



Center for International Policy

1717 Massachusetts Ave, NW- Suite 801

Washington, D.C. 20036

PHONE: (202) 232-3317

FAX: (202) 232-3440

E-MAIL: cip@ciponline.org

WEB SITE: www.ciponline.org

MEMORANDUM

March 22, 2004

To: Colleagues

From: Adam Isacson, Center for International Policy

Re: **The State Department's data on drug-crop cultivation**

The State Department today released statistics claiming that aerial fumigation in Colombia has reduced coca cultivation. **These figures are meaningless** for the following reasons:

- 1. The price of cocaine is not rising on U.S. streets.**
- 2. The price of coca is not rising in Colombia's illegal market.**
- 3. Coca cultivation is increasing elsewhere.**
- 4. Coca cultivation is increasing in parts of Colombia where spraying isn't constant.**

This lack of real results may owe to faulty measurement of coca, or to growers' rapid adaptation to massive fumigation. It makes clear, though, that coca supplies will continue to meet demand as long as the Andean region's rural areas remain poor and ungoverned, and the U.S. government fails to take steps, such as treatment, to reduce addicts' demand at home.

Does fumigating coca-growing zones with herbicides work? Since the U.S.-funded "Plan Colombia" anti-drug program began in 2000, pilots have sprayed more than 1 million acres of Colombian territory with chemicals. The State Department's narcotics bureau has spent \$2.5 billion on Colombian military and police drug-fighting efforts.¹

According to the State Department's newly released estimate, the amount of coca planted in Colombia fell by 56,000 hectares (140,000 acres) since 2001.² If we conservatively assume that two-thirds of the State Department's anti-drug spending has gone to eradication – contract pilots and support personnel, herbicides, military and police units to protect the spray aircraft – then the United States has spent \$17,800 for every acre of coca reduced.

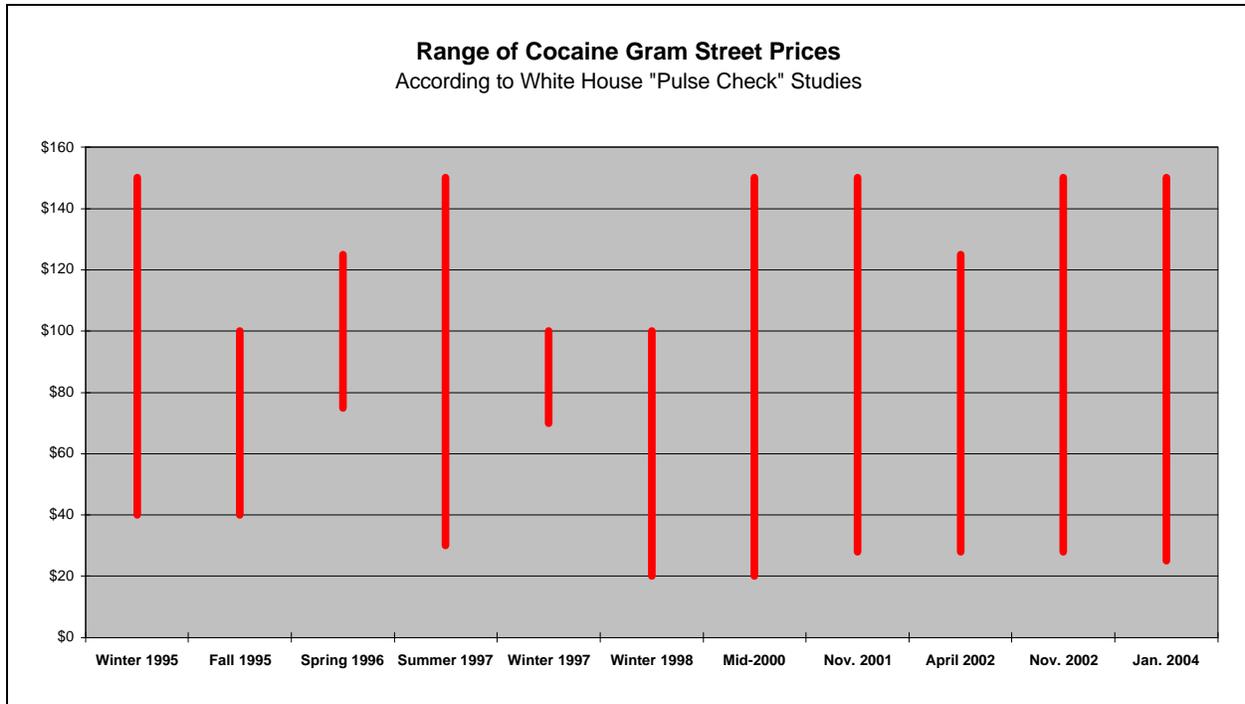
But even that small achievement has been undercut. The State Department's announced reduction in Colombian coca is meaningless, because all measures indicate that **the supply of cocaine in the United States has not changed.**

1. The price of cocaine on U.S. streets is not rising.

The law of supply and demand dictates that when a commodity becomes scarcer, its price rises. If fumigation were truly reducing the supply of coca, the price would be expected to rise. Yet U.S. government data on drug sales in the U.S. tell us that cocaine supplies are meeting demand as well as ever.

