

## CHAPTER 5

### Living With Opium: Livelihood Strategies of Poppy Farmers

This chapter examines the factors contributing to opium cultivation and the strategies used by people living in the remote highlands of Southern Shan State to cope with political risk and environmental vulnerability. Although poverty and the desire for improvement of livelihood are the driving factor to opium cultivation, there are more important forces that are prime movers. Firstly, this chapter looks into the changing livelihood from traditional crops to opium cultivation and analyzes the factors that influence farmers' decisions to continue to grow opium until the present day. Then, this study draws attention to the complexity of opium production. All in all, to fully comprehend why opium production continues in Shan State despite its illegal status, this paper argues that this phenomena and the complexity of opium cultivation must be understood from the perspective of local farmers.

#### 5.1 Changing Rural Livelihood

Opium is not native to and was not a common crop in the highlands of Southern Shan State, particularly in Pa-Oh areas such as Hopong, Hsiseng and Pinlaung Townships. Although many hill people have grown opium for over a century for medical purpose and recreational use, the commercialization of opium has just started a couple of decades ago after numerous ethnic armed groups came to a cease fire agreement. Opium continues to be an important crop up to the present day. Prior to the mass opium cultivation, the upland people in Hsiseng and Hopong regions relied on indigo dye production for living. Because of the important role played by indigo, these areas later geographically became known as Mai Kaung, a Pa-Oh term which means "Indigo Mountains".

Alongside indigo production, the *Tha-nat-phet*, or cheroot leaf, industry believed to have started more than a century ago has become a staple product of *Mai Kaung* region.

The cheroot dried leaf is used to wrap a mixture of dried wood and crushed tobacco in order to make cigars. Since modern cigarettes were not available at the time, many people especially men, living in upper parts as well as the lower parts of Myanmar consumed only cheroot cigars. Pa-Oh people are the main producers of the raw materials for the cheroot leaf cigar enterprises around Myanmar (Kham Oo, 2011). This semi-finished product is brought to market and further processed by the cigar industry in central Myanmar.

Opium cultivation was rare before 1995 in the villages of the indigo mountain range. Farmers mainly grew rice, cheroot trees, coffee, garlic, and tea plants. As stated by one respondent, “I remember when I was young our parents grew rice and it was enough for family consumption for the whole year.” Besides rice, the cheroot tree was grown to generate income to cover basic needs such as food, clothes, medicines, etc. It is only quite recently that opium cultivation started to cover all the mountains in this area. Indeed, opium has become common just after the Pa-Oh armed groups came to cease-fire agreement with the government in 1991 and 1994. One of my key informants noted: “I didn’t grow opium when I was young. Our parents and grandparents didn’t cultivate opium. Cheroot leaves production was the main crop, as it was profitable and provided enough food for the whole family.”

In the beginning, the technique of processing cheroot leaves was different from the method used today. The leaves were simply picked up from cheroot trees and dried out into the sun, a time consuming process. Today, cheroot leaves are put in large pans and each covered with a sand bag and heated by the fire to dry out. This method being faster, it better fits the market demand. However, cheroot leaf production requires intensive and bulky labor for handling such as nurturing, harvesting, roasting, and packaging, particularly in the mountainous areas.

Before the prices of commodities began to rise, the production of cheroot leave was enough to cover the food needs of the villagers. Yet, with the increasing of commodity prices, the income from the cheroot production was not sufficient to meet the increase and people started facing a serious crisis. Moreover, local people had long suffered from the chronic war among many groups and notably the Burmese army, the White Pa-Oh

group (Pa-Oh National Army, PNA) and the Red Pa-Oh group (Shan State National People Liberation Army, SNPLA), the last two being the main groups controlling the area. The prolonged conflicts interrupted their livelihood consequently causing negative impacts on economic, education, healthcare, roads and communication. There was no one who passed matriculation exams and graduated from university.

Cheroot leaf production, which has become traditional crop of Pa-Oh people, requires laborious, time consuming and hard work for nurturing cheroot trees, processing and packing the whole year and it also demands charcoal wood for roasting the leaves. It needs lengthy labor of five persons in order to produce 1000 *viss* (1 *viss* = 1.6 kg) of cheroot leaves which is equivalent to 2 million *kyat* with the current rate of 2000 *kyat* per *viss*. However, the return is greatly minimal and not rewarding to compensate the time, hard work and resource that farmers have invested. Hence, if they make a living with cheroot production, farmers are not able to support education for their children and give charity or donation on religious activity to gain merit and social welfare and development.

According to my respondent-5,

“Back to 20 years ago or more, we have witnessed that some of the southern and eastern villages controlled by Shan State National People Liberation Organization (SNPLO) or red Pa-Oh armed group have already grown opium and made a lot of money while we were producing cheroot leaves, getting just a minimum profit. We were not encouraged to cultivate opium as our village which was under the control of Pa-Oh National Organization (PNO) or white Pa-Oh armed group. We also have seen that those who grew opium were able to spend lavishly. If we were allowed to grow opium like SNPLO controlled area, we could have been able to buy farming land and paddy land in the plain and houses in Taunggyi and Hopong just like them.”

Opium cultivation started to emerge in Maikaung mountain ranges when cheroot leaf production was no longer profitable and unable to cover the daily cost of living namely food, education, clothes and medicines. Since the existing crops such as

cheroot tree, tea plant and coffee either have become secondary crops or were completely abandoned. Although most villagers still have cheroot and coffee trees and they grow well in the areas, they don't tend to pay much attention to it as its price is very low. Since the 90s, opium cultivation has emerged, disappeared and reemerged due to the strict enforcement of opium bans in some years. Even though opium has been grown for more than 20 years, it became common and conspicuous only 10 years ago.

