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Office of the Narcotics
Control Board

Opium Poppy Cultivation in South East Asia

Lao PDR, Myanmar, Thailand



data collection

data transfer

data transfer

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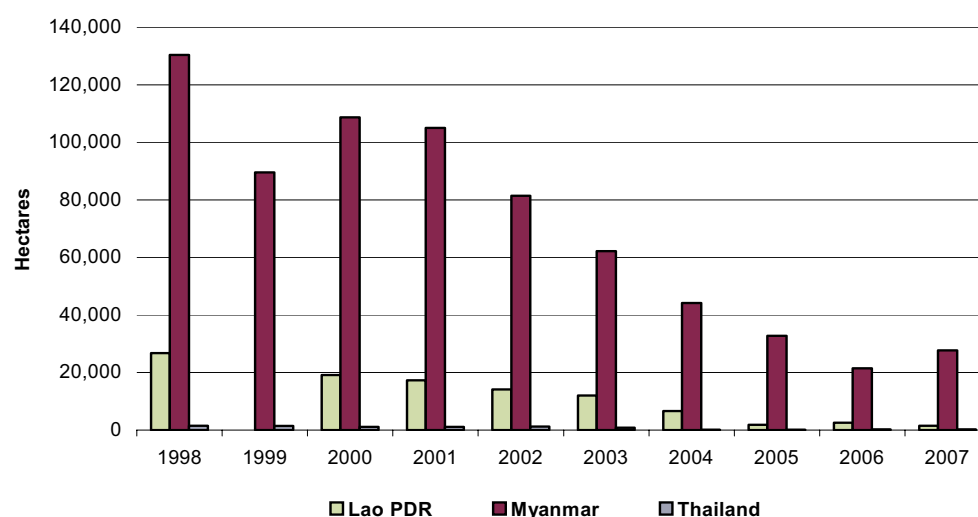
REGIONAL OVERVIEW

In order to assess the scope of opium poppy cultivation and opium production, UNODC has been carrying out opium surveys in cooperation with Governments. These collaborative surveys have been undertaken in Lao PDR since 1992 and in Myanmar since 2002. Thailand has established its own monitoring system. This report contains the results of the UNODC supported opium poppy cultivation surveys in Lao PDR and Myanmar as well as results from the opium poppy surveys implemented by the Thai Office of the Narcotics Control Board (ONCB).

Opium poppy cultivation in South East Asia

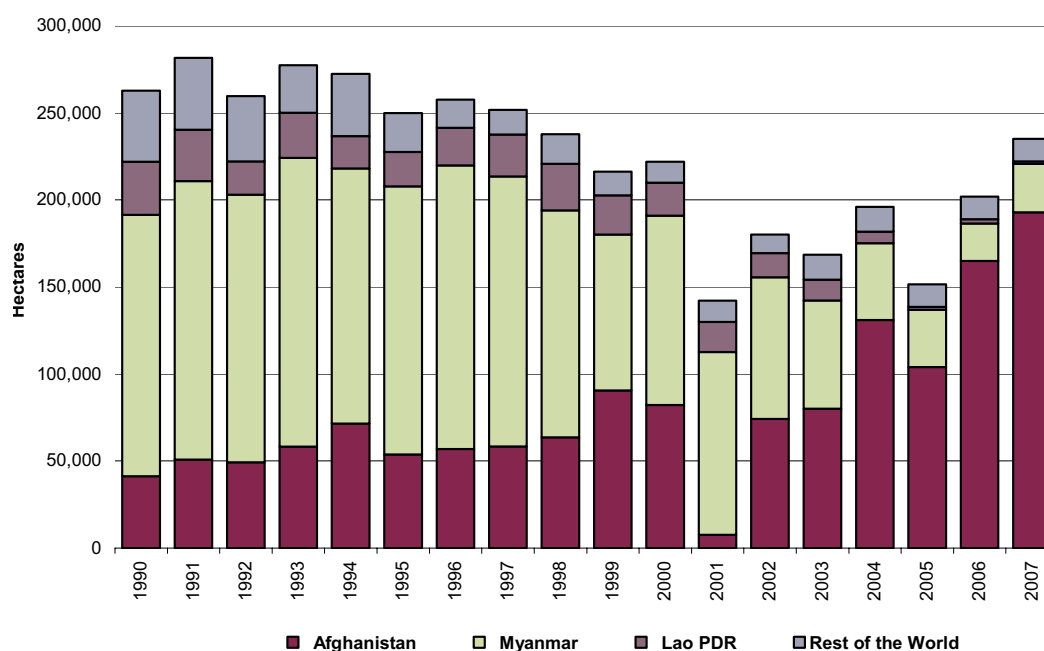
Opium cultivation in South East Asia takes place mainly in Lao PDR, Myanmar and Thailand. Eradication figures reported by the Government of Viet Nam indicate that only a negligible amount of opium poppy is cultivated there. Opium poppy cultivation in Lao PDR, Myanmar and Thailand combined has decreased from an estimated 157,900 hectares⁵ in 1998, the year of the United Nations General Assembly Special Session on Drugs, to only 29,400 hectares in 2007. Despite a 22% increase in 2007, this corresponds to an 81% overall reduction in only nine years. If this decrease can be sustained in the future, it will be a remarkable, and unprecedented, success and an important step toward the goal of eliminating the cultivation of illicit crops worldwide.

