

14 December 2005

TO: Addressees

FROM: Richard B. Scott, Helmand Consultant

SUBJECT: HELMAND FOLLOW UP XV: POPPY AND COTTON POLICIES?

This year, through inaction on the part of the international donors, opium poppy is being allowed to return to central Helmand, Afghanistan. And cotton, one of the obvious opium poppy replacement cash crops in the region continues to be ignored by the international community of donors.

A variety of my sources in Helmand, including farmers, are in consensus that poppy will be planted in central Helmand on a grand scale this year. This is in stark contrast to last year (and 2002) when there was a major reduction in opium poppy cultivation. Previous reduction resulted from efforts of a joint local government and Alternative Income Project (AIP) program that combined effective public information (threatening the farmers not to plant), eradication actions, and at planting time, an extensive hand-labor irrigation drainage cleaning project employing thousands of men.

Many farmers already have planted poppy and others are now in the process. As noted in my 29 August 05 memo, now is the planting season. If farmers in central Helmand with its extensive irrigation system are planting, then we can assume that the less economically advantaged farmers in the water short foot hills to the north and those along indigenous irrigation systems to the south also will plant poppy. Repeating from the same earlier memo, it is a major error to allow poppy to return after a relatively poppy-free season last year. Each year opium poppy is allowed widespread cultivation, elimination of it as a major cash crop becomes more difficult and dangerous. With each year of cultivation buyers become more entrenched and the farmers' respect for the government(s) involved erodes further. There must be a clear official policy and it must be consistent to achieve positive results. **Inconsistency, the present pattern of alternating years of opium suppression versus government(s) and donor inactions, is not an effective narcotics control method.**

For an effective opium poppy elimination program to succeed, it is imperative that farmers have alternative cash crops with dependable markets in place. In central Helmand, with the largest irrigation system in the country, with its history of cash crops and double cropping, this is entirely possible. As I have noted in a variety of reports and communications since 1998, **cotton is one of the most obvious poppy replacement cash crops for central Helmand.** The farmers have

proven cotton to be a dependable cash crop. They know how to cultivate it. Such cash crops require reliable markets, equipment and good price policies.

The Helmand farmers have or use to have a dependable market for their cotton at the local government cotton gin as well as at several privately owned village gins. But presently the government gin, through bad management and no support or guidance, is less dependable. Last year, for example, the gin changed the price paid for cotton in the middle of the buying season, and payments to the farmers were long-delayed because the gin lacked funds to pay. In addition, the incentive of bags of fertilizer for tons of cotton a farmer brought to sell was halted in the middle of the buying season. These are all government actions that destroy farmers' confidence in the gin as a dependable market. The last help the Lashkar Gah cotton gin received was in the form of spare parts from Central Asia Development Group in 2002. The Lashkar Gah cotton gin needs immediate and continued help in funding, spare parts, marketing and management.

Cotton prices are one of the major elements in the opium replacement equation. Since the fall of the Taliban, the farmers have been disenchanted with the price the government has offered for their cotton. It is my understanding that the price being paid to the farmers this year is 64 Afs per *mon* (about 12 ½ pounds). The private gins are apparently paying 80 Afs per *mon*. In August of 2003 when the gin was offering 67 Afs per *mon*, the farmers did not agree. The farmers indicated that they would not sell at that price and apparently many did not sell. For that crop year the farmers received a record high (since the USSR occupation) of cotton seed from the gin and sold a record low in cotton to the gin. During that season when they were rejecting the government price for cotton, they planted the near record high for opium cultivation, the bumper crop harvest of 2004. Reliability in cotton prices remains critical in opium replacement policy.

As a side note, it would probably be cheaper to subsidize the price paid to the farmer for his cotton than it costs to try to prevent the opiates from getting to the illegal international market. This is not a new idea: farmers in the capitalist world receive all kinds of subsidies and supports for their crops.

The international donor community appears to be awaiting the capitalist's dream of privatizing this government cotton gin....politics. But it is possible to walk and chew gum at the same time. It is possible and reasonable to support cotton gin activities making it a better and more dependable market for the farmers, making it a more viable cash crop replacement for poppy, **and** continue to seek a private buyer for the gin. As long as the farmers continue to grow cotton and sell it to the gin and the government can sell the cotton (even to Pakistani buyers at relatively low prices) there may be a long delay in privatizing this gin. It makes money. And given the security conditions in the region, who would be willing to buy into this industry in this region at this time? **The long delay in offering support to the gin by the donor community has been an error that has indirectly given support to the regional opium poppy industry (and probably to those**

**working to undermine the government**). Cotton, peanuts and the other established cash crops of the region can compete with opium as a cash crop at a reasonable level, with a little help. But help for this has always been slow in coming. Poppy can be eliminated as a cash crop with the consistent implementation of an integrated opium control program. I have been outlining such a program in 14 other communications since August 2003. Such a program was successfully implemented in planting seasons of 2002 and 2004. We proved that this systematic approach works to eliminate opium poppy.

It is unclear what the recent change of governor in Helmand will mean for any opium poppy eradication program. It is late in the planting season for the new governor to take effective action. However, when Daoud came to power in the 1973 summer coup, there was an immediate elimination of poppy cultivation in at least the Sangin area of Helmand. Daoud's control over his government was credited for the fact that farmers did not plant poppy that year. At that time, I monitored some of these easily observable out-of-project poppy growing areas in Helmand for the USAID Program Office. Perhaps, even at this late date, the new governor has an opportunity to establish himself as a strict disciplinarian. With major support from the interested donors and his own field staff at the *wolis wol* levels, who have experience in eradication programs from 2002 and 2004, an immediate opium poppy suppression program could be possible.

While we probably have missed the opportunity for this crop year, there must be timely, effective and integrated actions to prevent poppy cultivation in this area. The justification for the inaction in rural central Helmand this year will be the regional security problems. But there is in fact no excuse to have let poppy return. There are effective and experienced Afghan NGOs willing and able to field a rural works project. Helping Afghan Farmers Organization (HAFO) is one such NGO. With a native Helmand civil engineer as its director, HAFO has direct experience in two previous projects organizing thousands of hand laborers to rehabilitate the Boghra canal.

I welcome the chance to discuss any of the points made in this communication with anyone interested in eliminating opium poppy as a cash crop in central Helmand. Since 1971 I have maintained a deep interest in the farmers and irrigation system in this region. I am certain my proposal would succeed. While the deteriorating security situation in the region makes implementation more complicated, it remains possible. As I have done on four other occasions since 1998, I can help plan, organize and implement the suggested activities.

You can do it. I can help.