## **5.2 Opium as a Mean of Coping with Poverty and for Well-being**

The majority of opium studies including those conducted by Western agencies like the UN have identified poverty as a major cause of opium cultivation. In 2012 UN Secretary General Ban-ki Moon gave a visit to a Pa-Oh village and highlighted the importance of addressing the relationship between food insecurity, poverty, poppy cultivation and armed conflict. "Poverty as defined by David A. Dufree (1971) is both the root and offshoot of inadequate schooling, deficient health services, crime and juvenile delinquency, inadequate social security and welfare programs available to deal with the problems of broken homes and the penury of many of the old, indecent housing conditions, civil unrest, and high unemployment resulting, in the main, from slow economic growth."

This study also takes poverty as one of the major motivations that leads upland peasants to grow poppy. In the 1990s, farmers in Maikaung region shifted from legal crops to illegal cultivation of opium as they consider it more lucrative and thus more useful to cope with poverty. Respondent-3 said, "It was not sufficient to cover the daily cost of living for the family if we only continued to rely on cheroot leaf production. We had no other idea of which crops we should grow because not every crop grows well in this mountain. Thus, we decided to engage in opium production to cope with the food shortages." Similarly, respondent-4 shares the same opinion as he states, "We grow opium because we were in debt and didn't have enough food for our family for months and years."

Realizing that the price of the cheroot leaf remained unchanged while the cost of living had increased, many villagers decided to experiment with opium cultivation. Opium

cultivation thus gradually began to replace cheroot production and poppy started to be planted in the ravines and in the deep forest. At first, it had been tested by a few households and soon it had broadly become the major commercial crop for every household in my studied village as they faced economic problems and food deficiency. Due to unfavorable geographical conditions, other crops such as wheat, corn and ginger are not grown well in the mountains. Moreover, they are not as profitable as opium. My respondent-7 claims that “it is uneconomical and no longer advantageous as before if we rely on cheroot leaf production nowadays. We grow opium just to meet our basic needs, such as food and clothes, not because we are greedy and it is our interest.”

“Before opium cultivation, we only had bamboo huts with thatched grass roof for most of the households in this village. Smoking was strictly prohibited during summer to prevent from unnecessary fire. If a hut or house was on fire, the whole village would have gone. Sometimes, we had to eat wheat because we did not have enough rice. The road was in the state of poor condition and it took days and nights to travel to town by foot. There was no clinic and proper school.” Respondent-5

All opium cultivators are aware that opium farming is forbidden by the law, but they do it for their survival, which is their priority. According to respondent-3, “We all know that opium is unlawful and we have to grow and sell it illegally but this is the only way for us to cope with poverty. We grow opium because we need to survive, not because we have the intention to harm other people.” My respondent-8 also expresses as follows:

“Our village is not going to be peaceful if the economic crisis persists and if everyone is starving. There is one Burmese old saying “*uu ma thout ma thi hla sout naing*” which means “the precepts are better followed when the gut is full”. Similarly, a thief may steal other property for the sake of filling his hungry stomach. Everybody can become a thief when facing deficiency, depression and hunger. He may commit any illegal acts that he doesn’t want to under these situations. Food is the most essential element for all of us. There could be a threat to our village

such as stealing, fighting, etc. if most of the people suffer from food shortages and hunger. This problem which at the beginning is just a domestic problem can negatively affect the whole community and lead to the rift between people and split of the village.”

With the shift from traditional crops to opium production, farmers have been able to cope with food shortages and financial crisis. Furthermore, they have experienced firsthand the fruitful result of opium cultivation. Indeed, all of my respondents agree that opium cultivation has improved their living standard in terms of meeting their daily necessities such as education and health. Moreover, they have also been able to engage in religious activity and community development projects. This point of view, which is shared by most of my respondents, is well expressed in the following statements.

Respondent-3

“Cheroot production would have not enabled our village to become so developed as it is today. To be honest, opium cultivation has brought the prosperity and development to this village. In fact, life before opium was unpleasant, but today, we can go to towns back and forth within a few hours either by truck or by motorbike; we got a high school and a clinic in the village. Moreover, with saving money from opium, we can devote more in religious activity. We got a big monastery and we are able to celebrate always every year the novitiation ceremonies, that everyone enjoys.”

Respondent-2

“Actually opium cultivation helps the development of our village in many sectors. We are able to make contributions in building a school and clinic in the village. There are more people in this village who are able to have a higher education going to the village school or to the university. Without opium cultivation, we would not be able to send our children to school as it is expensive. Some students even became doctors and engineers.”

With some help from the government we are also trying to build paved roads connecting the villages to the surrounding towns. The government provides 50 percent of the budget and all the villages connected with this road have to contribute the rest of the expense. This year, one household is required to pay from 40,000 to 60,000 *kyat*. It would have not been possible to build hydro-power and modern houses without the income from opium cultivation. People are starting competing with each other in building their own mini hydro-power and comfortable houses, and buying TVs, motorbikes, cars etc. Thus, there is no doubt that poppy cultivation has improved our living standard, education, health, and transportation.”