Figure 1: Opium poppy cultivation in South East Asia (hectares), 1998 – 2007



The largest reduction in absolute terms has taken place in Myanmar where opium poppy cultivation decreased by 83% in nine years from 130,300 ha in 1998 to only 21,500 ha in 2006. Following six straight years of decrease, cultivation increased by 29% in 2007 to 27,700 ha. In Lao PDR, the area under opium poppy decreased from 26,800 ha in 1998 to 2,500 ha in 2006 and further in 2007 to only 1,500 ha. This is a reduction by 94% between 1998 and 2007, the largest proportional reduction among the three countries. Thailand reported a reduction of its opium poppy cultivation area from 1,486 ha in 1998 to only 157 ha in 2006 (-89%) but has observed a slight increase to 207 ha in 2007. Lao PDR and Thailand have reduced cultivation to such an extent that opium production is negligible and no longer finds its way to international markets.

⁵ Source: UNODC, World Drug Report 2007.

Figure 2: Global opium poppy cultivation (hectares), 1990 - 2007*

* Data for 2007 for Rest of the World are based on preliminary estimates.

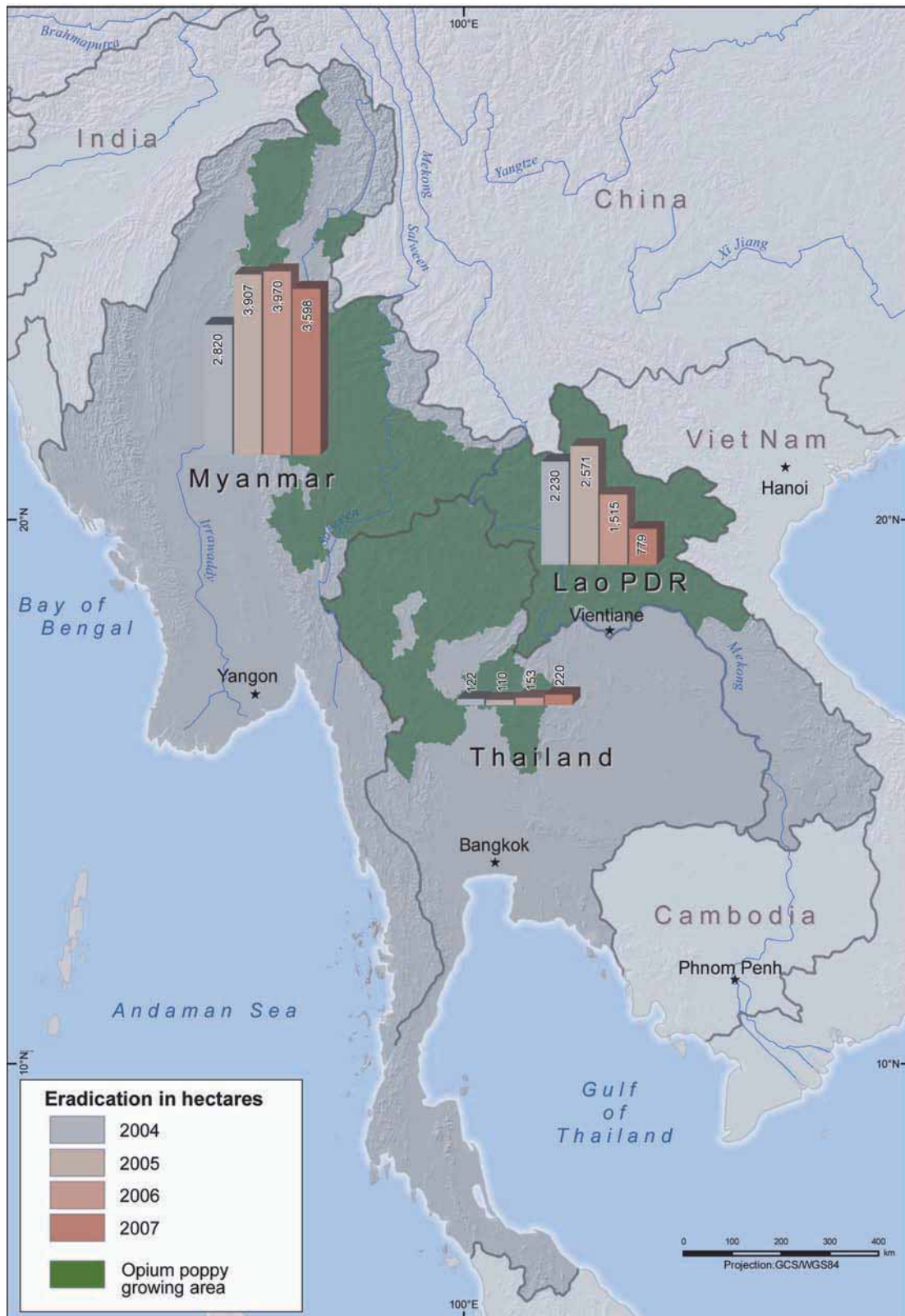
Total area under opium poppy cultivation in Myanmar remains second only to Afghanistan. The country's share of the global opium poppy cultivation fell from 55% in 1998 to only 11% in 2006, before increasing slightly to 12% in 2007. Lao PDR, which in 1998 still had an 11% share of the global opium cultivation, now accounts for less than 1%. In 2003, South East Asia has ceased to be the largest opium poppy cultivating region. Its share of the world opium cultivation fell from 67% in 1998 to under 13% in 2007.

Opium poppy farmers in Laos, Myanmar and Thailand are ethnically diverse and live in remote, mountainous regions. In these upland areas, difficult agricultural and geographic conditions contribute to high levels of poverty. Opium poppy is currently cultivated in Kachin, Kayah and Shan States in Myanmar, in the five northern-most provinces of Lao PDR and in the 10 northern provinces of Thailand. Over the last fifty years or more, those regions have produced most of South East Asia's opium. Motivated by development and poverty alleviation objectives, the Governments of Lao PDR, Myanmar and Thailand each committed to end opium cultivation in these areas (by the year 2000 for Thailand, by 2006 for Lao PDR and by 2014 for Myanmar). So far, Lao PDR and Thailand are on the verge of accomplishing this.

Eradication

Official reports from the Governments of Lao PDR, Myanmar and Thailand indicate that a total of 4,647 hectares of opium poppy were eradicated in 2007. This is significantly lower than in 2006 when 5,641 ha were eradicated. A total of 779 ha (50% of cultivated opium poppy) were eradicated in Lao PDR, 3,598 ha in Myanmar and 220 ha in Thailand.

