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30 January 1985

MEMORANDUM FOR: See Distribution List

FROM:

[Redacted]

Chief, Terrorism/Narcotics Analysis Division
Office of Global Issues

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SUBJECT:

Pakistan Opium Production, 1985

[Redacted]

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1. The attached memorandum, Pakistan: Increase in Opium Production, presents our assessment of Pakistani opium output in 1985. We estimate increased cultivation and improved weather brought Pakistan opium production to 70 metric tons.

[Redacted]

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2. This memorandum was prepared by analysts from the Strategic Narcotics/Eurasia-Africa Branch, Office of Global Issues, and the Directorate Analytical Support Group.

[Redacted]

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3. Questions and comments are welcome and may be addressed to the Chief, Terrorism/Narcotics Analysis Division, OGI

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[Redacted]

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Attachment:

Pakistan: Increase in Opium Production [Redacted] GI M 86-20015,
15 January 1986, [Redacted]

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SUBJECT: Pakistan: Increase in Opium Production []

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Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

15 January 1986

Pakistan: Increase In Opium Production

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Summary

Estimated opium production in Pakistan rose to around 70 metric tons in 1985 despite intensified government eradication efforts. Some of the increase was due to recovery from drought in 1984. Most resulted from expanded cultivation in the tribal areas of the North-West Frontier Province where the government does not have direct control and where any attempt at large-scale eradication would risk civil war. We expect rising opium prices in 1986 will cause a further increase in cultivation in these tribal regions and promote some recultivation in merged areas under greater central government control as well. Certain government efforts such as a large show of force in the merged areas, crop substitution programs, or infrastructure development in tribal areas could slow this trend over the long term. On balance, however, we judge that stringent measures to immobilize major traffickers would prove more effective in keeping drugs out of the international market.

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This memorandum was prepared by Strategic Narcotics/Eurasia-Africa Branch, Office of Global Issues, and by Analytical Support Group. This analysis is based on information available as of 15 January 1986. Comments and queries are welcome and may be addressed to the Chief, Terrorism/Narcotics Analysis Division

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GI M 86-20015



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Introduction

Pakistan's North-West Frontier Province (NWFP) has long been a large opium producer, reaching its zenith in 1979 at nearly 800 metric tons (see map). Islamabad managed to reduce opium production to about 45 tons in 1983, partly by eliminating poppy cultivation in the areas of the province under its complete control--the so-called settled areas. In addition, prices fell in the areas where it governs with the consent of the provincial authorities--the so-called merged areas. We believe that 1983 may have been the nadir for Pakistani opium production. In 1984, cultivation began to increase significantly in the tribal areas where the government cannot enter without the agreement of tribal leaders or a massive show of force. Our 1985, [redacted] survey indicates that the upturn has continued, with the greatest increase in cultivation again occurring in the tribal areas of the NWFP where growers currently face no eradication threat. [redacted]

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The 1985 Crop

We estimate total Pakistani opium production for 1985 to be about 70 metric tons, a sizeable jump from our 1984 estimate of over 40 tons (see Table 1). The actual increase was probably much smaller; [redacted] extensive poppy cultivation in areas not covered in past surveys. Although poppy cultivation can move or spread rapidly, we judge that not all this newly identified cultivation occurred in one year. Consequently, we now believe that total Pakistani opium production in 1984 was toward the high end of our 40-60 ton range. [redacted]

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We estimate the total area cultivated for 1985 at about 5,000 hectares, a significant increase over last year's estimate of over 3,000 hectares. Again, some of this increase probably took place in 1984 but was not detected. Yields for 1985 in general were also higher than in 1984, contributing to the increased opium output. [redacted]

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[redacted] an improvement over last year's dry weather conditions, causing slightly higher yields in the merged areas. The same was true for the tribal areas, except for Mohmand, where continued drought held down yields. The highest yields--almost 19 kilograms per hectare--were reported in Dir Agency. Gadoon and Bajaur also had high yields--approximately 14 kilograms per hectare. [redacted]

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Growing Areas

About half of Pakistan's opium is now cultivated in the tribal areas. Most of the remainder is grown in the merged areas, with only a few tons originating in some of the more remote settled areas. Although production is nearly evenly divided between tribal and merged areas, most of the recent

GI M 86-20015

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increase occurred in the tribal regions where counter-narcotics efforts have been essentially limited to interdiction (see Table 2). Eradication programs have continued in the merged areas where production has increased only moderately since 1983. [redacted]