Respondent-5

“Despite the challenges and difficulties, opium cultivation provides us enough food and better living conditions. Our lives have really become better compared with cheroot period because we have enough rice, are able to donate for religious purposes and build more comfortable and bigger houses. In the past no one in this village was able to build brick and wooden house with zinc roof but today almost everyone has it. Furthermore, we are able to support our children to go to school so that they will become educated and would be able not to rely on opium cultivation like we have done. Without opium cultivation, we wouldn’t be able to build the road, engage in religious activities for merit-making and provide the welfare of our village”.

### **5.3 The Underlying Causes of Opium Cultivation**

Even though poverty and betterment of livelihood are the key factors, there are more important forces that contribute and motivate highland farmers to engage in opium production.

#### **5.3.1 The Market Failure of Other Legal Crops**

Another major factor which encourages people to grow opium is the lack of market for other crops. Before opium cultivation, villagers under study

relied mainly on cheroot leaf production for decades and it was sufficient to cover household consumption as cheroot price was fair enough. However, today it is hard to cope with the high cost of living if villagers depend on cheroot production since its price is very low. As noted by respondent-8,

“In the past, we were able to survive until the decline of cheroot demand. The price of cheroot remained unchanged while other commodities began to rise up. We used to earn 500-600 *kyat* per 100 *viss* (one *viss* = 1.6 kg) while the gold price was 400-500 *kyat* per *kyatha* (equivalent to 16 grams or 0.56 ounce). But today, we get around 200,000 *kyat* per 100 *viss* and the gold price is 600,000 *kyat* per *kyathar* which is three times higher. The cost of living today makes it difficult to depend on cheroot production.”

In addition to cheroot production, farmers also cultivate tea, garlic and sugar cane to generate income in order to meet the family need. Nevertheless, these crops have been abandoned since opium is available and more lucrative. During 2005 to 2008 when the local authorities tried to implement strict eradication campaigns in Pa-Oh self-administrative region, villagers mostly well-to-do and middle classes went to flatlands and invested in garlic cultivation and sugarcane but faced a great loss because the price of these crops was very low. Poor farmers who didn't have resources became the labor in opium cultivation of Eastern region where opium was allowed.

Similarly, many non-opium farmers in Hopong, Pinlaung and HsiHseng townships mainly depend on garlic, cheroot leaf production, tea leaf and potato production. They grow well and produce a lot. However, the price of these crops is always fluctuating and it is usually very low, whereas the price of commodities is always on the rise. The reality of making a living by agricultural activities is becoming less attractive due to the minimal return. In 2007, it turned out that the cost of the transportation for garlic to the nearest market was much higher than the value of the crop itself. Most of



the farmers just let it rot in the garlic field because it wasn't worth the effort. The garlic price started to go down when the government selectively banned it for export without giving any reason (The Irrawaddy, 2010). Moreover, government authority allowed Chinese garlic to replace the market of locally grown garlic.

“We have heard that permission to sell garlic produced from China is given to an organization. Currently, villagers who grow garlic are not making profit due to the garlic imported from China. It is a pity that villagers do not make profit. The income cannot even cover the cost of fertilizers used. They also do not get seeds to grow in the next growing season. It is for these reasons that the growth of local garlic is gradually disappearing” U Khin Maung Thein, freight shipmen businessman of Southern Shan State, reported to Unity Weekly News. He continued, “In other nations, peasants are protected. Legal imports of rice and corn are not allowed in China and in that way limitation is imposed. Unlike China, imports are allowed in our country. Imports should be controlled, so that farmers who grow garlic can be able to settle debt and daily living costs” (PYO, 2014).

Garlic price was good and farmers could make sufficient earnings to provide the fundamental needs of the family before 2007. However, the locally grown garlic has lost its market and will unlikely recover given the downturn. Nowadays, most of the garlic farmers should have alternative sources of income for survival. Many households of garlic communities in Taunggyi, Hopong and Hsiseng townships have to rely on remittance from their family member working abroad while numbers of them become daily workers in opium plantations. Likewise, tea based farmers share the problem of fluctuating and unstable market just like garlic farmers. Many tea factories have been closed down due to the increasing import of tea leaves from China causing negative impacts on major tea leaves producing communities in Southern and Northern Shan State. Therefore, it is no wonder that the people are likely to shift their less value to high value crop.

### 5.3.2 Price Advantage of Opium

The price of opium has continued to increase significantly since 2003. The farm gate-price of opium was 130 USD/kg in 2003 and it was 520 USD/kg in 2013 according to the estimate of UNODC (2003, 2013). In fact, this price is still very minimal compared to those observed in Lao and Thailand. The most recent increase can be explained by the strong demand coming from neighboring countries (UNODC, 2011) as well as in the local market. In 2013 in Myanmar the use of drugs was higher than in 2012 and this for all three opium, heroin and amphetamine-type stimulants (ATS, locally called *yaba*) in Myanmar while the number of registered heroin users in China has been increasing since 2007. Moreover, it appears that opium production in Lao PDR and Myanmar is unable to meet the demand which is now partly met by opiates originating from Afghanistan (UNODC, 2013).



Source: UNODC (2013)

Figure 5.1: farm-gate price of fresh and dry opium

The price of opium in Myanmar is high enough to attract not only highland poppy farmers persisting in opium cultivation but also non-opium farmers. “If we cultivate opium, with the labor of five people we can earn around 5 - 10 million *kyat* per season. It is greatly hard even for rich cheroot farmers to be able to earn 1 million *kyat* a year. Last year, I invested 100,000 *kyat* on my existing cheroot plantation for labor and processing but I got back 50,000 *kyat* when I sold. In the same way coffee and tea are not profitable even though they grow well in this region. Nobody will grow opium if its

price is as low as other crops and the government doesn't even need to eradicate our poppy fields. However, the current situation makes it possible for farmers to grow opium in order to cope with poverty" says Respondent-5.

