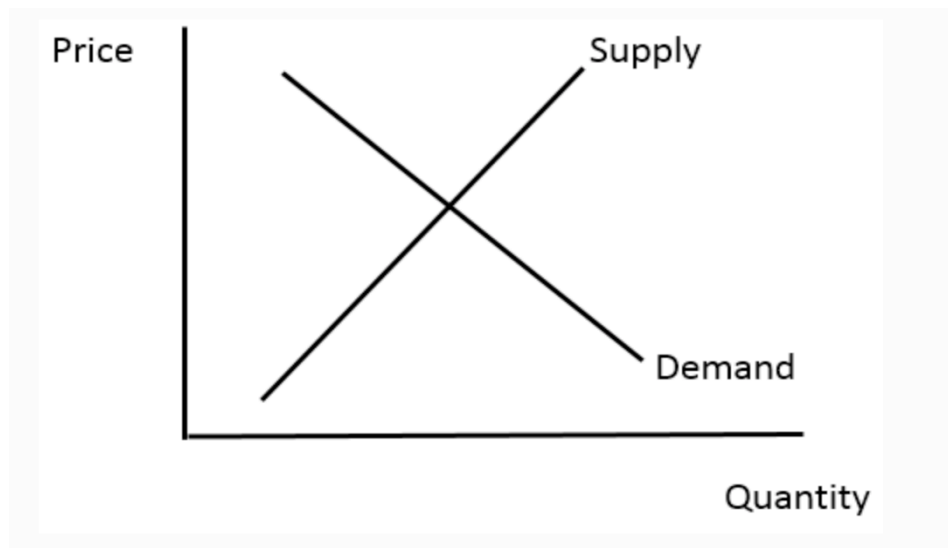


The illegal ivory market has contributed to a rapid reduction in the world's population of elephants. Tens of thousands of these creatures have been brutally killed just for their tusks. As it stands now, a single male elephant's tusk can weigh 100 pounds or more. With illegal ivory prices near \$1,500 per pound, there is a remarkable windfall for a poacher who kills just one elephant.

In the past several years, many countries have responded to this by highly visible events wherein they destroyed vast warehouses and stockpiles of confiscated illegal ivory as well as ivory legally harvested from elephants who died of natural causes. Some countries, such as the United States, have crushed tons of ivory while other countries, such as Kenya, have burned tons of ivory in large public fires.

Suppose this graph depicts the world demand and supply for ivory prior to these governmental programs.



### Question 1

Using this depiction of buyers and sellers, what is the impact of the destruction of stockpiles of ivory by these governments? What happens to equilibrium price and quantity?

### Question 2

Given your answer to Question 1 above, what will the impact be on the incentive to engage in illegal poaching?