# RECONSTRUCTION AND OPIUM POPPY CULTIVATION IN CENTRAL HELMAND THE NEED FOR AN INTEGRATED PROGRAM

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#### **ABSTRACT**

In central Helmand, development and reconstruction activities must be integrated with a program to eliminate opium poppy. And none of these activities should be initiated independently. This will restate to the farmers the relationship between opium poppy cultivation and reconstruction work, and strengthen the hand of potential negotiators. Opium poppy cultivation is closely linked to the region's local economy, problems of security, and the political context. The reconstruction of the central Helmand's agricultural economy depends on eliminating opium poppy cultivation. Today, cultivating opium poppy in central Helmand is as much a political statement as it is an economic need. The farmers of Central Helmand are not now and have never been subsistence farmers. The program should be very broad in scope and well coordinated in order to address the total problem. Central Helmand is unlike most of rural Afghanistan. A program that may succeed in this region may not work in other regions. This assumes it is not too late to negotiate a program reflecting the stated wishes of the farmers to abandon opium poppy production. Regional security is at an all time low. Nad-i-Ali, once one of the most secure districts in the province, may fall under Taliban control soon.

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### **Preface**

This paper is both a proposal for an integrated reconstruction development program for central Helmand and an intellectual analysis of the problems of this region of the country. The failure of the international community of donors to provide a massive reconstruction program after the fall of the Taliban has resulted in the local population's disillusionment with donors and the central government, and has opened the doors for the return of the Taliban and record setting harvests of opium poppy. "Disillusionment" because this is a region that was developed into one of the most productive agricultural regions of the country by foreign (mostly US) funding and technical support over a period of more then thirty years. In 2002, the farmers were confident about the future when the US returned, following the years of darkness of the Soviet occupation and the anarchy of the 1990s. The farmers of central Helmand had great hopes, expressed enthusiasm and provided substantial support for US funded reconstruction projects in 2002 and an earlier project initiative that was pioneered in 1998. Both of these efforts focused on the central Helmand irrigation system, and the elimination of opium poppy. The farmers then lost confidence and hope after the closing of AIP activities in early 2005 because of security problems. After 2005. there were some nominal if expensive follow-on projects but these typically did not directly benefit the farmers or the agricultural economy, and sometimes to the farmers, they seemed irrelevant investments. For example, the project to cobblestone the road from Lashkar Gah to the old castle of Mahmood of Ghazni, located at the confluence of the Helmand and Argandab Rivers, a distance of some 10 km., using a team of Bolivian contractors while ignoring more important farm roads in need of repair to benefit the cash-crop farmers. There was no comprehensive plan for the reconstruction of the agricultural economy of central Helmand that brought immediate benefits to the farmers or allowed them to move out of opium poppy cultivation.

This paper outlines the elements of a program that will be necessary to begin the reconstruction of the central Helmand economy and eliminate opium poppy cultivation. Most of the ideas come from the farmers in the area. As the districts in central Helmand are falling to the Taliban one by one, some elements of this proposal may not be possible. It may be too late. But it is never too late to try.

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**Introduction:** Afghanistan produces 90% of the world's opium and Helmand province produces some 66% of that. At least 73% of Helmand farmers cultivated poppy in 2008, and this may be an understatement. As Executive Director of UNODC, A. M. Costa observed: "The most glaring example (of problem areas) is Hilmand province, in the south, where 103,000 ha of opium were cultivated this year – two thirds of all opium in Afghanistan. If Hilmand were a country, it would once again be the world's biggest producer of illicit drugs."(1.) A high percentage of this opium comes from more than 56,000 hectares of central Helmand, irrigated by the Boghra canal.

An integrated reconstruction/opium poppy elimination program for central Helmand is necessary, and should address the issues important to these cash-cropping, double-cropping farmers in one of the most modern and productive irrigation systems in the country. It should not be a program focused on "the rule of law", enforcement, and forced eradication of poppy crops, and certainly not aerial spraying. It must be based on a development/reconstruction effort that starts with direct and immediate economic benefits for the target population in exchange for not cultivating opium poppy. It must be reliable, consistent, and long term.

The planning and implementation of the program needs to be centralized and coordinated with the Afghan and foreign administrative groups, centered on an **Afghan** institution like Helmand Valley Authority (HVA) that has administrative responsibility for the central Helmand irrigation system.(2.) But this would require the appointment of technically skilled and effective

administrators to key positions within this presently limited organization. Two projects initiated in 2002 and 2004 were successful in reducing poppy cultivation in central Helmand over the short term, using a more limited strategy than outlined here. Both were short lived because of funding delays and security problems. HVA and the governor played key roles in the implementation of these projects.