Table 5.1: Price of opium and other crops

<b>Price in comparison kyat/viss</b>	
Opium	700,000
Garlic	400
Cheroot	2,000
Coffee	500
Tea	3,000

Until today, the difference between the price of opium and that of other local crops is totally incomparable. A *viss*, which is equivalent to 1.6 kilogram, of dry opium is around 700 US\$ and the same quantity of fresh opium is about 500 USD while a *viss* of garlic is between 0.3 and 0.7 US\$ and a *viss* of cheroot is between 2 and 3 USD. From the labor point of view, a person who works at opium fields earns about 5 to 8 US\$ a day, while a person who works at garlic fields and cheroot industry earns less than 4 US\$ a day. Moreover, unlike other products, opium doesn't burden farmers to be worried about transportation costs; it is very easy to sell since the market comes to your door.

### 5.3.3 Forced Development Projects

After many ethnic armed groups came to cease-fire agreements in the early 1990s, several development projects such as roads construction, the provision of electricity, schools and village clinics have been implemented in the study village and other areas under Pa-Oh self-administrative region. However, the costs for implementing such projects are not fully funded by the central government, nor as well as by non-government organizations (NGOs). The local residents are always required and forced to contribute about 50 or more percent of the payment for most of the development projects. This has added an extra burden on the people's struggle for survival.

In the village under study as well as in the villages along this area, every year each household has to pay 40,000 to 60,000 *kyat* according to its wealth every year to contribute to the construction of a paved road of 17 miles. The road is supposed to be constructed three to four miles each year. Nevertheless, the road has not been completed, although the money has been collected from villagers for more than five years. In addition to the participation on the road project, households in my study village are also compulsorily required to pay for improving a village school including partial payment for teachers' salary as well as the construction of a village clinic.

Apart from the study village, forced development projects have widely been implemented in Pa-Oh regions. Although it is claimed that a 42550.4 million *kyat* fund of National government in 2013-2014 fiscal year is being used for bringing electricity to the villages (PYO, 2014), many villages in Taunggyi Township are forced to contribute a large amount of money for the construction of power lines going to their respective villages. More than 5,000 households south of Taunggyi have been compelled to pay for the provision of electricity. Each household has to pay 600,000 *kyat* with three installments and villagers have been told that electricity system will only be provided if all households in the village can complete the payment.

#### **5.3.4 Land Confiscation and the Uncertainty of Land Ownership**

As the village under study is located in a mountainous area, farmers have not experienced land confiscation by the state and local militia group unlike the people in the flatlands of Pa-Oh self-administrative region. However, the rapid growing of land confiscation in other areas has led to greater landlessness, migration, and displacement. Many flatland farmers have become dependent on the daily wages from work in opium cultivation while others seek to have their own farms.

Land confiscation in Pa-Oh self-administrative region such as Hopong, Pinlaung and Hsiseng Townships, is not unusual to local residents. To

illustrate a few examples, over 10,279 hectares have been confiscated for No.2 Steel Mill Project near Hopong, more than 8000 hectares have been appropriated by the army ground engineer battalion in Hopong and more than 200 hectares have been seized by mining companies in Pinlaung without any compensation (PYO, 2009, 2010 and 2014). Landless farmers who have lost their farmlands cross the border and find jobs in other countries while many people migrate to remote regions and become either laborers or cultivators of their own in opium plantations in order for survival. Thus, land grabbing has become one of the components that push rural farmers getting involved in opium business.

To look back at the history of land confiscation, it just started in the 1990s when the military government expanded its troops to neutralize the ethnic resistant groups. A large portion of confiscated lands were used as army bases and government offices as well as for commercial purposes. However, in response to foreign investment, recent land grabbing includes commercial agri-business ventures, infrastructure projects, mining projects, tourism development, industrial facilities and gas pipelines by state and non-state actors which put the farmers off their farming lands.

According to Section 37 of the State Constitution (2008), "the Union is the ultimate owner of all lands and all natural resources above and below the ground, above and beneath the water and in the atmosphere in the Union". Although the Farmland Law and the Vacant, Fallow, and Virgin Land Management Law was enacted in 2012 to ensure individual land ownership rights, the laws have promoted legal land concessions by both military and army-linked cronies as well as People's Militia forces. The new laws have created a dysfunctional and unclear system of land registration and administration that has reinforced a top-down decision-making process without local participation, thus leaving local authorities open to corruption and the influence of government and military officials in league with commercial interests (Asia Times, 2013).

## **5.4 Risk and Vulnerability of Poppy Cultivation**

Contrary to popular myth, growing opium is not straightforward and can be very troublesome. Poppy growers under study are constantly in a condition of vulnerability because of the several risks related to the environmental condition and the likely human intervention motivated by the illegality of the activity. As stated by Blaikie (2004), risk is the product of ecological, social, political, economic and environmental factors, and is the greatest threat to humanity. Households in the study area often have no alternative but to accept the risks involved, though risk factors undermine the existing capacity of villagers to enhance their well-being and generally bring their villages out of poverty.

