

No paper
available

Theme: Aquaculture

Session: WeA3 - Environment

Title: **Internalising Environmental Cost in Aquaculture Farms**

Author(s): Miguel León-Santana , Juan M. Hernández

Abstract: This paper analyses the effect of adopting certain policies of internalising environmental costs on the optimal management of farms. In particular, the optimal harvesting time is analysed once these policies have been implemented. Fish growth and contamination diffusion are represented by means of dynamic stochastic models, including the uncertainty inherent to an economic activity related with the environment. Social costs are internalised by means of a pigouvian tax. The results obtained reveal the need for caution in internalisation policies as, in certain cases, the obtained optimal harvesting sizes can be out of the market preferences, forcing the farms to adopt a suboptimal management.