

UNITED STATES GOVERNMENT

Memorandum

TO : Dr. Raymond W. Hooker - DP
Thru : Arthur Reich - A-AD/DP
FROM : Richard B. Scott - DP

DATE: Nov. 27, 1973

SUBJECT: Helmand Valley Wheat Crop 1973 (Price and Expectations) and Other Crops

In this memo I will attempt to outline what occurred in Helmand Valley wheat production between the 1972 and 1973 harvest seasons. The information for comparison is limited and, as usual, somewhat questionable. Hopefully, some time this week more complete information will be made available to us by Mr. Aziz Gul of the HAVA Statistics Section. The 1973 data come from the central Agricultural Offices at Girishk and Nod-i-Ali, and are based on estimates as in the past. Several trips were made to the Marja and Shamalan Offices to get comparable information but on all occasions the key men were absent. The statements on what happened in 1973 yields come mainly from a combination of the Agriculture agents and USAID technicians. Some ideas on problems in the marketing of wheat this year come from local farmers.

WHEAT

The agriculture agents in both Girishk and Nod-i-Ali said that the 1973 wheat crop was produced on greater numbers of jeribs planted than 1972 but that yields were lower. Their figures, presented in Table 1, generally support their statements when compared with a separate report for 1972. The data also indicate a general increase in the planting of the improved varieties of wheat. The figures in Table 2 and Table 3 except for Nod-i-Ali, indicate a considerable increase in yields over 1972 production. We were informed, in the Girishk central office, (the source for all figures but Nod-i-Ali), however, that this year the numbers were requested in kilograms rather than in the traditional mon, so the data were given in kg. This change is a possible source for error. On the other hand, the Nod-i-Ali figure is so low that some U.S. technicians in the area felt they must be in error. This would constitute what amounts to a crop failure which would have had major repercussions, at least it would have resulted in a lot of noise some time between last spring's harvest and now. The farmers we talked to generally were talking about the low price of wheat rather than the lack of it. The low prices were presently stated to be between 20 (Nod-i-Ali agent) and 23 (Girishk agent) and 21-22 afs per mon being the general understanding of price in Lash. Given the free market as it seems to function in the region, I would guess that such a reduction in wheat crop would have had an immediate effect on price, driving it up, rather than the general but gradual downward movement experienced since harvest time this year.



One other alternative explanation for the contradiction between statement of low yields and the figures would be that the statement reflects an official policy stand, while the Girishk numbers are as yet untouched by this policy. Unfortunately, we did not get a wider range of coverage of areas from the sources of the figures, the agriculture agents. The complete official figures for all areas, hopefully to be available this week, should be interesting.

The statements as to why wheat yields were reduced (assuming that they were) were varied. In Girishk, the reason given was the delay last fall in fertilizer credit and delivery. The fertilizer was put on the wheat considerably after planting and, so, off the growing cycle. In Nod-i-Ali the reason was mainly the weather, there was low rainfall, especially during the irrigation system yearly shutdown time, the weather was not consistent, there was a quick change from cold to hot weather, and there was a long hot season. Mission and other technicians in the area added to this picture. One point was that with no rain during the shutdown period, the ground salts moved to the surface, reducing yields. The combination of rain and/or irrigation water normally keeps the salt levels down. It was also suggested that with what probably is a not very scientific use of fertilizer, reduced yields may reflect the depletion of the natural soil fertility.

We received mixed statements from the Agriculture agents on what the future of wheat plantings will be this year. In Girishk, we were told to expect 15-20 percent reductions in land planted in wheat this season among the larger landowners. And this last seems a particularly important point. All farmers in the valley do not respond in the same way to market prices. The smaller farmers are basically subsistence producers with a small surplus to put on the market, especially in recent years. Hopefully, the slightly contradictory terms "subsistence" and "surplus" do not cause too much trouble in understanding. The small farmers are first producing for consumption, not the market. The surplus and what they do with it will depend on the year's events in their lives. The larger landowners are very much market-oriented within their limited view of the world. Also in Girishk the agent noted that there was much talk of the costs of fertilizer but that there was no indication of a return to local varieties, perhaps this year; it was too early to say. Because of the late arrival of the credit team that got into the field on the 12th of November, the agent figured there would be a repeat of the late use of fertilizers again this year although there was ample fertilizer on the market for cash which, in fact, most farmers could afford.

In Nod-i-Ali we received a more negative picture of the situation. The agent there suggested that not only would there be less land planted in wheat next year, and this would include 4000 jeribs of government land not to be planted, but that perhaps 1/4 of what was planted would be in local varieties. As with this year's wheat production, he predicted gloom.

In a discussion with a group of farmers in Central Shamalan, we received a slightly different emphasis on the picture. Here a larger landowner noted that he was holding off the market about 40 harwar (1 harwar = 100 mon) of a total of about 70 produced on his land. He stated that at the present price he could hardly afford to sell it. This discussion related to the high price of fertilizer required to produce it, the problems of repayment, and the possibility of getting the repayment delayed (perhaps he remembers similar past events). In the discussion it came out that while the price paid by the Kandahar Silo earlier in the year was not bad, the farmer was required to bag the wheat and deliver it to the silo. This resulted in the larger producers, who may have had trucks of their own, being able to take advantage of the situation, and for the development of a middle-man situation for the smaller farmers, which was noted in Lash at the time. In any case, the Kandahar silo is no longer buying. The holding of grain off the market by the larger landowners was also noted by the Girishk agent, stating that the smaller farmers in need of cash at harvest had already sold their crops.

