

To: Ranjeet Singh, INL

18 December 03

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From: Dick Scott, Helmand Consultant

Subject: Helmand Follow Up VII (Afghanistan)

I will try to be polite.

We have lost the opportunity to stop the re-emergence of the cultivation of opium poppy in central Helmand through inaction. No positive action, dialogue or a few obvious and called-for decisions and support on the part of the interested governments, agencies and their contractors were taken.

When the media and people like the head of DEA Intelligence begin making statements condemning central Helmand farmers and the "Afghan Drug Mafia" (whatever that is), for the re-emergence of this cultivation, we must remember that we have had at least three months (well before the planting season) to block this re-emergence with some basic funding. Regularly I have been outlining the actions needed in central Helmand and offered to do what I was proposing. Why was no action taken? What have the people in Kabul been doing? Nothing obvious.

During the year of highest opium production in Afghanistan, 1998-99, central Helmand produced the highest percentage of the country's opium of any other region, some 40 percent. Last year, with strong government statements not to plant, an effective eradication follow-up, farmer dialogue, and major reconstruction actions started on the region's drainage system, there was virtually no opium produced in central Helmand. USAID, through the Central Asia Development Group (CADG), also started back payments to the farmers for cotton that had been delivered to the government cotton gin in Lashkar Gah during Taliban times. This gave the farmers great confidence in the gin, the government and in the future of the traditional cash crop of cotton. Things have changed for the worse.

The local government has confiscated 10-20 small, privately owned cotton gins in the region that paid slightly more to the farmers for the top grades of cotton than the government gin. This cotton was sold primarily on the local bazaars and was non-competitive with the government gin markets. At the same time, the government is offering Afs 67 per mon (Afs 47 = US \$1; 1 mon = 9.736 pounds) for raw cotton delivered to the gin, a price considered unacceptable to the farmers at this time. Several months ago, the farmers formed a representative committee that went to Kabul to air their grievance over the cotton price and the

private gin confiscation, with no results. You can be sure they have met with the Helmand Governor Sher Mohammad on many occasions on the same issues. There is no question that they used the threat of poppy cultivation as a bargaining chip and you can be sure that the local opium dealers and speculators were interested and involved. There has been no hint of a government solution to these grievances.

Virtually all the farmers in central Helmand have planted at least some poppy, according to my contacts, including men and their fathers that I have known for the past 30 years. As in the past, you can be sure that local pressure was exerted on farmers with no great interest in poppy to plant. Political consensus of action is important. They are planting poppy openly and beside the most traveled roads, apparently without comment or opposition from the government. *This need not have happened.*

The cotton harvest season has just ended but we can expect most of the cotton to be delivered to the gin after the close of the winter (poppy and wheat) planting season. Many farmers have threatened to not sell their cotton to the local gin at the stated price. But the small farmers and those in debt must sell. Local speculators will also buy at rock bottom prices, hoping for a price adjustment in the future. These are the same speculators who are presently advancing funds to farmers planting poppy, in partial payment for the future opium harvest, again at rock bottom prices.

To date, the farmers have delivered 1,204 tons of raw cotton to the local gin. Last year there was a total of 5,900 tons delivered to the gin, according to my sources. Given the price and threats not to sell to the gin, it will be interesting to see what the final figure will be this year. None of this compares with the three Taliban high production years of 1997-99, with a high of 9,024 tons of cotton delivered in 1998. At that time, the Taliban had no funds to pay the farmers at time of delivery. The farmers were given chits and payment was made after the cotton was sold to Pakistani buyers.

Now that the winter planting season has nearly ended in central Helmand, again according to my sources, some of the more enterprising farmers from this area have taken water pumps into southern Helmand (Khanashin) and are planting poppy on desert step areas not previously cultivated, pumping water from the river. The question is: how well will these newly cultivated areas produce, even with the addition of fertilizer? The clay soils of the desert step of central Helmand, settled in the 1950s, have had 50 years of hard work and the addition of organic matter to reach the present productive levels. Clearly, the cultivation of undeveloped land in Khanashin is a gamble and the act of individuals caught up in the avalanche of the re-emergence of poppy production. All of these farmers understand, and have understood for at least the past seven years that I have been in contact with them, that poppy has no future in central Helmand. *We should not have allowed this to happen.*

As noted, Peanuts are another cash crop of growing importance in at least Nad-I-Ali district. Several farmers have indicated that they can get more per jerib from peanuts than they can from either poppy or cotton. And the price of peanuts is going up as this harvest season is coming to an end. Two weeks ago the price was Pak Rs 75 per mon. (Note: Some prices are in Afs. [Afghanis], and some are in Rs. [Pakistani rupees] depending on the market). This week the price is Rs 85-90 per mon. The first buyers from Herat (probably for the Iranian market) have started to arrive. To date, CADG has not started their buying for their new oil press in Kandahar. The price of peanuts to the farmers will continue to increase as the demand grows.

