15 September 2003

To: Ranjeet Singh, INL

Elisabeth Kvitashvili, USAID

From: Dick Scott, Helmand Consultant

Subject: Opium Poppies in Helmand this year?

The talk in the Helmand region, including members of one of the district councils, is that opium poppy is going to be planted on a grand scale this fall if the government does not do something to get the farmers' attention, make another clear policy statement on opium production, give a boost to the local economy, improve services and, in particular, increase the cotton prices to the farmers. In this communication, I will outline the reasons for this farmer attitude and propose several immediate actions.

This information can be classed as "Helmand rumor" but comes from a variety of sources in Lashkar Gah with whom I am in regular contact by telephone. Helmand rumor tends to be relatively accurate.

I will focus on the area of the central Helmand irrigation system based on the Boghra Canal because that is the area that produced 40 percent of all the raw opium in Afghanistan during the bumper crop years before the Taliban banned the crop in 2000. This region includes the districts of Nadl-Ali, Marja and Shamalan (Nawa), plus other peripheral areas. It is a huge, well irrigated region with a modern irrigation system that USAID help build between 1946 and 1978, a reliable source of water, with good soils and bright, knowledgeable double-cropping farmers well into cash-crop farming. They know and understand the national and in some cases international marketing systems.

Cotton has been the primary cash crop in the region since the mid-1960 when the British built the Lashkar Gah cotton gin as we were building the irrigation system and helped to establish the region's extension service. The government cotton gin is the long established regional market for this produce. Some 10 to 20 small privately owned cotton gins also supported of this market (paying slightly higher prices for top quality raw cotton than the government gin) but were closed down by the government last year. The farmers know that the international market price for cotton is low and governs the price paid by the gin. But like all farmers, they are pragmatic and are thinking about a shift from one cash crop when the price remains low to another. In this case, the alternative is poppy, for which there is also an international market. Since at least 1997, the farmers and

government people have all recognized in discussions that poppy is an "evil" crop but it is also an income.

One alternative and relatively new cash-crop in the region is peanuts. But this is mostly limited to Nad-I-Ali where there was as much peanut last year as there was cotton. Other areas of central Helmand have not yet picked up on the advantages of planting peanuts. If and when the region begins to plant a lot of peanut, the question will be what to so with them. What will be the market? The market price remained high this past year even through harvest time but this was in part due to the cotton project's purchase of some 10-20 tons of peanuts: a good political move on the part of the Project in the face of low cotton prices. Cotton and peanuts are planted and harvested at the same time.

Presently wheat prices are very low and have been that way for some time. There was a bumper crop of wheat for the past years in central Helmand although some of it was diseased. While some areas of the country may be short of wheat, Helmand has a large surplus that keeps the price low. I do not know if we are still importing wheat into Afghanistan through the World Food Program but it would be a mistake as long as areas like Helmand are producing more than they consume. The head of WFP told me last year that they were not allowed to purchase wheat from Helmand for distribution in other parts of the country. This policy needs re-thinking.

Wheat prices are an important element in the complex equation regarding opium poppy production. Wheat and poppy are planted at the same time in the fall and the present and potential price for wheat is a major consideration in the farmers' choice.

Last year at this time the government had a major radio campaign at least in Helmand warning the farmers not to plant poppy. At the same time, in October, we had a major drainage rehabilitation project started in Nad-I-Ali combining a large hand-labor force with the use of some heavy equipment starting at one of the most highly trafficked cross roads in the area. We got the farmers' attention. This work force grew to some 2,000-3,000 men per day. This work was combined with a continuous dialogue between project personnel, the farmers, tribal leaders and government people on the relationship between development projects and opium poppy cultivation. The example used was the termination of all project funding and work on the Boghra Canal in 1998-99 when MCI was working on the Boghra Canal rehabilitation with INL funding. There had been an increase in poppy production in that area at that time and the farmers were well aware of what happened. I organized and managed that project in the field and had the same discussions with the farmers, their tribal leaders and government officials at that time.

The drainage project work that I started last October for DAI stopped more than a month ago and to my knowledge no new work using a large hand-labor force has re-started. I cannot over-stress the importance of the use of hundreds of hand laborers from the region in the battle against the re-emergence of poppy cultivation. Poppy is a very labor-intensive crop giving literally thousands of laborers and share croppers work, putting needed money in their pockets, allowing them to pay off debts (sometimes to local drug dealers) and stimulating the local economy.

To date, according to my sources in Lashkar Gah, there has been no radio campaign warning the farmers not to plant poppy. The government must take a strong stand in their announcements against poppy. The farmers see the lack of a clear statement at this time as either weakness or indecision. For the farmers, this means they can plant poppy as at least as a good gamble. The reasoning is that as long as the government remains quiet, politically they will have a difficult time punishing the farmers later for something they were not warned about first.

