



*Directorate of
Intelligence*

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International Narcotics Situation Report

October 1992

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


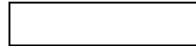
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


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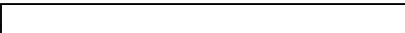


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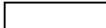
Perspective

Potential for Expansion in Narcotics Cultivation 

The cultivation of illicit narcotics during this decade is likely to expand to new areas as established growers move away from government antidrug operations or insurgent violence and as farmers shift from licit to illicit crops to gain dramatic increases in profits. Even if some countries manage successful eradication programs, traffickers would be able to find with ease new sources of narcotics. 

Few Constraints on Crop Cultivation

Vast hectarage is available worldwide for illicit narcotics cultivation. Narcotics crops now are primarily grown in relatively small areas in Colombia, Peru, and Bolivia for coca and in the Golden Triangle and Golden Crescent for opium poppy. In fact, the total land devoted to coca and opium poppy cultivation worldwide, 
 would fit into an area about the size of Delaware. 

Climate is not much of a constraint. While *Erythroxylum coca* variety *coca*, from which over 90 percent of the world's cocaine is derived, requires constant, moderate temperatures and high humidity for optimal cocaine alkaloid production, the other three varieties of coca are not so selective. Although these varieties produce far less cocaine alkaloid, they can thrive and produce alkaloid in almost any climate that precludes frost. Only extreme temperatures and drought prohibit poppy cultivation. *Papaver somniferum*, the poppy from which virtually all heroin is derived, can grow almost anywhere from equatorial regions to about 60° latitude. The highest opium yields are obtained in areas with cool temperatures and uniformly moist growing conditions. 

Shifting Cultivation

Shifts in cultivation patterns occur regularly and over time can result in significant changes:

- Coca growers in Peru's central Huallaga Valley continue to migrate away from insurgent violence, counternarcotics operations, and environmental degradation brought on by poor farming practices. New coca growing areas are being established in the northern part of the Valley and in the Aguaytia and Ucayali Valleys.

- Colombia has emerged as the largest cultivator of opium poppy in the Western Hemisphere, although labor shortages and grower inexperience are holding down yields. Poppy cultivation is also emerging in Peru and Ecuador.
- Opium poppy cultivation reemerged in Afghanistan's Helmand Valley following the 1990 assassination of Mullah Nasim, a tribal leader who had imposed a cultivation ban there in 1989 and 1990. Poppy cultivation is expanding in other areas as refugees of the war return home.

Potential for Expansion

We expect continuing expansion in existing areas of narcotics cultivation as well as appearances of new growing areas:

- In existing growing areas, we believe cultivation will shift within countries or into neighboring states in reaction to government pressures or depletion of soils.
- Significant new growing areas will most likely emerge in areas of the developing world where farmers have few economic alternatives and where national governments, lacking resources or public support, cannot exercise complete control.
- Narcotics cultivation, especially of opium poppy, may increase in Eastern Europe and many of the republics of the former Soviet Union as political turmoil continues and economic conditions worsen.
- China—which at the turn of the century produced some 35,000 tons of opium annually—and, in particular, Yunnan Province, could easily again become a major producer of opium.

Traffickers, who as businessmen will do their best to develop new markets and boost profits, will, in our view, do whatever is necessary to ensure their supply of illicit drugs. With prices of illicit drug crops often three to 10 times the price of wheat, rice, or other crops, many impoverished farmers would readily respond to invitations to grow coca or opium poppies.

Highlights

Latin America

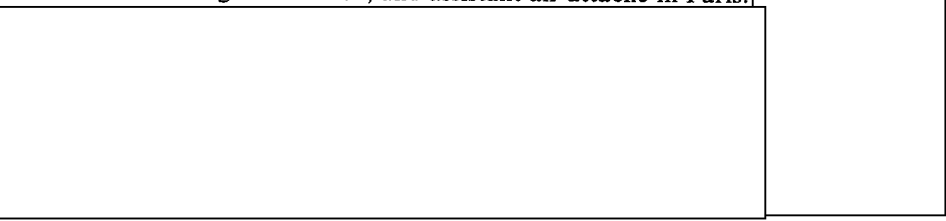
Peru/Ecuador: Opium Production Proliferating



Colombian traffickers may be taking advantage of Peru's and Ecuador's highly favorable growing conditions to evade Bogota's eradication efforts. The quantities of opium gum in Peru this year indicate that there are at least 100 hectares under cultivation in the Huallaga Valley, and the processing of heroin in Pucallpa raises the possibility that poppies may be cultivated in this area of Peru as well.

Peru's New Drug Coordinator

In mid-October, President Fujimori appointed recently fired Air Force Commander General Velarde as Peru's narcotics representative to Washington. In May 1991, Fujimori agreed to appoint a drug coordinator as part of a US-Peruvian pact to work jointly on antidrug issues, but the position had gone unfilled until now. In addition to his narcotics coordinator duties, Velarde reportedly also will serve as the Peruvian Air Force attache for the United States and Canada, representative to an OAS antidrug commission, and assistant air attache in Paris.



Velarde's appointment allows Fujimori to fulfill the terms of a counternarcotics agreement with the United States and also to placate military concerns about the General's abrupt ouster. Fujimori is unlikely to concede much authority to Velarde, who, removed from Lima and given multiple duties, will be hard pressed to act as a focal point for Peru's counternarcotics policy and is unlikely to wield significant clout within the Embassy in Washington.