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The tribal areas--where growing opium has been a way of life for centuries--pose a nearly insurmountable problem for Islamabad's efforts to control poppy cultivation. The Government of Pakistan must consult tribal authorities before taking action or applying national laws in tribal lands. Any tribal leader consenting to government eradication would have to be certain that tribesmen saw government assistance as more than offsetting their losses from eradication. Furthermore, any successful development program would require a sustained government presence. The tribesmen are well-armed and prone to violence if they believe their independence is being threatened. These characteristics and the remoteness of this region, which in many areas has no roads or government outposts, make instituting development programs aimed at crop substitution currently impossible. [redacted]

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Poppy cultivation is difficult to estimate in the tribal areas, not only because of its remote location, but also because the situation there is so dynamic. With the threat of eradication posing a greater risk to growers in the merged areas, the growers in tribal areas are rapidly expanding their activity. The volatile situation in the tribal areas is largely responsible for the uncertainty associated with our 1984 and 1985 estimates:

- o In Bajaur, the timing [redacted] enabled us to see poppies in the flowering stage. As a result, we were able to classify as poppy plants cultivation we suspected last year but could not confirm. 25X1
- o In Mohmand, on the other hand, [redacted] our comparison is from 1983 to 1985. Again, we judge that some of the increase [redacted] in 1985 [redacted] actually occurred in the previous year. [redacted] 25X1
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Aside from the fact that yields tend to be somewhat lower in the tribal areas, the emergence of the tribal areas as the primary growing region does not appear to be inflicting any serious hardships on the opium and heroin trade. Indeed, the areas of expanded cultivation are even closer to refining laboratories along the Afghan border through which the raw opium must pass before export as heroin. [redacted] 25X1

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In the merged areas, opium cultivation patterns are more stable and easier to track. [redacted] confirmed a modest--compared to the tribal areas--increase of 20 percent in cultivated area. Eradication in the merged areas and an assurance of further intervention if the poppy ban is ignored are responsible for slowing the growth of opium cultivation there. The current government "carrot and stick" approach in the merged areas--enforcement coupled with the provision of an alternate means of livelihood for farmers--could potentially prove effective over the long term. The necessary development programs are costly, however, and must compete with attractive financial incentives offered by traffickers. [redacted]

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Government Control Programs

On balance, Pakistan opium control programs have been successful in reducing production in areas where they have been tried. To date, these programs have been implemented only in the more accessible regions of the merged areas. The United Nations Fund for Drug Abuse Control (UNFDAC) and US assistance programs have been the primary mechanisms through which Islamabad has attempted to suppress opium production. [redacted]

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The UNFDAC's pilot project in the Buner region of Swat has effectively eliminated poppy cultivation. The UNFDAC has extended its efforts to include a joint project with the Government of Pakistan's Special Development and Eradication Plan (SDEP) in Dir. The first phase of that program eliminated cultivation in an area that in our judgment would have produced about a ton of opium. In Malakand, the State Department-funded program--the model for the new Dir project--prevented cultivation of an estimated 2 tons of opium. A final eradication and development program--a US-funded project begun in 1983 in Gadoon--has so far produced only limited results in suppressing poppy cultivation. In support of these various projects, the Government of Pakistan last year undertook its own aerial survey of poppy growing areas for the first time. [redacted]

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As eradication efforts are extended into more remote areas, large shows of force by Islamabad will probably be necessary to persuade farmers to forsake poppy cultivation. The inhabitants of Dir--which produced more than one quarter of Pakistan's opium this year--are fiercely independent and can be expected to react to government attempts to eradicate their poppy crops much the same as would the tribesman along the Afghan border. A schedule has not been set for the extension of eradication programs into the tribal areas along the Afghan border or for Khoistan and the

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[redacted]

Black Mountain region where eradication would be even more difficult due to the remoteness and semi-autonomous nature of those areas. [redacted]

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Outlook

Because of continuing high prices, we expect Pakistani poppy cultivation to continue to increase in 1986. As successful control programs cut the supply of opium from the merged areas, prices offered by traffickers and stockpilers--who need to build up inventories drawn down during Pakistan's opium production decline in the early part of this decade--will likely rise. According to the US Embassy in Islamabad, those involved in the opium trade expect prices to jump 40 percent during 1986. [redacted]