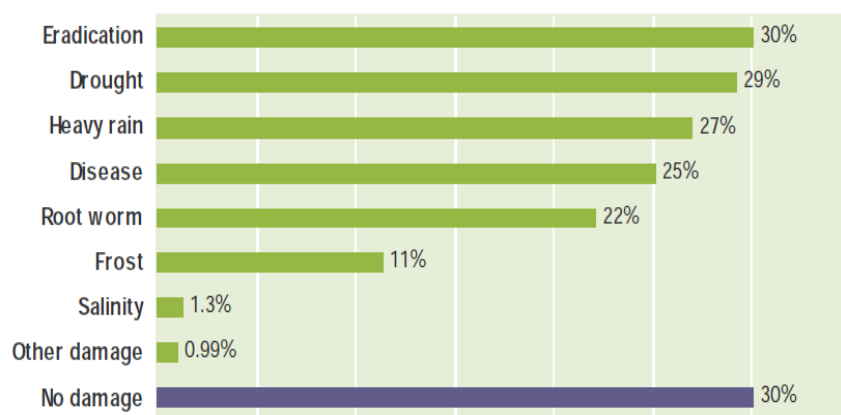
### **5.4.1 Weather Condition or Climatic Risk**

Environmental conditions play an important role in opium cultivation. Because of climate changes, opium production in the research village is often affected by a combination of adverse weather conditions and plant diseases. Indeed, in the last few years this has led to the decreasing of the average yields. Poppy growers start to realize that their yields are decreasing year by year due to unpredictable weather. Particularly, rural opium farmers are becoming more vulnerable to drought, heavy rain, disease, root worm and frost which are unpreventable.

#### **1) Rain**

Since opium is one of the rain-fed crops and farmers cannot manage the frequency and the duration of rainfall as well as its available time, rain represents a high risk and an important source of vulnerability. The poppy plants require moderate rain especially when it is young and until the plant reaches its maturity. However, both heavy rain and drought can have adverse effects on poppy plantations. In the middle of the winter season, especially in January and February that correspond with the harvesting times, the rain can also lead to undesirable effects because it can liquefy the opium latex and wash it off the capsules. Many farmers in my studied site complain that rain has

become irregular over the last five years. Strong wind is not welcomed either during harvesting season.



Source: UNODC, 2013

Figure 5.2 Problems affecting poppy fields

## 2) Frost

The topography of the study area where poppy cultivation takes place is affected by frost during winter season (from November to March). Poppy is usually grown in mountainous regions such as on hilltops, hillsides and at the bottom of the slopes. Poppy plants growing on hilltops and at the bottom of the slopes are likely to suffer from frost damage as cool air settles in valleys and high altitudes where frost can easily form. Only plants on the hillsides are free from this phenomenon. Hard frost in winter can cause the plants to be scorched and turn brown, and may eventually lead to the death of the plants. Young poppy plants can be more susceptible to frost damage than fully mature ones.

## 3) Diseases

Similar to other common crops, poppy plants are susceptible to particular diseases caused by insect pests such as aphids and root worms resulting from unusual rain in the winter season as well as from the misuse of chemical inputs. These diseases can

slow the growth of poppy plants and even kill the younger plants if left untreated. As opium cultivation has become intensive farming, poppy farmers manage to increase or maintain their yields by boosting the use of chemical fertilizers and pesticides. However, high chemical inputs can have a negative impact on soil fertility and pests are becoming resistant to some chemical fertilizers which can lead to high risk of crop damages and yield losses.

#### **5.4.2 Forced Eradication**

Apart from weather conditions, the intervention of the state through eradication campaigns is the major concern of every poppy cultivator in the highlands of Southern Shan State. Opium cultivation, production, possession, trafficking, transfer and sale were officially illegalized by the 1974 Narcotic Act. In 1999, the military government set up a 15 year master plan to completely eradicate opium cultivation in Shan State. The original plan aimed to achieve the goal by 2014 but the drug-free deadline has been postponed to 2019 as opium cultivation has continued to surge during the last five years. However, the drug elimination campaigns seem to target only small-scale farmers rather than the main players in the drug business. It is thus greatly harmful to poppy farmers who don't receive any alternative crops for substitution.

In 2005, as Wa and Kokang were able to be declared opium free in their areas, Pa-Oh National Organization (PNO) wanted to declare "Opium Free-Zone" in its controlled areas – Hopong, Hseseng and Pinlaung Townships by wiping out all poppy fields in collaboration with the government drug force, the Central Committee for Drug Abuse and Control (CCDAC). However, it was unsuccessful as the opium elimination campaign which continued to have effect until 2008 was not followed by any substitution program. The impact of the opium ban on rural livelihood was enormous. It negatively affected local socio-economic, education and health since poppy growers didn't have time to cope with this sudden change. My respondent-5



states “it was unforgettable moments in 2005 and a huge lesson for all of us.”

“Our poppy fields were completely destroyed by the authorities in 2005, 2008 and 2011 growing seasons but no alternative crop was offered to us. Due to the lack of anticipation, villagers encountered food shortage and economic hardships. Moreover, it led to a great dropout rate when parents couldn’t continue to support their children education. Many became jobless while a few were able to cope with this sudden change with their previous savings. Some had to rely on forest products like cinnamon tree bark in order to cope with this sudden change. We didn’t receive any support from government and NGOs. As a consequence, we had to manage to reduce the quality of our food in order to prevent food shortages. For example, we used less cooking oil than the quantity we used when we can grow opium.”

