

PERU - Upper Huallaga PP - Annex III
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AN ANALYSIS OF COCA LEAF CULTIVATION
IN THE
UPPER HUALLAGA VALLEY OF PERÚ:
IMPLICATIONS FOR REGIONAL ECONOMIC DEVELOPMENT

x

by

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TABLE OF CONTENTS

	<u>Page Number</u>
Acknowledgements	i
List of Tables and Appendices	ii-iii
	1-4
Introduction and Executive Summary	
I. Historical Perspective	5-26
II. Socioeconomic Profile of the Beneficiaries	27-41
III. Attitudes and Perspectives	41
IV. Anatomy of Coca	42-53
Obstacles to Change and Ways of Overcoming Them:	53-69
Problems and Responses	70
References	
Appendices 1 - 17	

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68/x

LIST OF TABLES

		Page No.
Table 1.	Population Change In the Priority Area	8.
2.	Coffee Production	13.
3.	Number of Hectares of Crops - Trends	15.
4.	Agrarian Bank Debts	21.
5.	Commercialization	23.
6.	Legal Land Holding Satus of the Colonists of Cholon, Uchiza and Tochae	28.
7.	Identification Documents Referring to Units Awarded In the La Morada Subsector	28.
8.	Area In Production in Four Subsectors of the Tingo Maria-Tocache Colonization	31.
9.	Area In Agricultural Production by Crops In Four Subsectors of the Colonization	32.
10.	Amount of Land In Production: Yucca	32.
11.	Amount of Land In Production in Four Subsections	33.
12.	Amount of Land In Production: Bananas	33.
13.	Amount of Land In Production: Citrus Plants	35.
14.	Amount of Land In Production: Coca	35.
15.	Total Area in Coca Production In Four Subsectors	35.
16.	Proposed Integrated Regional Development	69.

APPENDICES

- Appendix 1. Prevalence of Cocaine Use
2. Map of Colony
3. National Park Data
4. Land Tenancy (Tingo María-Huallaga)
5. Cooperatives
6. Loans Authorized by the Agrarian Bank
7. Loans for Commercial Versus Non-Commercial Crops
8. Current Status of Cooperatives
9. Ministry of Agriculture Offices
10. Status of the Colonization (UNAS Study)
11. Some Products Which are Sold in Local Market
12. Costs of Production
13. Value of Various Crops
14. Rise in Prices of Agricultural Supplies
15. Comparison of Cost of Living and Salary
16. Background and Problems of Coca Production in
Peru by: Drs. Héctor Martínez
César Fonseca
17. List of Illustrations

INTRODUCTION AND EXECUTIVE SUMMARY

This report presents the results of three intensive weeks of field work by Drs. Strug and Fonseca in the colonization area, and in particular, the area of Tingo María-Aucayacu.

We interviewed agriculturalists from different parts of the colonization, and from different socioeconomic backgrounds. We also interviewed administrative personnel and technicians from the Ministry of Agriculture; officials from the Agrarian Bank of Tingo María, administrators of cooperatives, of agroindustrial enterprises, agronomists from the University of the Selva, school teachers, and many others.

In sum, we spoke to as broad a sector of the population in the colonization as time allowed to learn their views concerning the influence of coca cultivation on life in the colonization. Statistical data was collected from various government offices with the help of officials who lent full cooperation.

Prior to the beginning of our field work, Dr. César Fonseca and Dr. Héctor Martínez prepared a bibliographical summary of major works on the use of coca; and discussed the current debate over its use from a historical perspective. Their report is appended to this volume. (Appendix 16).

Our reports consist of four sections which deal with:

- I) an economic and social history of the region.
- II) the socio-economic profile of the beneficiaries.
- III) attitudes and perspectives of the beneficiaries toward development of the region and,
- IV) "the anatomy of coca" in the region.

We conclude the report with a discussion of potential obstacles to economic development of the region, and what needs to be done, on our opinion, to overcome some of these obstacles.

Below we summarize principal observations and conclusions:

1. Field work was carried out in a region of Peru where agriculturalists are fearful of police oppression. Work was limited by the extent to which some agriculturalists with whom we spoke were suspicious that we might be police agents. The current Ley de Emergencia which exists in the region profoundly influences the quality of social relations between agriculturalists and all outsiders.
2. Our analysis is based on the likely assumption that coca leaf cultivation will be eradicated in the Tingo María-Aucayacu area.

However, as social scientists we do not support the concept of total eradication of all coca leaf in the Tingo María-Aucayacu area; and we doubt the feasibility of total eradication because of its political implications.

3. We believe that, in the event of eradication, the GOP must guarantee the continued supply of leaf from the Tingo María region which is destined for internal consumption. We believe that an efficient control system should be able to guarantee availability of leaf for legitimate purposes while suppressing the trafficking of leaf for illegitimate purposes. We note that an inefficient control system will inefably debilitate proposed plans for development because agriculturalists find coca farming far more lucrative than any other agricultural activity.
4. We note that the majority of agriculturalists grow small quantities of coca leaf which traditionally has contributed to only a part (although an important part) of their family income. We distinguish these agriculturalists (the majority) from a much smaller group of agriculturalists who have much larger holdings (a monocrop); although we do not know exactly what percentage of the total agricultural population in the region this latter group (a minority) comprises.

We believe policy decisions with regard to eradication must consider the diversity of existing land tenure patterns, the distinct amounts of land in coca production among differing groups of growers, and the traditional systems of barter and exchange of coca leaf for highland products.

A single policy of eradication of all coca leaf in the region, based on an assumption that all growers are large landholders and "narcotraficantes", appears inappropriate given the existing economic and social realities in the region.

Such a policy of total eradication seems particularly ill-advised given our lack of knowledge concerning how much leaf from the region traditionally has served the internal consumption needs of the Peruvian people and will be required in the future to meet these needs; and given our basic lack of information concerning present land tenure systems; and how these land tenure systems can be transformed to accommodate the needs of thousands of agriculturalists who may become physically displaced from their homes on the hillside if and when coca leaf is eradicated there. Agriculturalists who practice a centuries-old tradition of barter of small quantities of coca leaf in exchange for highland products such as potatoes, onion and meat should be permitted to continue to do so. Alleged harassment by police of agriculturalists carrying small quantities of leaf for barter in the Sierra, if actually perpetrated by police, must cease.

5. ENACO (Empresa Nacional de la Coca) presently appears to play no significant role in the control of coca cultivation in the region. We believe that ENACO should play a strong and vital role in the control, commercialization and distribution of whatever leaf is permitted to be cultivated if and when eradication efforts begin.

6. Police control and alleged harassment of some agriculturalists residing close to the Tingo Marfa-Aucayacu highway appears to have contributed to a reduction in the amount of coca which is cultivated by some agriculturalists.

We believe an objective evaluation of these police actions is important in order to evaluate the efficacy of control methods in significantly reducing coca cultivation on a broad basis. Vast fields of coca (a monocrop) apparently exist high up on the hills of the main highway; yet it is the smaller farmer close to the road who is most frequently the object of police actions according to a number of colonization authorities with whom we have spoken.

due to coca access?

Authorities state that despite police actions, basic paste continues to be produced in the region; and increased numbers of police interdictions of paste are being reported. The head of the Supreme Court of Huanuco asks, "What becomes of all this paste which has been confiscated?"

7. We recognize the serious social costs of cocaine use in the United States and also in Perú. However, we ask whether the social costs of cocaine use in the United States warrants the social disruption of the lives of thousands of coca farmers which will result from coca leaf eradication? Many farmers cultivate coca leaf as only a part of their family economy. What impact on their economic well-being would result if and when coca is eradicated? (See Appendix I for a discussion of the prevalence of cocaine use in the United States written by one of us.)
8. We note below potential obstacles to successful economic development of the region. ~~A fuller discussion of these obstacles and our suggestions for how they can be met appears in our concluding section of this report (Page 53):~~
- A. Lack of information concerning present patterns of migration into and out of the area, and paucity of information regarding present land tenure systems will complicate development efforts.
 - B. Incapacity of the present office of Agrarian Reform in Tingo Marfa to supervise land titling operations, and to deal with the many conflicts over land invasions, incursions, and transfers which are reported almost daily, is related to "A" above.
 - C. A tendency on the part of agricultural extension agents in the area to promote specialized farming and cattle raising activities as opposed to promoting a mixed farming system based on the cultivation of a number of distinct crops has contributed to past failures of agriculturalists.
 - D. Some agroindustrial enterprises such as EMDEPALMA have a limited absorptive capacity for processing what are already existing quantities of agricultural products, such as palm plants. Have there been studies of the further absorptive capacities of proposed agroindustrial enterprises?



- E. An inadequate system for the commercialization of agricultural and agroindustrial products exists throughout the region.

This includes the inability of state agencies such as ECASA or ENCI to purchase maize, rice and soya at prices which allow the agriculturalists to realize a profit.

Exorbitant Agrarian Bank interest rates make adequate commercialization of agricultural products still more problematic for the peasant farmer.

- F. The failure of some cooperatives to meet the productive needs of its members is in part due to an excessive paternalism by government officials towards these agriculturalists.
- G. The individualism which characterizes social life in the region, and an apparent absence of social structures at the community level which bind community members together, will complicate the actual carrying out of development projects.
- H. The position of the GOP with regard to the eradication of coca leaf, and with regard to the future role of ENACO in the region remains ambiguous; and creates a sense of confusion among agriculturalists with regard to the ultimate intentions of the GOP regarding their life and well-being.
- I. A passive and skeptical attitude concerning GOP development efforts exists among peasant agriculturalists based on their past experiences of government development projects.

Finally we emphasize that:

- 1) So far it is not clear how planners intend to actually carry out proposed programs.
- 2) There has been little discussion of past development efforts in the area (BID for example), and what can be learned from these experiences to avoid future mistakes.
- 3) There is a need for continued anthropological evaluation of the impact this control development program will have on the lives of the beneficiaries.
- 4) We note that the PID identifies this development effort as an economic as opposed to a social development project. We suggest greater attention also be given to ways in which social programs can be used to buffer the impact that the eradication part of this eradication-development project will have on the lives of the beneficiaries.

I. HISTORICAL PERSPECTIVE

Project Setting

The project setting of this social analysis is the Upper Huallaga Valley of Peru between the towns of Tingo María in the Department of Huánuco and Campanilla in the Department of San Martín (See Appendix 2 to this report).

The total project area is a vast one covering some 1,052,218 hectares located along the Upper Huallaga River between Tingo María and Campanilla.

We visited the area between Tingo María and Tocache in carrying out our work although the greatest amount of time was spent in the project's two most important sub-priority zones, Aucayacu and Tingo María. This priority zone is limited by the Pendencia and Aspunas Rivers on the east bank of the Huallaga, and by the Cuchara and Magdalena rivers on the west. This zone includes a total of 120,941 hectares of land.

Process of Land Settlement

The zone that is today the Tingo María - Tocache - Campanilla colonization area was first settled in the 18th and 19th centuries.

Migrants from the Sierra first came at the beginning of the 19th century and settled on the left-hand margin of the river in proximity to Sierra communities of Ancash (as is the case of Uchiza and Tocache).

Uchiza and Monzón are traditional coca growing communities primarily settled by Sierra migrants, and more recently, as is the case of Monzon, by migrants from San Martín.

A second population boom took place at the beginning of the twentieth century with the boom in rubber ("shiringa"). "Shiringa" was transported by boat to Tingo María from port towns such as Puerto Nuevo, Puerto Prado and La Roca. The Huallaga River remained a major source for transporting Caja de Selva goods up through the 1950's.

The construction of the Huánuco - Pucallpa highway in 1938, and the Tingo María - Aucayacu road with BID funds in the 1960's promoted urban development, and provided an impetus for population expansion into the area. Population growth has accelerated since that time.

Once the Tingo María - Aucayacu road was constructed, towns developed along the sides of the road all the way to Tocache. Tingo María from earliest times was the major commercial center of the region.

Colonos who arrived in the late 1930's to help build the Huánuco - Pucallpa highway, and in search of land settled in the Tingo María area and were provided by colonization authorities with enough land for a house-site, seeds to cultivate crops, and tools to work the land, all of them free.

688+

The Granja de Colonización of Tingo María began to experiment with coffee and tea cultivation (between 1938-45); and the Estanco del Tabaco was created in the early 1940's.

Tingo María grew as agriculture developed; especially agriculture based on coffee, bananas, and tea prospered. Extraction of latex from trees was also an extractive industry in early years.

An office of the Banco de Fomento Agropecuario (forerunner to the Banco Agrario) was located in Tingo María by the late 1940's; and Tingo María's hospital and airport date from 1949. Tingo María has had a post office since 1939.

The 1950's brought electrification to Tingo María, the construction of a movie house, the arrival of the Banco Popular del Perú, SCIPA (Servicio Cooperativo de Producciones de Alimentación), a Colegio de Abogados, and telegraph office.

The 1970's saw significant changes in the urban scene as capital was drawn into the area not only as a result of the earlier BID projects, but by the growing activity of coca cultivation and its blackmarket sale. More modern cement structures increasingly began to replace the more traditional wood house type both in Tingo María and Aucayacu. "Coca money" has been responsible for the urban growth of Aucayacu in recent years.