Last year, the government warnings before and during planting season were followed up with an aggressive eradication action soon after the poppy crop had germinated. The farmers who had gambled against the government warnings lost their crops. Politically the government was on safe ground. They did what they said they would do in central Helmand, and there was no violent opposition.

Needed Actions:

Now the meat. I propose that INL or USAID or a combination of the two send me to Helmand as soon as possible to initiate the activities outlined here. It would be a repeat performance of the approach taken in 1998-99 and again last year. The funding could be through the Chemonics RAMP project, through DAI (1.) or through the cotton project as a Chemonics sub-contractor. Helping Afghan Farmers Organization (HAFO), an Afghan NGO, is another alternative that I have worked with over the past 7 years. HAFO is headed by Eng. Sayed Jawed, a native of central Helmand from a well respected kin group with numerous contacts in the region, which helps.

The most important point: <u>action needs to taken now</u>, not a month from now to have full impact and reduce the potential of negative repercussions from and on the farmers. For many reasons, they must not plant poppy this fall. My position is that the proposed

(1.) DAI apparently is in the process of sub-contracting work in the Helmand through RAMP.

actions primarily are for the benefit of the farmers and their future. Farmers who understand that our actions are for their benefit are less likely to side with undesirable elements in the region and fully accept the elimination of poppy as a cash crop. I know and understand what actions are needed and the people that are necessary to involve in the dialogue. I can do the work quickly (which is important) and effectively, with funding and support.

1. There needs to be an immediate radio blitz warning the farmers against planting poppy this planting season and in the future. This can be done from Lashkar Gah radio through the Governor but it might be useful to touch base with the Ministry of Interior as well. The Minister, Ali Jalali, is a friend of mine who I have known for almost 20 years. I worked with him for 5 years in the Pashto Service of VOA at the time of the USSR. One of his right-hand men. Shah Mahmood is also a friend of more than 20 years both in Peshawar and Washington. They can initiate actions and also can provide useful additions to this proposal and involve the government at the top levels. At some point in this process, it would be useful to have someone from the central government (and from Helmand if possible) come to Lashkar Gah to make an appearance and talk to the people about the evils of poppy and the government's determination to eliminate it as a cash crop, again, as was done last year.

After the crops have had time to germinate, there would need to be an eradication action, as was done last year. This follow up action is very important to indicate the government means what it says. The Helmand farmers are not always clear on central government's policies.

2. Put some highly visible projects in the field immediately (before the wheat/poppy planting season) that would put a large labor force to work on the rehabilitation of the central Helmand irrigation system and the infrastructure that supports it. I understand that DAI through Chemonics may have some funding soon to re-start work on the drainage system in Marja. This is an unconfirmed but reliable rumor. Politically, work also needs to start at the same time in NadI-Ali and Shamalan (Nawa) to impact the poppy. Through the years I have identified numerous start-up projects in collaboration primarily with Eng. Jawed of HAFO. Work that could be started in a matter of a few days. I had a 100-man work crew at work on the drains in Nad-I-Ali within 72 hours of my arrival last October. And with hand labor at \$2.00 per man per day, we are not talking about large sums of money.

Small, highly visible projects like the re-building of the 150-yard Chani-Anjir suspension foot-bridge across a continuously flowing wash would also be a great public relations action and provide the catalyst for the poppy dialogue. This important footbridge, primarily for women and children, could be re-built for some \$3,000 to \$5,000. Such low cost projects with major public relations impact can be useful. A proposal for this bridge was written in about 1999.

3. In the context of the above actions, initiate a dialogue with the farmers, tribal leaders and government officials on the relationship between development funding and poppy cultivation. Again get them to sign agreements not to grow poppy or have them initiate their own documentation of such agreements. I know many of the people personally that must be involved in the dialogues and agreements. They listen and they respond. Much of this proposal may appear to repeat what was done last year and in 1998-99. It is a repeat. With Helmand farmers it is necessary to continue long term dialogue and negotiations on this issue. It is not that they do not understand the relationship between development action and poppy cultivation. They have witnessed it. They understand that poppy as a cash crop is out. But they will continue to test the waters until they are certain of the central government and its policies. Presently they have doubts. Virtually all the problems and issues with Helmand farmers can be solved with talk...combined with development actions. They do not respond well to threats and ultimatums, however.

Please share this paper with anyone who you think may be interested. I have shared it in distribution with a wide range of people I think may find it useful. I can put it into operation in the field on very short notice. But to repeat, action is needed now, not at fall harvest and planting season. Fall crop planting decisions are in process now.