Map 2: Opium poppy eradication in South East Asia (hectares), 2004 - 2007



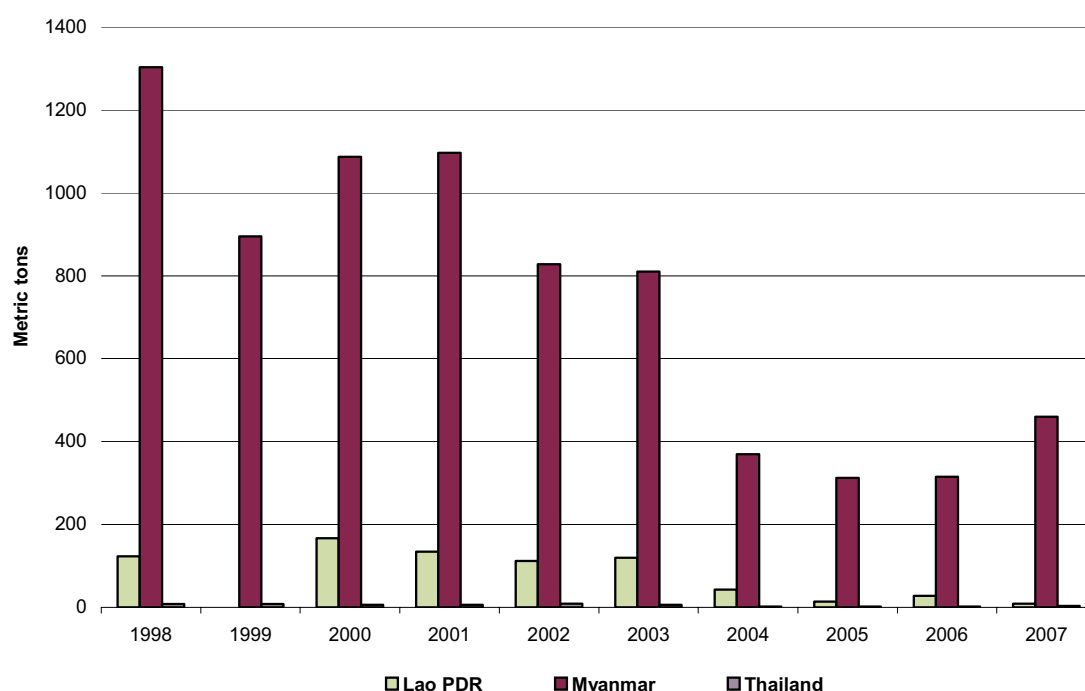
Sources: Governments of Lao PDR, Myanmar and Thailand, national monitoring systems supported by UNODC in Lao PDR and Myanmar
 The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations

Opium yield and production

Opium poppy cultivation in South East Asia takes place mainly on steep hills with poor soil and no irrigation facilities. Opium yields are much lower than in Afghanistan where the crop is often cultivated on good soil and irrigated land. In 2007, opium yields were estimated at 6 kg/ha in Laos, 16.6 kg/ha in Myanmar and 15.6 kg/ha in Thailand.

Total potential opium production in South East Asia decreased from an estimated 1,435 mt in 1998⁶ to only 337 mt in 2006, before increasing to 472 mt in 2007. In spite of this increase, opium production has fallen by 67% compared to 1998. South East Asia's Golden Triangle, which produced 33% of the world opium production in 1998, now produces only about 5%. The once notorious Golden Triangle has ceased to play a major role as an opium production area and this region can no longer be called Golden Triangle on the reason of opium production alone.