A second type of settlement which formed as the result of the colonization were cooperatives of production and service (CAPS and CAS) which we will discuss later. The first organized settlement in the region occurred in 1964 when the GOP attempted to transfer a group of people from the barridas of Lima to La Morada, 95 Km. south of Tingo María. Previously an Italian company had launched a land development scheme bringing forty families to the Tingo María area.

Land Invasions

As early as the 1960's, and possibly even before, migrants arrived from the Coast, the Sierra and from other parts of the Selva invading lands legally owned by multifamily units, abandoned or unused cooperative lands, or lands owned by agroindustrial enterprises. These "land invasions" accelerated throughout the 1970's when migrants arrived in large numbers attracted by "the coca fever".

These "invaders" have worked the lands they now occupy diligently; and frequently have formed associations such as the "Nueva Esperanza" association occupying land once owned but not worked by the cooperative Té - Café El Dorado.

The lives of these migrant invaders have always been precarious. Many have come to the area as long ago as twenty years, and brought land from large land owners, giving these "invaders" the right to work the land they now occupy. However, their right to these lands is not recognized by authorities from the Agrarian Reform office. These "invaders" fear that if and when a next stage of agrarian reform occurs they could be thrown off their lands. Invaders in recent years have tended to occupy lands further up the hillside since there is little or no land left on the valley floor.

No one knows how many persons live on the hillsides between Tingo María and Aucayacu which is within the colonization area proper but not part of the land distributed and adjudicated by Reforma Agraria. It is estimated, however, that for one area alone between the town known as Kilometer 8 and Aucayacu there are 8,000 peasants. Some of these agriculturalists formed "associations" in response to last year's Verde Mar operations. It is said that some of these peasants cultivate coca.

A recent (May 1981) survey of the Sector Rio Oro within the Parque Nacional near Tingo María carried out by the Ministry of Agriculture's Forestry Section indicates that over 90% of those surveyed thus far are originally from the Sierra; the majority have purchased land from former owners; have resided in the area over five years; have five hectares or more of land; and admit to cultivating nearly as much coca as they cultivate coffee or bananas (Appendix 3). Ninety percent of these "invaders" state they are in need of agricultural credit at rates they can afford, and want technical help from the Ministry of Agriculture.

Land invasions throughout the years have resulted in land disputes and conflicts between neighbors over land boundaries. The number of lawyers in Tingo María specializing in among other things land disputes, has increased significantly over the last ten years. Tingo María now has many more lawyers than it had ten years ago.

Population Growth

A 1940 population estimate of Tingo María places its population at 1,902 persons. By 1945, 5,000 persons were believed to be living in the Tingo María - Tocache region. A 1962 study indicates that 27,974 persons occupied the region in that year. Arrumburu calculates that by 1962 Tingo María and Aucayacu together accounted for 6,119 residents. Table 1 describes demographic change in the area since 1961. (See next page.)

The period 1961-1972, when the BID project was in effect, is characterized by an annual population increase of about 10 percent, three times the national average. By 1973, Arrumburu calculates that 55% of all colonos in the area had migrated from the Sierra.

The period 1972-78 is characterized by a slowing down in population growth although the growth rate still remained significantly greater than the national average. By 1972, the population in the Tingo María - Aucayacu area was over 20,175.

Statistics based on Tingo María's hospital records suggest a significant population increase from 1978 - 1979, that is, from 30,243 to 38,283 persons living in the Tingo María and Aucayacu urban and surrounding areas. These statistics, of course, must be interpreted with caution because of the unreliability of statistical data in the region.

Nevertheless, they point to a trend towards continued increased population growth in the Tingo María - Aucayacu area, up through the late 1970's. We believe that this growth, especially since 1975 parallels a growth in "the coca fever". The impact of Verde Mari I and II probably has been

POPULATION CHANGE IN THE PRIORITY AREA

CUADRO 3.1.1.-1

EVOLUCION DE LA POBLACION DEL AREA PRIORITARIA (1)

Año	Total	% Urbana	% Rural	Tasa Incremento Anual % (3)
1961	6,119	20.0	80.0	9.7
1972	20,175	24.0	76.0	6.98
1978	30,843	39.0	61.0	6.70
1990 (2)	35,185	-	-	6.70
1995 (2)	49,257	-	-	6.70
1990 (2)	68,556	-	-	

(1) Se ha considerado como tal al Distrito de José Crespo y Castillo (Prov. de Leoncio Prado, Dpto. de Huánuco) y parte del Distrito de Cholon (Prov. de Marañón, Dpto. de Huánuco). El Distrito de José Crespo y Castillo fue creado recién el 26.12.63, por lo que el dato es estimado para 1961.

Los datos para 1961 y 1972 son tomados de los respectivos Censos Nacionales. Los datos para 1978 son tomados del Diagnóstico Situacional elaborado por el NPC de Aucayacu en 1979.

(2) La población total ha sido proyectada asumiendo una tasa de incremento casi igual a la registrada en el período 1972-78. Como se explica en el informe, esta tasa probablemente no será tan alta (6.69% anual) durante todo este lapso, por lo que estos cálculos pueden estar sobre-estimados.

(3) Tasa de crecimiento anual = $\left(\frac{P_i - P_c}{\frac{P_c + P_j}{2}} \right) \times 1/n \times 100$

Source: Arramburú 1980

to slow down in - migration and accelerate out - migration. There is a general consensus among our informants that "people are leaving the area." Only future demographic analysis will be able to substantiate this common assumption.

We can not emphasize enough the importance of a better understanding of this migration process for future development efforts in the region. Labor scarcity has always been a limiting factor of economic activity in the zone. One can only speculate at this moment what potential impact eradication of coca might have on the future migration of peasants in the area and upon the availability of labor. While a mass depopulation of the zone is unlikely, many agriculturalists have maintained contact with their home communities over the years; and it is not inconceivable that many might return.

Population Composition and Distribution

Arrunburu notes a higher ratio of men to women in the colonization area than is found elsewhere in Peru; and suggests that this reflects the fact that many men come alone in search of work. He also notes that the age of the population in the colony tends to be rather young.

This population is spread out for the most part along the length of the Tingo María - Tocache highway in small towns ranging in size from less than 100 to 200 persons except for the larger urban centers such as Tingo María, Aucayacu, Tocache, Uchiza, etc. Arrunburu notes (1980:17) that the dispersion of this population along the highway will make provision of services costly and difficult.

Economic Activities

The overwhelming majority of the rural population is dedicated to either agricultural activities or cattle raising or some combination.

A small rural work force has developed among several agroindustrial enterprises, such as EMDEPALMA near Tocache, MAPRESA outside Tingo María, and Tabacos del Perú outside Aucayacu.

Arrunburu (1980) discusses the occupational status of persons in the colonization area, and notes on the basis of the 1972 census that 37% of the people in the District of Jose Crespo y Castillo were jornaleros or salaried wage earners.

However, since 1972 many of these rural salaried wage earners have surely disappeared with the decline in numbers of members of cooperatives and with a falling of some agroindustrial enterprises which once employed workers. The next census may well reflect a much higher proportion of "independently employed or unemployed" agriculturalists who represent the large numbers of migrants who came to the area in recent years attracted by "the coca fever".

Cultural Heterogeneity

A cultural heterogeneity characterizes the population occupying the Tingo María - Tocache - Campanilla colonization area.

Colonos or migrants are referred to as either "serranos", "costeños", or "montañeses" depending upon where they or their parents originated.

Examination of the place of origin of parents of children in school in Aucayacu suggested a wide geographical background although eighty percent of parents of school age children were from the Sierra.

Distinct geographical origins of colonos has limited development of a sense of community spirit. Caserfos are collections of vecinos with little sense of historical experience to bind them together; and they have been seriously affected by the centrifugal forces of in and out migration for over thirty years.

Cultural assimilation to Selva life has been complete in some cases, and exists to varying degrees throughout the region; the result is a potpourri of socio-cultural heterogeneity which has weakened development efforts in the past. Distinct proveniences and cultural heterogeneity have not, however, prevented the formation of comites dedicated to coca growing, to cattle raising, or some other rural economic activity from time to time.

These comités or asociaciones de productores unite agriculturalists out of a need for common defense against those whom they perceive to be their adversaries, whether their adversaries are perceived as land invaders or Guardia Civil police. However, these comites are usually short-lived because of the socio-cultural heterogeneity which characterizes their membership.

11. ECONOMIC CHANGE

Evolution of the Land Tenure System

A number of distinct laws and legal decrees throughout the twentieth century helped mold the present land tenure system.

The colonization authorities, and later the office of Agrarian Reform authorities of the Ministry of Agriculture have never had sufficient resources to keep pace with the numbers of land invasions, abandonment of lands, or sale (albeit illegal) of plots of land from one tenant to the next.

In the early years of the colonization, most colonists received from colonization authorities parcels of land ranging from 15 - 50 hectares, although there was no legal limit on the amount of land which could be distributed to any one colonist. Land owners such as Pratto, Durán and Prado became owners of thousands and thousands of hectares of land in the Tingo María - Aucayacu area.

Law 8687 passed in 1938 authorized colonization authorities the right to distribute land to colonists in an amount individual colonists felt they were capable of rationally exploiting. An examination of land holding as it existed at the very beginning of the BID colonization movement (1962 SCIF) indicates the then existing disparity in land ownership. (See Appendix 4.)

By 1962 only 38 parcels of land had been adjudicated by Reforma Agraria of the 681 which were to be adjudicated. Fifteen of these 38 were of 200 or more hectares and made up 99% of the area of adjudicated land. Of the approximately 96,000 hectares of unadjudicated land, 16 lots comprised 34,710 hectares; and only 23 of 681 lots were 10 hectares or less for a total of 101 hectares or .16% of the 95,710 hectares of unadjudicated land.

Throughout the 1960's, large land owners, aware of the inevitability of impending agrarian reform legislation began to sell their large land holdings in the form of small parcels to migrants arriving in increasing numbers to the area.

Legal Decree 17716 was passed in 1969 which authorized Agrarian Reform officials to distribute land to settlers most of whom received plots of land of 15 hectares, and 50 hectare plots if they raised cattle.

Land meant to be worked in common by families living adjacent to one another (multifamiliar plots) were also distributed. In addition, each of these family units received 15 hectares for its own use.

By 1973, according to Arrumburú, only 22,000 hectares of land or 17% of the 130,000 hectares proposed for resettlement, were in production. Twenty five percent of colonos who were working the land were posesionarios without permanent legal title to their land.

D.L. 20653 resulted in a series of readjudications of land; and required Agrarian Reform officials to personally inspect these land parcels which were to be adjudicated by their office.

The multifamiliar land-holdings, a product of 1960's agrarian reform efforts, in fact, never were worked in common as originally proposed. This was probably due to the inability of individual families to work all of their 15 hectares of land, let alone additional community owned plots. These abandoned multifamiliar plots eventually became occupied by migrant land "invaders".

Cooperative Associations of peasants known as CAPS, were also formed in the 1960's as a result of agrarian reform legislation. Groups of individual farmers made up these cooperative production units; and they were eligible to receive thousands of hectares of land if that much were needed, as was the case for those CAPS dedicated to raising large herds of cattle.

D.L. 17716 of 1969 established 19 cooperative associations in the Tingo María - Tocache - Campanilla region (a complete list of these 19 cooperatives is provided in Appendix 5), including a Central de Cooperativas to meet the administrative needs of the individual cooperatives which comprised the Central. These 19 cooperatives encompassed 500,000 hectares of land.

Two types of cooperatives were formed: Cooperativas Agrarias de Producción (CAPS). Five of these CAPS were made up of groups of individuals specifically brought to the area by the GOP. One of these, SAIPAI (now named CAP Perú Oriental) was given thousands of hectares.

A number of the CAS' had been formed earlier during the first regime of Belaunde; and their goal was to provide technical help and credit to individual farmers.

Unfortunately, many of these cooperatives over the years failed due to a variety of reasons including the social heterogeneity of their membership, a lack of technical assistance, and high bank interest rates; and the more assured of income resulting from coca farming.

Over time, the number of migrants to the colonization area who owned or worked individual plots of land has far outnumbered the number of socios of cooperatives. The tendency toward the individualization of land ownership, and toward increasing minifundismo prevails to this day.

Traditional and Commercial Agriculture

Those crops which are today most frequently cultivated were cultivated as early as 1938 at the Tingo María Experimental Station (forerunner to the present University of the Selva). These crops include rice, corn, peanuts, cacao, coffee, tea, bananas, and of course, coca.

A report on crops cultivated in the Tingo María area in 1943 notes a total of 1275 hectares in production, including 140 hectares of coca leaf. By 1945, 2,907 hectares of crops were in production in the Tingo María area of which 311 hectares were dedicated to coca. Coffee, tea, quina, and citrus plants, along with coca, accounted for most agricultural production in the region.

By 1959 rubber, tobacco, coffee, sugar cane, rice, maize, beans, peanuts, yucca, citrus plants, and pasturage for cattle were found in the Basin of the Huallaga river. Higher up, bananas, coca, pepper, and pineapple were grown; while still higher up, in the area of the Rio Azul and La Divisoria, there were tea plantations (Chia 1959).