Respondent-6

Farmers in my studied village managed their livelihood strategies through migration and switching to licit crops to cope with economic hardships. A few people returned to cheroot production that they had abandoned for years while many people relied on forest products to sustain their living.

It was a great depression and hardship for those who encountered food shortage and were in debt when the authorities ordered the cutting down of poppy plants in 2005. Many villagers became desperate and decided to leave their homes to go to the east seeking labor opportunities in other opium growing communities such as LoiLen, Nansang and Mauck Mai Townships which are controlled by different ethnic armed groups and where opium cultivation is not banned. Villagers were looking for greener pastures to survive. “It was really hard to become a laborer in that area as we have to walk 12-13 hours from our village to get there,” said respondent-5. Some people even chose to settle down there where they got their family and

engaged more in opium cultivation without much disruption. A couple of villagers who had enough savings even migrated further to Thailand in search of better job opportunity.

During the opium ban, some people either managed to sell off their valuable items like gold and other belongings they had accumulated during the previous years or took loans from the rich to invest in legal agricultural activities and mainly in sugar cane plantation, pigeon pea, garlic and paddy in the flatland. Unfortunately, it turned out that these crops were not respondent to the market demand and the price of the crops was at the lower point. Farmers thus underwent a great loss and were unable to get out from the debt cycle. More importantly, poppy farmers don't have much experience or skill in cultivating other crops and they are not familiar with the flatland weather. Many farmers didn't even harvest the crops, but left it rotten in the fields instead.

The eradication of opium in 2005 was like snatching the rice bowl of villagers. Indeed, the Burmese police, army and Pa-Oh authority came to destroy the poppy field just at the time of harvesting period thus causing a great sorrow among opium farmers. The villagers couldn't do anything but wiping out their own poppy plants or watching someone else cutting down their poppy. However, the opium plantations have re-emerged since 2008 despite the eradication campaigns. According to my respondent-4,

“We started again in 2008 as we were told to grow out of public view. Since then, poppy cultivation has covered up all the mountains of this area. In 2009-2010 and 2011-2012 growing seasons, our poppy plantations were destroyed by the Burmese army during harvesting period. Village representatives could not negotiate with the new commander who arrived from Naypidaw, the new capital of Myanmar. The Burmese soldiers themselves didn't destroy the plantations but the commander asked for the labor of 50 to 100 villagers from different villages and forced

them to destroy each other's poppy plants thus creating conflict among villages. We have been able to grow without interruption from the government and recover from the adversity in just the last two years.”

### **5.5 Coping with Illegality**

Since opium cultivation is against the law, many corrupt officials from the government body, local militia groups and ethnic armed groups take advantage of poppy growers by asking for bribe money. A Police Lieutenant Colonel from Central Committee for Drug Abuse Control (CCDAC) states that “serious action will be taken against any officials charged with extortion and we are ordered not to involve in illicit drug business.” However, no one from government institution has been charged for narcotic-related crime. Collecting bribes has become common and it can be a form of local negotiation with local authorities for turning a blind eye.

In term of bribery tactics, there is no individual strategy but village headmen, nominated by village committee annually, and sometimes village figures have to deal with local authorities, army and militia groups. Every household in the village regardless of the difference of economic classes (rich, middle and poor) is required to pay equally for this bribery tax. Each year poppy growers are required to pay a large amount of money for illegal taxes requested by different groups. In 2013-2014 growing season, each household from my studied village paid 90,000 *kyat* (93 USD) and it was 130,000 *kyat* (135 USD) compared to the previous season. The village headmen are in charge of collecting the money from every household.

The government officials who collect bribes are usually from No. 425 and 426 light infantry battalion in Banyin, police officers, Military Intelligence (MI), forestry division, and township peace and development council and settlement and land records department from Hsiseng and Hopong Townships. In the past few years, farmers in this area used to pay opium tax to Pa-Oh armies and Shan armies.

“We are always asked to give money to Burmese authorities for different purposes. However, they never ask money as opium tax but speak

indirectly of donations addressed to charity purposes or to the building and repairing of army camps. Since they ask, we have to pay, otherwise they would threaten us to destroy our poppy farms. The fact that we comply to pay whenever they ask doesn't mean that we and our poppy fields are under their protection. Our plants could be wiped out at any time since the order might come from a higher rank authority of different positions. Sometimes, we are simply unable to negotiate with them.”

Respondent-7

When negotiating with the local authorities, the village representatives have to bargain as the authorities ask well above the amount they may want. For example, if the army asks for two million kyat, the final agreement could be 1 million kyat or less. When the army and police officers are in the village, villagers are obliged to serve them their best food and drink in order to make the negotiation smooth. Bribes are also requested through letters and phone calls by the officials and it is believed that the bribe money is shared among them. The negotiation over the bribe can take place at the military camp as well. Sometimes, when they don't have money in hand and are not able to manage lump sum payment, poppy farmers can be threatened by the Burmese army, local militia and ethnic armed groups. However, a few officers accept installment payments. The bribing rate is highly dependent on the negotiation skill of village leaders.

