HELMAND FOLLOW UP XVI: POPPIES AND COTTON AGAIN AND AGAIN OR THE MISTAKE OF A MILITARY INTERVENTION

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British troops are presently in Girishk, Lashkar Gah and perhaps Sangin, and according to BBC World and some Helmand farmers, are about to launch an opium poppy eradication program in Helmand in conjunction with elements of the Afghan army.

This program will occur just before harvest time forcing many farmers into deep debt for the lost crop. It will leave many farmers and share-croppers empty handed. The action will take out a high percentage of Afghanistan's opium, because central Helmand is one of the most productive agricultural regions in the country but it takes out most of the income of one crop season. This will be a major economic disaster for the farmers of central Helmand. It will drive the price of opium up for those wealthy enough to be holding some of last year's production. It will also turn the farmers of Helmand against the newly arrived British military. It will lower trust confidence in the already marginally accepted government and international community that have made many promises with limited action relative to alternative crops and incomes.

We have known about the coming record bumper crop of opium poppy since at least September 2005, before the crop was planted and while the farmers were discussing and deciding what crop to plant (see "Helmand Follow Up XIV, 29 Aug 05"). Then, as in the past, farmers were looking to the government and the donor community for signals of what was to come. They have always watched the differences between promised support and actions. With the shut down of the alternative income program in the region for security reasons in May of 2005, the departure of most of the project staff and the removal of the governor, the signals to the farmers were of government and donor indecision, ineptitude, uncertainty and, a repeat of 2003 - inaction. The signal to farmers, though a gamble, was to plant poppy. The international community did nothing to stop opium poppy cultivation during the planting season of 2005. As I noted at the time, it would not have been that difficult.

We have been <u>very consistent</u> in our poor planning, mistiming, badly managed actions and inactions as they relate to our opium poppy eradication policy since the end of the Taliban era in 2001. A few examples tell the story:

There have been alternating years of inconsistent actions, starting in 2002 with a
very badly organized and mismanaged poppy eradication program for cash
payment initiated by the British through local government just at harvest time.
Some farmers were compensated for their crops and others were not, and much
of the funding was diverted into the wrong hands. Graft.

- At the same time, USAID funded a limited amount of spare parts (the first in 20 years) for the local cotton gin from a company in Atlanta, Georgia, and helped start payments for cotton produced under the Taliban but not paid for. With this action, the farmers began to see a potential positive future for the cotton industry as a replacement for poppy. This was the last positive development for cotton in this region.
- In Fall 2002, poppy planting time, a joint USAID/INL funded alternative income project (hand labor) was put in the field by DAI and HAFO in collaboration with the local government that effectively functioned as enforcer. The work focused on cleaning irrigation drains in central Helmand for the first time since 1979. According to a UN study, opium cultivation was reduced by some 85% in the District of Nad-i-Ali, central Helmand, for this crop year. This was a successful project under enlightened and interested USAID leadership.
- By Fall 2003, the alternative income project contracts and funding were up for renewal. All work had stopped. For whatever reason, the various agencies could not get their acts together for a repeat of the 2002 campaign. The farmers gave clear warnings that the region would slip back into opium poppy cultivation if no support projects were initiated. (see: "Opium Poppies in Helmand this Year?", 15 Sept 03) All relevant agencies were informed. There was no shortage of work to be done. No action was taken. A near record poppy crop resulted.
- In Fall 2004, USAID funded a repeat of the 2002 alternative income project focused on cleaning central Helmand drains using hand labor with Chemonics as the primary contractor. The local government again worked in close collaboration and opium poppy cultivation was again greatly reduced in central Helmand. The exact reduction is unknown because for the first time the UN study did not break the data down by district. As noted above, the project was closed in May 2005 because of security problems. And we are back to where we were in the spring of 2004 with a record setting crop of opium poppy to deal with.