Commercialization of bananas was a prosperous economic activity for many farmers throughout the 1950's up into the 1960's before this crop became limited by disease. Bananas were brought to Tingo María from as far away as Progreso; and some farmers made enough money off their sale to enable them to buy their own motor vehicles for transport of bananas.

At the same time, throughout the 1950's and into the sixties, the commercialization of coffee was a lucrative business. Coffee was brought from as far away as Tocache by boat to Tingo María as late as 1965. It is interesting to note a comment made in a 1945 report that "although coffee is not cultivated very extensively in the Valley, it probably has good possibilities for development". The same writer noted that "cacao does not produce enough to cover costs".

Coffee production increased by 35% between 1958-1960 according to figures presented on Page 13. Increased production paralleled a steadily increasing demand for Peruvian coffee on the world market from 1965 on (See next page).

Table 2.

COFFEE PRODUCTION

YEARS	PRODUCTION T.M.	EXPORTATION T.M.	%
1955	12,119	6,813	66.
1956	11,979	7,057	59
1957	18,290	11,075	60
1958	21,285	17,328	81
1959	S.D.	19,150	-
1960	28,629	21,150	73

Source: Evaluación (S.C.I.F. 1962).

By the early 1960's coffee was considered by one writer to be the only perennial which was remunerative for agriculturalists (1962); and, therefore, its cultivation was supported by the Banco de Fomento Agropecuario through loans to farmers. The writer fails to mention, however, the economic importance of coca.

With the decline in the importance of coffee in the 1960's, the cultivation of bananas again assumes relative significance as a cash crop for farmers although not nearly so much so as in earlier years.

By 1970 maize and bananas were of primary importance to the diet of the colonists who by then had no significant cash crop left, neither coffee, bananas or tobacco as had been the case in the 1950's and 1960's.

Table 4 (next page) indicates Ministry of Agriculture statistics for the production of some crops from 1965 to 1977. These statistics suggest that from 1965-1977 maize and bananas were especially important for colonists. Yucca and maize production rise more dramatically than do the other crops indicated.

It is commonly considered that increased cultivation of coca leaf, especially in the 1970's, represents a negative influence on other agricultural pursuits which are less remunerative. In later sections we will address this issue, and note that the stagnation in regional agriculture can only be partially explained in terms of increased coca production.

Fish from the Huallaga was said to be abundant up to the 1950's (1959). However, today there is little or no fish in the Huallaga River near Tingo María, due probably to the earlier practice of dynamiting the waters to obtain fish; and due to the use of various poisons to kill the fish.

Agroindustry

There is a long history of agroindustrial enterprise which dates from the early 1930's when a number of saw mills were in operation. By the 1950's, there were 15 saw mills in the region processing 12 million of feet of wood. (1959:226). A 1962 report notes an over-exploitation of the forest by foreign enterprises; and also indicates that individual colonos from the region had little interest in investing in forestry activity because there was little economic incentive in doing so.

La Sociedad Anónima Italo-Peruano Agrícola was established in 1949; and a million dollars in machinery was imported for this enterprise. La Negociación Agrícola de la Hacienda de Delicias was created in 1939 and its plantations cultivated coca leaf, sugar cane, and processed latex.

By the 1950's, there existed in the region a factory for the dehydration of bananas, a rice mill, and a factory to process yucca. There were several tea plantations, and El Sindicato Monzón plantations were also cultivating a variety of crops.

Table 3.

NUMBER OF HECTARES OF CROPS - TRENDS

<u>Products</u>	<u>1965</u>	<u>1968</u>	<u>1970</u>	<u>1972</u>	<u>1974</u>	<u>1976</u>	<u>1977</u>
Corn	1,846	3,089	3,500	4,800	8,400	10,600	11,500
Bananas	2,203	3,514	4,729	5,300	6,500	7,500	8,000
Rice	530	550	1,800	2,800	2,300	2,800	1,970
Yucca	300	350	400	1,500	1,670	1,800	2,066
Beans	-	305	400	890	700	650	686
Soya	-	-	-	-	470	115	-

SOURCE: Ministry of Agriculture 1981.

The Naranjillo Cooperative was founded in 1964, and currently has plans for processing cacao; Tabacos del Perú (founded 1971) has expanded its operation in the 1970's; and MAPRESA (a cooperative to mill wood) is presently seeking funds to reestablish operations which once existed under private ownership.

Cattle Raising

High interest rates of the Agrarian Bank, among other factors, seriously affected the number of cattle in the area, and the prospects for the development of a more significant cattle industry. Farmers tell of having to sell their cattle to pay off bank debts resulting from interest rates. Many of these farmers turned to coca farming when they were left with no economic alternatives.

By 1938-46, there were 271 head of cattle in the Tingo María area. The next twenty years saw the importation of a great many cows and bulls including Cebu from Brazil and Brown Swiss from Europe which were crossed with local "criole stock". These early efforts at crossing stocks were said to produce good results.

The importation of cattle and the growth in the numbers of cattle increased steadily throughout the sixties into the mid seventies. The greatest number of cattle existed in the Rio Uchiza area (46% of the total number of all cattle in 1977), and the next largest number around Aucayacu. Between 1971-2 the number of cattle in the colonization increased from 12,555 to 23,819 which represents the single largest increase in the history of the colonization.

Throughout the 1970's, however, the numbers do not increase significantly. Considering the fact one expects approximately a thirty percent increase in cattle stock per year, the number of cattle noted in the region from 1972 on to 1976 seems very low.

The Ministry of Agriculture indicates dramatic reductions in the number of cattle in the years following 1976. In 1977, the number drops to 37,500 from 40,000. The Ministry of Agriculture provides some possible explanations for this decline. The two most significant reasons given by Ministry officials for drop off in numbers of cattle are high bank interest rates and the cultivation of coca leaf. What the Ministry of Agriculture does not state is that some of the cattle purchased in the seventies were originally purchased with money accrued through coca farming. Today most cattle in the region are owned by five cooperatives found in the Rio Uchiza, La Morada and Tulumayo areas.

Commercialization

Successful development efforts in the region must consider aspects of the commercialization of agricultural and agroindustrial products. Commercialization of products and the existence of low interest bank loans may be critical components of a development policy.

It is precisely because of past inability of farmers to successfully commercialize maize, rice, soya, etc. that many of them turned to the cultivation of coca leaf. An attempt to eliminate or significantly reduce coca leaf cultivation in the region must consider the present structure of commercialization, existing Agrarian Bank policy, and the history of problems of the Ministry of Agriculture in trying to help peasants develop their agriculture.

The Agrarian Bank

The Agrarian Bank (formerly named the Banco de Fomento Agropecuario) began to assume greater importance as a loan agency in the 1970's. The Agrarian Bank currently has three offices in the area, in Tingo María, Aucayacu and Tocache. The increase in the number of loans offered by the bank increases throughout the 1970's, directly in relation to economic prosperity of the area; and indirectly with the increased production of coca leaf.

According to Agrarian Bank statistics, the amount of money loaned in the region rises from 164,533,054 soles in 1975 to 1,694,380,980 soles in 1980, which does not represent a tremendously significant increase when the rate of inflation is taken into consideration (which has averaged nearly 80% annually for the last several years at a national level and closer to 100% in the region (See Appendix 6).

The percentage of Agrarian Bank loans for the agricultural sector does not rise significantly (and actually declines from 1979-80) over the period 1975-1980.

An examination of the number of loans made by the agricultural bank between 1975-80 for particular crops suggests the following:

Maize

Between 1974-77, there is a sharp increase in amount of money loaned by the Agrarian Bank made for maize. There is a decrease in the number of loans between 1977-78; a decrease which continues until 1980.

Rice

There is a significant decline in numbers of loans and hectares under cultivation from 1976-77 reflecting the failure of rice commercialization by a number of large collectives. However, the number of loans made for rice significantly increases 1979-80, but still remains less than 10% of the total.

Coffee

There is a decline in number of loans for coffee during the period 1975-8; and no appreciable increase in the last two years, although there has been fluctuation in the amount loaned.

Tea

There has been a heavy and increasing inversion of Bank money in loans for tea since 1975 without any significant increase in numbers of hectares brought under cultivation.

Cattle

The number of loans for cattle plummeted sharply 1975-1978 although the number of loans and the amount loaned has again increased in the last two years.

Support for coffee and tea production was heavy from 1975-1978. Since that time, the Bank has made an increasing number of loans for the cultivation of cacao as well.

Cash and Commercial Crops

It is clear from an examination of Appendix 7 that through 1975- the policy of the Bank was to provide much greater support for cash crops such as tea, coffee as opposed to maize, rice or bananas. This continues through the period 1979-1980; and reflects national policy as well, although the period 1979-80 sees increases in the amounts loaned for maize, bananas, etc., and a decrease in coffee, but an increase in cacao.

To Whom are Loans Made

Data available on loans made at the Tingo María branch of the Agrarian Bank indicate that 73 percent of all loans were made to cooperatives and only 25 percent to individual farmers reflecting the emphasis of support for coffee and tea production.

However, there is a very distinct change in this policy from 1979-1980 when almost one half of the loans are made to individual borrowers. Does this reflect increased borrowing for maize and traditional crops, and a general stagnation in the production of coffee.

Indebtedness

Agriculturalists of the region perceive the Agrarian Bank their enemy because of the dramatic rise in bank interest rates in the past two years; bank interest rates are so high that they have forced many agriculturalists to abandon traditional agricultural activities, to liquidate cooperative associations, to sell their cattle, and, in some cases, to begin to cultivate coca.

In earlier years (1960's) bank interest rates ranged from 7-10 percent (1962); and although many agriculturalists who were "illegal invaders" could not borrow from the bank, many other colonists did borrow and began to cultivate coffee, cacao, bananas, etc.; and surely, some of them used these loans to cultivate coca also.

However, both short and long term bank interest rates for agricultural pursuits and for cattle raising activities rose by over 100% since last year (See next page).

AGRARIAN BANKInterest Rates 1980

Short term-up to two years:

agriculture	22%	compounded annually
other (including cattle)	28%	"

Long term-two to twenty years

14%

Interest Rates 1981

Short term

agriculture	46.5
other (including cattle)	

Long term

agriculture	32.5
other (including cattle)	32.5

Interest earned on bank savings

1981

90-179 days	52.5%
180-359 days	53%
360 days	54%

Rate of Inflation

1979-80 80% nationally; 90% locally

An examination of the current status of cooperatives (Appendix 8) indicates that many cooperatives are in the process of liquidation or have been liquidated. Members of cooperatives claim that a principal problem of the cooperatives is high bank interest rates which have forced individual cooperative members to sell off cattle, machinery, or abandon large areas previously under cultivation.

There is no way to calculate the actual rate of indebtedness in the region since many people formerly in debt have simply left the region. However, Table 7 indicates that in 1980 over ten percent of those individuals who borrowed money in 1980 have not repaid their loans in Tingo María, 3 percent have not paid in Tocache; and in Aucayacu the number is close to 10 percent. These percentages do not reflect the large numbers of individuals whom the bank has declared incapable of ever paying back their loans (castigados) whose property (minus land) the bank can expropriate and resell. A description of the numbers of loans made in the Tingo María in 1980 and the number of "castigados" appears attached to Appendix 6.

Commercialization by State Agencies and Cooperatives

Agriculturalists say that commercialization of agricultural products, in particular by state agencies, is inefficient. This inefficiency has meant that many peasants have preferred not to cultivate maize, rice, soya, etc. in as great a number as is possible because these agriculturalists fear that state agencies such as EPSA (Empresa Pública de Servicios Agropecuarios) which has been superceded by ENCI (Empresa Comercializadora de Insumos), and ECASA (Empresa Comercializadora de Arroz Sociedad Anónima), and ENACO (Empresa Nacional de la Coca) pay prices which are too low or at times do not buy at all from agriculturalists. Yet, there is little recourse for the farmer to sell these products elsewhere.

In a previous report, (MASI 1979) one of us identified the marketing system as a major constraint upon economic development; and we noted the following:

The marketing system is a major constraint upon economic development of the High Jungle area where coca is cultivated. In the urban areas of the country there is a shortage of rice, soybeans, beans, corn, and other commodities. But producers in the High Jungle areas are not motivated to produce them because of poor marketing conditions. EPSA, the government agency responsible for buying staple crops has not been doing its job properly. Products have been underpriced and farmers are being paid by check which takes a long time to clear. Private wholesalers pay cash, but the price paid to the farmer is even lower than that paid by EPSA. Consequently, farmers have been shifting to coca cultivation.

Part of EPSA's problem has been insufficient funds. Another is its price policy. A third is a lack of adequate storage facilities. Minimum prices paid by EPSA should be updated every six months because of the rapidly increasing cost of inputs to the farmer and general inflation (MASI 1979).

