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Bolivia and Peru: Coca Farmers in the Time of Covid-19





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The Covid-19 pandemic is creating massive upheaval in Bolivia and Peru, with governments responding with a wide array of policies and programs, using the security forces for quarantine enforcement.

They have closed their borders and imposed strict lockdowns to slow the spread of the virus, while designing mass assistance programs, including food baskets and direct cash transfers, in an uphill battle to keep gains in poverty reduction from being erased. The International Monetary Fund forecasts that Bolivia's economy will shrink by 2.9 percent in 2020, while Peru will contract by 4.5 percent. [1]

Peru recorded 51,189 cases of coronavirus, with 1,444 deaths, as of May 5, while Bolivia registered 1,802 cases and 86 fatalities on the same date. Peru's government estimates that its coronavirus response will cost approximately \$26 billion, equivalent to 12 percent of its gross domestic product. Bolivia has not released a national figure, but it has developed a state-wide response strategy [2] funded in part by a \$320 million loan from the International Monetary Fund.

Peru has extended quarantine until May 24 and most of Bolivia until May 31. Peru's four-phase process will last through August and Bolivia announced a regional approach based on the severity of the pandemic in each department.

An indicator that sets Bolivia and Peru apart, and which is being followed domestically and internationally, is the response to coca, the raw material used to make cocaine. Bolivia and Peru are historic coca producers, with evidence of coca cultivation stretching back thousands of years and both cultivation and consumption are legal. [3] This is not the case in Colombia, the largest coca producer.

[1] <https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

[2] <https://www.minsalud.gob.bo/component/jdownloads/send/28-boletin-informativo-2020/410-boletin-informativo-semana-1-del-lunes-20-al-domingo-26-de-abril>



University of Reading

The U.N. Office on Drugs and Crime (UNODC), in a report published May 7, claims the pandemic has disrupted coca cultivation and trafficking. It cites a drop in prices, but cautions that the expected economic recession in the wake of lockdowns could push more farmers to grow coca crops. [4] Unfortunately, the report underestimates the capacity of traffickers in Peru and Bolivia to weather the crisis. It fails to take into account the impact of stockpiled cocaine and cocaine paste on the drug trade and the continuation of trafficking flights between Peru and Bolivia and on to neighboring consuming and transit countries. [5]

While national agencies have their own statistics, for comparative purposes the U.S. government's 2020 International Narcotics Control Strategy Report (INCSR), published in early March, puts coca under cultivation in Bolivia at 32,900 hectares and in Peru at 52,100 hectares. [6] The U.N. Organization for Drugs and Crime's (UNODC) numbers for Bolivia were 23,100 hectares in its 2019 report. In an unprecedented move, at the request of the Peruvian government it did not publish a report on Peru in 2019.

The two countries have had dramatically contrasting approaches to coca in recent years, with Bolivia following an innovative model of community coca control [7] since midway through the previous decade when former President Evo Morales was first elected. Peru, on the other hand, has maintained a decades-long policy of forced eradication and criminalization of coca.

[3] <http://ain-bolivia.org/2020/04/turning-over-a-new-leaf-regional-applicability-of-innovative-drug-crop-control-policy-in-the-andes/>

[4] <https://www.japantimes.co.jp/news/2020/05/07/world/crime-legal-world/coronavirus-drug-prices/#.XrQa-FNKhPM>

[5] <https://erbol.com.bo/seguridad/encuentran-avioneta-con-más-de-400-kilos-de-droga-en-hacienda-de-beni>

[6] <https://www.state.gov/2020-international-narcotics-control-strategy-report/>

The INCSR criticizes Bolivia's approach while praising Peru, yet its own numbers show that coca under cultivation in Bolivia fell from 35,000 hectares in 2014 to 32,900 hectares in 2018, while in Peru it rose from 46,500 hectares in 2014 to 52,100 hectares in 2018.

Bolivia's policy changed after Morales's forced resignation in November 2019, in the wake of controversial elections the previous month. The interim government headed by Jeanine Añez has reverted to pre-Morales policies that equate coca growers with drug traffickers and narcoterrorists. The Peruvian government continues to rely heavily on eradication and, despite some overtures to growers, expanded eradication efforts to two new areas in 2019.

The Bolivian government appears to see the coronavirus crisis as an opportunity to eliminate all vestiges of the coca model developed under Morales, especially in the Chapare coca-growing zone in the Cochabamba department, although farmers actively support its continuation. Unfortunately, integrated development projects in the two main coca growing regions grounded to a halt with the new government, creating even greater economic challenges for families. Since the quarantine began, farmers have not been able to sell coca leaves in the authorized markets. The government is not attempting to eradicate coca, but has isolated parts of the Chapare and Interior Minister Arturo Murillo has publicly said that a military campaign to get rid of coca would not be a bad idea.

