countervailing interaction between the investment and rental-supply effects.

In theory, tenants lack sufficient incentives to maintain landlords' attached capital on the rented land under short-term rental contracts. This capital depreciation risk will induce large landowners, who have access to credit, to increase attached capital investments on the land to be self-cultivated more than that on the land to be rented out at higher land ownership security. This bias of the investment effect favors self-cultivation and thus attenuates the concurrent rental-supply effect that also faces large landowners. Consequently, the

poor will witness limited land access improvement and still hire out their endowed labor that would otherwise be more efficiently used on their own farms as family labor due to the agency cost of hired labor. This will in turn downsize the investment effect through the complementarity between attached capital and labor inputs in farm production. In equilibrium, agricultural output and wage rate will witness smaller gains than expected, especially the latter or the welfare of the poor, as evidenced by numerical results.

### **ONGOING RESEARCH PROJECTS**

- *Do organic products have higher markups?* Coauthored with [Bulat Gafarov](#) and [Jens Hilscher](#).
- *The unintended effect of Brazil's environment-oriented credit policy on the drought-induced deforestation in the Amazon Biome.* Coauthored with [Nilesh Shinde](#).
- *Does the investment effect of higher land ownership security attenuate the concurrent rental-supply effect? Evidence from Nicaraguan farmers.*
- *Climate change, supply chain, and trade: Evidence from California droughts.*

### **RESEARCH EXPERIENCE**

**Research Assistant**, Department of Agricultural and Resource Economics, University of California, Davis

#### **Project 1. Use scanner data to test the rational inattention of store managers in pricing groceries.**

- Assistant Professor Bulat Gafarov, Professor Jens Hilscher and James Chalfant; 2019 & 2021.
- Using the IRI scanner data, we find that grocery stores change prices more frequently for products that have higher demand elasticities, larger revenue contributions, or higher probabilities of having cost changes.

#### **Project 2. Apply the Local Projection to the Impulse Response Function for valid inference.**

- Assistant Professor Bulat Gafarov; 2020.
- Using numerical simulations, we find that Local Projection always delivers the asymptotic normality for non-stationary time series data while the conventional Delta method does not.

#### **Project 3. Employ a new pricing model to evaluate risky coupon bonds.**

- Professor Jens Hilscher; 2020-2023.
- We find that our proposed model, which incorporates the industry practice that holders will lose promised coupon payments after default, performs better than traditional models in predicting bond prices.

#### **Project 4. Overview of the spot and futures markets of water in California.**

- Associate Professor Katrina Jessoe, Professor Colin Carter and Jens Hilscher, and Assistant Professor Bulat Gafarov; 2021.
- Using the California water allocation and futures data as well as weather data, we study if price changes in water futures reflect the evolving conditions in the spot markets of water.

### **PUBLICATIONS**

Gafarov, Bulat, Tengda Gong, and Jens Hilscher. 2022. "[What price is right? Cigarette demand has become more responsive to prices.](#)" *ARE Update* 25(4): 9-11. The University of California Giannini Foundation of Agricultural Economics.

Gong, Tengda. 2014. "[The mechanization of farming on tiliu tian boosts transfers of chengbao tian: economic analysis and descriptive evidence from Chizhou, Anhui Province, China.](#)" *Journal of Translation from Foreign Literature of Economics (Chinese)*. 2(2014): 71-84.

## **PROFESSIONAL PRESENTATIONS**

Chinese Economists Society 2023 North America Conference, Norman, Oklahoma, April 2023  
Development Workshop, Department of Agricultural and Applied Economics, University of Georgia, Remote, February 2023  
2022 Agricultural & Applied Economics Association Annual Meeting, Anaheim, California, August 2022  
Western Economics Association International 97<sup>th</sup> Annual Meeting, Portland, Oregon, July 2022  
Midwest Economics Association 86<sup>th</sup> Annual Meeting, Minneapolis, Minnesota, March 2022  
Development Workshop, Department of Agricultural and Resource Economics, University of California, Davis, California, May 2021

## **TEACHING EXPERIENCE**

**Associate Instructor**, Department of Agricultural and Resource Economics, University of California, Davis  
*Econometric Theory and Applications*: undergraduate; Summer 2022; 35 students  
Students' evaluations of overall teaching effectiveness: 4.8/5 (response rate 71%)

**Teaching Assistant**, Department of Agricultural and Resource Economics, University of California, Davis  
Undergraduate courses:

- *Econometric Theory and Applications*: Winter & Spring 2022; 48 students on average  
Students' evaluations of overall teaching effectiveness: 4.0/5 → 4.4/5
- *Financial Management of Firm*: Winter & Spring 2019; 45 students on average  
Students' evaluations of overall teaching effectiveness: 4.1/5 → 4.5/5
- *Intermediate Microeconomics*: Fall 2018; 60 students  
Students' evaluations of overall teaching effectiveness: NA
- *Managerial Economics*: Winter 2018; 43 students  
Students' evaluations of overall teaching effectiveness: 3.9/5

Graduate course:

*Time Series Econometrics*: Fall 2020 & Winter 2021; 13 students on average  
Students' evaluations of overall teaching effectiveness: 4.6/5 → 4.9/5

## **JOURNAL REFEREE**

American Journal of Agricultural Economics  
Agricultural Economics  
European Review of Agricultural Economics  
China Economic Studies (Chinese)

## **HONORS AND AWARDS**

Research grant, the USDA National Institute of Food and Agriculture, Hatch project S-1072: U.S. Agricultural Trade and Policy in a Dynamic Global Market Environment, 2023  
Research grants, the Giannini Foundation of Agricultural Economics, 2022 and 2023  
The Best Teaching Assistant, Xiamen University (China), 2017  
The Best Master Thesis, Xiamen University (China), 2017  
The Outstanding Undergraduate Student, University of Science and Technology of China, 2014

## **VOLUNTEER WORK**

Co-editor for an online platform posting literature briefs in Res, Ag, Env, and Dev economics, 2021-present  
Departmental representative, The Graduate Student Association at UC Davis, 2018-2022

## **CONTACTS**

### **Dissertation Committee**

Michael Carter (Chair)	<a href="mailto:mrcarter@ucdavis.edu">mrcarter@ucdavis.edu</a>	530-752-4672
Steve Boucher	<a href="mailto:srboucher@ucdavis.edu">srboucher@ucdavis.edu</a>	530-752-1527
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Dalia Ghanem	<a href="mailto:dghanem@ucdavis.edu">dghanem@ucdavis.edu</a>	530-752-7079

### **Coauthors**

Jens Hilscher	<a href="mailto:jhilscher@ucdavis.edu">jhilscher@ucdavis.edu</a>	530-752-4081
Nilesh Shinde	<a href="mailto:nilesh@vt.edu">nilesh@vt.edu</a>	540-214-0821

### **Journal Editors**

Travis Lybbert (past)	<a href="mailto:tlybbert@ucdavis.edu">tlybbert@ucdavis.edu</a>	American Journal of Agricultural Economics
Jacob Ricker-Gilbert	<a href="mailto:jrickerg@purdue.edu">jrickerg@purdue.edu</a>	Agricultural Economics
Salvatore Di Falco	<a href="mailto:Salvatore.DiFalco@unige.ch">Salvatore.DiFalco@unige.ch</a>	European Review of Agricultural Economics