The price of wheat, by local standards, apparently remains relatively low at Rs 26-28 per mon. There continues to be foreign wheat on the market from World Food.

The U.N. project to repair sections of the Shamalan canal still has not started but they have delivered several thousand bags of cement to Lashkar Gah for this work. After a recent bomb blast in Kandahar, the foreign head of this project left the country and may or may not return after the new year. In the meantime, the bags of cement are covered with plastic sheets. The locals speculate that if one of their winter storms come, the plastic sheeting will offer little protection. For future projects: There is abundant government warehouse space in Lashkar Gah and some in Chan-I-Anjir.

If this project were to start soon after the first of the year, it will likely be subject to damage from the flooding of the Helmand River if normal late winter rains occur. Some of the repair has to do with filling and replacement of two sections of the Shamalan canal that were washed out by the Helmand River in flood.

To state the obvious, timing of action, like the Shamalan canal repair and the past needed actions to stem the re-emergence of opium poppy cultivation, is the key to success or failure. We tend to be consistent with bad timing. The central Helmand irrigation system shutdown period, when maintenance work can be most effectively done, is fast approaching in early to mid-January. The contractor with the funding for this work (Chemonics) is still apparently working on a plan of action and is likely to miss the key shutdown period for this year. There is some local speculation that funding might be available in about two months. Many of the needs for the reconstruction/repair of the central Helmand irrigation system are well known and have been under survey and photographed since 1997 by the Afghan NGO Helping Afghan Farmers Organization (HAFO) and myself. Start up work could be (but will not be) initiated on very short notice.

The cold weather season has arrived in Helmand, to be followed by any moisture that might come. A fairly high percentage of Lashkar Gah had depended on electric power for heat, cooking and fans since the Taliban re-strung the power lines in 1997-98. Presently, the electric power from Kajaki remains only periodic,

to allow time for the towns people to store water. The town's water supply depends on electric pumps. The rumor is that the foreigners are going to bring two generators to Lashkar Gah to continue to provide periodic electric power to maintain the water supply. These generators will supply power for an unknown length of time while the Kajaki turbines will be shut down for repair or replacement.

In summary: As it stands, opium poppy production for Helmand province and central Helmand will very likely surpass the top Taliban bumper crop year of 1998-99, if local estimates are correct. The Taliban were highly criticized for allowing opium poppy cultivation and providing 90% of the world's opium. They banned the crop the following year and virtually no opium was cultivated in central Helmand.

At least in Central Helmand, we are responsible for the re-emergence of opium poppy cultivation this year by our inaction. We knew it was coming. We knew the causes. We did nothing.

Given its past development history, we still have (had) great potential influence in that region that we have ignored. They trust us. No doubt the local and central governments, and certainly the farmers and speculators, will be blamed for this re-emergence of poppy. But through our inaction and delayed development funding, we have not provided the local government with the bargaining chips necessary to keep the central Helmand farmers focused on their legitimate cash crops. The Governor has spelled out this need on several occasions. He lives in a very political and sometimes hostile world. In the end, it is the Governor and his staff that must face the farmers in the field. Last year, we supported the suppression of poppy cultivation actions through development and support funding and dialogue. We gave the Governor the necessary tools to end poppy cultivation in central Helmand and he carried out a very effective and successful program with no violence in central Helmand. Although we presently have some projects in the field, like the Marja road and extension agents in every district, these do not directly produce income. You can be sure that the Governor, his field staff (like the Wolis Wol of Nad-I-Ali who I worked closely with last year) and the farmers clearly understand that we have let them down on the road to a stable legal economy and country.

One apparent alternative to end poppy cultivation this year is some sort of harsh eradication program, without any concessions, with negative psychological and economic impact. Violence is common with this approach and has not worked in other parts of the world. If this happened quickly, some re-planting could be accomplished. Another alternative would be to pay farmers for poppy fields taken out, with less potential violence. This method was attempted two years ago just at harvest time. Bad timing, poor management and some mis-appropriation of funds made this approach unacceptable to both farmers and donors. But

economic loss is unfair to the farmers who themselves attempted to find an alternative to the return to poppy via reasonable cotton prices but were rejected.

The bottom line for the central Helmand cash-cropping farmers is INCOME through the markets for their produce (that our contractors are supposed to be developing) and labor on projects (that are easy to identify and put in the field). We have failed to provide this context for income that we promised. We have failed them. The re-emergence of opium poppy cultivation is their political statement of protest. And our inaction over the past 3-4 months has pushed southern Afghanistan into greater instability.

To quote a famous American political thinker (Pogo):

“WE HAVE MET THE ENEMY... AND HE IS US.”