**"People are suffering. I think that instead of dying from the disease, people will start dying of hunger, the Cochabamba Tropics are full of security forces. They don't even let us go to the pharmacy. Bolivia's changed completely; they've done so much damage."
- M. López**

[7] For more information see:
<https://www.stabilityjournal.org/articles/10.5334/sta.aw/>

There have already been a flare-ups, with the government claiming that coca growers and their representative federations are trying to provoke violence. [8] Coca farmers say the exact opposite is the case, with the government cutting off fuel supplies, further damaging the local economy. It has largely eliminated fuel needed for aeration pumps in the fish-farming industry, projects funded by the European Union and used as a model for similar initiatives in Peru. The lack of fuel also means growers lack transportation to distribute food to people in need, a measure undertaken by local coca unions as soon as the crisis began. This solidarity effort extended to other departments.

Although kept in check so far, there is a creeping militarization of Bolivia's drug policy that reflects other aspects of the ostensibly interim government – human rights violations, electronic surveillance, attacks on the media – that are a throwback to the country's dark days of military rule. [9]

Peru is not eradicating coca during the emergency and the state coca company, Enaco, which acquires coca leaves for industrial use, continues to operate in some regions. [10] The state is also working with organized groups, including those that represent coca farmers, to provide assistance during the lockdown, although this aid has been uneven and many families have not received it.

Security forces continue to carry out anti-drug operations, seizing cocaine that has been abandoned and destroying clandestine drug labs. The increased patrols along roads and rivers to enforce lockdown has also stopped cocaine and the precursor chemicals needed to produce it from moving.



[8] <https://www.paginasiete.bo/seguridad/2020/4/24/murillo-metamos-aviones-de-guerra-al-chapare-253652.html>

[9] https://www.washingtonpost.com/world/under-the-cover-of-coronavirus-governments-punish-enemies-and-reward-friends/2020/04/29/a232cfc0-83ee-11ea-81a3-9690c9881111_story.html

[10] <https://www.fonafe.gob.pe/empresasdelacorporacion/dataempresarial/018/07>

The Peruvian anti-drug agency, Devida, released a study on April 30 showing a substantial drop in coca prices in April in four of the six valleys analyzed. Prices were down more than 50 percent in these valleys, compared to January. Prices were up in two valleys, in one by 2 percent and in another by 7 percent. [11]



The Peruvian government's analysis fails to consider the variations in the prices of other crops, principally coffee and cacao. These have also fallen and, in the case of coffee, brings in less per kilogram than coca leaves, even with the huge drop in coca prices that began in the final quarter of 2019 and was accentuated by the pandemic. Furthermore, as quarantine restrictions are lifted the price of coca will rebound at a much faster rate than alternative development crops, and is absorbed by the market. Coca farmers who do sell leaves to the illicit market actually earn quite little, with larger level traffickers, especial those that cross borders, earning the lion's share.

Peruvian coca growers affirm that coca remains the “cash crop” farmers grow to makes ends meet. It can be harvested up to four time a year, required little maintenance and grows well among other crops.

Coca growers in different valleys in Bolivia and Peru shared first-hand information on how the coronavirus is affecting the local population in their areas, how governments, both local and national, have responded, and how the crisis has impacted coca cultivation.

Following are edited comments from growers in Bolivia's Chapare and Yungas regions, and from the Upper Huallaga Valley and Apurímac-Ene-Mantaro River Valley (VRAEM) zones in Peru.

[11]

<https://www.devida.gob.pe/documents/20182/460659/MONITOREO+DE+PRECIOS+DE+HOJA+DE+COCA+Y+DERIVA+DOS+COCA%3%8DNICOS+EN+ZONAS+ESTRAT%3%89GICAS+DE+INTERVENCION%3%93N/5d62d46f-29e5-4588-8d1e-a6863c2fd599>

Roxana Argandoña, Padrezama, Trópico de Cochabamba [12]

Argandoña is a former leader of the Yungas Federation in the Chapare zone in the Cochabamba department and former council in the Villa Tunari municipality. [13]

How has Covid-19 affected your town?

Argandoña:

Everything is quiet here. We have been coordinating with the military and so far we do not have any cases or any deaths. The markets open each day until noon, but they are totally closed on weekends. People are going to the market, but in an orderly way, respecting the regulations.