A MILITARY CONFRONTATION AT THIS TIME WILL ALIENATE THE FARMERS, UNDERCUT THE MARGINAL SUPPORT FOR THE PRESENT GOVERNMENT AND GIVE MORAL SUPPORT TO OUR ENEMIES. IT COULD VERY LIKELY RESULT IN VIOLENCE AND DEATHS.

THE CENTRAL HELMAND FARMERS, THE AMERICAN GOVERNMENT, AND THE PEOPLE OF AFGHANISTAN WILL ALL BE THE LOSERS.

WE MUST GET OUR ACT TOGETHER TO PROVIDE ON- GOING AND CONSISTENT SUPPORT TO THE FARMERS OF AT LEAST CENTRAL HELMAND.

WE HAVE FAILED THESE FARMERS THROUGH OUR ACTIONS OVER MUCH OF THE PAST FOUR YEARS.

COTTON: is one of the obvious alternative cash crops to replace opium poppy in central Helmand. The farmers understand the crop and have been commercially producing it since the mid-1960s. The government cotton gin is in place and functioning in Lashkar Gah for processing the cotton. The farmers see the gin as a reliable and established market. There have been small privately owned gins in the region that act as another market. But the government gin has been plagued by key personnel turnover, bad management, marketing problems, late payments to the farmers for their cotton, low cotton prices to the farmers, and lack of any international donor support since 2002.

The present price paid for cotton by the cotton gin is low according to the farmers: 14 Afs. per kilo. In the buying season of '04-'05 the price started at 17 Afs per kilo but was reduced to 14 Afs. in mid-buying season. And payments to the farmers were long delayed. The result: in the buying season of '04-'05 some 8,500 MT of cotton was bought by the government gin. In the buying season of '05-'06, some 5,400 MT of cotton has been bought and a bumper crop of opium poppy was planted. Reports to MMI suggest that another 5,000 MT was planted, of which 2,000 MT was shipped to Kandahar, and 3,000 MT remains in Helmand, and still needs to be purchased. In the buying season of '03-'04, another opium poppy bumper crop year, some 3,408 MT of cotton was bought by that August. There would appear to be a strong relationship between opium and cotton production. There is a competition for land use between the two crops, for example, poppy is planted in the fall and harvested in April. For the best production of cotton and a long growing season, it should be planted is in March/April and harvested in fall.. Farmers can double crop cotton and poppy, but if they are going for maximum cotton production, they will leave these fields fallow through fall planting.

Ignoring the obvious relationship between low cotton prices and the ability of cotton to compete with opium, the international community has apparently refused to offer help to the Helmand cotton industry at any level until the gin is privatized. This appears short-sighted in the context of the growing opium trade. It fits with our principles of private enterprise but it supports continuing opium poppy cultivation. Helmand farmers have frequently stated that opium poppy is an evil crop, but that they need better cotton prices and help with the marketing of their other cash crops, e.g., vegetables, peanuts, fruit and melon. The international community has consistently ignored their requests for help. It would likely be less costly to subsidize the cotton industry, while paying the farmers more, rather than trying to enforce the non-existent narcotics "laws". It may be useful to note that the cotton industry in the U.S. is heavily subsidized.

The U.S. probably cannot help with the cotton industry because of congressional restrictions supporting the U.S. cotton lobby. The idea of a waver of these restrictions for Afghanistan has been raised but no action has resulted. Support for the cotton industry in Helmand would help eliminate opium poppy cultivation in that region if combined with a clear cut and consistently implemented narcotics program.