All of our efforts to date have yielded no rise in cocaine prices in U.S. cities, and only a small

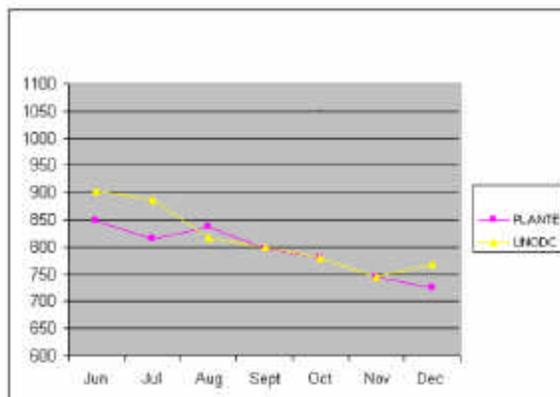
decrease in purity. Neither the DEA's April 2003 *Drug Price and Purity Report* nor the Drug Czar's January 2004 "Pulse Check" study has noted any increase in the price of a gram of cocaine, which has held steady at between \$25 and \$150 since the late 1990s.³ The *Pulse Check* study found almost no changes in availability or purity.



2. The price of coca paste in Colombia is not rising.

The latest data available on the price of coca base – the unrefined paste that peasants produce from coca leaves – show no increase in prices. A September 2003 report on Colombia from the UN Office of Drug Control and Crime Prevention notes, “Between August 2001 and December 2002 [a period in which nearly 200,000 hectares were sprayed], the price of a kilogram of coca base fluctuated, but stayed between 2 million and 2.3 million pesos (about US\$850), reporting a net decrease between those dates of 1.7 percent.”⁴ The report goes on to note that prices fell particularly sharply during the

Tabla 22: Precios de base de coca en US\$/Kg (varias fuentes)



second half of 2002 (see chart).

We can only conclude from this that spraying has not decreased the supply of coca in Colombia's illegal market.

3. Coca cultivation is increasing elsewhere.

One thing the drug war has shown us over the past twenty years is

that drug crops move around. The common response to eradication in one zone is new cultivation in other areas. The amount of coca grown in South America has remained remarkably steady, at about 500,000 acres, since measurements began being taken in the 1980s.

2003 was no exception. While Colombia and Peru registered decreases, coca cultivation shot up in Bolivia, continuing a trend that began in 2000. Since Plan Colombia's inception, South American coca production is virtually unchanged, shrinking from 183,000 hectares to 173,000 hectares.

	1999	2000	2001	2002	2003
Bolivia	21,800	14,600	19,900	24,400	28,450
Peru	38,700	34,100	34,000	36,600	31,150
Colombia	122,500	136,200	169,800	144,450	113,850
Total	183,000	184,900	223,700	205,400	173,450

Source: Department of State, Bureau of International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report (INCSR)* <<http://www.state.gov/g/inl/rls/nrcrpt/>>.

4. Coca cultivation is increasing in parts of Colombia outside the focus of the spray program.



This “balloon effect” – the term refers to squeezing one part of a balloon, only to see it bulge out elsewhere – is evident within Colombia, too. UN figures covering 2002 showed a doubling of coca-growing that year in the department (province) of Nariño – a zone only a few hours’ drive away from the most heavily fumigated part of Colombia. The same report showed coca increasing in the department of Guaviare – the zone where the U.S.-funded fumigation program was first established in the mid-1990s.⁵

Fumigation, then, has proven to be **effective only at reducing coca cultivation in a specific zone, for a short period of time.** With an insatiable demand in the United States and a legion of impoverished farmers willing to meet it, the illicit crop repeatedly pops up in new zones.

Why is supply unchanged?

Though U.S. statistics are showing less coca, there are several reasons why supply has continued to meet demand so effectively. It is possible that new coca cultivation is appearing in areas not measured by satellite imagery. Some testimonies from coca-growing zones also indicate that growers are no longer planting the crop out in the open, in large, contiguous plots, and are instead scattering coca across wide areas in small, hard-to-measure plots. Higher-yielding varieties of coca are also being developed and propagated.

Meanwhile, incentives for farmers to re-plant coca remain very strong, despite the inconvenience

that fumigation presents. A lack of government presence, roads, clear land titles, and credit continue to make most legal crops unprofitable, while U.S. and Colombian investment in development and infrastructure haven't come close to keeping up with sharply increased fumigation. Guerrillas and paramilitaries continue to pay decent prices for coca base, and in some cases force farmers to grow the crop. Meanwhile, the U.S. government has done little to reduce its citizens' demand for cocaine and heroin: treatment programs remain overwhelmed and underfunded.

Supplies are unlikely to change until eradication is accompanied – or supplanted – by better-funded, more effective efforts to increase governance of coca-growing zones, to provide legal economic alternatives in isolated areas, and to reduce addicts' demand at home.

¹ See <http://ciponline.org/aidtable.htm>. To this amount, add outlays for the State Department Narcotics bureau's Inter-Regional Aviation program, available at <http://ciponline.org/facts/inlira.htm>.

² Department of State, Bureau of International Narcotics and Law Enforcement Affairs, International Narcotics Control Strategy Report (INCSR) <<http://www.state.gov/g/inl/rls/nrcrpt/>>.

³ DEA, Drug Price and Purity Report, April 2003 <<http://www.usdoj.gov/dea/pubs/intel/02058/02058.html>>.

White House Office of Drug Control Policy, Pulse Check: Trends in Drug Abuse, January 2004 <<http://www.whitehousedrugpolicy.gov/publications/drugfact/pulsechk/january04/index.html/>>.

⁴ UN Office of Drug Control and Crime Prevention, page 38.

⁵ UN Office of Drug Control and Crime Prevention, Censo de cultivos ilícitos en diciembre de 2002 & Estimado intercensal en julio de 2003, September 2003 <http://www.unodc.org/pdf/colombia/colombia_coca_report_2003-09-25_es.pdf>.