

For James McHugh

15 February 1999

To: Mark Pont, MCI/Quetta

From: Dick Scott, MCI/Lashkar Gah

Subject: Helmand Poppy: The Basis of the Economy

Opium poppy is the basic cash crop of the central Helmand economy. Perhaps as much as 50 percent of the crop land in many areas is in poppy this year. If this crop were to totally fail at this time, the economy, the people and the government would face a major economic and political catastrophe. Poppy is grown as a cash crop, not for consumption. It is grown to keep a notch above survival, not for wealth. There is little evidence of wealth in central Helmand as is probably true for most of the rest of Afghanistan. While the bazaars are very busy, the quality of the goods in the bazaars is mostly second rate. There are few fat people, literally or figuratively. The farmers work hard for the money they earn. Poppy earns more per jireb than any other crop.

This is not a bleeding heart appeal for the farmers of Helmand but an attempt to analyze the situation which we face in the process of opium poppy reduction and elimination. Unless we take actions in a context of reality, our actions are doomed to failure. The recent poppy agreement with the farmers of Nad-i-Ali and Marja is an example of such action, an agreement that many attending the meeting that produced it understood at the time that it was unrealistic but did nothing to stop the process.

The farmers growing poppy know what they are doing. They know it is wrong and destroys many lives. But the rationalization is that everyone else is doing it, which is true. And poppy earns more per jireb than any other crop. Greed makes them do it. And there is a very active raw opium market functioning in the region with a wide variety of local people participating in speculation, buying, selling and transporting this product.

The other major crop grown in the same season as poppy is wheat, which is primarily a consumption crop but with some sales as well. Wheat is grown for subsistence. Virtually all farms grow some wheat. Corn tends to fall into the same category but is grown in the second, hot crop-season. Until recently, the shortage of water during this hot season was a limitation on corn production as it was on cotton production. Desilting the intake has to some degree taken care of this shortage. Corn bread is a common food item in the diet of Helmand farmers.

Opium poppy will not be eliminated as a crop in Helmand without Taliban government involvement in the process, discussed below. Poppy is too important to the farm economy at this time for the farmers to abstain from planting. As previously noted, the price of raw opium has doubled over the past year, apparently following the decline in the value of the Afghani. The farmers would need a farming system of double cropping that would provide a reasonable level of income and the Taliban to say "stop" to poppy production to make it happen. There is no program presently in Helmand that approaches providing the elements of a farm economic system needed to provide a reasonable income without poppy.

Wheat seed and fertilizer, regardless of quality of the crop to be produced, at

reasonable prices gives little or nothing above what is already available. Fruit trees are readily available from many sources in the region at this season of the year but they must be considered only a very long term investment by farmer definition. Even at maturity, you need a lot of land and trees to provide a good income. Vegetable programs are not widespread in the region and present markets are limited. If major buyers from big markets were involved in vegetable production, i.e., a sure market for the produce, vegetables would have the potential of becoming a major source of local income. But not under the present circumstances. Quality seed and a good crop of cauliflower this year apparently dropped the price as the crop matured, the result of the limited market.

Kandahar grapes and pomegranates have a very good market in Pakistan and perhaps India but this is not a recent development. This market flourished throughout the war and before.

One of the original justifications for the construction of the Kandahar airport at the same time the Helmand irrigation project was being developed was to ship fruit and vegetables, produced in Kandahar and Helmand, to the oil-rich Arab countries. The snag apparently occurred with the limitation that Ariana Airlines would be the only air shipper involved. The crop can be wonderful but if there is no sure market, the farmers will not and should not plant it.

Opium poppy does not face these problems. To my knowledge, there has never been an over-production of opium that dropped the price. Opium has a good world market and the price remains high.

Taliban edicts have great impact on the people. When the Taliban speak, the people listen. The Taliban virtually eliminated hashish as a crop in the region by edict. The reason: Hashish was widely used by elements of the local population. It is unknown what level of enforcement was necessary to accompany the edict but hashish was not the basis of the local economy. The same would have to happen with opium poppy for it to be eliminated as a crop. Any local agreements to reduce opium production would have to involve the Taliban to be binding. If they had been involved in the discussions that lead to and signers of the present agreement with Nad-i-Ali and Marja farmers, we would not likely be in the present situation.

The Taliban do not have the political will to eliminate opium poppy at this time. If we assume that they do not profit directly from the crop, the center of their political support in Afghanistan, Kandahar and Helmand, does, and especially central Helmand. These areas, apparently, supply the Taliban with a sizable portion of their soldiers for the civil war through a system of conscription for landowners. As noted, poppy is well entrenched as the basic cash crop for the region. What government, in its right mind, would destroy the economy of the region which is the center of its political support without a reasonable alternative? None. The first rule in politics is to remain in power.

In virtually all discussions with both the farmers and the Taliban, they have repeated the need for the rehabilitation of the irrigation system which would allow them the traditional double crop agriculture pattern. But this rehabilitation of the irrigation system alone will not insure a reasonable income. The representative farmers who signed the poppy reduction agreement have said that the discussions at the time of the signing included other types of help, apparently associated with cropping and

income. In associated documentation, there are references to other sorts of "alternative" crops, mostly noted above. Wheat, which does not compare with poppy for income and should not be considered a cash crop. Fruit trees, which may bring some income but only on the long term and if sizable plots are planted. Cumin, which is not a crop for the high water tables of Nad-i-Ali and Marja. Vegetables, for which there is no program in these two critical areas that are involved with the reduction agreement.

Cotton, which has the potential of being the future primary cash crop in the region, as it was before the war, but is hampered by several critical problems. The price paid by the cotton gin (the government) is too low, according to the farmers. The payments for the raw cotton are being delayed for several months and the delays are a problem in the context of rapid inflation. There is no credit program associated with fertilizer for the cotton. And there is no extension activity associated with cotton as a crop. Cotton is primarily broadcast planted, much like wheat, while row planted cotton would produce higher yields. It involves more work at planting time. Perhaps the extra effort is not considered worth the result, income. Perhaps many farmers don't know the difference although row planting cotton was a common practice 20 years ago when prices were high.

Given all of the above, in the present political, economic and farming context, it is difficult to see how we might expect a reduction in opium poppy production without additional actions in agriculture along with the irrigation system rehabilitation work. I have outlined the specific problems associated with the poppy reduction agreement in previous memos.

Jim, this is one of the memos I mentioned this morning. Others on cotton and peanuts will be hand delivered to you next week by Eng. Jawed. He will be up there on Wednesday. More later. I want to thank you for your support that allowed me to start what I have been trying to get started since the Russians said they were leaving. Thanks and I hope we can keep it going. There is plenty of work for everyone. The UN can help but it must be a joint effort or there will be confusion and wasted funds. See you. Dick Scott³

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