PROPOSED ACTIONS:

- 1. Begin planning and implementing a large scale alternative income and livelihood program NOW. Focus on central Helmand where some level of security can be assured. This should be accompanied by a media blitz against poppy cultivation stating what should be expected in the future. This plan and funding must be long term and not the on-again-off-again pattern followed in the past. Given the past, it will be difficult to convince the farmers that they can trust and depend on the statements of future positive actions. They will believe only what they see and experience. We must do it right for a change. There are literally thousands of projects to be worked on in this region to approach bringing it back to what it was before the Russian invasion: irrigation, land development, bridges, roads, schools, medical facilities, etc, etc, etc.
- 2. A vocational training school like that in Kandahar would be a source for new job skills needed in the province. One element of this training should be a tractor mechanics training school that has been frequently mentioned in the past. Helmand probably has the highest per capita concentration of tractors than any other Afghan province. There is continuous demand for tractor repair and there have been offers of support for this training from a variety of locals. HAFO has a number of vocational training schools around the country including one tractor mechanics training course in Ghazni. The head of HAFO is Engineer Sayed Jawed originally from a village of Girishk, graduate of Lashkar Gah high school and Kabul University Engineering faculty. He has proposed this facility for Helmand on numerous occasions to a variety of agencies, donors and contractors with no results. It continues to be a good idea.
- 3. Support for the cotton gin should include a renewal of the old cotton related credit program that provided reasonably priced fertilizer to be repaid at harvest time. (The opium industry has an informal system of credit with the buyers providing advance partial payment for the crop.)Cotton producing farmers should be provided with some level of free cotton gin by-products like seed cake and cooking oil based on the quantity of cotton sold to the gin....as in the past. But the gin also needs help and direction in management, marketing and farmer relations. It needs funding to make necessary repairs and changes. If the U.S. cannot help, then maybe the British could. They built the gin and helped run it for some years with effective technical assistance. Help with the cotton industry in Helmand would be more positive, productive and effective in eliminating opium poppy production than military intervention.
- **4.** Do the obvious. Sometimes the search for attention getting innovations has resulted in marginally useful projects like the building of the "Collection Centers" and a cobble stone road to a tourist cite.
- **5.** If the work can be done by Afghan contractors, do not bring in outsiders. If the work can be done by locals, do not bring in Afghans from other provinces. There is a lot of talent in Helmand province. Support and build on local organizations

- like HCC and HAVA rather than bringing in outside organizations as has been done in the recent past.
- 6. Where possible, hire locals. And then listen to the local staff for ideas on what to do and how to do it. Listen to local Afghan staff before listening to Kabuli project staff. Kabul project staff are not always in touch with reality in the field.
- 7. Listen to the local farmers to identify priorities for rehab projects. This includes more than the official leaders commonly called in by local government officials. There are smart and innovative farmers in the region that would never be called for official meetings.
- 8. The main road from Lashkar Gah to the Kandahar highway is apparently being paved (asphalt) by an Indian contractor. But an asphalt road will require maintenance, particularly where there are no weight restrictions and the subsurface may not be the best. Sections of the Kandahar to Kabul highway began breaking up during the first year of use. It is important to budget for repairs and maintenance now under the control of the USAID representative in Helmand. Maintenance needs to be an immediate and continuous process. There is or was equipment and know how in Lashkar Gah for this work. Some of the town's streets were paved by local contractors.
- 9. In budgeting for farm road rehab, keep in mind that the region gets just over 4.5 inches of rain a year. The primary need is for good drainage with periodic grading. And resurfacing requires a good civil engineer with knowledge of the standard mixes of gravel and clay that result in a stable road surface. The Marja road for example was resurfaced with the desert clay soils in the area and has had problems. And apparently drainage was not a priority in some sections.
- 10. Where possible, schedule work according to seasonal schedules. The Boghra canal system is normally or can be shut down between about 15 January and 1 March for maintenance when the irrigation water is least needed and when the cloudy and rainy weather might come. Work on this system should be scheduled well in advance to take advantage of this once a year opportunity. We apparently missed it this year.
- **11.** Farm road work should also be planned for this period to take advantage of the potential for naturally moist (rain) soils for easy compaction.

This is a brief outline of what has happened in the past and what needs to be done now. As in the past, I would be very interested in discussing any of the issues noted in this communication with anyone interested in shifting Helmand farmers out of poppy and back into needed cash crops.