



Afghanistan Policy Page

A one-page brief from the [Afghanistan Congressional Communications Hub](#) on a major issue concerning U.S. policy and engagement in Afghanistan.

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The Opium & Poppy Problem

Key Facts

- Insurgents are believed to get 40 to 60 percent of their income from drugs – representing a total value of up to **\$400 million per annum**.
- **Farm-gate value of opium** harvest in 2009 was approx US\$ 438 million - 40% less than 2008.
- **Income per hectare (2.5 acres) of crop:** Opium - \$3,600; Wheat - \$1,200.
- **Productions costs to farmer:** Opium – 44% of gross income; Wheat – 20% of gross income.
- **Net value per hectare** after costs: Opium - \$2,016; Wheat - \$960.
- **Net export value of opium industry, 2009:** US\$2.3 billion (approx 18% of total GDP), but over \$1.9 billion of this is drug trafficking revenue that flows out of the country. Revenue to Afghan farmers accounts for less than 4% of GDP.
- **Flight of Revenue:** 80% percent of the revenue generated by opium production leaves the country via drug trafficking networks; the estimated total value of the opium trade as a percentage of Afghanistan's total GDP can therefore be over-stated.

Economic Issues

Agricultural Production: Opium cultivation has a detrimental effect on Afghanistan's agricultural production and inhibits the country's progress towards self-sustainment. Afghanistan remains a net-importer of food stuffs, at high prices, from abroad that areas such as the fertile Helmand River Valley could otherwise be providing essential food crops.

Opium Credit Dependence: Farmers often use opium production to obtain credit in the absence of other legitimate sources. Desperate farmers may sell their entire opium crop ahead of the harvest for 50% of its market value in order to pay for essentials such as food and clothing. This process ties them into a damaging cycle of debt and dependence that forces them to make debt repayments in the form of opium.

Decreasing Prices: The farm-gate price of opium has declined significantly over the last few years due to over-supply, making it a less-desirable crop to cultivate.

Unstable Workforce: The opium trade is destabilizing the development of secure, local domestic economies – due to the heavy seasonal migration that follows the opium harvest. This disrupts local working populations, allows criminal elements to mingle amongst migrants and move freely throughout the country, disturbs local communities with a constant flow of itinerant males, and encourages short-termism in job markets.

Possible Questions

- What is being done to promote access to other sources of micro-finance for Afghan farmers?
- What incentives are being offered to Afghan farmers to grow food crops such as wheat and melons, and what disincentives are there for growing opium?
- What are the regional security implications for a continued thriving Afghan opium industry?

Security Issues

Corruption and the Rule of Law: A broad range of international sources say the opium trade perpetuates an environment of corruption among Afghan government officials and local leaders. Meanwhile addiction has hampered capacity-building efforts within the Afghan National Police. Positive drug tests have contributed to an attrition rate as high as 60% in Helmand Province.

International Crime: Organized criminal groups pose a threat to regional security, distributing illicit funds to criminal and insurgent groups. The largest drug route runs via Iran; the Central Asian countries of Tajikistan, Turkmenistan and Uzbekistan channel some 50 tons of heroin to Russia; Pakistan is also a significant transit state.

Neighbors Becoming Consumers: Iran and Russia have struggled to confront addiction within their populations. Iran has one of the largest opiate-using populations in the world, estimated at about three million people. Russia has the highest number of heroin-related deaths in the world.

Key Quote

"We used to be pioneers, known for our culture, for math and science. Now we are known for drug trafficking and production...Only the youth can clean this dark stain."

Sayed Mahkdoom Rahim,
Minister of Information and Culture,
speaking at the Afghan Youth
Congress in Kabul "Youth: The
Pulse of a Drug-Free Afghanistan".
Thursday, April 8, 2010.

Social Issues

Destroying Communities: Opium use is destroying the traditionally strong social bonds of family and village networks. The close-knit nature of communities in Afghanistan also encourages addiction to spread within families and between generations, including between mother and child. Parents have been known to sell their children for drug money. Communities in which opium is produced often become addicted en masse via the passive exposure to the drug. Advanced addiction also debilitates the workforce, crippling local communities' capacity to engage in rebuilding and strengthening their domestic economies.

Environmental Damage: Opium production has a negative environmental impact, as the process of turning the poppy resin into opium uses toxic chemicals and raw sewage that generate large amounts of dirty and harmful waste products that are pumped out into the surrounding area, exacerbating the squalor of rural farming communities.

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