Land, Area, and People: Helmand province is the largest province in Afghanistan (62,337 sq. km.) equaling ten percent of the country. Most of the province is desert with an annual rainfall averaging less than 4 inches. While the economy is based on agriculture, only 2.5% of the province is irrigated, and agriculture is generally not possible without irrigation.

The geographical focus for this paper is the three districts of central Helmand, Nad-i-Ali, Marja and Nawa (Shamalan) all irrigated off the Boghra canal. This canal is 94 km. long with a capacity of 70 cubic meters per second. The three districts totaled approximately 56,000 hectares of irrigated land in 1990.(3.) But this figure is understated. It represented the period between the Soviet withdrawal and the rise of the Taliban, a period of anarchy, before the return of many of the refugees from Pakistan and Iran, and before rehabilitation work was started on the irrigation system.

By the time of the Taliban, new unofficial settlers and local farmers were developing new lands on the desert side of the Boghra canal putting down shallow wells to tap seepage from the canal, drilling deep wells, sometimes even pumping from the drains or pumping directly from the canal. In response to complaints from legitimate farmers along the canal, the Taliban ended the practice of pumping directly from the canal in the middle of the winter growing season in 1998-99.

In 2000, more than one million people lived in Helmand province of which about 230,000 lived in the target districts. (4.) But these figures are also out of date. They represent the period before the return of many of the refugees from Pakistan and Iran. While the real numbers are unknown at present, the population of the Province may have doubled with the return of the refugees. In any case, there is a very large available farm labor force in the region, many of who are unemployed, and represent a recruitment pool for the Taliban.

Geographically, the province is rocky foothills in the north with limited water sources. Most water is from *korez* systems that bring ground water to the surface through gravity flow horizontal tunnels. (5.) These water sources allow for more scattered patterns of land settlement than further south where farmers must depend on the river. Sanguine District is in the north on the Helmand River, irrigating fields from older traditional intakes. Average land holdings in this northern region, (5.9 hec.) are near the provincial average of 6.92 hec., with Sanguine having the smallest in the province at 3.2 hec. The northern region of Helmand is relatively homogeneous ethnically with indigenous Pashto speaking tribal groups, mostly Alizai, Isakzai and Alikozai. (6.) It is also a region that has long cultivated opium poppy, under the King (1933 to 1973) and President Daoud (1973 to 1978) into the present.

The Helmand River flows from north to south through the middle of the province. (see map) The Helmand River represents some 40% of Afghanistan's surface water coming mostly from snow melt in the mountainous center of the country. The southern two thirds of the province is relatively flat clay desert with drifting sand to the south and east.

In the south, most land settlement is along the narrow Helmand River flood plain with irrigation from small locally built intakes that frequently get washed out during the flood season. The Baluch dominate the southern end of this region with fewer land owners and larger average land holdings, (38.3 hec. in Khanishin.) Indigenous Pashtun tribes dominate the northern end of the region.

Central and south central Helmand is irrigated by the Boghra and Darwishan canals, the largest irrigation system in the country by. Beginning in 1946, the system was built over more than three decades with Afghan and US funding.(7.) Morrison-Knutsen Construction Company of Boise, Idaho (M-K) was the primary contractor until 1958, followed by the US Bureau of Reclamation and Soil Conservation Service, among others. The system includes the Kajaki storage dam (the largest dam on the biggest River in the country) that provides a constant year round flow of water for irrigation. As a result, the farmers in this region are double-cropping, cash-crop farmers.

The Kajaki Dam also provided electric power to the region beginning in the mid-1970s. Because of the disturbances, this is presently shut down. The British and other coalition forces just delivered a US-funded, Chinese built

16.5 MW turbine that should come on line in about one year. The delivery convoy from Kandahar involved 4000 troops, hundreds of vehicles, tanks, and air cover. (8.) Kajaki also includes two other older but newly rehabilitated turbines, and assuming the power lines can be restrung and expanded, the hydro-station with its three turbines would have the capacity to provide more than 50 MW of power to Southeastern Afghanistan.

Before the construction of the Boghra canal, the districts of Nad-i-Ali and Marja were uncultivated areas of flat clay desert escarpment. Their construction resulted in a massive land settlement program originally aimed at settling sheep herding nomads. (9.) Thus the Kharoti tribe became the largest group in Nad-i-Ali, and the Nurzai are the largest group in Marja, but there are also 40 other ethnic and tribal groups living in these two districts including Hazaras and Turks. Nad-i-Ali and Marja were just under the provincial average farm size with 6.24 hec. and 5.33 hec. respectively.