The markets for coca, however, are closed and there are no sales. This has hurt us. We have also been hurt by the lack of fuel for transportation.

How has the Covid-19 emergency affected coca crops, sales and price?

Argandoña:

This has completely affected coca growers. We are unable to move around, and the coca markets are completely closed. All activity around coca production is paralyzed. No one is harvesting and bringing product to market. The leaves will continue falling off the bushes until the coronavirus passes. The price had fallen to 25 bolivianos (\$3.6) a pound right before the quarantine started, but now there is no price. No one is selling, no one is buying.



Roxana Argandoña

[12] Also known as the Chapare region.

[13] For more information see: <http://ain-bolivia.org/2018/02/stand-up-for-your-rights/stand-up-for-your-rights-roxana-argandon%CC%83a-wpj/>

Have you or people you know benefited from the government's emergency assistance?

Argandoña:

My father received a food basket. We should have benefited from the new stipend, but we do not have access to it because the banks are closed. Those of us in rural areas have kept calm because we can produce what we eat. We feel bad for people in the city and our federations and growers have been delivering products out of solidarity. The government, however, is trying to shut us off, they are fining people who are trying to deliver food in a sign of solidarity. It's as if the government wants people to die.

What is your take on the government's attitude toward the Chapare?

Argandoña:

We have been peaceful, coordinating with the army, but the government is provoking us for no reason. They (the police) have come in without respecting any protocols, without worrying about the health of people. They should be taking precautions, acting as an example, but instead they showed up as if no one lived here, like we were animals. I don't know what the president is thinking.

They act as if only young people live here. There are people who are sick, there are senior citizens and children, but this government is not respecting anyone. They have put us all in the same sack. In other words, because of the actions of a few we are all being punished. I think they are going to encapsulate us, cut us off from the rest of the country.



Magdalena Condori, Inquisivi, Los Yungas, La Paz

Condori is the former executive director of the Regional Federation of Women in Inquisivi, (Federación Regional Inquisivi de Mujeres) in the Yungas zone of the La Paz department.

How is your municipality being affected by Covid-19?

Los Yungas has been forgotten by the government. Every day I see on television that the government is providing equipment and supplies, but none of that reaches us in Las Yungas. The hospitals have been overlooked, they have no supplies, and if you try to see a doctor there are no appointments because they cannot prescribe any medication without supplies.

This is the situation in Los Yungas. We have been neglected. The government's claims seem to be nothing more than a media campaign.

I am sick and nobody has done any testing. I saw the doctor, but because I have not been to a city, he said I must have dengue fever. I have been getting by with herbal and natural medicines because there is nothing else.

Are you abiding by the lockdown?

We are respecting the quarantine now, but we were a bit more flexible before because people are day laborers. We started following quarantine one week after it was announced (March 20th) because people needed a bit of time to adjust, but everyone is well aware now and nobody gets in or out.



Magdalena Condori



What do you think of the measures taken by the government to stop Covid-19?

It's nothing but drama for them. Every day they talk about the equipment, materials and supplies they are buying and moving around. That is fine, but where is it? Why has it not reached the countryside? Here, there is nothing, no supplies, no medicines, nothing.

Are you or any of your relatives benefitting from a subsidy from the national government? How do you assess the coordination for delivering the bonuses? Are there problems to cash the subsidies?

My children are among the beneficiaries, but the banks around here are closed. They say that we should cash our bonus, but they do not say how this should be done without banks. It seems like a lot of hot air.

How has the emergency affected coca crops, the sales, and the prices? Are coca markets paralyzed?

All the markets are closed, but there is corruption and people selling under the table. The price of coca has decreased here. For a bushel (30 pounds), we used to get 1,000 bolivianos (\$144), but now people are not even bothering to sell it because it is around \$36. Nobody wants to buy because coca leaves whiten when you store them, they lose their scent, so there are no buyers.

Benigno López, Samugari, Palmpampa, Ayacucho, VRAEM

López is the president of the Federation of Agricultural Producers of the Apurímac and Ene River Valleys (Federación de Productores Agrarios de los Valles del Río Apurímac y Ene—Fepravrae) that represent farmers in the southern VRAEM region who grow everything from coca to ginger.

Are the government stipends and food assistance programs reaching your towns?

López:

The municipal governments, which have their social assistance offices, have been distributing food baskets. Some families here have received stipends, but the majority have not received any money.

It is complicated. The poorest families have not benefited, because they are not on the lists that the government uses. The federations, like Fepravrae, have been talking to the municipalities so that they can get money to those who really need it.