It seemed that Pa-Oh authority in 2005 was strict on opium cultivation as they were very eager to eliminate this illicit crop cultivation in their controlled region just as Wa and Kokang had done in order to ease the pressure from the government. However, it was unsuccessful because this strict eradication campaign was not followed by alternative livelihood. According to one respondent:

“There is a difference between Burmese authorities and Pa-Oh authority in terms of negotiation when they come to destroy our poppy fields. Burmese authorities usually leave a space for us to negotiate while Pa-Oh authority never gives us an option. The Burmese officials won't destroy our poppy and they seem to be happy and turn a blind eye after we have given the money. Sometimes, they just cut down a few plants

and take photo in order to prove that they are doing their job and to report to their respective superior officers. Unlike government officials, Pa-Oh authority in the recent year forced villagers to destroy their own poppy field. Any plant of poppy found in the field could be fined up to 150,000 *kyat* (150 USD) or punished severely at once without excuse.”

Respondent-1

All poppy growers are widely aware that opium cultivation is unlawful. According to my respondent-5 who used to be a village headman,

“We know that opium cultivation is forbidden as the police said, “What you are doing is illegal and the way we ask your money is also illegal, but it is for us to lie to our superior officers that we destroy your poppy in order for you to grow it without interruption. Moreover, we also have to deceive the UN agency and international community because we have sympathy for you (opium farmers). We don’t really know what will be the consequence of it on us”. I think the Burmese generals say this because they want to protect us. Therefore, we have to take this opportunity as we don’t know what is going to be in the coming years. There is a Burmese proverb saying that *moe ywar donn yay khan* or catch the water while it rains.”

Although opium poppy cultivators pay the money to many government officials, it is not guaranteed that they themselves and their poppy fields are protected. In January 2014, the police from Taunggyi came and arrested 14 villagers and confiscated all opium in a village of Hsiseng township. It is not clear why police selectively arrested some poppy farmers since every household has opium in its house during the harvesting season.

“Growing opium is not an easy task and we have to live with worry and fear throughout the year because it is an illegal crop. We worry that someone is coming to destroy our crop from the beginning of the season until the harvesting period and fear that someone is coming to arrest us after we have collected the latex and until it is sold. Even though we pay

a lot of money to many authorities, we cannot say that we are protected and secure. The situation will get even worse if we don't pay the bribe to whoever asks for one. Our lives as opium farmers are completely depending on the mercy and compassion of local authorities. The officials have our lives in the palm of their hands. It is hard to breathe when they hold it tight and we become relieved when they open it, free.”

Respondent-8

Although opium cultivators are not criminals and they are just like ordinary farmers who look for a means to survive, they are treated as offenders by local authorities and the government instead of providing alternative livelihoods, while the key players in opium business such as druglords, traffickers and drug manufacturers are ignored. Indeed, opium farmers earn only a pittance compared to drug kingpins and corrupt officials. If the government is really willing to eradicate opium production, it can trace the whole commodity chain rather than putting unbearable pressure on opium farmers.

### **5.6 The Complexity of Opium Poppy Cultivation**

As farmers are aware that opium cultivation is very sensitive and illegal, they use their local terms to refer to opium cultivation. *Kram kaung*, which means mountain farming, is widely used among opium farmers in Pa-Oh area. Opium is locally categorized into two main types in Hsi-hseng Township. The first type is called *yar pay*, a Pa-Oh term which means small opium poppy or short length poppy. This type of poppy has a life span of 2-4 months and generally starts to be grown in August and September, and to be harvested in November and December. The other type is *yar tan* which refers to big opium poppy or long length poppy. It has a life span of 5 to 6 months which is grown at the same time as *yar pay* and harvested from January to March.

Since opium is a seasonal crop, time cannot be delayed from the beginning to the end for hoeing, broadcasting, thinning, weeding and harvesting. Poppy farmers usually start to prepare the land by hoeing each year from June to August which is followed by broadcasting. After a few weeks of broadcasting, the process of thinning and weeding is needed in order to make the plants grow stronger. Weeds normally grow faster than poppy. As poppy seed is sowed closely and unsystematically, the germination rate is too

thick and dense in the plots. Farmers use hundred of small plastic cups to cover the young poppies 5-6 inches away from each other and use weed killer spray for faster impact.

This is the hardest period which requires intensive and delicate labor from dawn to dusk despite the heavy rain and strong wind, particularly on top of the mountain. Harvesting is also important but it doesn't require hard work compared to the nurturing period. The harvesting season starts from December to March depending on the type of opium. Slitting opium pods happens neither too early in the morning nor too late in the afternoon in order for a better result. The collection of opium latex always takes place the next day after slitting.

Although opium poppy has become the main crop and mono-crop in the study village, many farmers keep cheroot, coffee, tea plantations, garlic, and kinds of beans as secondary crops. Most villagers grow more than one cash crop in addition to opium cultivation but crops can be varied according to their available farming lands. Some farmers own a piece of lands in flatland where they grow rice, garlic, sugar cane, and turmeric. Farmers who own lands in highland grow cheroot, tea, coffee and vegetables which are normally intercropped with opium especially in surrounding villages. They grow these crops in order to prevent hunger when all opium poppy fields are destroyed. Those opium poppy plantations far from the village are not usually intercropped with other cash crops but only with vegetables such as mustard green and broad bean for family consumption. The fact is that it is very difficult to transport the cash crops from farms to their resident village.

The secondary crops are only paid attention when opium poppy is affected by eradication campaigns. During 2005 to 2008 when poppy cultivation was all destroyed and strictly banned, farmers returned back to secondary crops, particularly cheroot and coffee that exist long before opium to cope with poverty and stressful periods. Many well-to-do and middle class farmers who own lands in the flatland cultivated garlic and sugarcane apart from cheroot and coffee. However, they didn't make any benefit with all these crops as the prices were too low. Many farmers including rich and poor

managed to survive by relying on forest products while many others became reliant on the daily wages in opium cultivation of other regions.