Nawa (Shamalan) is Helmand flood plain that had been farmed for centuries with farmers taking water from the river via small locally built intakes. A branch of the Boghra canal, the Shamalan canal, was built by M-K replacing the old system, increasing the water supply, improving water distribution and bringing new lands under irrigation. The S-10.7 lateral off the Shamalan canal was built in the 1970s bringing more water into the southern reaches of Nawa, bringing more land under cultivation, and allowing new land settlement.

Nawa district was officially Nawa-i-Barakzai reflecting the Barakzai tribe, which was the dominant Pashtun tribal group in the area. As a result of land settlement, by 1975 some 16 other tribes and ethnic groups were found in the area. Average farm size was somewhat smaller than the other two districts at 4.96 hec. (10.)

In short, central Helmand has reasonable sized well irrigated farms that are put to good us, presently involving the cultivation of opium poppy. But before the Soviet occupation, poppy was not cultivated in central Helmand by agreement between the farmers/settlers, the GOA and the US. Since the 1970s Helmand has also been the pace-setter in farm mechanization with a high concentration of tractors and threshers. Teams of oxen plowing the fields have always been a rare sight in central Helmand. And since the Soviet withdrawal, there has been an influx of used private vehicles for these cash- crop farmers, mostly coming from Japan. There have been early

morning traffic jams at bottlenecks like Bolan and the Helmand River bridge coming into Lashkar Gah where there had only been the occasional mini-bus in the past. In the 1970s, virtually none of the central Helmand farmers had private vehicles, aside from tractors.

**Farmers' Views**: In meetings with the farmers and village elders of Nad-i-Ali between 1997 and 2005, recurring themes emerged on what was necessary to get this area out of opium poppy cultivation. They included:

- Repair the irrigation and drainage system and provide recurring maintenance to bring it back to its original condition before the Soviet invasion. This would increase the amount of available water and allow for the return to the traditional cash-crops. (Poppies require less water than cotton.)
- Do most of this work by hand labor. Local farmers and the very large farm labor force, some of it migratory, should be put to work repairing and maintaining the central Helmand irrigation system.
- Repair farm-to-market roads to ease the movement of farm produce and people to the town. Farmers also frequently cite the need to get women to the hospital in emergency.
- Increase the price of cotton to a profitable level.

From the start of the central Helmand irrigation system, responsibility for the repair and maintenance of the main canals and drains has been with the government. As with the control of the water, the ditches coming off the main canals are the responsibility of the watermasters and the farmers along each ditch...informal water-users associations.

Opium poppy is seen as a temporary, lucrative cash-crop with a good, reliable market and a credit system that the government and foreigners want stopped. And it is also seen as an evil crop that involves too much hand labor (labor costs). Thus, central Helmand farmers understand that opium poppy as a cash-crop is not sustainable. The Taliban had stopped its cultivation in 2000. And in cropping season 2002-03, a project funded by USAID had reduced the resurgent poppy cultivation by 85% in the Nad-i-Ali area. However both then and now, farmers need help to return to their traditional cash-crops.

## The large integrated program should include:

- A continuous local government/farmer dialogue on not cultivating opium poppy and reconstruction needs.
- A continuous local radio blitz keeping everyone informed of what is happening.
- A large scale reconstruction project focused on the Boghra canal and the infrastructure that supports it (roads) putting thousands of local farmers and farm laborers to work-for-pay on their own irrigation system well before the poppy planting season. (This should be an important element in the negotiations.
- An opium poppy eradication action by local police in collaboration with the HVA irrigation personnel soon after planting time and soon after germination.
- A sizable police support, training, and monitoring action.
- A credit program focused on at least one of the primary traditional cash-crops, probably cotton or perhaps peanuts.
- Support for the markets of traditional cash-crops in the region and for any other developing cash-crops. (The farmers can grow other crops, but they may need help in selling them.)

**Dialogue**: Dialogue involves **collaboration and negotiations** by local government officials with farmers on not cultivating opium poppy but switching back to other cash-crops with reliable markets. But this dialogue should not be initiated if local government has reservations and the donor community is not prepared to support the program consistently and over the long term. The farmers of central Helmand have had enough broken promises about reconstruction. It would be a hard sell in any case, given the off-and-on nature of past activities, similar negotiations, and past broken promises. This would reflect a change from the unreliable and in some cases irrelevant projects that have been pushed forward for central Helmand over the past several years in the name of reconstruction and economic development.

**Negotiations** would reflect a change from western concepts of "the rule of law" coming from a marginalized and frequently unlawful central government. After thirty years of revolution, anarchy, changes of

governments and various foreign military occupations, plus growing local government corruption, the concept of "the rule of law" is somewhat vague. The farmers should not be dealt with as criminals to be threatened with meaningless "law" but as a complex mass of collaborators faced with the shared problem of leaving opium poppy cultivation and returning to legitimate, profitable and acceptable cash-crops. As anthropology and history amply attest, Pashtuns do not respond well to threats and ultimatums but they are outstanding negotiators.

