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
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.” The report goes on to note that prices fell particularly sharply during the 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.

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<td>184,900</td>
<td>223,700</td>
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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.3

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.