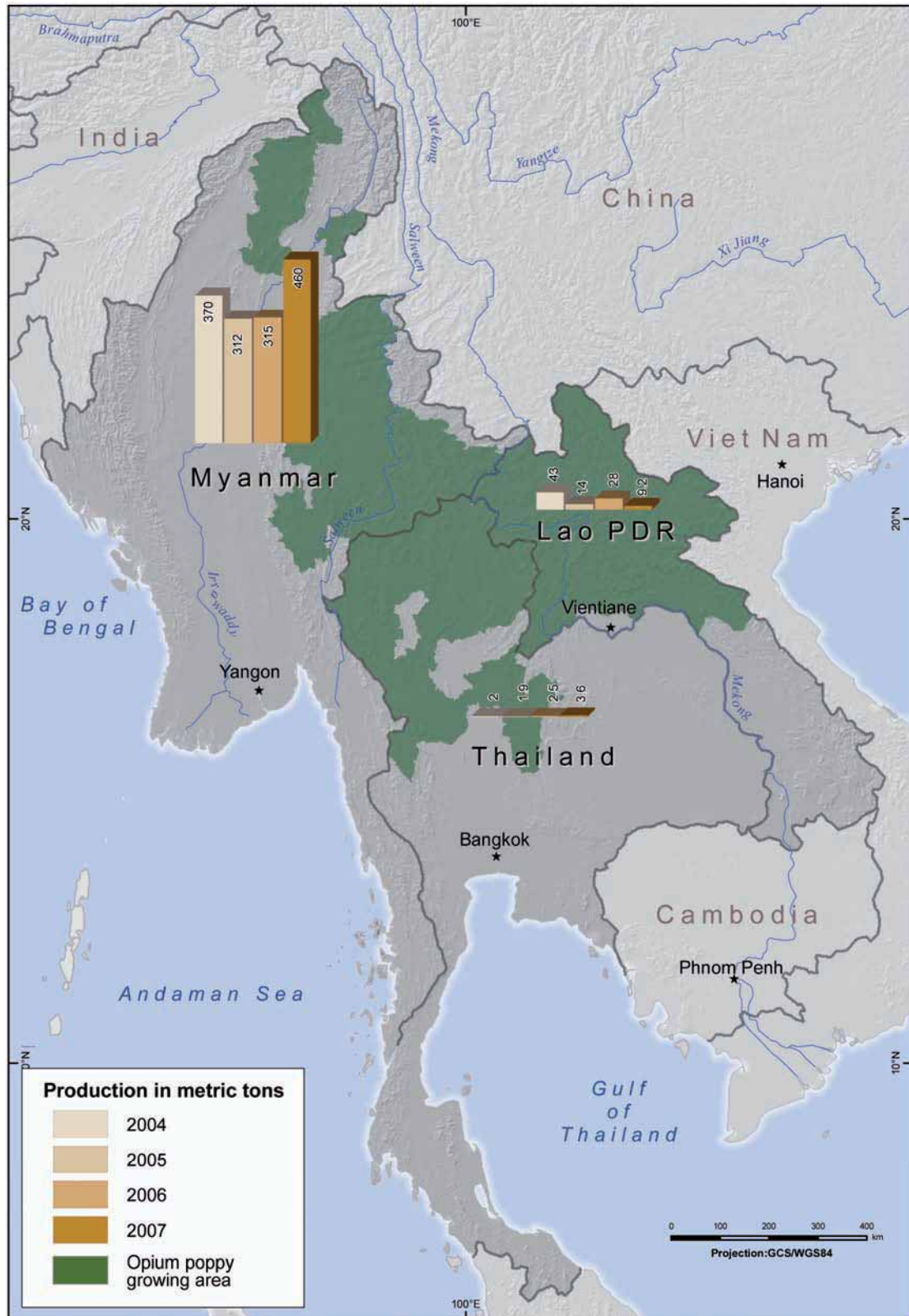
Figure 3: Opium production in South East Asia (metric tons), 1998 - 2007



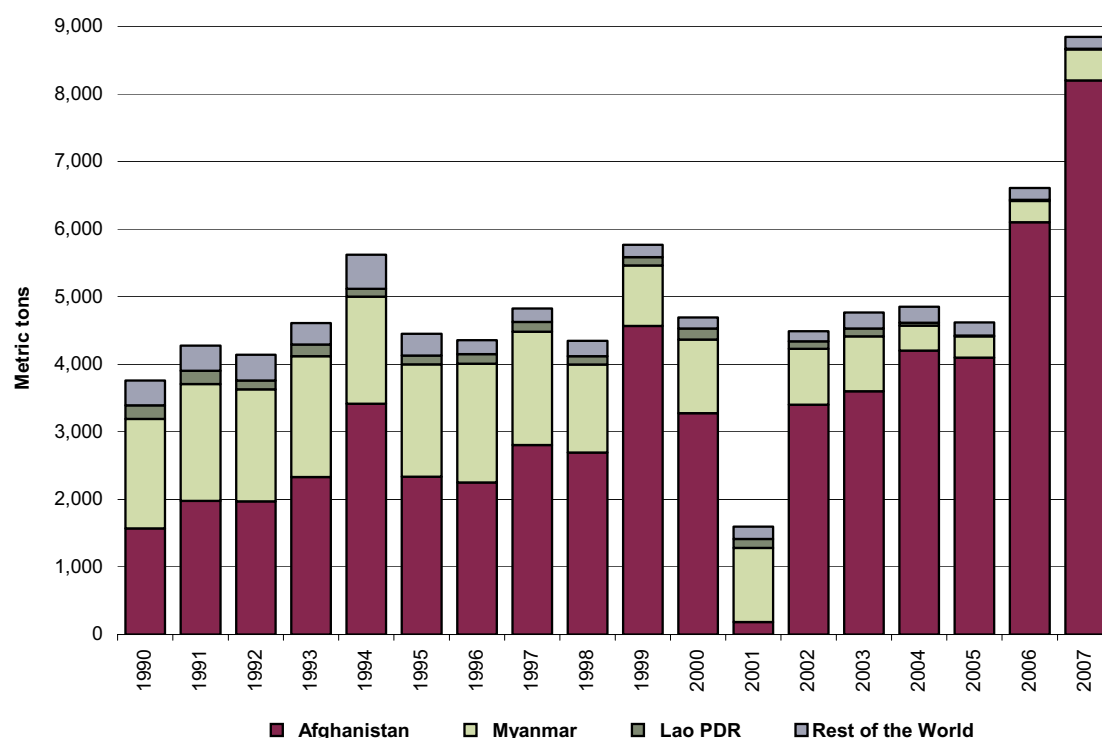
In 2007, due to increases in opium poppy cultivation area and higher opium yields in Myanmar, total potential opium production in this region increased by 40% over 2006. Although Myanmar remains the second largest opium producer worldwide, its share of the global opium production fell from 30% in 1998 to 5% in 2007.