An important point to consider, but one over which we likely have little influence, relates to allowing farmers to delay payment or escape from payment of government loans in times when there is a slight squeeze. Such action does relieve political pressure on government by the locals. It also tends to follow a traditional patron pattern of relationships between government and villages. A consistent government wheat-buying program, of the wheat it needs, however, would not place the farmer in this situation. He could repay the loan. While both routes (allowing non-payment and wheat price support) are in a sense government subsidy, the effects, it can be seen, would be quite different in terms of the relationship between government and farmer. On the other hand, one requires money, action and organization, while the other does not.

In closing this section on wheat, the Girishk agriculture agent made a passing statement that the country was well fixed for wheat, that there was no shortage.

CORN

In Girishk the corn crop was said to be one of the best in recent times because of the long, hot growing season and no early frost. The agent stated that the price was down to 13 afs per mon but with the price of wheat, corn was not expected to be consumed in great quantities by the farm population. He stated the relationship between corn vs wheat consumption in much the same terms I noted in an earlier memo on the relationship between wheat and rice consumption at a time when wheat prices were up and Bangladesh rice was flooding the market at a very low price.

The picture of corn production in Nod-i-All was glum, with the price said to be 10 afs per mon, reduced jeribs having been planted with local seeds resulting in reduced production.

COTTON:

Cotton production was the bright spot in the Valley with the farmers making a rush on getting their cotton to the mill. It was said that the mill was paying $12\frac{1}{2}$ afs per kilo for first-grade cotton and $10\frac{1}{2}$ afs for second-grade seed cotton. The mill was presently expecting to receive 2 - 3 times the amount received last year. This would suggest that the farmers seeing the production levels of wheat and the lowering price in 1972 could read the writing on the wall and to some degree switched. Cotton does not generally double crop with wheat.

Table 4 indicates the levels of increase in land planted in cotton. Areas like Shamalan and Marja should also prove interesting in land planted. A point to consider as it relates to wheat production for 1973 is how both crops could increase in jeribs planted at the same time. These figures would need to be compared with cultivatable land in the area, and perhaps they reflect an increase in the amount of land planted in one season or an error in reporting. If all factors remain stable, the Girishk agent suggested that perhaps double the amount of land would be planted in cotton this year, as it was this past season over 1972. He stated a hope that the new PCV extension workers would be able to help him put in some successful demonstration plots. He further added that the costs for getting cotton to the mill in Lashkar Gah was a limitation on cotton production in the areas north of Girishk.

POPPIES:

By chance I noted that one field I had identified with a poppy crop last May had been double-cropped with cotton. I checked out 6 other fields on which poppies were grown with the same results. There are not many crops that double-crop with cotton in the Valley successfully but apparently poppy is one. Perhaps this pattern is followed in Sanguin to some extent.

Good luck with the data. The more complete information will be forwarded on arrival.

TABLE 1
JERIBS PLANTED in WHEAT

	<u>Improved</u>	<u>Local</u>	<u>Improved</u>	<u>Local</u>
	<u>1972⁽¹⁾</u>		<u>1973⁽²⁾</u>	
Girishk	33,806	10,122	38,485	1,158
Sanguin	16,691	1,578	20,152	177
Muskala	6,843	9,030	12,086	7,734
Kajakai and Zamindawar ⁽³⁾	6,430	12,126	6,986	8,000
Novzad ⁽⁴⁾	No data	No data	1,190	9,038
Nod-i-Ali	28,977	2,720	33,890	88

1. From HAVA Extension Division Report, "ONE YEAR RECORD OF JERIBS, YIELD and PRODUCTION OF CROPS IN THE HELMAND VALLEY FOR 1350-1355 (1971-1972)"
2. Figures given orally by District Agents, read from their record books.
3. Zamindawar was not mentioned by Agent; figures for 1973 may or may not include that area.
4. Not included in 1972 report.

TABLE 2 *

AVERAGE YIELDS IN WHEAT: MON/JERIB

	<u>1972</u>		<u>1973</u> ⁽¹⁾	
	<u>Improved</u>	<u>Local</u>	<u>Improved</u>	<u>Local</u>
Girishk	180	70	216.	79.5
Sanguin	181	71	214.4	No data
Muskala	174	74	147.7	101.4
Kajakai and Zamindawar	181	95	270.9	144
Novzad	No data		137.	89.2
Nod-i-Ali	128	82	54	40

These figures for Nod-i-Ali cannot be correct or the farmers would be declaring a disaster, which they are not. See text of report.

* All footnotes for Table 1 apply here

1. 1973 figures were given in kilograms, except for Nod-i-Ali, and recomputed to mon to be made comparable, possible source of error.

TABLE 3 *

TOTAL WHEAT PRODUCTION:

	<u>MONS</u>			
	<u>1972</u>		<u>1973</u>	
	<u>Improved</u>	<u>Local</u>	<u>Improved</u>	<u>Local</u>
Girishk	6,085,080	708,540	8,313,304	92,091
Sanguin	3,071,751	112,038	4,319,922	No data
Muskala	1,190,682	668,220	1,785,118	784,216
Kajakai and Zamindawar	1,163,830	1,151,970	1,892,861	1,152,174
Novzad	no data	no data	163,092	806,510
Nod-i-Ali	3,709,056	223,040	1,857,172	

* All footnotes for Table 1 and 2 apply here.

TABLE 4

JERIBS PLANTED IN COTTON

Girishk	1,269	8,256
Sanguin	537	1,474
Muskala	699	824
Kajakai and Zamindawar	---	664
Novzad	---	109
Nod-i-Ali	3,689	5,660