Opium poppy is considered an evil crop by most of these farmers, and the growing problem of addiction among this rural, conservative population is being felt and understood.

Radio Blitz: The local government dialogue would be accompanied by a radio propaganda blitz, spelling out what the integrated program would entail. This would involve both local and Kabul radio with statements coming from a variety of sources but would clearly reflect central government policy. The farmers must repeatedly be told what central government policy is. Hopefully both BBC and VOA Pashto Services would also broadcast news releases on the subject. Some of the points discussed should include:

- The program would benefit those farmers who would be able to move out of the un-Islamic crop of opium poppy and back into legitimate and profitable cash-crops whose markets would be supported.
- The reconstruction would target first the improvement of the irrigation system and the infrastructure that supports it. There is no end to potential work.
- The program would benefit the farmers and the farm laborers directly and economically by putting them to work-for-pay on their own systems as was done on three previous occasions.

**Reconstruction:** A major reconstruction project, sometimes referred to as AIP, should be initiated at least several weeks (if not months) before the opium poppy planting season. Initially, the project would focus on one limited area, e.g. Nad-i-Ali. This project would be a key element of the negotiations in the local government/farmer dialogue on not planting opium poppy. This exchange would first happen between the Governor and the village elders of a targeted area. After consultation in the village, the elders

would have to agree to forgo planting opium poppy and guarantee the security of the project in exchange for the paid reconstruction work and follow-on activities. Of course, reaching a consensus at the village level will take time.

The village leaders and farmers fully understand the relationship between funding for reconstruction work and the end of poppy cultivation. They have had this dialogue on several occasions since at least 1997 in central Helmand. In 1998, Department of State (INL) funded a US NGO project to begin work on desilting the Boghra Canal and repairing many of the control gates. And the farmers agreed to reduce opium poppy cultivation. There was a written agreement between the farmers and the NGO to this effect. But the Taliban were not formally involved in the agreement. This was a mistake. The US rocketed some of the Taliban training camps in eastern Afghanistan in August of 1998. The farmers assumed things had changed with this attack and that the US funded project would not start. The agreement was off. They planted poppy. But the NGO started the planned work in December. When the record setting crop of poppies emerged in late winter of 1999, all funding was cut and the project was stopped. Some 3000 men were immediately out of work. The farmers of central Helmand understand the relationship between poppy cultivation and foreign funding for projects.(11.)

At this time, the potential role of the Taliban in such a dialogue, even indirectly, is an unknown for any specific geographical area in Helmand. It can be assumed that at least some of the cash-crop farmers in central Helmand are "Taliban" and they may have worked on past AIP projects. It can also be assumed that some of the past Taliban government officials may still live in the area. Clearly, the "Taliban" are not one homogenous mass with strict discipline, given the reports of "foreigners" mixed in the group. It can be assumed that the "Taliban" would have to be involved in any decisions at the village level to allow a project to be started on the irrigation system with suitable agreements on security. They would either allow a major project of direct and immediate benefit to the farmers and the economy, or they would reject it as a symbol of the central government.

The Ministry for Rural Reconstruction and Development (MRRD) in Lashkar Gah has planned projects for Nad-i-Ali which they now cannot field because of security. Would an Afghan NGO be allowed to put such a project in the field? Presently one Afghan NGO has a project working on an irrigation intake for the Nawa District system off the Helmand River with

some 700 men and vehicles at work. This is just across the bridge from Lashkar Gah, the provincial capital, and therefore under the shadow of the Central Government, as well as NATO and ISAF troops. Would the Taliban allow an Afghan NGO to work, for example in Nad-i-Ali, and take credit for the development work and increased incomes, or would they reject the work as a symbol of the central government? If so, then this proposal for an integrated reconstruction/opium poppy elimination program could end here. If it were allowed to start, however, it should be attempted:

- With an Afghan NGO
- In a district where it is most likely to succeed, with past experience with similar projects, on the main roads and with the least security problems.
- With work on the Boghra canal, the primary irrigation system for Central Helmand.

Eradication: Assuming the project goes forward with the agreement that the farmers in the targeted area would not plant poppy, an eradication effort would also be necessary. "Trust but verify"? The farmers would have to allow local police to check crops and to eradicate any opium poppy if found. As in 2002, this would have to be done in collaboration with the watermasters of HVA who know what crops are planted along their irrigation ditches. The watermasters are generally local men with land in the areas they control and many of the nearby farmers will be their relatives or friends. The role of watermaster is a semi-elected/selected position. Without the cooperation of the watermasters, an effective eradication program would be difficult. Under the present political conditions, cooperation may not be possible.