TABLE 4

AGRARIAN BANK DEBTS *

		1977	1978	1979	1980
- Tingo María	# Loans	388	629	457	606
	amount	264'884,200.-	307'134,200.-	564'675,275.-	,173'231,480.-
	% in debt				10.87
- Aucayacu	# Loans	515	706	71	238
	amount	29'959,750.-	6'998,000.-	10'534,000.-	118'182,500.-
	% in debt				2.73
- Tocacho	# Loans	172	411	159	436
	Amount	8'352,600.-	20'974,500.-	19'921,000.-	91'554,000.-
	% in debt				9.65

Source: Agrarian Bank

* Data on debts were available only for 1980.

EPSA is now named ECASA, but there has been little change in the efficiency of this agency; and in the complaints farmers have about its functioning.

An examination of Table 5 (See next page) indicates that there has been a stagnation in the amount which these state enterprises pay farmers. When the rate of inflation is taken into consideration, it is clear that the real amount that these agencies have paid farmers over the last several years for their products has decreased or not increased significantly. This decrease has made it harder and harder for farmers to meet basic costs of production; which in turn has led them increasingly to turn to coca farming for their economic salvation.

Ministry of Agriculture

The Ministry of Agriculture in the past (up to 1972) played an important role in technical assistance in the region. However, for a number of reasons peasants now perceive the Ministry of Agriculture now as inefficient, lacking resources to assist them, or unwilling to help. The low level of productivity of the Ministry of Agriculture is yet another factor for why farmers in the last several years have under emphasized traditional agriculture, and have taken up coca farming in increasing numbers.

Appendix 9 lists the number and type of employees of the Ministry of Agriculture offices in Tingo Maria and Aucayacu. These organizational charts indicate an array of specialists in agrarian reform, commercialization, irrigation, etc. Peasants note, however, a tremendous gap between the structure of the Ministry of Agriculture as it exists theoretically on paper, and the functions it actually performs in the field.

The Ministry of Agriculture officials of Tingo Maria note in a recent report (1981) a number of limiting factors on their ability to promote agriculture. Among the most significant factors they note is the expansion of coca farming which the Ministry claims has displaced other agricultural and cattle raising activities by 90% (1980).

Other limiting factors include insufficient personnel, few vehicles; lack of coordination with state agencies such as ECASA and ENCI; and a national policy of price ceilings on certain crops by which the government makes it prohibitive for agriculturalists to realize a profit off these crops.

Ministry personnel also recommend that the GOP make an official statement clarifying its position on the legal status of coca cultivation; that the government actually begin to control the cultivation of coca; that a more rational policy of cultivation of crops based on ecologically suitable zones be undertaken; and calls for renewed support for the GOP experimental station in Tulumayo. Finally, the Ministry of Agriculture office emphasizes the need for additional resources so that it can properly monitor conflicts

Table 5

COMMERCIALIZATION

	Year Established	Product	Purchase Price		
			1979	1980	1981
EPSA	1972	Unmilled rice	16 S/Kilo	41/K	
		corn	S/ 38.40 Kg	S/ 65.00 Kg	S/ 79.00 Kg
ENCI	18 - 04 - 79	soya	S/ 84.00 Kg	S/ 120.0 Kg	S/ 120.00 Kg
		sorghum	S/ --	S/ --	S/ 60.00 Kg
ECASA	04 - 01 - 80	rice	--	S/ 75.00Kg	S/ 127.00 Kg
Agriculture Ministry	--	--	--	--	--
COOP. AGROP. NARANJILLO	24 - 12 - 64	coffee	S/ 264.00 Kg	S/ 487.00 Kg	S/ 600.00 Kg-10% incre=
		cacao	S/ 700.00 Kg	S/ 600.00 Kg	S/ 600.00 Kg
			11,000/arroba		
ENACO		coca			
Tobaccos of Peru	72	tobaccos		355/Kg	56/Kg (percent)

over land, follow transactions, and pay on-site visits to farm lands which it is now impossible to do given the office's lack of resources.

A significant factor in the lack of support given by Ministry of Agriculture technicians to farmers also stems from a demoralization of its technicians due to low wages which by no means have kept up with the extraordinary rate of inflation in the Tingo Maria - Tocache region.

Some technicians who have worked for over 15 years for the Ministry of Agriculture are presently earning less than 200 dollars a month (72,000 soles per month). Last year these workers received a pay increase of approximately 30 percent above the previous year's wages while inflation in the region for basic items of food and clothing averaged over 100%.

It is clear that future development efforts which involve the Ministry of Agriculture must consider the daily facts of life which the Ministry employees live. Demoralization and low salaries can be overcome with adequate remuneration. Currently, coca farmers earn much more than Ministry officials.

Status of the Colonization to 1978¹

The University of The Selva (UNAS) carried out a study which summarized the status of the colonization up to the period 1978. A summary of the results of this evaluation indicates:

1. A chaotic land tenure situation in which the office of Agrarian Reform has been unable to achieve a rational policy of agrarian reform.
2. An inadequate number of houses for the colonists.
3. Failure to maintain roads.
4. A failure to meet the goals for agricultural development and cattle raising proposed by the initial BID plan.
5. Eleven of the nineteen existing cooperatives either failing badly or already liquidated.

The report concludes that a lack of technical assistance is the primary reason for the failure of the colonization to date (1978), and a principal reason for agriculturalists to turn to coca farming.

The Impact of Change on the Well-Being of the Population

The 1930 Fundacion Para El Desarrollo study treats in great detail the levels of health, education and overall well-being existing in the region. We wish only to comment on the present social atmosphere of the Tingo Maria and Aucayacu regions as a result of Verde Mar police actions, and the potential impact of reduced coca cultivation on the well-being of the population in the region.

¹See UNAS study, Appendix 10.

The Verde Mar I and II police actions have heightened tremendously the feeling of anxiety among peasants in the region who presently cultivate coca because these peasants are vulnerable to police harassment and to arrest as a result of Decree Law N° 22926 passed in March 1980, which declared the region in a state of emergency. Coca farmers believe that, in the eyes of the world, they are criminals ("narcotraficantes").

This heightened anxiety of coca farmers (who before the police actions represented over fifty percent of the population in the Valley) is accompanied by a reduced availability of cash income due to inability to sell coca leaf at previously existing higher rates. An indirect result may well be a diet based on even greater consumption of carbohydrates and less protein than is already the case.

Over fifty percent of the coca farmers in the region do not hold legal title to their land, i.e., are (posesionarios). They people currently experience anxiety over potential future loss of their land; land which some of these agriculturalists have farmed for over twenty years. They fear coca eradication may mean readjudication of existing rights to use land.

A decrease in the acquisitive power of coca farmers must be viewed in the context of an accelerating cost of living in the Tingo Maria - Tocache area. Will the gap between an accelerating cost of living (itself a reflection of past "coca affluence") and the loss of the farmers acquisitive power be reflected in increased rates of morbidity and mortality (which are already high by national standards) in the future? Can alternative sources of cash income be generated by development efforts to avoid a further reduction in levels of well-being? The cost of basic necessities sold in the market place continue to rise while incomes have stagnated (See Appendix 11)

While many agriculturalists cultivate products sold in the market places, reduced cultivation of basic crops such as yucca or maize to plant coca. Previously cited statistics on bank loans suggests that many peasants may be returning to the cultivation of these traditional crops to meet familiar internal needs.

A study carried out by the Cooperative Narajillo of the costs of living for persons living in the urban zone of Tingo Maria in 1980 suggests that the average income of a worker after taxes was 28,350 sol (See Appendix 15). At the same time, this study calculated that the cost of living of two persons in one month totalled 37,700 soles. Larger family units are even further "into the red".

Urban commercial activity has stagnated in the last year due indirectly to Verde Mar police actions and to the flight of capital out of the region, and due to the failure of new capital to be generated. Residents in the city and in the countryside facing a moment of crisis with potentially serious implications for their health and well-being if development efforts do not result in improvement of the present economic and social depression which exists in the region, and if coca is eradicated.

It is necessary to understand the present health of agriculturalists to better understand how movement away from coca farming may affect the well-being and status of the population. Unfortunately, baseline statistics are few. Those which exist indicate a higher overall rate of mortality in the area than the national average (although there exists a lower level

of infant mortality). Sixty percent of all childhood morbidity is said to be related to malnutrition which is widespread throughout the region.

There exists a wholly inadequate health infrastructure in the region with only one hospital in the entire area serving the needs of some 51,560 people (a 1979 estimate).

II. SOCIOECONOMIC PROFILE OF THE BENEFICIARIES

Legal Situation of the Colonists

We point to the highly irregular and chaotic nature of the present land tenure system by analysis of field data based on a census of four subdivisions of the Colony made by the Ministry of Agriculture in November of 1980. This data represents our most complete picture of land tenure for any single zone of the colonization area.

This chaotic land tenure situation from 1966 when the Oficina Nacional de Reforma Agraria (ONRA) (National Agrarian Reform Office), under law 1537, resettled 2,150 families which had until then occupied an area of 30,000 hectares. At the same time, the Peruvian Government encouraged the spontaneous settlement of highland peasants and urban dwellers in order to establish new colonization enclaves (See the 20 year plan prepared by the ONRA, "Colonización Huallaga, Tingo Maria", ONRA, Lima, 1965). Up until that time settled colonists possessed no officially recognized title to their land.

It was only in 1969 that the Dirección General de Reforma Agraria y Asentamiento Rural (DGRA-AR) (General Agrarian Reform and Rural Settlement Bureau) began to arrange purchase contracts with each of the colonists settled in the Colony under Law 17716. Accordingly, each colonist was classified as the recipient of an award, and assumed a debt to the State which was largely symbolic and which could be repaid over a 20 year period. The agriculturalist was also obliged to fulfill certain provisions, such as "working the land directly; not selling, encumbering, or conveying his rights over the unit awarded". Thus, according to this Law, the State exercises control over the landholding, while the peasant has a right only to its "improvements" (perennial crops, livestock and infrastructure). As a result, the colonists transfer only their "improvements", but the appraisals thereof include also the traditional right to possession of the land itself.

The Agrarian Reform Laws lack of precision with regard to the issuing of land titles has given rise over the years to serious personal disputes over land which have been aired in a variety of government offices, such as: Offices of the Magistrate, Provincial Council, regional offices of the Ministries of Labor and of Agriculture. Terms such as "adjudicatario" (award recipient), "poseionario" (holder) and "precario" (precarious dweller), which are derived from the implementation of the Agrarian Reform Law, together with other traditional terms such as "mejorero" (one who builds on leased land) and "arrendatario" (lessee, tenant) suggest the complexity of the land tenure situation.

According to the census taken by the Agrarian Reform Office in November of 1980 of 1,173 families in four of the Colony's 16 subsectors (08, 09, 10 and 11 of Cholon, Uchiza and Tocache), it can be seen that 39.4% were "adjudicatarios" (award recipients), 43.4% were "poseionarios" (holders) and 17.2% were precarious dwellers (See Table N.6). A similar result was obtained from the

survey carried out by a group of social scientists for the Plan for Execution of the Integral Rural Development Project of the Alto Huallaga in April of 1981. In that case, like ours, the statistical data come from census registration data from an area within the official limits of the Colony. It is possible that the proportion of "precarious dwellers" has been underestimated in both of these surveys.

Table N.6

Legal Land Holding Status of the Colonists of Cholon, Uchiza and Tocache

Legal Status	No. of Farms	% Age
Award recipients	463	39.4
Holders (by purchase)	508	43.4
Precarious dwellers (no title)	<u>202</u>	<u>17.2</u>
Total:	1,173	100.0

The Agrarian Reform office of the region determined each colonist get one plot of land. In the four subsectors mentioned we find a total of 1,173 pieces of real estate that were initially awarded to 1,173 colonists known as "award recipients". Hence, it can be seen that only 39.4% of the present inhabitants are colonists who have been legally settled since 1969, the date at which the Agrarian Reform Law went into effect. As a result, 60.6% of the original colonists have transferred title to their land or have merely abandoned their plots which have subsequently passed into the hands of new holders or "precarious dwellers".

The so-called "holders" possess no titles issued by the Agrarian Reform Office. They only show certificates of possession granted by the Ministry of Agriculture for purposes of bank loans, or a letter or contract of transfer executed before a magistrate, or a provisional contract between interested parties.

Table N. 7

Identification Documents Referring to the Units
Awarded in the La Morada Subsector

Document	No. of Farmers	% Age
Title: Deed	4	2.6
Adjudication or Award Contract	50	32.0
Contract Executed Before The Magistrate	46	29.5
No Documentation	<u>56</u>	<u>35.9</u>
Total:	156	100.0

Source: Census Registers of the Colonists of Subsector 05 of La Morada, taken by the Ministry of Agriculture in November of 1980.

"Precarious dwellers" are those who work abandoned plots of land, or who have not yet regularized their legal status, or are the occupants of land adjudicated originally for cooperatives, or "Invaders" of lands given to forestry concessions. During the course of our field work in the Tocache and Tanata areas, we verified that the lands awarded to the ex-cooperative "Nuevo Horizonte" were "Invaded" by 60 peasants shortly after the cooperative was declared bankrupt.

