

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
http://ageconsearch.umn.edu
aesearch@umn.edu

Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

Forget the Hoe: Managing Invasive Plant Species with Dynamic Programming

Michael Verdone, Colorado State University* Marshall Frasier, Colorado State University*
*Department of Agricultural and Resource Economics Correspond at MichaelVerdone@gmail.com
Poster prepared for presentation at the Agricultural & Applied Economics Association
2010 AAEA, CAES, & WAEA Joint Annual Meeting, Denver, Colorado, July 25-27, 2010
Copyright 2010 by Michael Verdone. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

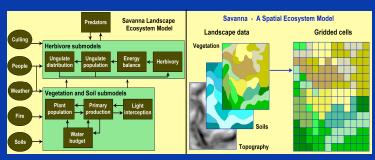


Forget the Hoe:

Managing an Invasive Species with Dynamic Programming

Abstract: Bromus Tectorum (hereafter Cheatgrass) is one of the most widespread invasive species on U.S. rangelands. Cheatgrass decreases agricultural yields, decreases animal performance, and increase the frequency and intensity of fires. We present a bio-economic model of stocking cattle on these rangelands to show that land managers can manage invasions using direct control on the invasive species, altering stocking regimes, or using combinations of direct control and changes in stocking rates.

Ecological Model



Savanna is a spatially explicit, process-based ecosystem model. It simulates competition between cheatgrass and other important plant functional groups, and interactions with large herbivores and the anticompeted.



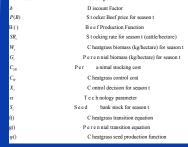
SAVANNA simulates field experiments that provide the data to parameterize the economic model.

Economic Model Invasive Annual Fire Positive Effect Regative Effect Negative Effect Negative Effect Negative Effect Seed Bank Herbivores Native Perennial Grasses

Conceptual Bio-Economic model. The diagram displays the economic and biological interactions expressed in the mathematical model.

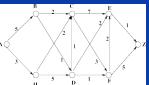
$\begin{aligned} \max_{\mathcal{U}, \mathcal{U}} (SR, X, W, G) &= Max \sum_{i=1}^{T} \left[\delta(P(B) \cdot B(SR_i, W_i, G_i) - C_{10}(SR_i) - C_{ij}(X_i, \alpha)) \right] \\ \text{s.t.} & W_i = f(G_{i,1} \cdot S_{i,1} \cdot SM_{i,2} \cdot N_{i+1}(X_{i+1}) \\ G_i &= g(G_{i,2}, W_i, SR_{i,2} \cdot SM_{i+1}N_{i+1}) \\ S_i &= \delta S_{i,1} + q(W_{i,1}) \\ N_i &= Q(N_{i+1} SR_{i,1} \alpha_i) \end{aligned}$

 $W_0 = \overline{W}; G_0 = \overline{G}; S_0 = \overline{S}; N_0 = \overline{N}$



The theoretical model is solved using Dynamic Programming

Dynamic Programming



Dynamic Programming (Bellman, 1953) solves complex decisions by breaking the problem up into a sequence of small, simple decisions known as decision steps. This is done by defining a set of value functions, V(), where the value depends on the state(s) of the system. The Bellman equation allows researchers to solve for the set of value functions. The diagram on the left is an example of a problem that can be solved with Dynamic Programming (e.g. shortest distance problem).

 $V(W_{t}, G_{t}) = M_{\text{aver}} x_{t} \{\pi(SR_{t}, X_{t}, W_{t}, G_{t}) + \rho V(W_{t+1}, G_{t+1})\}$

The Bellman equation is the mathematical tool used to solved Dynamic Programming problems. The Bellman equation operationalizes the Principle of Optimality. As long as the states of the problem are well defined, discrete, and finite, the Bellman equation can be solved by exploiting the recursive nature of the equation.

		Perennial Grasses State					
	State (W,G)	0	0.2	0.4	0.6	0.8	1
	0	0,1	1,1	0,1	1,1	0,1	1,1
Invasive	0.2	.2,1	.9,1	.2,1	.9,1	.2,1	.9,1
Annual	0.4	.33,1	.78,1	.33,1	.78,1	.33,1	.78,1
Grasses	0.6	.39,1	.7,1	.39,1	.7,1	.39,1	.7,1
State	0.8	.47,1	.88,1	.47,1	.88,1	47,1	.88,1
	1	.5,1	.9,2	.5,1	.9,2	.5,1	.9,2

The solution to a Dynamic Programming problem is the control that an decision maker should choose in order to maximize the given objective. Following this decision rule for each state creates an optimal path. The table at left is an example of such a decision rule. The table is intuitive and simple for land managers to use as a decision aid.

Economic Results

Invasion Across Varying Starting Values

Outgrass Touring Select Varies Datings Value

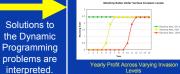
Outgrass Touring Select Varies Dating Values

Outgrass Touring Values

Outgrass

reter we's see the opinion pain or invasion uncerthree different invasion starting values. In each
case the present value marginal costs of education
invasion equals the discounted stream of marginal
invasion equals the discounted stream of marginal
marginal unit of invasion. Given the current
parameterization this equality leads all paths
toward un-invasied range conditions.

Stocking Rate Across Varying Invasion



We can compare the flow of profits under the different starting levels of invasion. In each case we see that the starting level of invasion influences the flow of profits in a given year. In cases where lend is heavily invaded managers forgo the full of extent of profits available in a given period in order to restore range conditions and earn larger profits in future profits.

Authors

- I. Michael Verdone, PhD Student, Colorado State University*
- II. Marshall Frasier, Professor, Colorado State University*

*Department of Agricultural and Resource Economics