"Local police" would be used because they are familiar with the area and are known by the farmers. The success or failure of many such activities relate to tribal affiliation and the potential protection this may afford. Apparently there is some level of tribal nepotism associated with who gets the job of eradication, and apparently it starts at the top, with the governor according to rumors. A governor will select men he can trust for critical positions like the police. And who can you trust more but relatives and fellow tribesmen? This was an advantage for local governors like Sher Mohammad who had a large tribal support-group, and a disadvantage for governors from outside the region, like all the 3-4 governors since Sher Mohammad.

This eradication action should be initiated immediately after the planting and germination season, with periodic follow-ups. This early eradication action would allow farmers to re-plant wheat or hold their land fallow for the early planting of cotton or peanuts, which results in higher yields. It makes the police less of an enemy than if they try to take out the poppies at harvest time, when all would be lost from a particular season's crop. Harvest-time eradication has been tried unsuccessfully several times since the British attempted a payment-for-eradication program in the spring of 2002, when much of the money was diverted. Early eradication also takes some pressure off police to take bribes. They would not be expected to take out the income for one entire cropping season, which would undermine the local economy. The farmers will have been warned before planting season about pending consequences. They will have had the opportunity to work-for-pay to improve their own irrigation system. And they will still have time to plant another crop.

Early eradication is possible in central Helmand and was successfully used in both 2002 and 2004. It can be started soon after planting season because at least in central Helmand, the irrigation paddies are different for wheat and poppy, the two crops that compete for winter crop land. A wheat paddy is roughly double the width of one for poppy. What the farmer is planning is known as soon as he has prepared the field for planting. And weeding and thinning of poppy begins soon after germination with men, usually groups of men, squatting in the fields at work, conducting detailed hand labor, unlike the practices for wheat.

Police Support: The local police receive only a nominal salary which is frequently long delayed in coming. And in Helmand, as in much of the rest of Afghanistan, they are now noted for being corrupt. It should not be surprising to find police "corruption" where the value of the crop is high and important to the farmer at harvest time. The opium poppy economy involves big money. The concept of "the rule of law" is vague. Timely eradication would take some of the pressure off the police. Pay them on time and pay them a salary supplement, starting at the top with the provincial police chief. Through the life of the program, provide the police with the training and equipment they need to do their job, and supervise and monitor their activities closely by someone who knows what they are supposed to be doing. As with all elements in this program, if you cannot field monitor the activity, do not expect it to happen. And offenders should be punished. At this point in history, it may not be possible to end corruption among the

police. Like New York, Washington, and other big cities, too much money is involved and they may see their task as hopeless.

<u>Credit</u>: Any agricultural economy needs an agricultural credit program. The opium poppy industry has had an effective informal credit program functioning for a long time. Frequently the opium buyers will recruit farmers to plant poppy and pay them a percentage of the estimated value of the crop to be planted in advance, which fixes the price to be paid for the opium at harvest time.

A credit program should be initiated as part of this proposed program for at least one traditional cash-crop. The easiest crop would probably be cotton because many will remember the cotton credit system of a generation ago. And it would be based on an established institution of the Bost cotton gin which is also the primary market for the cotton. If cotton is considered infeasible, the peanut crop might be a good alternative.

In the 1970s, the Bost cotton gin in Lashkar Gah provided the farmers with free seed and loans for fertilizer on a group basis to be repaid at harvest time when the farmer brought his cotton to the gin for sale. The Bost gin was and is the primary market for cotton in this region although there are a few small privately owned gins in the villages that buy small amounts of the cotton for the local market at good prices.

The international donors have had more than six years and funds to initiate an agricultural credit system in this cash-crop region but have not done it. There have been projects in the region that should have taken this action but did not. RAMP is one example of such a project. Perhaps it could initiate a credit program? A credit program is essential for any agricultural reconstruction effort that involves cash-crops.

Market Support: If opium poppy is to be replaced, there is a need to support the markets for legal, traditional cash-crops that are still cultivated in the region: wheat, cotton, peanuts, vegetables, melons, corn, mung bean, etc. If there is a good reliable market with good prices, the central Helmand farmers can and will produce for it. This issue should be an important part of the government/farmer dialogue on ending opium poppy cultivation.

**Wheat** has been a major cash-crop in this region since the introduction of MexiPak wheat in the early 1970s. The farmers have always produced a

surplus of wheat even during the various drought years, primarily because of their water source, the Helmand River and the Kajaki dam. Wheat production has been reduced over the past several years as opium poppy cultivation has increased. The two crops compete for the winter crop season land. While farmers will continue to plant wheat for their own consumption, its importance as a cash-crop has been reduced.