The new occupants are organized as a committee known as "Nuevo Chalhuayacu", and are in the process of negotiating with the Ministry of Agriculture the official division of the 1,300 hectares of settled lands into individual lots. One sector of the EMDEPALMA Enterprise has also been "Invaded" by a group of farmers. Further north, in Tanata, another group of farmers took possession of forested lands previously granted by the Government to a wood mill owner of the region. In that case, the Committee numbered a total of 103 members from the Northern Highlands (Jaen, Piura and San Martin), and was able to get the Ministry of Agriculture in Lima to officially recognize it as the "Asociacion de Agricultores de Polvora". Finally, during an official visit to Tingo Maria the Minister himself, in the presence of the officers of the new Association, ordered the immediate division into lots of the forestry land originally conceded to a private concern. The Piura Cooperative has also filed an official accusation before the Ministry of Agriculture that part of the lands adjudicated to it have been "Invaded" by a group of farmers, who have caused damage to the fences around the cattle raising area. In Uchiza, 200 families "Invaded" lands that had been abandoned by the ex-Cooperative "El Porvenir", which is currently known as "Santa Lucia".

In the offices of the Ministry of Agriculture in Tingo Maria and Aucayacu there are no official data regarding the number of these "precarious dwellers". It is estimated that the total number must be in the neighborhood of 30,000. It is known that to date 14 logging concessions have been "Invaded", as has the National Park, located right outside the town of Tingo Maria. In the latter case, the Ministry of Agriculture is carrying out a survey of the precarious occupants in order to relocate them in some other part of the Colony.

The Basic Domestic Unit

Throughout the Colony the work unit is based on unpaid labor of the head of family and his dependents, and on the hiring of temporary labor (eventuale). These family agricultural enterprises are different from the domestic units of the peasant communities of the country's highlands.

The colonists seek cash profit, personal savings, and are individualistic. The peasants of the highland communities, on the other hand, lacking land and under pressure to meet basic needs, turn to more traditional forms of the bartering of goods and services, or to the seasonal sale of their labor force. The Tingo Maria colonist is also different from the highland agriculturalist in that the Tingo Maria agriculturalist requires hired laborers; and his goal is to achieve a net profit off of each piece of land or from each agricultural activity.

We note that almost all of the peasants of the Colony are unable to keep accounts of the costs of production of each of the crops they grow or of costs of raising cattle. They are even less able to indicate the net profits of each individual agricultural activity. They have a clear idea of what they consider to be an adequate profit to be earned on the basis of the exploitation of the family labor force.

It would have been very useful to the development project of the Colony to analyse the social and economic structure of the peasant family's enterprise insofar as it differs from agriculturalist's of developed countries. We can show, for example, that the interest paid by the colonist to the Agrarian Bank on loans received from the Bank are met by labor intensive work of agriculturalists.

In the following section we discuss family subsistence needs in relation to amounts of land in cultivation with diverse crops.

Size of the Areas Under Cultivation and Their Importance to Family Consumption and Economy

In relation to the size of the real estate adjudicated, the percentage of area under cultivation varies considerably from one area to another. In Tingo María, for example, according to the survey carried out by the "Plan for the Execution of the Development Project of the Alto Huallaga" the percentage of land worked amounts to an average of 54% of the total size of the lot.

About 13.2% of the colonists work almost their entire lot. This is similar to the situation in Uchiza, a town more than a century old where pressure on the land led the farmers of the locale to "invade" lands that had been abandoned by the ex-Cooperative of "El Porvenir". On the other hand, in the Rio Frijol sector (Cholón district) the average area under cultivation does not amount to one tenth of the lot officially awarded. Abandoned land, most of which is larger than 50 hectares, is frequently found. This is a result of the lack of access routes and the high cost of transportation by water and land.

From Table 8. (see next page) it is noted that only 16.2% of the land adjudicated is under agricultural production, and only a small portion (5.3%) is planted in grazing land. Fully 20.4% of the land is covered by low hills known as "Purma", (in fallow) which gives an average of land under agricultural production, and that lying fallow, 4 hectares and 1.4 hectares, respectively. It is important to point out that these averages may be exaggerated because in most cases the traditional agricultural practice of combining several different crops in a single field prevails, as we will explain further on. In any case, those averages denote the agricultural production for family subsistence and sale on a small scale. This situation can also be observed from Tables N. 9, 10, 11, 12 and 13. (see pages 32ff).

Table N. 12, (see page 13) for example, shows that corn continues to be the most important crops in the 4 sub-sectors covered in the

Area in Production in Four Subsectors of the Tingo Maria-Tocache Colonization

Sub-Sector	N. of Agriculturalists	Total Area adjudicated	Area in Ag. Prod.	Area in Pasturage	In Fallow	Forest
N. 08 Rio Frijol (Cholon dist.)	317	10,407	970	379	1,411	7,647
N. 09 Chuntayacu (Uchiza dist.)	294	6,074	1,356	216	1,042	3,460
No. 10 Espino-T (Tocache Dist.)	330	7,847	1,298	444	2,222	3,883
N. 11 Tananta (Tocache dist.)	232	4,990	1,120	505	1,313	2,053
T O T A L:	1,173	29,318	4,744	1,543	5,988	17,043
		100.00%	16.2%	5.3%	20.4%	58.1%

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Table No. 9

Area in Agricultural Production by Crops in Four Subsectors of the
Colonization

C r o p s	No. of Agri- culturalists	%	Area in Production (Has.)	%
Corn	800	68.0	1,216.00	25.60
Yuca	570	48.5	524.50	11.00
Rice	481	41.0	709.50	15.00
Bananas	786	67.0	892.75	18.80
Frijol	724	62.0	124.00	2.60
Fruit Trees	471	40.0	276.75	5.80
Coca	380	33.0	282.00	6.00
Cacao	330	27.0	216.00	4.60
Others: Soy, peanuts, avocado, papaya, mango, tobacco, etc.			<u>502.50</u>	<u>10.60</u>
TOTAL:			4,744.00	100.00

Table No. 10

Amount of Yucca Held By Agriculturalists in Four Subsectors
of the Colonization

Size of Parcel	No. of Agri- culturalists	%	Area in Production (Hectares)
0.25 - 0.50	285	50.00	119.50
0.75 - 1.00	188	33.00	186.50
1.50 - 2.00	73	12.80	134.50
2.50 - 3.00	16	2.80	46.00
4.00 or more	8	1.40	38.00
TOTAL:	<u>570</u>	<u>100.00</u>	<u>524.50</u>

Table No.11

Amount of Land in the : Production in Four Subsectors of the
Colonization

Size of Parcel (ha.)	No. of Agriculturists	%	Area in Production (Ha.)	%
0.25 - 0.50	130	27	53.75	7.6
0.75 - 1.00	169	35.1	166.75	23.4
1.50 - 2.00	108	22.6	203.00	28.6
2.50 - 3.00	46	9.5	133.00	18.9
4.00 - 5.00	14	2.9	62.00	8.7
6.00 a más	<u>14</u>	<u>2.9</u>	<u>91.00</u>	<u>12.8</u>
TOTAL:	481	100.00	709.50	100.00

Table No.12

Amount of Land In Production: Bananas

Size of Parcel	No. of Agriculturists	%	Area of Production (Ha.)
0.25 - 0.50	318	40.4	127.75
0.75 - 1.00	254	32.3	250.50
1.50 - 2.00	142	18.1	260.00
2.50 - 3.00	45	5.8	128.50
4.00 - 5.00	23	2.9	102.00
6.00 a más	<u>4</u>	<u>0.5</u>	<u>24.00</u>
TOTAL:	786	100.0	892.75

716X

census of November 1980. There were 68% of the farmers who planted corn on their lots. Probably, the remaining 32% of the farmers also harvested corn at other times of the year which did not coincide with the months of census taking. It is a common saying in the Colony that corn is a colonizing crop; it is the basis of the family's diet and is used for feeding chickens and pigs which are essential to the colonist's economy.

Together with corn, other crops such as banana, yucca, dried beans and rice make up the colonist's basic diet and are also commercialized. Some products are consumed in larger amounts than they are sold, and vice versa. Dried bean, for example, is almost exclusively used for direct consumption. Fully 62% of the farmers had dried bean crops, but the area devoted to their cultivation is quite small. The average is 1/20 of a hectare, which confirms its importance for family consumption. On the hand, rice is more important commercially. The average area planted with this crop varies considerably from one sector to another; thus, we have 0.8 hectares in the Rio Frijol subzone, 1.6 hectares in Uchiza, 1.7 hectares in Tananta and 2.1 hectares in Tocache. At this last site, we were able to verify through the records of the sub-headquarters of the Central Huallaga Cooperative that from June 16 to December 16 of 1980 a total of 355 farmers delivered their rice crops to the Cooperative's mill, providing a total of 1,168,757 kilos of unhulled rice. Another part of the rice crop is hulled in small mills not controlled by ECASA for purposes of family consumption.

In so far as yucca production is concerned, 50% of the farmers cultivate this crop on areas from 0.25 to 0.50 hectares, which means that it is grown only for family subsistence. The other 50% have areas of more than one hectare planted with this crop, which gives us an idea of its commercial value, although it is not yet a highly profitable crop. This is the same with bananas and yucca, 40% and 75% of which, respectively, are cultivated on areas of barely one-half hectare. According to the technicians responsible for promoting development programs in the region, those crops begin to become profitable when areas larger than 6 hectares are planted.

In the four subzones mentioned, the area of the lots devoted to coca raising by each farmer follow the same general pattern as that of the other crops, but with the difference that, at least until the end of 1979, coca leaves were very valuable commercially. In Table N. 15 we can see that the coca growers of Uchiza produce 65.8% of the total coca crop for the four subsectors covered in the census. However, that area which amounts to 185.75 hectares, does not represent even 4% of the total land devoted to coca growing in the Tingo María and Aucayacu areas. For over a century, Uchiza has been a coca producer for its traditional use and has possibly reached its maximum area under coca cultivation as a result of the large illegal demand for coca. At the present time, the agriculturalists of the Northern Highlands continue to descend to Uchiza in search of coca in exchange for their highland products, while at the same time hiring out their

Table No. 13

Amount of Land in Production: Citrus Plants

Size of Parcel	No. of Agriculturists	%	Area of Production
0.25 - 0.50	353	75.00	121.00
0.75 - 1.00	89	19.00	87.25
1.50 - 2.00	19	4.00	34.00
2.50 - 3.00	7	1.50	20.50
4.00 - 5.00	<u>3</u>	<u>0.50</u>	<u>14.00</u>
TOTAL:	471	100.00	276.75

Table No. 14

Amount of Land in Production: Coca

Size of Parcel	No. of Agriculturists	%	Area of Production
0.25 - 0.50	231	60.8	80.00
0.75 - 1.00	89	23.4	83.50
1.50 - 2.00	49	12.9	84.50
2.50 - 3.00	9	2.4	26.00
4.00 a más	<u>2</u>	<u>0.5</u>	<u>8.00</u>
TOTAL:	380	100.00	282.00

Table No. 15

Total Area in Coca Production in Four Subsectors

Districts	No. of Agriculturists	Area Total	%
Cholón	70	34.5	12.9
Uchiza	185	185.75	65.8
Tocache	<u>125</u>	<u>62.00</u>	<u>21.3</u>
TOTAL:	380	282.25	100.0

7182

labor for the coca harvests in the traditionally customary arrangement.

Agricultural Cycles

It should be emphasized that the farmers of the Tingo María-Tocache Colony would be hard put to survive on the basis of a single crop, as they would also be unable to subsist by devoting themselves only to small and or medium-sized livestock activity. The problems deriving from the very nature of the soil, the shortage of labor, the lack of a more stable market for agricultural products all compell the farmer or stockraiser to diversify his crops, to combine and rotate his annual and perennial crops in a single field in the way best suited to producing the greatest advantages for specialization of production. This traditional practice enables the farmer to make maximum use of the soil, give full occupation to the family, have something to sell, and ensure the family's subsistence.

The colonist who settles for the first time in a region difficult to cultivate encounters his only help in the family. His initial task is to fell the trees and brush, and to clear and burn off the rubbish of one or two hectares of land during the summer months (June through August). Immediately afterwards, the land is planted with corn before the undergrowth has time to grow back. Approximately one month after the corn sprouts, he transplants bananas at equidistant spots (every 4 meters); four or five months later, corn is harvested and then yucca is planted in the same field. Because it is an annual crop, yucca requires that the underbrush, which threatens to cover over the plot, be cleared away once again, and at this time an effort is made to give the banana plants space to develop fully. When yucca is two months old, and bananas have begun to provide shade, the agricultural field is sown with cacao between the banana plants. The weak shade of the banana is essential to the growth of the cacao plant. The first yucca will be used for the family's needs, and as opportunities to sell yucca arise, yucca continues to be dug up. At the same time, bananas are harvested. When the harvesting of the yucca crop is completed, the agricultural field becomes a banana field for four or five years, and finally one devoted to peanut growing for an additional 15 to 20 years. Meanwhile the farmer will have cleared more fields where he will continue with the traditional rotation of annual and perennial crops: corn, rice, yucca, soya and so forth, combined with perennial crops of banana, cacao, coffee and citrus fruits.