### **5.6.1 Labor**

In the opium production, there is no specific task between women and men from the beginning of opium season to the harvest time. The roles of husband and wife are mutually shared in accordance with their available time. Women may do cooking while men are collecting wood from the forest and their roles can be shifted. In opium harvest season, the labor of women is even more preferred than men because women are more skillful in collecting opium. The daily wage of men and women is the same. The daily wage of opium labor is about 5 USD, while a garlic labor earns only 3 USD a day. In general terms, however, labor like hoeing, weeding, and thinning in opium farms is usually performed by women while hard labor like cutting down trees for new farming land is performed by men.

Poppy growers under study, especially better-off and middle farmers, depend on outsider labor from other villages in the lowland since internal workers are never enough, while poor farmers rely on the labor of household members. Hired labors normally come from within the network of or relatives of poppy farmers. They are provided with accommodation and food, and employed from the beginning of opium growing season to the end with monthly payment. The payment can be varied from 60,000 kyat to 150,000 kyat per month according to their working skill and initial agreement. In addition to the payment, some workers even receive a small share of cultivation plots.

Labor exchange is very common among farmers in this opium growing village. This practice is used to prevent labor shortage. However, sometimes farmers still face labor scarcity as the demand of the work is seasonal. In a few cases, when one cannot return his labor that he has received, it is negotiable to pay back with cash as daily wage. Daily wages are also



dependent on seasons: 3,000 kyat per day for hoeing and sowing, 4,000 kyat/day for thinning and weeding, and 5,000 kyat/day for harvesting.

### 5.6.2 Investment and Return

Opium cultivation is labor intensive just like cheroot production. Cheroot is bulky, while opium requires delicate work. Unlike opium, cheroot production demands intensive labor for roasting and carrying from farm to home. Villagers need to spend extra charge for packaging and transportation. Opium, on the other hand, is not bulky so that farmers don't have to worry about transportation. Opium is more likely a seasonal crop which needs to be handled at the exact time with more care. Thus, it requires more labor during land preparation, broadcasting, thinning, weeding and harvesting.

In general, growing opium is much easier than cheroot production in terms of handling, packaging and transportation. Cheroot leaf production is totally bulky but the profit is more than ten times lower than opium. Farmers have to carry on the shoulder from farms and have to hire a truck for transporting to market. A truck can carry at most 2,000 *visses* to transport to market from which they earn less than 4 million kyat.

Table 5.2 Estimation of potential yields obtained by farmers

Yields in <i>visses</i>	
Better-off farmers	5 to 20
Middle farmers	3 to 15
Poor farmers	1 to 8

Opium is also a capital-intensive crop requiring both chemical and organic fertilizer inputs. According to PYO (2014) report, it needs an average 400,000 *kyat* investment for an acre of poppy field where 4 *visses* of opium can be obtained. However, the investment and the return are more likely dependent on the fertility of the soil as opium poppy is only grown well in a new piece of land which requires less or no fertilizer compared with an exhausted one. Most people in the study village generally get loans from

garlic or cheroot brokers in the city with the interest rate from 5 to 10 percent to buy fertilizer in the beginning of opium growing season and return the money after harvesting.

As opium cultivation has come to be intensive farming, the lands especially in the mountain are now becoming less fertile. It is also very hard to own new land as many lands are already occupied either by private ownership or community forest over the last 10 years. There is hardly land, particularly fertile land, for sale although many farmers are still willing to buy at a higher price. It's hard to sell a plot of cheroot farming land for 300,000 or 400,000 kyat while a piece of opium growing land can be easily sold for 2 to 3 million kyat.

Farmers try to maintain yields by increasing the use of both organic fertilizer and chemical fertilizer which is harmful to the quality of soil since farming land quality is becoming infertile. Opium poppy farmers are realizing that they need to double or triple the use of chemical fertilizer every year. A large amount of money is spent on chemical fertilizer, chicken manure and pesticides.

### **5.6.3 Selling and Buying**

It is challenging to trace the information about buying and selling of opium as it is sensitive and the transaction is not done in public. Moreover, there is no physical market where opium is bought and sold in the studied village. In general, the transaction of opium, however, can be done in three places: house, farm and in another village. Most of the time, villagers sell the raw opium to local collectors or buyers, usually village members who receive commission fee and small profit from bigger buyers for their services. The bigger buyers hardly show up in the village and keep their identity confidential. Farmers need to travel to other villages to sell opium when there is no local collectors and when there is a huge difference in price. The bigger buyers then take it to manufacturers after they have stocked up. Villagers should sell their opium during harvesting season, otherwise they

have to hold it until the next season because their buyers are normally not available other than at harvesting time.

### **5.7 Summary**

This chapter indicated that households rely on opium cultivation to generate income for meeting their basic necessities of food, clothing and medicines. Nevertheless, the underlying causes of opium production can be traced to multiple sources including lack of market opportunity for legal crops, price advantage of opium, the legacy of armed conflict, uncertainty of land ownership, and forced development projects. Moreover, the process of opium cultivation carries high risk and vulnerability due to its illegal nature and local environmental condition. An unsuccessful harvest can result in a significant loss as poppy cultivation is both capital-intensive and labor-intensive. Although political risk can be managed by bribing local authorities, unpredictable weather is unavoidable. This chapter also demonstrates that opium poppy cultivation is rather more complex than legal cash crops.



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