With the very high price for wheat (200 afs. per *mon*, 17 April 08), wheat crop failures in other parts of Afghanistan and lower prices for opium because of over-production over the past record setting 3 years, there is an opportunity to reduce opium poppy cultivation through actions supporting increased wheat production. According to a source in DFID:

"...the UK government, in conjunction with USAID, is planning a multimillion dollar program in Helmand this year to stimulate the production of wheat at the expense of illicit poppy production. The programme is on a much larger scale than programmes that have been carried out in previous years and will combine with a major public information campaign, led by the new Governor of Helmand province, and a targeted eradication programme aimed at those that accept free or subsidized inputs and chose to still grow poppy. We hope that this programme will capitalize on high wheat prices and political will to both increase food production and reduce dependence on poppy production in Helmand province."

(email communication, 26 August 08)

The details of how this project will be put in the field are unknown, but, again, if a project cannot be field monitored, do not expect it to happen as planned.

Hopefully the World Food Program (WFP) will not import so much wheat that they reduce wheat prices in Helmand, which has happened in the past. With emergency feeding programs, when prices are high, some of the wheat always goes onto the local market. And WFP has a policy not to buy wheat in a country that is receiving WFP wheat from outside, a policy that needs to be reviewed by WFP senior management, and other stakeholders in Afghanistan.

**Cotton** has been a major cash-crop in Helmand since about 1974. The British built the Bost cotton gin in Lashkar Gah in the mid-1960s, but the settlers were forced to grow cotton until the new government of President

Daoud (1973 – 1978) raised the price of cotton to make it more profitable. In recent years, the gin, which is the primary market for Helmand cotton, has not been paying what the farmers consider a reasonable price. And like wheat, as the production of opium has increased, the production of cotton has gone down. But the farmers continue to cultivate cotton. For maximum production with a cotton crop in Helmand, the farmers plant it early in March/April. This means they leave cotton fields fallow through much of the winter crop season, the season for wheat/poppy.

According to Bost cotton gin management, the farmers sold some 8,500 metric tons of cotton to the gin in 2005, 5,400 m. tons in 2006, just 1,040 m. tons in 2007 and 4,500 m. tons this year. One can only speculate on the reasons for the increase this year. Perhaps the cotton of 2007 was held off the market in anticipation of better days. The price was increased by one Afghani per kg. during this period, from 14 afs. to 15 afs. More likely it was the realization that there was to be an oversupply of opium after record setting years of production. But none of these years have reached the high under the Taliban in 1998 with 9,024 m. tons purchased. This year, the purchase price is said to be 24 afs. per kilo, an increase of some 60%, which should substantially increase cotton cultivation next year, and also reduce poppy cultivation. It is unclear who is funding this increase in price.

The point is that the farmers continue to cultivate cotton at lower levels even when they do not like the price and there is no credit program. They know and like cotton as a crop; it is legal, and there is a reliable market at the gin. They see cotton as one of the competitive cash-crops for poppy, and since 1997 have requested an increase in cotton prices as one of their prerequisites for ending poppy cultivation. They have continually noted they do not need opium poppy provided they can get help with marketing their traditional cash-crops, including cotton that they see as an important element in the effort to eliminate opium poppy cultivation. The international community of donors has consistently ignored this perception.

Presently Bost cotton gin management is having difficulty selling the cotton they have on hand, which is last year's production. The gin is a government enterprise and the donors want it privatized. Apparently the gin has received no help in management or marketing during this period when the competitive cash-crops to opium poppy need all the help they can get, regardless of who owns the gin. This inaction undercuts the economy, the Afghan government, and the attempts to get the farmers of central Helmand

out of opium production. Central Helmand is the center of production for both opium and cotton.

**Peanuts** were a virtual unknown in central Helmand in the 1970s. Peanuts appeared during or after the Soviet occupation, and for one section of Nad-i-Ali, it has become the primary cash-crop. It was well established by the time of the Taliban. Some farmers in this area have even hauled sand in from the desert washes for their top soils in order to change the texture and increase peanut production. This was a serious step for Helmand farmers. There are no figures on total peanut production but it is known to be sizable. The markets fluctuate with the war as the primary buyers come from Pakistan and Herat (for the Iranian market). One of the primary routes into Pakistan used to be via Miran Shah, North Waziristan, to by-pass Pakistani customs, but truck traffic through that area today would be hazardous, if not impossible. The market is said to be good at 38 afs. per kg. How this market could be helped will take some additional research. Credit and marketing are potential areas to explore. According to the farmers, peanuts have always been competitive with poppy: they require less hand labor, for example, and no fertilizer. If the markets could be expanded, production would increase, replacing opium poppy. Of the 27% of the Helmand farmers who do not cultivate poppy, a sizable number are probably working with this crop.