The government has offered a special stipend for rural areas and we are talking to the government, to Congress to make sure farmers in the VRAEM receive it.

What about the regional government?

López:

The regional governor (in Ayacucho) has not focused on the VRAEM. Right now the interest is guaranteeing that people who want to return to the region can return, but they need to be in quarantine.

We have sent a document to the regional government with our requests, because the VRAEM is too important to be left out of the plans.



Farmers grow different products. Are they able to get products to market?

López:

Our farmers are very concerned. Some of the products are getting out, but the prices are not good.

The cooperatives are not buying cacao or coffee, and the traders who normally buy products are not arriving. The small local markets are buying products, but the demand is down. We have members who grow ginger and other spices and they are hurting.

The authorities need to pay special attention to the VRAEM so that we are able to get our fruit and other products to national markets. Our coffee and cacao farmers will be in big trouble if the government does not get involved.

What about coca?

López:

Enaco (National Coca Company) is operating. It is buying from the farmers who are registered with it.

The price Enaco pays has not changed since the crisis started. They are paying 100 soles (\$29.40) for an arroba (25 lbs. or 11.4 kgs) of quality leaves. The price has changed a great deal for other coca markets and there are no sales. The drop in price has complicated the economic situation even more.

The anti-drug agency, Devida, has the “farm to table” program and is working to promote fish farming. Is your organization involved?

López:

We are working with different state agencies, Agro-Rural, Pro-VRAEM, to participate in programs. We have participated in farmers' markets in Santa Rosa, Llochegua, Samugari and Canayre districts. We are able to sell our products, like bananas and other fruits, and can buy at good prices products from the highlands, like potatoes, etc.,

We are also working on fish farming. There is production of pacu fish in some districts and we can buy trout raised in the highlands.

Serafín Luján, Tingo María, Huánuco, Upper Huallaga Valley

Luján is President of Peru's Asociación de Agricultores y Productores de la Hoja de Coca del Alto Huallaga, Val[l]e Monzon y Padre Abad-Alto and a former leader of the National Confederation of Farming Organizations of the Coca-Growing Valleys of Peru (Confederación Nacional de Productores Agropecuarios de las Cuencas Cocaleras del Perú—CONPACCP)

Have the government's programs reached people in your area?

Luján:

People who live in cities have been benefitting, but people in the countryside, the people who are the poorest, they have not been receiving the money promised by the government.

The people who are enrolled in Juntos (conditioned cash-transfer program) and Pension 65 (for seniors) have been receiving their stipends. In Juntos they need to meet basic criteria, send the kids to school, make sure they see a doctor, and have school supplies and clothes.

The government is continuing with the transfers, even though there are no classes.

The government has announced a stipend for rural zones, but it has not started to arrive.

People are very concerned. This happened from one minute to the next for most people and we were not prepared for quarantine. Even if we needed to move around, it would not be possible. No buses are operating.



Serafín Luján

Are people harvesting coca?

Luján:

Harvesting has been normal, but there are absolutely no sales. The market is closed for coca leaves.

The price of coca in cities has increased, because there is demand but coca is no longer arriving. The price of a kilo of coca leaves in the city of Huánuco has increased to 50 soles if you can find it.

In the countryside, however, the price has fallen substantially. There's no way to move it, so no one wants to pay for it.



I think it is important to stress that for us coca is simply a source of quick cash, it is a way for us to supplement our family economy. It is a subsistence issue. We sell coca to buy products we need.

The situation would be different if we had a strong organization like they do in Bolivia. We have been holding meetings here to propose to the government a social control model like in Bolivia. We are making progress, but the coronavirus has put everything on hold. Unfortunately, the longer this lasts, the harder it is going to be to organize.

Could the crisis lead more farmers to switch to coffee and cacao?

Luján:

This is not the first big blow we have received in the Upper Huallaga Valley. In the 1990s, former President Alberto Fujimori (1990-2000) adopted policies that closed off access to precursor chemicals. This was a disaster for people who only planted coca. The price fell from \$55-60 an arroba (25 lbs.) to only a few dollars. It was a crisis for many people.

Coca lost all of its value and people recognized that they needed to have a variety of crops. Because of this experience, you do not find farmers in the Upper Huallaga with only coca. The majority plant several different crops, including cassava, corn, bananas, rice, beans. This has helped in the current situation. If someone is planting only coca, they are in deep trouble right now.

Contributions:

Carolina Gálvez conducted the Bolivian interviews for the memo.

Layout:

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Farmers in the Chapare coca growing region donate produce to low income families across the Country - Kawsachun Coca