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We suspect that any increase in opium supplies will come from the tribal areas where any attempt at large-scale eradication efforts likely would lead to a virtual civil war. Current Government of Pakistan eradication plans do not include the growing areas in the tribal regions, but we do not rule out the possibility that the government could eventually implement successful eradication there. A big first step would be a government program to build roads, because Islamabad would presumably control roads and adjacent land as it does now in accordance with the agreement worked out between the tribes and the government when the Pakistani state was established. [redacted]

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Until the Pakistani Government believes circumstances are right to begin eliminating poppy in the inaccessible tribal regions of Pakistan, the successes in the merged areas will be outweighed by continued increase in the tribal regions. At the same time, Islamabad is losing its ability to move against heroin refining because processors are relocating operations across the border in the lawless environment of eastern Afghanistan. [redacted]

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We believe Islamabad could offset its limited ability to reduce opium cultivation with enhanced efforts to immobilize major drug traffickers. Pakistani enforcement officials have identified the major traffickers in Karachi and other large cities, but lack of funds and rampant inefficiency and corruption hamper effective investigation and prosecution. These problems likely will be exacerbated by the recent lifting of martial law, as provincial autonomy receives a boost and organizational capabilities presumably decline. Continued eradication and development efforts in merged areas and vigorous prosecution of traffickers could, however, significantly reduce Pakistan's supply of opium and heroin to international markets. [redacted]

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APPENDIX

Estimating Pakistani Opium Production

We derive our estimates of opium production in Pakistan with a statistical methodology in which a sample [redacted] is analyzed along with collateral information to extrapolate total output. The process may vary each time it is applied, depending largely on the quantity and quality of the available [redacted] but the essential information and basic analytic process are the same in every case:

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- o The potential growing area for poppy is defined using imagery, agronomic data, and collateral reporting.

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- o The number of fields observed on imagery is counted and their average size in hectares is determined by measuring from imagery.
- o Sample cultivation area--the number of hectares in the imaged area devoted to poppy cultivation--is estimated by multiplying the number of fields observed by their average size.
- o Total cultivation area--the number of hectares judged to be devoted to poppy production throughout the growing region--then is extrapolated statistically.
- o Estimated opium yield per hectare is obtained [redacted] by studying the imagery for evidence of crop vigor.
- o Total production is calculated by multiplying estimated opium yield by the extrapolated total cultivation area.
- o Net production is estimated by subtracting the opium loss due to eradication.

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In Pakistan, this method is repeated for each district or agency, because weather conditions and cultivation patterns may vary from one region to the next. [redacted]

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Pakistani opium cultivation is particularly difficult to estimate [redacted]

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[redacted], Poppy is grown primarily in small plots with other crops from which it is often difficult to distinguish. Timing plays a key role; flowering poppy is much easier to identify than non-flowering poppy. [redacted]

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[Redacted]

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[Redacted]

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[Redacted] Nevertheless, after four years of observation, we have a good understanding of the growing region and are now able to stratify it into areas of low and high density cultivation. This increases the accuracy of the estimate and reduces the range of potential error. [Redacted]

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[Redacted]

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Table 1: Change in Opium Production in Pakistan, 1984-85

<u>District/Agency</u>	<u>Hectares</u>		<u>Yield (kg/ha)</u>		<u>Output (MT)</u>		<u>%change</u>
	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>	<u>1984</u>	<u>1985</u>	
Dir	810	1060	18.5	18.5	15	20	+ 33
Gadoon	820	1070	13.4	13.6	11	14	+ 27
Malakand	130	0	15.4	----	2	0	-100
Bajaur	430	1670	11.6	13.6	5	23	+360
Mohmand	230	570	13.0	12.4	3	7	+133
Other (A)	840	880	11.9	9.4	10	8	- 20
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TOTAL	3260	5250			46	72	+ 56

(A) The estimate for the entire country includes minor producers represented by the "other" category.

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Table 2: Change in Cultivation Location, 1984-85

<u>District/Agency</u>	<u>Hectares</u>		<u>%Change</u>
	<u>1984</u>	<u>1985</u>	
Merged Areas:			
Dir	810	1060	
Gadoon	820	1070	
Malakand	130	0	
	----	----	
	1760	2130	+ 20%
 Tribal Areas:			
Bajaur	430	1670	
Mohmand	230	570	
	---	----	
	660	2240	+240%

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Opium-Growing Areas in Northwestern Pakistan, 1985



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