⁶ Source: World Drug Report 2007.

Map 3: Opium production in South East Asia (metric tons), 2004 - 2007



Sources: Governments of Lao PDR, Myanmar and Thailand, national monitoring systems supported by UNODC in Lao PDR and Myanmar
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Figure 4: Global opium production (metric tons), 1990 - 2007*

* Data for 2007 for Rest of the World are based on preliminary estimates.

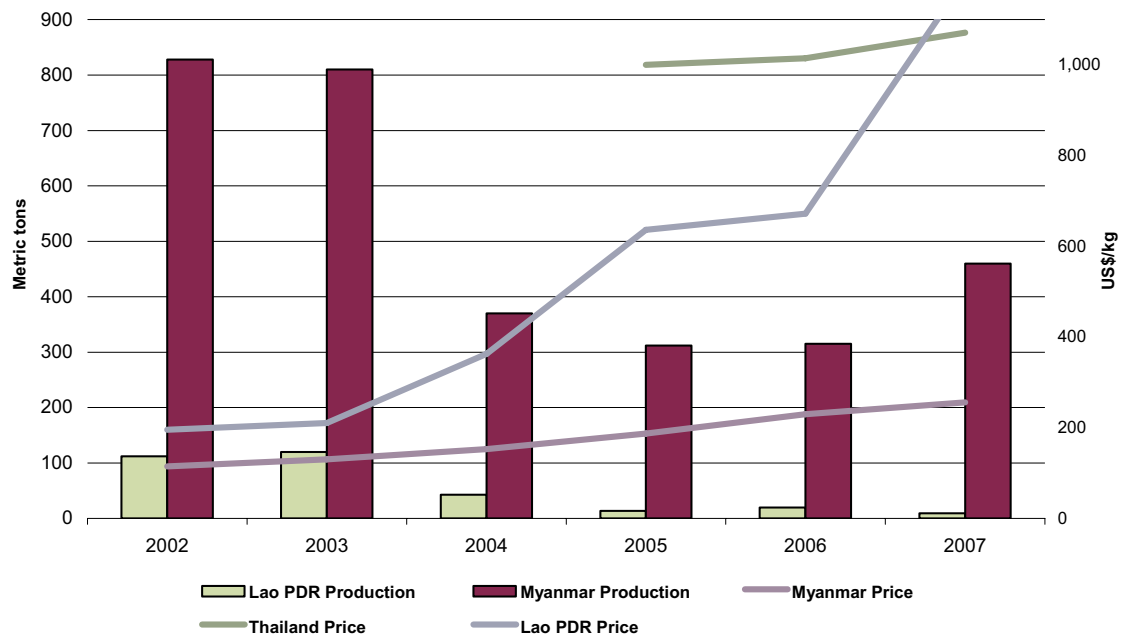
Opium prices

Opium prices in South East Asia have increased over the past years and there are pronounced price differences between countries as well as between regions within these countries.⁷ In 2007, the average price for one kilogramme of dry opium was highest in Thailand and Lao PDR with prices of US\$ 1,000/kg and US\$ 974/kg, respectively, and, similar to previous years, lowest in Myanmar (US\$ 265/kg at the farm-gate).