The traditional technique of clearing away and burning off the undergrowth has been adapted to new crops such as rice, soya, coffee, cacao, etc. The colonists appear to have gained considerable experience in the appropriate use of the soil through that technique. In this regard, they are not convinced of the benefits of mechanically working the soil. Previous development programs have run up against serious problems with mechanization in several areas where the soil was not suited to being worked mechanically. In those cases, the thin layer of topsoil was completely eroded, leaving a hard, compact and poor quality soil, inappropriate for any crop whatsoever.

The Multifamily Plot

The model of the multifamily plot must be carefully assessed in order to be able to point out those factors which in some cases led to its complete failure and in some few instances, to its "success".

The model arose as an alternative arrangement for setting up new colonization enclaves with unemployed inhabitants of urban areas. Once established in the colony, those enclaves adopted the legal structure of agricultural production cooperatives, taking the names of their places of origin, such as the "Arequipa" or "Piura" cooperatives, or "La Marginal", made up of dwellers of the shantytowns of Lima, or "Nueva Esperanza" (New Hope) comprised of the survivors of the earthquake which destroyed Huaraz in 1971. Those names continue to be used although the new members are generally from other areas of the country, and have been filling the spots left vacant by the founding members.

From the time of their initiation, these directed settlements were overprotected by the Government. The latter committed itself to furnishing all of the necessary facilities to the colonists' cooperatives, such as technical assistance, supervised credit for the purchase of agricultural machinery, housing, the purchase of cattle, infrastructure for raising livestock, and so forth. In this way 11 cooperatives were set up in the Colony; six of these were involved in productive (CAPs) activities and five in service activities (CAS').

All of these cooperatives became dependent on loans scheduled by the Ministry of Agriculture in coordination with the Agrarian Bank. These two institutions set the terms of the loan. To cite an example, all of the production cooperatives and some of the service cooperatives were forced to accept hundreds of head of completely unhealthy cattle which had been purchased by a committee of officials of the Ministry of Agriculture who made a trip to Central America especially for that purpose. Many heads of cattle died shortly after having been brought to Tingo María; others, most of which were Cebu cattle, wandered off into the jungle where they reverted to their wild state. Those cows which were able to be controlled and domesticated took three years before giving rise to offspring. Each cooperative assumed a corresponding debt to the Agrarian Bank. This "assistance" had gotten off to a very poor start. The Cooperatives' leaders, coming from urban areas, had no experience in managing a livestock enterprise. Mismanagement of the funds was one result, and brought with it the intervention of officials from the Ministry of Agriculture who in some cases only worsened the situation of the cooperatives.

As an example of excessive Government paternalism, we can cite the case of the "Nuevo Horizonte" ex-cooperative which failed a few short years after its establishment. It appears that the interest shown by the EMDEPALMA enterprise in extending its holdings under African palm cultivation to the lands adjudicated to the cooperative hastened its failure. The Bank auctioned off livestock and the

machinery to recover the amount loaned by it; and the Cooperative's members were pressured into resigning from the cooperative. In the end, the African palm enterprise lost interest in those lands which were then "invaded" by 60 peasants, among whom were twelve former members of the ex-cooperative. In spite of all of this, the Agrarian Bank filed suit against the former members for the payment of a 12,000,000 soles debt. The "El Porvenir" CAP was also badly managed by its leaders and its official interventors. This cooperative owes the Agrarian Bank 50,000,000 soles. As an initial measure, the bank has prohibited it from selling off the 830 head of cattle which the cooperative now owns. As a result, the cooperative owes its members more than three months' wages.

Those cooperatives that were able to increase their herds of livestock had to face a sharp crisis brought about by the high increase in the interest rate on the loans that had been obtained several years earlier at a low rate. All of these cooperatives were forced to sell more than one half of the livestock only to pay off a debt to the Agrarian Bank. The result was foreseeable: the cooperatives were left with insufficient capital to function adequately.

Under these conditions, those cooperatives which are still operating have had to adopt other ways of internally organizing the labor by combining family work on the individual plots with shared work on the multifamily plot. In the "Arequipa" CAP, for example, the 18 members have had to combine the grazing of the 800 head of cattle which they still have, with the raising of cocoa, banana, corn, yucca and rice crops in a total area of 400 hectares divided into family lots. The production has a dual purpose: for the family's subsistence and for sale. The number of hectares per crop and per family is limited so that each member might have enough time to devote to keeping up the cooperative's grazing land; the latter has also been divided into sections, which has resulted in the efficiency of the collective work of keeping the pastures free from weeds. Agricultural work on the family plots is performed within the traditional pattern of Andean reciprocity. The "La Marginal" CAP and the "Plura" CAP have adopted a similar distribution of the collective work by combining it with family labor on the family holdings; an alternative that they find to be a more efficient way of organizing production. Those cooperatives that have not combined agriculture with stockraising and have preferred to continue with the old model based on the payment of the members' wages through the maintenance of the pasture land, are presently confronting serious problems in keeping up that grazing area and in being able to pay the wages involved. A case in point is that of the "El Porvenir" CAP which has been declared bankrupt.

Unlike the CAPs, the CAS' lack multifamily plots and are made up of agricultural sharecroppers of a given area of the Colony. The purpose of the CASs is to apply, in behalf and for the benefit of their members, for loans for the purchase of agricultural machinery and to perform particular agricultural tasks. Each member employs the CAS's services on his own plot according to the projects approved by the Ministry of Agriculture and by the region's Agrarian Bank. Several of these cooperatives are no longer in existence.

For example, the Azul de Magdalena and Anda Pacae CAS', which still appear on the list of cooperatives holding loans from the Agrarian Bank, were dismantled as a result of the failure of soya, rice, corn and banana crops, which were unable to be profitably marketed. Furthermore, in the case of soya and rice crops, the agricultural extension services were inefficient. Bad technical advice on the care of those crops resulted in large economic losses to the member farmers. But the most negative results for the farmers were brought about by the mechanical working of lands that are not suitable for mechanization.

The "Nueva Esperanza", "El Progreso" of Aucayacu and "Pucate" CAS' adopted mixed arrangements for both marketing and production, based on enlarging the lands granted by the Agrarian Reform or the concentration of landholdings carried out by the peasants themselves. These cooperatives continue to exist, but are having serious economic problems and have not yet been recognized as such by the Agrarian Bank and the Ministry of Agriculture.

We should point out that among the cooperatives which are noteworthy because of their efficient internal organization -- in addition to those previously mentioned -- are the following: the Cooperativa Central de Alto Huallaga, with headquarters in Aucayacu and the Naranjillo Cooperative, with its headquarters in the city of Tingo María. The first of these has a mill operating at its central headquarters and is able to hull the entire rice production of the colony, including that of other regions such as Aguaytía and Pucallpa. A soya oil refinery set up by the business company COPSA was also operating in this same cooperative. The Naranjillo cooperative is perhaps the best organized of the entire colony. It furnishes a total of 3,700 member farmers and stockraisers with inputs and markets their coffee and cocoa production. In 1980 it marketed 25,000 quintals of coffee and 13,000 quintals of cocoa, which represented 75% of the valley's production. Lastly, the cooperative is planning to process cocoa into other by-products, such as paste, liquor and butter.

Access by the Farmers to the Region's Resources

a) Credit - There are branch offices of the Agrarian Bank in Tingo María and Aucayacu responsible for granting loans to production and service cooperatives, and to individual colonists who have been certified by the Ministry of Agriculture as "adjudicatarios" or "poseionarios". The Agrarian Bank exercises a strict control over its long term loans, such as those granted to raisers of livestock or to agriculturalists who grow perennial crops.

Despite inflation, the number and amount of these loans have been decreasing while the interest on those loans has been climbing. By the end of 1979, the situation had grown critical for farmers who witnessed rapidly growing indebtedness. Several cooperatives and individuals raisers of livestock decided to sell off part of their herds in order to pay debts to the Agrarian Bank. In Aucayacu, peasants set up an "Asociación de Conductores Directos" in order to negotiate with the Government a reduction of Bank interest loans at

levels to which they had initially committed themselves when they first obtained these loans from the Agrarian Bank several years earlier. These petitions did not achieve positive results. In view of the passive attitude of state agencies in channelling their petitions, the agriculturalists decided to intensify coca cultivation -- then a highly profitable crop -- in order to pay off their debts to the Agrarian Bank. Many borrowers were able to accomplish this purpose quickly through the blackmarket sale of coca leaves. Others preferred to leave the area to evade the Bank's demands, thus adding to the long list of agriculturalists who have not complied with their obligations to the Bank (classified by the bank as "castigados").

Another institution which provides supervised loans or "habilitaciones" is the Compañía Tabacos Perú. These "habilitaciones" have been granted to about one hundred farmers in the region who signed a contract with the company to grow tobacco on their land under very strict technical supervision. Once the agriculturalist delivers his tobacco to the company, the company then proceeds to pay the agriculturalist an amount which covers the cost of production plus a profit. This "profit" goes towards support for the agriculturalist and his family during a four-month tobacco-growing period.

Finally, there is one another source of credit that is widely available throughout the Colony. These are loans made by the intermediary businessmen who buy up most of the corn maize grown in the area. By choice of the middlemen, the "trustee" agriculturalists are provided the necessary financing for the clearing and the burning of the undergrowth from the land which is used exclusively for growing corn. This loan is usually 30,000 soles per hectare of land cleared. That financing includes the use of threshing machine, and sacks for packing corn. In this case, agriculturalists do not pay interest on the financing which they receive, but they are obligated to sell their crops to the middlemen, at the prices set by these middlemen which are far below the official government authorized price.

b) Agricultural Extension - This service, in effect by the Ministry of Agriculture since the colonization was first initiated, has declined in recent years as Ministry offices were given fewer material and human resources to work with, and because the staff's wages did not keep up with the rapidly rising cost of living at the local level. As a result, agriculturalists participated less and less in extension programs; and there were fewer and fewer programs. The isolated programs of specialists from the Ministry of Agriculture and their demonstration parcels are inadequate given the agricultural necessities of the colonists.

c) Agrarian Research Center - The National Agrarian Research Institute (INIA) operates in the Colony. This institute has an adequate infrastructure and has specialists for each of the region's crops. Plagues and diseases are investigated and hybrids resistant to certain plagues affecting some of these plants have been developed. However, these results are not available to the agriculturalists because of the absence of extension specialists.

d) Marketing of Crops - The extremely high interest rates on the loans, together with an absence of a national policy to set realistic prices for agricultural products, and the shortage of appropriate channels for marketing the crops, continue to be the contributing factors for the general stagnation of the agricultural sector, and in particular of products for family consumption.

The state enterprises for marketing of rice (ECASA) and other agriculture products (ENCI) are unable to absorb existing amounts of rice, soya and corn production. They prefer to work with the middlemen who buy up corn or soya in order to avoid the transportation costs which are burdensome to the farmer. The red tape of these offices makes it difficult for the farmer to be paid at the appropriate time, and prohibits the hulling of several sacks of rice to be directly consumed by the peasant family.

III. Attitudes and Perspectives

There is a certain apathy which characterizes the agriculturalists' attitude toward participating in development programs which results from the Government's inability to support agricultural production in the country. This is reflected in the high interest rates charged by the Agrarian Bank, the state monopoly over marketing through ENCI and ECASA, and the apathy of the officials of the Ministry of Agriculture responsible for promoting the rural development. To this panorama of uncertainty, one must add the problem of coca eradication recently initiated through police action. No one knows what is going to happen after coca has been eradicated, what will replace it and what can yield similar benefits. The Regional Committee of Coca growers, which numbers more than three thousand agriculturalists, publicly stated that it is not opposed to the gradual eradication of coca raising, so long as agriculturalists are compensated for eradication, as well as for the many coca leaf dryers that were destroyed during the two "Verde Mar" operations.

Not everything is negative, however. Certain institutions, such as the "Asociacion de Conductores Directos", the Cooperativa Central, the Naranjillo Cooperative and the MAPRESA factory, among others have publicly expressed their support for new development programs. The farmers of Uchiza are also willing to eradicate coca in exchange for the construction of highways, bridges, schools, effective assistance to agriculturalists farmers, etc. They have publicly stated their interest in the establishment of the Palma del Espino enterprise within the jurisdiction of the district.

Lastly, there has been a desire to cooperate expressed by school teachers, and local officials of small towns who demand a series of services, such as more schools, highways, medical posts, etc.

IV ANATOMY OF COCA

Expansion of traditional Cultivation

Coca leaf has been cultivated in various regions of the Ceja de

Selva since prehispanic times. The reader is directed to the excellent discussion of the cultural importance of coca and the history of debate over its use in Perú written by Drs. Cesar Fonesca and Hector Martínez which is appended to this volume (Appendix 16).

Our discussion of "the anatomy of coca" begins with a discussion of the recent (since the 1930's) growth and expansion of coca in the Tingo María - Aucayacu region.

The economic importance of coca cultivation was noted by the first colonists in the region. In an early report on the Experimental Station of Tingo María, it was noted that, although the Station did not experiment in coca leaf, this leaf played an important role in the local economy. The author of this work notes that coca leaf adapts admirably to the economic conditions of the region (Informe 1945: 110). The 1945 Informe notes that there were 311 hectares of coca planted in the region in that year which made coca the crop with the greatest number of hectares in the region, third only to tea and citrus.