In 2002, Central Asia Development Group (CADG) imported an oil press, bought 10-20 tons of peanuts from central Helmand and began producing peanut cooking oil in a small operation near Kandahar using hand labor for the shelling. It helped the peanut market, but the logistics would have been easier if the factory had been located in Lashkar Gah, near the source. This would be something the new agricultural industrial park under construction in Lashkar Gah should consider. In 2002, there was an Uzbek farmer in Nadi-Ali who attempted to import a seed press for cotton seed but was refused permission by the local government. He also had a small cotton gin operation competing with Bost cotton gin on the local market...as did several others. There are many innovative people in central Helmand like this that do not see opium poppy as that important. Hopefully the organizers of the coming agricultural industrial park in Lashkar Gah will recruit some of this rural talent and capital.

**Vegetables and melons**, (including watermelons, introduced in the area by various US contract teams), have always been important cash-crops in central Helmand. Until the main road out to the Herat-to-Kabul highway was

hard surfaced, there was a problem of transporting some of these perishable commodities over this very rough road.

The wholesale vegetable market in Lashkar Gah is always a very busy place, in the past in a very constricted area. Central Helmand and Lashkar Gah are good markets for early fruit and vegetables. This region has money. There has been an influx of early produce, onions, eggplant and fruit from places like Iran, Pakistan and Farah, and a later season export of similar produce from central Helmand farmers. To improve this operation and to get the vegetables and melons out of the sun in peak production seasons, sizable and less congested warehousing is still needed. There was a plan to build a structure in Bolan, across the river from Lashkar Gah, but the location and design was questioned. Perhaps the planned agricultural industrial park now under construction will house this operation. And the 3-4 small cold storage units brought into the area 2-3 years ago but never put in operation could help the market when activated. (12.) But they will need a reliable electric source when the Kajaki dam power comes on line. Given help with storage and marketing, central Helmand could increase production of vegetables and melons in short order, economically reducing the importance of opium poppy that grows in a different cropping season.

By 2002, a few central Helmand farmers were already into early season vegetables using make-shift "greenhouses" made from sticks and plastic sheeting. It was unclear where the idea came from (perhaps Afghan refugees returned from Pakistan) but apparently not from the foreign aid programs. Again, help with storage and marketing of early produce could result in a quick expansion, undercutting further opium poppy cultivation. If there is a good reliable market for whatever crop, the central Helmand farmers can quickly make the necessary changes to produce it.

An important place to start, therefore, is to support and help develop the markets for crops farmers know and are already producing. It saves a lot of time and money.

<u>Conclusions:</u> Since 1997, central Helmand farmers have consistently said they do not need poppy if they get help with the marketing of their other traditional cash-crops, including most importantly cotton. And they do not need poppy. They are good farmers with a reliable irrigation system with a long background in double-crop, cash-crop farming. They have numerous alternatives to poppy but they need help with their agricultural value chain,

including infrastructure, (roads, storage, grading) plus credit, and marketing. At the same time they need some effective and timely pressures not to cultivate opium poppy, e.g., eradication at planting time. They should not be treated as the enemy because they are cultivating poppy. We had the opportunity in 2002-2004 to help them get out of poppy cultivation but for a variety of reasons failed to do so. (13.)

The proposed reconstruction actions need to be integrated and coordinated into a well focused program among the donors who must fund it over the long term. It should be centered on HVA, the government institution with the responsibility for the central Helmand irrigation system. This organization needs effective and technically skilled staff, that presently are missing. In the distant past HVA had a strong coordinating authority but over time it has been stripped of its coordinating power. Coordination of effort is one key to success. Coordination and focus are clearly missing in the present administrative arrangements. (14.)

The region needs a comprehensive plan for an integrated reconstruction and poppy elimination program. Reconstruction in this region should not be initiated independently of the opium poppy elimination effort. The two actions are too closely related and intertwined. Reconstruction should become the donors' lever to eliminate opium poppy cultivation. But what can work in central Helmand with all its advantages may not work in the more distant and isolated foothill areas to the north, the narrow flood plain areas to the south, or in many other areas of Afghanistan. The problems are not the same, and the solutions need to be different.

Given the rapidly deteriorating security situation in central Helmand, it may be too late to attempt to implement this broad proposal. However, inaction is proving costly. It may be too late to take the needed actions, based on the requests of the farmers of central Helmand over the past 10 years. But it is never too late to try.