The 500% price increase in Laos between 2002 and 2007 reflects the scarcity of opium in the country, which is now a net importer. In Myanmar, by far the largest producer, prices rose as well but much slower than in the rest of the region. The price for opium in Myanmar at the farm-gate more than doubled from US\$ 115/kg to US\$ 265/kg from 2002 to 2007. Prices in Thailand remained at a comparatively high level of over US\$ 1000/kg for the third year in a row.

⁷ The level of transaction for opium prices in Lao PDR, Myanmar and Thailand is not easy to determine, which makes a direct comparison of prices difficult.

Figure 5: Opium production and prices in producing areas in Lao PDR, Myanmar, and Thailand, 2002 – 2007

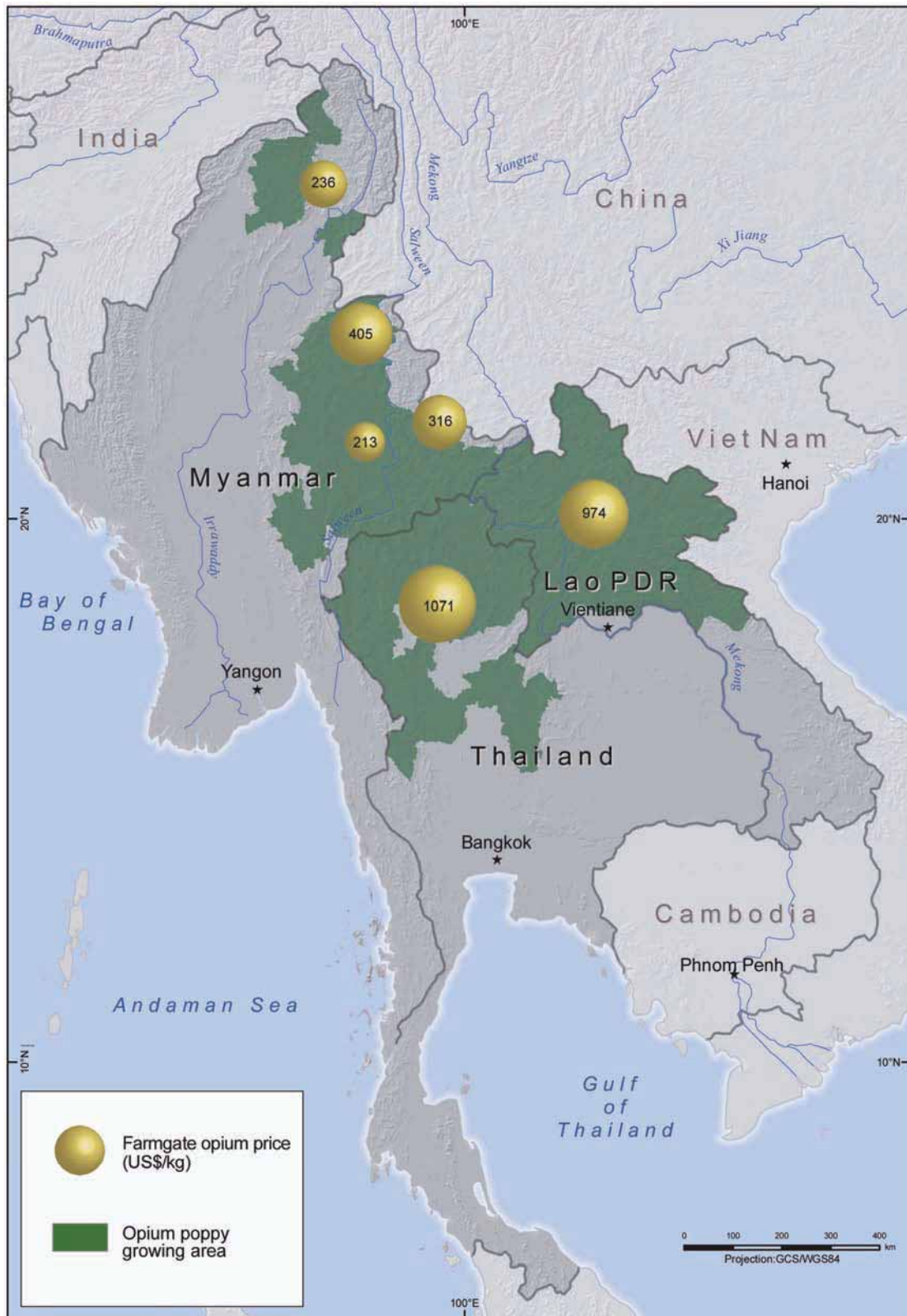


Household income from opium

The contribution of opium sales to the household income of farmers varies considerably throughout the region. In Myanmar, opium sales constitute about half of the annual household cash income and are mainly used to cover food shortages. In Laos and Thailand, income from opium represents only 10% of the household cash income.

Higher opium prices in 2006 pushed incomes of opium poppy farmers up by 50% over the previous year. In Myanmar, 43% of the average annual household income (US\$ 437) of opium cultivating households came from opium sales in 2006 in contrast with 10% of US\$ 300 annual cash income in Thailand. With such a large proportion of the household cash income generated by opium, farmers in Myanmar are vulnerable to opium price fluctuations and decreases in production caused by drought, disease or law enforcement. These income fluctuations have a serious and immediate impact on household food security. In Special Region 2 (Wa) in Myanmar where local authorities enforced an opium ban in 2005, farmers lost up to 70% of their cash income. In Laos, where opium cultivation was at lower levels and elimination has been more gradual, farmers are better off in terms of food security. In Thailand, opium elimination has taken place over more than 30 years and sufficient alternative livelihood promotion and programmes have accompanied this process, thereby developing and increasing the range of income sources available to farmers.

Map 4: Prices of dry opium in South East Asia (US\$/kg), 2007



Sources: Governments of Lao PDR, Myanmar and Thailand, national monitoring systems supported by UNODC in Lao PDR and Myanmar
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Opium abuse