By 1962, 1,235 hectares of coca is noted to be in production, equivalent to 1,325,238 kilos of coca, produced by 1,110 agriculturalists (Evaluación e Integración, 1962:77). This represents almost a four-fold increase from the 1945 figure. Coca production was beginning to boom.

On December 11, 1964 a Supreme Decree was passed whose purpose was to strengthen the work of the Estanco de la Coca which had been created earlier to control the amount of coca in cultivation, and to tax agriculturalists for the cultivation of this crop. By 1974 it was made illegal to cultivate more than 10 hectares of coca. However a CENCIRA study noted that many coca plantations were never registered with the Estanco de la Coca.

It is interesting that this same Cencira study indicates that the then Banco de Fomento Agropecuario refused to extend adequate credit to agriculturalists as an incentive to cultivate other crops which could possibly at that time have slowed down the by then proliferating production of coca. Then (1974) as now, there was little coordination between the Ministry of Agriculture and the Estanco de la Coca to contain or note the amount of leaf actually produced.

The CENCIRA (1974) study states that total production of coca leaf in San Martín and Huanuco Districts numbered 1,894,566 hectares (excluding Tocache) and that the average holding was of five hectares.

Aucayacu at that time was listed as having only 60 hectares of leaf, and the area around Tingo María over 313 hectares. The largest number of coca leaf farmers were found in the Naranjillo area, the next largest number in the area around Puma Wasi. The CENCIRA study states there were few farmers who had more than 10 hectares of coca.

The CENCIRA study stated the need for the government to intervene in the production of leaf, but the GOP did not. Only one official worked at the Estanco de la Coca office in Tingo María in 1974!

It is believed that during the period 1972 to 1979 the amount of coca cultivated in the colonization area increases from less than 2,000 hectares to 20,000. During that same time, areas planted in cacao decrease from 738 hectares to some 400, and coffee from 5,910 to 3,500. (PID 1981:1). It is essential to realize, however, that the relation between the expansion of coca and the decline in other crops is not necessarily a direct and casual one. Factors discussed previously, such as Agrarian Bank policy, lack of technical assistance, a decline in value of Peruvian coffee on the international market, etc., are intermediary but crucial contributing factors in understanding the expansion of coca production between 1970-1981.

When a MASI Coca Study Team visited the Tingo María area in May, 1979, we found that the amount of coca actually cultivated was a small fraction of the amount ENACO (Empresa Nacional de la Coca) officially had registered in legal cultivation (20 to 1). At that time, ENACO had officially registered the production of only 1'083,294 of kilos of leaf for the entire Department of Huanuco. (ENACO 1979). We estimated that the Tingo María - Aucayacu area produced seventy percent of the total in the colonization area.

We believe that the rate of production has probably slowed down as a result of the Verde Mar operations and the presence of a mobile rural patrol (UMOPAR). Only aerial photography will give us a more exact idea of how much coca is in cultivation at this time. The amount of coca grown last year before Verde Mar 2 is said to be as much as 30,000 hectares or more.

We cannot comment on the wider area of the zone not seen by us.

There are reports that farmers are now cultivating coca in areas where coca was unnoticed previously, including parts of Aguaitía, Pilchis-Palcazu, and Pucallpa. We do not know if these alleged cultivations do in fact exist and if so, their extent or their existence. Recent (May 1981) aerial flights over the area Tingo María-Aucayacu area indicate vast areas planted in coca off the main road. No one knows how many hectares of coca there are in this area alone.

Factors which Favored the Growth of an Illicit Coca Market

In previous sections we noted some factors which indirectly favored a tremendous growth of coca in the area. This growth is only partially explained by increases in demand for the drug "cocaine" in the United States. The relation between the growth in the cultivation of the leaf in Perú (and Bolivia) and the increased prevalence of cocaine use in the U.S. and Europe is neither simple or direct. The relatively high income which can be achieved from coca farming is not in itself a sufficient cause to explain why coca cultivation increased so dramatically. The fact that the alkaloid content of Tingo María coca leaf is said to be higher than that of leaf grown elsewhere in Perú is not the significant explanation for increased production either.

All of the above together may be factors but they must be considered in the context of the overall failure of the colonization authorities and the GOP to successfully settle colonists from parts of Peru and provide them opportunities to live well as agriculturalists or urban and rural workers.¹

Coca farmers have in recent years expressed concern about the illegal status of this economic activity. Yet, in many cases they continue to cultivate coca because profit from cultivating alternative crops, for a variety of reasons, do not compensate costs of production.

But without alternatives, the fact that coca cultivation provides agriculturalists assured cash up to six times a year makes coca leaf cultivation a most obvious priority.

A 1979 study notes that the socio-cultural heterogeneity of the region and consequent lack of community control (as it exists in Sierra communities) also contributes to individualistic behavior favoring the illegal cultivation of the leaf. The authors of this study (Steinhaus and Clavijo) suggests that corruption and bribery of officials have permitted outside entrepreneurs as well as entrepreneurs from the region to become involved in the various stages of the production of leaf, paste and cocaine, and to promote coca cultivation.

While traffickers have steadily increased the blackmarket price they are willing to pay for coca leaf, the price paid for other traditional crops has achieved only a modest increase or has stagnated. This stagnation has been accompanied, as we have noted previously, by greater and greater increases in the cost of living in the region. High interest rates, and debts paid to the Agrarian Bank have forced many agriculturalists to grow coca or to abandon the region.

A 1974 CENCIRA study noted that Aucayacu had only 60 hectares of coca. In the period since then, this area has become a major center of coca cultivation. This process was accompanied by a necessity of many cattlemen in the region, who claim previously to have nothing to do with cultivation of coca leaf, to sell their cattle to meet increased Agrarian Bank debts. These agriculturalist cattlemen were left with no alternative except to grow coca.

The Commercialization of Coca Leaf

The commercialization of coca leaf in the Tingo María region is supervised by ENACO.

ENACO, the National Coca Agency, is a semi-autonomous organization which is charged with the exclusive responsibility for the marketing of coca for industrial and commercial purposes. It is run by General Manager who reports to a Board of Directors composed of a president appointed by the Ministry of Agriculture, three other representatives of the Ministry of Agriculture, one representative appointed by the Ministry of the Interior, one by the Ministry of Industry, one by the Ministry of Economy, one by the Ministry of Health, and one represent-

¹The extent to which the inhospitable environment in the area limits alternative agricultural production and cattle raising activities must also be considered.

ing the workers of the Agency (as per 1979).

ENACO came into being in 1978. Its predecessor agency was the Estanco de la Coca. ENACO was charged with control of cultivation of coca; and the Register of Producers and Merchants was closed in 1978. After that date, unregistered producers and merchants, which is to say anyone who dealt in leaf without being authorized to do so, was in violation of law, and subject to the penalties then provided. On the 28th of August of last year, after Verde Mar, ENACO reopened its Tingo María office, (but not its registry) but did not reopen its Monzón or Uchiza branches.

ENACO is charged with control of the movement of coca leaf from producer to consumer. The control is documentary. One central control device is the Register of Producers, in which all producers are required to register their hectareage devoted to cultivation of coca and to state its annual yield. The register was permanently closed in July, 1978. Producers not registered are engaged in illegal coca production (any plantation less than one year old, therefore, is automatically illegal).

Many producers have registered less than their respective yields or have registered less than the actual area of planting in order to sell the unregistered balance for illegal traffic.

In carrying out its control function, ENACO works with the Bank of the Nation which assesses taxes imposed by ENACO. Leaf destined for sale to chewers upon which taxes have not been paid is considered contraband.

ENACO purchases coca leaf from wholesalers who must be registered. The wholesalers in the producing areas collect the leaf from individual farmers or purchase it as it is brought to their warehouses. Thus, they perform the function comparable to that of agricultural speculators. After payment of taxes, they transport the leaf to other wholesalers in consuming areas. These in turn sell to retailers who in turn may sell directly to the public, the grocery stores and to agriculturalists in the field from whom they purchase other agricultural products utilizing the coca leaf in part as a medium of exchange.

ENACO purchases from wholesalers and from some agriculturalists the amount of coca which it requires to fill export market needs and pharmaceutical needs within Perú.

ENACO exports both leaf and cocaine. It manufactured 600 kilos of cocaine in 1979. Most of it is exported; a small amount is retained for distribution of pharmaceutical use in Perú. ENACO does not sell cocaine retail.

There have been major weaknesses in ENACO's system. There has been no attempt to verify the number of hectares registered by producers. ENACO does not have the resources to perform this function. There are many points at which leakage occurs. The biggest leakage is

at the production level. Wholesalers and some retailers act as collecting agencies for traffickers.¹ ENACO has control posts which are supposed to control road traffic of coca leaf. These are few in number, and staffed by poorly trained personnel. Obviously, the potential for corruption is high. ENACO has insufficient warehouse and storage facilities. It depends for storage upon the facilities of the wholesalers. It also lacks transport facilities.

Today (May 1981) ENACO's Tingo María office registry lists the names of 6,140 producers of leaf who are officially registered, and who reside in either Huánuco, San Martín or Loreto. (146 are from Loreto). ENACO claims that these 6,140 producers work 6,609 hectares of land. Since February, 1981 ENACO has authorized the purchase of 56 tons of leaf by its Tingo María office. Currently, leaf from Tingo María reaches the areas of Cerro de Pasco and Junín for sale to retailers there. In previous years, some of this leaf was destined for the markets of Huancayo, and even Lima.

It must be emphasized that there is no way to know in fact exactly how many hectares of leaf or how many producers of leaf actually do exist in the region from ENACO figures because surely some individuals registered with ENACO prior to 1978 who had no coca in the hopes they might receive money from the government for eradication of their fictitious holdings should indemnification take place some day. Many other farmers have registered with ENACO.

ENACO officials estimate that 400 to 600 tons of leaf annually is necessary from the Tingo María area to satisfy the needs of internal consumption. It is not clear whether this figure is based on careful studies of numbers of people who actually masticate coca leaf. At any rate, 400-600 tons of leaf is only a small fraction of the estimated 20-30,000 tons considered in cultivation at the same time of the Verde Mar operations. Inadequate studies of actual needs for internal consumption debilitates the justification of GOP eradication efforts.

The Illegal Sale of Coca Leaf

When a HASI study team arrived to Tingo María in May 1979, it found an explosive increase in coca production. Most of this coca leaf was believed to go into the hands of traffickers, with ENACO buying less than 1% of the estimated crop for internal consumption or for export.

The HASI team estimated that much of this illegally marketed leaf is converted into paste. It was reported in 1979 that there were several crude laboratories for the manufacture of cocaine base paste.

In 1979, the average price ENACO paid for an arroba of coca (11.2Kg) according to official ENACO records was 9,580 soles although at other times that year it paid as high as 12,000. A number of wholesalers in Tingo María, with ENACO licenses and authorization to

¹ Since 1979, ENACO has begun to eliminate the wholesaler in a number of coca growing regions.

buy leaf were paying around 10,000 soles. However, unregistered wholesalers were paying as much as 20,000 per arroba of coca.

At the farm level in 1979, traffickers were paying S/250,000 per kilo of basic paste; 1.3 million soles per kilogram of paste. Within the country, traffickers were paying around S/2.2 million soles for a kilogram of pure cocaine.

Even though ENACO at that time paid more for an arroba of coca in Tingo María than for coca brought elsewhere in the country, it was evident to the MASI team that control of the illegal market through price competition alone by ENACO was not feasible. Last year, before Verde Mar, blackmarket price for an arroba of coca was as high as 40,000 soles.

The Verde Mar operations have apparently slowed down the cultivation of coca leaf for illegal sale in some parts of the region; although police reports suggest that off from the main roads large quantities of leaf are still being cultivated, and are being converted to paste. Police interceptions of paste have accelerated since Verde Mar, according to police officials, suggesting that coca and paste is being produced in the area; but is probably not leaving the area as frequently as before Verde Mar.

Present-day NEACO Commercialization

Currently, ENACO is not authorized to purchase leaf; but it does monitor the amount of leaf which is being brought by mayoristas from Huánuco who are operating with ENACO's permission.

Since Verde Mar, two comités have formed as collective associations of coca growers. The Comité Regional de Cocalleros claims to have over three thousand members registered with ENACO. The Comite Regional consists of a series of sub-comités throughout the region. Delegates from these sub-comites attend meetings held by the Tingo María Central comité.

The Comité Regional claims not to be opposed to eradication of coca per se; but insists on a gradual process of reduction over a ten-year period accompanied by technical assistance from the Ministry of Agriculture and other agencies to guide them in crop substitution.

The Federacion de Campesinos del Valle de Monzón, Tingo María y Huallaga Central, a second comite de cocalleros, claims to have over one thousand small land members who cultivate coca leaf. This group is more radical politically than the Comité Regional; is definitely opposed to the eradication of coca leaf; and has strong connections with the important coca producing region of Monzón, thus far not touched by Verde Mar operations.