#### **Footnotes:**

- (1.) <u>Afghanistan 2008 Annual Opium Poppy Survey: Executive Summary</u>, UNODC/Vienna, August 2008, pp. vii, 5 and 12.
- (2.) Helmand-Arghandab Valley Authority (HAVA or later HVA) was established with US support in the 1950s and was modeled after the Tennessee Valley Authority. At one time it was the primary coordinating institution in the Helmand valley. See: Lloyd Baron, <u>Sector Analysis Helmand-Arghandab Valley Region</u>, USAID/Kabul, 1973.
- (3.) <u>Helmand-Arghandab Valley Irrigation System: A Change Assessment 1973-1990</u>, Development Alternatives, Inc. and Earth Satellite Corp., USAID/Islamabad, 1993.
- (4,) Helmand Planning Group, <u>Helmand Initiative</u>: <u>Joint Strategy</u> <u>Development</u>, UNDP, Islamabad, 2000, p. 13.
- (5.) Louis Dupree, <u>Afghanistan</u>, Princeton University Press, 1973, pp.\_40-41. And Paul English, "The Origin and Spread of Qanats in the Old World", <u>Proceedings of the American Philosophical Society</u>, Vol. 112, No.3, June 1968.
- (6.) Average farm size data from: Frydoon Shairzai, Ghulam Farouq and Richard Scott, 1975 Farm Economic Survey of the Helmand Valley, USAID/DP, Kabul, p. 32. District tribal data from: Richard B. Scott, <u>Tribal & Ethnic Groups in the Helmand Valley,</u> Occasional Paper #21, Afghanistan Council, The Asia Society, New York, 1980.
- (7.) The total investment by the Afghan and US governments in the Helmand valley irrigation system, including the Kajaki dam and hydrostation, and a smaller dam on the Arghandab River, are estimated at \$136.5 million. This would be some \$500,000,000 in today's dollars. See: Cynthia-Wincek and Emily Baldwin, The Helmand Valley Project In Afghanistan, A.I.D. Evaluation Special Study No, 18, USAID, 1983.

- (8.) Richard Norton-Taylor, "Coalition troops brave minefields and Taliban attack to bring electricity to 1.8m Afghans, <u>The Guardian</u>, 3 September 08, London.
- (9.) Ghulam Farouq, Socio-Economic Aspects of Land Settlement in Helmand Valley Afghanistan, M.S. Thesis, American University of Beirut, 1975.
- (10.) For a review of the water and geographic features of Helmand see: Helmand River Basin Soil and Water Survey Report,
  USAID/SCS/Afghanistan, 1976. For Nawa: Shamalan Unit: Helmand
  Arghandab Valley Development Project, Feasibility Report, Bureau of
  Reclamation/Bost, 1968.
- (11.) Richard B. Scott, <u>Final Report: Helmand Irrigation Rehabilitation</u>, MCI/Portland, 1999. \_
- (12.) Since these small cold storage units are commonly used for the storage of medicines rather than quantities of perishable fruits and vegetables, it may be necessary to construct a larger capacity facility to store commercial central Helmand produce.
- (13.) Richard B. Scott, "Opium Poppy Cultivation in Central Helmand, Afghanistan: A Case Study in Bad Program Management", Society for Applied Anthropology Annual Meeting, 30 March 2007. 18 pp. Joel Hafvenstein, <u>Opium Season: A year on the Afghan Frontier</u>, The Lyons Press, Guilford, 2007.\_
- (14.) As a side note: When HAVA was functioning as an effective coordinating unit within the Helmand and Arghandab region, even under the Taliban, there was always conflict between the head of HAVA and the governor because the responsibilities of the two offices tended to overlap. When the farmers' requests on some issue were rejected by HAVA, they would turn to the governor. At one point in the early 1970's, this problem was absent when the two positions were held by one very skilled man, Governor Riza.

**Richard B. Scott Selected Experience:** 

USAID/Afghanistan, Research and Evaluation officer, 1971-78.

USAID/Mali, Project Manager, Mali Rural Works Project, 1979-81.

USAID/Pakistan, Project Manager, Tribal Areas Development Project 1982-84. Pashto Service Chief, VOA, 1984-90.

USAID/DAI/Pakistan, Chief-of-Party, Kala Dhaka Area Development Project, 1990-93.

INL/MCI, Project Manager, Helmand Irrigation Rehabilitation Project, 1998-99. USAID/CADG/Afghanistan, Consultant, Cotton and Alternative CropsProject,2002. USAID/DAI, Officer-in-Charge, Helmand Drainage Rehabilitation Project, 2002-03. USAID/Chemonics, Rural Development Specialist, (Helmand) Alternative Income Project, 2004-05.