In South East Asia, opium addiction is mainly found in places where opium poppy is cultivated. Since opium cultivation has declined rapidly in the last five years, the cost of opium has increased greatly. This has encouraged, or forced, many users to try to stop smoking opium, either by self-treatment or through treatment programmes. The number of opium addicts in Lao PDR declined from 11,200 in 2006 to only 7,700 addicts in 2007, a reduction of over 30%. The addiction rate decreased similarly from 0.58% to 0.30%. In Myanmar, opium addiction remains high at 0.75%. In Thailand, opium and heroin addiction have largely become urban problems. Very few opiates abusers are reported by the Thai Government.

The impact of opium poppy elimination on rural livelihoods

Rural households that abandoned opium poppy cultivation have reported both positive and negative changes as a result. Positive impacts include the rehabilitation of addicts, lightening of women's workload, and the opportunity to diversify out of an unreliable and illicit cash crop. Negative impacts include shortage of food and cash, increased debt and higher levels of stress.

Predictably, a vulnerability analysis of farmers in Myanmar living in areas where opium has been banned showed a limited impact on living conditions for non-opium poppy farmers, and a more serious impact on ex-opium farmers. Within both groups there were farmers who have coped more or less successfully than others in dealing with the changes caused by the ban.

In terms of coping strategies, some ex-opium poppy farmers have developed alternative means of income by working as casual labourers, selling livestock, collection of non-timber forest products and diversification of agricultural activities, such as rubber tree and tea cultivation. However, not all of these strategies are economically or environmentally sustainable, and as a result farmers in difficulty have been forced to borrow money or reduce their expenditures by limiting their household's access to food, health facilities, education and primary needs. This has contributed to a deterioration of their living conditions, their debt has increased and there is little opportunity for them to generate new income in the absence of external capital.

For non-opium poppy farmers, who were already engaged in non-opium income generation activities and who possessed some material assets, such as livestock, land and a good level of food security, the opium ban has had little, if any affect on their situation. However, there still exists a group of non-opium poppy farmers who are in a very vulnerable situation due to insufficient levels of income, which has worsened after the ban due to the lack of casual employment opportunities in the opium poppy fields.

Today, the needs of vulnerable farmers are so great that the level of assistance provided thus far has been insufficient. Emergency aid and sustainable development programs are urgently needed to support farmers in the development of alternative livelihoods. This will be crucial to preventing out-migration of the people and the resumption of opium poppy cultivation.