

Cost-effective Recovery of an Endangered Species: The Red-cockaded Woodpecker

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Land Economics 90:4, November 2014

%RCW Stochastic Dynamic Program

% Assign parameter values and initial conditions

```
alpha = .1;           % carrying capacity decay rate
m = 0;               % mortality
s = .25;             % translocation success prob
delta = .05;        % discount rate
rho = 1/(1+delta);  % discount factor
c2 = 800;           % cost of constructing one artificial cavity
c1 = 3000;          % cost of translocating one breeding pair
r = .13;            % intrinsic growth rate
K0 = 30;            % carrying capacity at t = 0
MAXK = 50;          % max carrying capacity
N0 = 20;            % number of breeding pairs at t = 0
T = 10;             % time horizon
X1MAX = 6;          % max number of translocations per year
X2MAX = 10;         % max number of artificial cavities constructed
NTstar = 42;        % population target
X2MIN = 0;          % min number of artificial cavities constructed
X1MIN = 0;          % min number of translocations per year
ep = [.75,1,1.25]; % matrix of epsilon values
ep_prob = [.25,.5,.25]; % probability of each epsilon value
R = 5000;           % final function 'reward' value
Q = 40000;          % final function 'penalty' value
```

%Calculate final function

```
COST = zeros(MAXK+1,MAXK+1,T+1);
OPTX1 = zeros(MAXK+1,MAXK+1,T);
OPTX2 = zeros(MAXK+1,MAXK+1,T);
CHECK = zeros(MAXK+1,MAXK+1,T+1);
n = 0;
k = 0;
while n <= MAXK
    while (k >= n && k <= MAXK)
        if n > NTstar
            COST(k+1,n+1,T+1) = (rho^T)*R*(NTstar-n);
        elseif n == NTstar
            COST(k+1,n+1,T+1) = 0;
        else
            COST(k+1,n+1,T+1) = (rho^T)*Q*(NTstar-n);
        end
        k = k+1;
    end;
    n = n+1;
```

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```
k = n;
end;

% Begin DP at the time t = T-1
t = T;
while t >= 1
    X1 = X1MAX;
    X2 = X2MAX;
    n = 0;
    k = 0;
    while n <= MAXK
        while (k >= n && k <= MAXK)
            % Generate state transition probabilities for all ep(j)
            num = length(ep);
            for j = 1:num
                if k == 0
                    NT2(j) = ep(j)*(s*X1);
                else
                    NT2(j) = ep(j)*((s*X1)+n+(r*n)-(m*n)-((r*n*n)/k));
                end;
                KT2(j) = ((1-alpha)* k) + X2;
                NT2_floor(j) = floor(NT2(j));
                NT2_ceil(j) = ceil(NT2(j));
                KT2_floor(j) = floor(KT2(j));
                KT2_ceil(j) = ceil(KT2(j));
                K1_cprob(j) = KT2(j) - KT2_floor(j);
                K1_fprob(j) = KT2_ceil(j) - KT2(j);
                N1_cprob(j) = NT2(j) - NT2_floor(j);
                N1_fprob(j) = NT2_ceil(j) - NT2(j);
                if KT2_ceil(j) == KT2_floor(j)
                    K1_fprob(j) = .5;
                    K1_cprob(j) = .5;
                end;
                if NT2_ceil(j) == NT2_floor(j)
                    N1_fprob(j) = .5;
                    N1_cprob(j) = .5;
                end;
                if KT2_ceil(j) > MAXK
                    KT2_ceil(j) = MAXK;
                end;
                if KT2_floor(j) > MAXK
                    KT2_floor(j) = MAXK;
                end;
                NT2_floor(j) = min(NT2_floor(j),KT2_floor(j));
                NT2_ceil(j) = min(NT2_ceil(j),KT2_ceil(j));
            end;
        end;
        n = n + 1;
        k = k + 1;
    end;
    t = t - 1;
end;
```

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```
end;
% Compare expected costs of feasible recovery strategies
if (n + X1 <= k + X2)
    CHECK(k+1,n+1,t) = CHECK(k+1,n+1,t)+1;
    % Check if cost exists for state space combination
    if CHECK(k+1,n+1,t) == 1
        for j = 1:num
            excost(j) = ep_prob(j)*(((K1_fprob(j)*N1_fprob(j))*...
                COST(KT2_floor(j)+1,NT2_floor(j)+1,t+1))+...
                ((K1_cprob(j)*N1_fprob(j))*COST(KT2_ceil(j)+1,...
                NT2_floor(j)+1,t+1))+((K1_fprob(j)*N1_cprob(j))*...
                COST(KT2_floor(j)+1,NT2_ceil(j)+1,t+1))+...
                ((K1_cprob(j)*N1_cprob(j))*COST(KT2_ceil(j)+1,...
                NT2_ceil(j)+1,t+1)));
        end;
        % Assign cost and optimal recovery actions
        COST(k+1,n+1,t) = (rho^(t-1))*((c1*X1)+(c2*X2))+...
            sum(excost);
        OPTX1(k+1,n+1,t) = X1;
        OPTX2(k+1,n+1,t) = X2;
    else
        % Calculate expected cost
        for j = 1:num
            excost(j) = ep_prob(j)*(((K1_fprob(j)*N1_fprob(j))*...
                COST(KT2_floor(j)+1,NT2_floor(j)+1,t+1))+...
                ((K1_cprob(j)*N1_fprob(j))*COST(KT2_ceil(j)+1,...
                NT2_floor(j)+1,t+1))+((K1_fprob(j)*N1_cprob(j))*...
                COST(KT2_floor(j)+1,NT2_ceil(j)+1,t+1))+...
                ((K1_cprob(j)*N1_cprob(j))*COST(KT2_ceil(j)+1,...
                NT2_ceil(j)+1,t+1)));
        end;
        % Check to see if current recovery actions minimize
        if ((rho^(t-1))*((c1*X1)+(c2*X2))+sum(excost)) < ...
            COST(k+1,n+1,t)
            % Assign cost and optimal recovery actions
            COST(k+1,n+1,t) = ((rho^(t-1))*((c1*X1)+(c2*X2))+...
                sum(excost));
            OPTX1(k+1,n+1,t) = X1;
            OPTX2(k+1,n+1,t) = X2;
        end;
    end;
end;
end;
% Iterate through all recovery action combinations
X1 = X1-1;
if X1 < X1MIN
```

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```
X1 = X1MAX;
X2 = X2-1;
if X2 < X2MIN
    k = k+ 1;
    X1 = X1MAX;
    X2 = X2MAX;
end;
end;
end;
% Iterate through all state space combinations
n = n+1;
k = max(n,1);
end;
% Decrease time step, loop until t < 0
t = t-1;
end;
```