Both of these groups have storage facilities where

¹400 soles= 1 U.S. dollar (April, 1981).

mayoristas come to purchase leaf from individual agriculturalists who bring their leaf to the bodega. Members of both groups fear eradication of coca; but they also fear ENACO monopolization of commercialization because they believe ENACO will set too low a price for coca leaf so as to make coca growing prohibitive. At the same time, these comités recognize that Huánuco mayoristas have come together and decided on low purchase prices. Mayoristas pay 6-8,000 soles per arroba (11.2 kilos), a rate farmers claim does not meet costs of production.

Economic Advantages of Growing Coca

It is evident that there is no other crop which comes close to coca in terms of profitability. This is the case whether agriculturalists sell coca leaf to mayoristas in a legal manner or extra-legal manner at blackmarket prices; whether agriculturalists themselves convert leaf to paste or whether they sell leaves to traffickers who make the paste.

We do not know what percentage of coca farmers are (or were at the time of Verde Mar) actively involved in the manufacture of paste; but it can be assumed that a majority of all agriculturalists who cultivated leaf sold coca leaves at a blackmarket price to wholesalers whether registered or unregistered with ENACO. Probably only a small percentage of these agriculturalists were engaged in manufacturing paste.

The cost to the agriculturalist of initiating coca cultivation is higher than for that of other crops. However, within a year to two, this same farmer can be assured of a cash income four to six times a year depending on the number of times he harvests coca. This regular availability of capital far outweighs in the long run the initial high cost of initiating cultivation.

Coca farmers will probably only stop growing coca and accept alternative cultivations if and when the costs of production of these other crops compares favorably with that of coca. The only other possible reason why farmers would cease cultivating coca is fear of police action.

The advantage of cultivating coca in comparison to maize, rice, soya or coffee crops (see Appendix 13¹). The cost of producing an arroba of coca in 1980 is conservatively estimated at almost 6,000 soles. The blackmarket value of this arroba before Verde Mar was as much as 40,000 soles.

Meanwhile, the cost of production of rice in 1980 exceeded what the farmer could get from the sale of rice. The same is true for maize. The sale of yucca provides a profit, but most yucca is for internal consumption, and is not currently commercialized on a wide scale. Cultivating soya also was a losing proposition for farmers

¹ Estimates of costs of production vary depending upon source; we still lack reliable estimates which need to be collected from agriculturalists themselves.

In 1980. Bananas provide a profit, but have a limited market. Coffee generally costs the individual farmer more to grow than is what to him. Those farmers who are members of the Naranjillo cooperative are at an advantage over coffee growers who are not members because of the efficiency of the Naranjillo operation.

Farm prices for traditional and commercial crops have in general stagnated the last several years; and the overall cost of living, including cost of fertilizers, insecticides, and other farm equipment have soared (as can be seen from Appendices 14 and 15)¹ which lists 1979 and 1980 prices for materials essential to agricultural activity). This has contributed to increased cultivation of coca.

The economic advantage of cultivating coca can be understood from examining Appendix 13 which gives the estimated value of agricultural production in the region for 1980.

We note for illustrative purposes that if a farmer were to convert an annual production of 1 hectare of leaf (150 arrobas) to paste, and sell that paste (30 kilos) to a trafficker; the profit to the agriculturalist in 1981 would be about 23,000 dollars. This is only a hypothetical case. But it provides an idea of how great profits can be in the coca business.

The Role of Coca In the Local Economy and Culture

The growth of coca production since the beginning of the 1970's has been essential to the growth of Tingo María and Aucayacu as urban centers, and to the entire area in general.

The availability of cash from coca farming has affected the development of urban growth and its infrastructure, and drawn merchants to these areas to help meet the demands of agriculturalists with cash to spend for material objects.

Just how important coca has been to the local economy is indicated by the depression of business activity in Tingo María since the Verde Mar operations. Business in general has dropped by over sixty percent according to merchants interviewed. These merchants note that agriculturalists have less cash to spend than previously; that there are fewer consumers in the area and many consumers, out of fear of the police, do not come to Tingo María.

To be a coca farmer and to own material objects makes one suspect in the eyes of the police patrolling the area since UMOPAR operations last year according to agriculturalists we interviewed. Many agriculturalists who own automobiles are said to have taken them to the Sierra to hide. And automobile outlets in Tingo María have seen a drastic decline in sales purchase^s of new vehicles, and a drop off in monthly payment on vehicles bought on installment.

¹Appendix 15 refers only to costs of living in the urban area. Appendix 14 lists purchase prices at the Cooperative Naranjillo. Supplies purchased elsewhere are higher.

There can be no doubt that involvement in coca production has also resulted in increased differences of wealth in the region. Those agriculturalists who have not dedicated themselves to coca cultivation for one reason or another find themselves at an economic disadvantage to those who have. Local entrepreneurs who have become involved in illicit trafficking to one degree or another have made millions of soles from involvement in the coca blackmarket. Civil servants, on the other hand have salaries which do not come close to meeting spiralling inflationary costs.

The profits from coca farming have directly contributed to a spiraling inflation rate in the region that far surpasses the already very high annual rates of inflation at the national level. Some peasants have felt the need to become involved in trafficking out of economic necessity. We visited one family whose daughter is in jail because she was caught carrying the body of a dead infant whose entrails had been removed and whose innards had been stuffed with coca paste. Incidences such as these are not unique.

Although the cultivation of coca leaf represents a rational adaptation to a regional and local economy that offers agriculturalists in the region few economic alternatives, there is no question but that cultivation of this leaf has distorted economic life in the region, promoted corruption, and led to even greater economic disparities than otherwise might have existed.

Importance of Coca to the Local Indigenous Economy

The anthropological literature is replete with reference to the importance of coca in the economic and cultural life of indigenous people of the Peruvian and Bolivian highlands. What impact will coca eradication have on the economic and cultural life, and biophysical adaptation of highland peasants who masticate this leaf?

Although it is claimed that most of the leaf cultivated in Tingo María is exported, ultimately as cocaine, there are no studies we know of to indicate in reality what percentage of this leaf Tingo María leaf is exported, and what percentage is consumed traditionally.

Since prehispanic times, peasants have traded coca in the lowlands for highland products. This traditional system of barter still operates among the peasants of the region. What impact will eradication of coca have on traditional economic interactions between lowland peasant groups and highland communities?

We wish to emphasize the potential harm to local economic traditions which may result from eradication of coca in the Tingo María area.

Roderick Burchard has succinctly indicated the importance of coca to the local lowland economy. We quote from his 1976 thesis:

"Perhaps the major conclusion to be made here is that one of the most significant of all ecological facts about coca leaf which has been overlooked by researchers but not by Andean peasants is that it is produced 12 months of the

year. Furthermore, one of the most significant facts which has been overlooked by researchers arguing that its continued cultivation is "anti-economic" is that access to coca leaf has long meant and continues to mean access to food for Andean peasants, and coca and food exchanges between peoples living in different ecological zones are part of an adaptive process which is one of much longer duration than even the various myths of the "sacred leaf of the Incas".... (Burchard 1976:572).

Socio Economic and Political Consequences of Its Eradication

The MASI Study team in 1979 pointed to the potential political, economic and social consequences of crop substitution and eradication efforts in the Tingo María area. We believe the potential consequences of eradication will be just as grave in 1981 as they were foreseen to be in 1979, and perhaps even more so. Below we repeat some of our observations of two years ago.

The most obvious obstacle to a successful program of excess coca eradication and crop substitution is that there are a great many people who earn their livelihood producing coca. No crop can ever hope to meet the return provided by coca. The political, economic and social consequences of eradication programs are based on the assumption that successful crop substitution programs will be instituted.

The problem facing the GOP is complicated by the fact that economic development has been neglected in the High Jungle areas where coca leaf is grown.

The High Jungle area can produce a wide variety of foodstuffs. At the time when long lines waiting for sugar and rice are a common sight at food stores in Lima, the lack of support for the areas which can produce those commodities is difficult to understand. The High Jungle should be considered an asset, not a liability. The cost-benefit ratio of achieving increased food production and impact on stable employment generation are probably more favorable there than the Coast where expensive irrigation programs are required.

The GOP in its legislation recognizes the desirability of promoting development in the Jungle. Art. 90, D.L. 22175, May, 1978 states that loans to agriculturalists should be made on favorable terms including subsidized interest rates. The same Article further states that the Agrarian Bank should devote an increasing percentage of its portfolio for these areas. Neither of these statements of policy have been implemented. The percentage of the Agrarian Bank portfolio devoted to these areas has actually been reduced. Interest rates are 33%, the same as in other areas of the country. In

¹Currently 46% (1981)

addition, in some areas the Agrarian Bank is making loans only for coffee marketing and maintenance of coffee plantations. (1979)

The task of meeting the political, economical and social problems caused by eradication of excess coca production, however, is beyond the financial capacity of the GOP at this time. It is difficult to estimate how many people would be affected by eradication programs.¹

The political consequences of crop substitution and eradication programs will be strong in the Tingo María-Campanilla area but probably can be borne. There has been a grouping together of coca producers under a Regional Committee of coca cultivators. They claim to be linked with similar committees in La Convención and Lares, but this is not verified. Leaflets have been distributed denouncing the government's plans, as well as "Yankee Imperialism", but the total number of people involved is relatively small.²

Economic dislocations in Tingo María, however, are certain to be sharp. Perhaps 80% of the farmers are growing coca.³ The farmer's standard of living will decline. Even with successful government measures to alleviate this economic impact, another possible result is some emigration out of the area. About 60% of the residents have title to land. The other 40% have no valid titles, and from this number some emigration will take place.⁴ If a land-titling effort is made together with economic development efforts, the emigration should soon diminish and a more stable population created. The effect on storekeepers will be more permanent, however, since the high income from coca has created an inflated prosperity which cannot be maintained at its present level under the best of circumstances.

To move immediately into a strong control program without any prior evidence of a change in the Government's intentions would increase the sharpness of the political reactions. We have recommended that economic measures be divided into short and long term actions so that some economic relief will be provided as soon as possible to those areas in which eradication is undertaken. Even so it will take time to organize and assemble the funds and manpower required to implement these measures. We believe that as a preliminary step, the GOP should announce its plans for crop substitution concurrently with its eradication plans. This should take some of the sting out of control measures when they are begun.

Even in advance of economic measures, however, we recommend that the government might begin to indicate its change of policy toward the High Jungle areas by moving in with small amounts of support for such things as health posts and possibly a small number of schools in the affected areas. This immediate action should not be costly. If

¹We conservatively estimate as a minimum number 5-8,000 farmers in the Valley would be affected, but we do not know how many with certainty (1981)

²We believe this number has grown since 1979.

³Up to the time of Verde Mar, at any rate.

⁴Probably well over half of population are without land title in 1981.

as little as US\$350,000¹ is budgeted annually for this purpose for the three areas, it would provide tangible evidence of GOP's wishes to overcome the neglect these areas feel. It would assist immediately in defusing somewhat the anticipated political reactions.

The 1981 PID document states that funding for health and social programs will not be made available because the proposed development program is an economic development program.

We stress the importance of including funds for health posts, social workers and other social services as essential to help buffer the socio-economic consequences of coca eradication in the region.

We end this section of our report with a quote by the anthropologists Carter and Mamani who have written (referring to coca use in Bolivia) the following:

For hundreds of years since the Spanish conquest, coca leaf mastication has remained as a symbol of ethnic identification, and it remains so as to this day... More than any other cultural element, the coca leaf represents this culture and this society. It remains as an inherited cultural tradition... This tradition has taught the members of Andean society how to constructively make use of the alkaloids present in the leaf. Now, the white man is threatening to take over this from them; and only because, with his modern technology, the white man has altered the nature and the originally intended purpose of the plant. (Carter and Mamani, 1978; 935).

OBSTACLES

Problem: Lack of Information Concerning Patterns of Migration

What impact will eradication of coca have on migration into and out of the Valley? How will eradication of coca affect the availability of a labor force to be employed in alternative economic activities? Will eradication of coca drive people out of the Valley in such high numbers so as to make alternative economic activities not feasible?

Are people leaving the Valley in great numbers at this time? If so, who are they: who are leaving the Valley? Are they agriculturalists from the Sierra, from the Selva or from the Coast? Are they agriculturalists who have come recently who were exclusively dedicated to coca cultivation or are they agriculturalists who have resided in the area for long periods of time?

Response: Studies of Migration Before and After Eradication

Studies should be carried out of present patterns of migration into and out of the Valley. Once coca eradication takes place, follow up studies will be needed for a rational planning of alternative economic activities.

The study of migration patterns can be carried out by social scientists from the UNAS or other Peruvian agency. It is essential that channels of communication be established between individuals responsible for migration studies and colonization authorities and personnel in charge of development programs in the region. At the end of each year of development activities an effort should be made to evaluate the impact of that year's activities upon migration into and out of the area in order to rationally plan for next year's development activities. Studies of migration are intimately tied to the process of Agrarian reform.

Problem: Inability of Agrarian Reform Office to Handle Adjudication of Land

The Office of Agrarian Reform of the Ministry of Agriculture is completely incapable of handling the task of land tenure disputes; and is ill-equipped to handle readjudications of land holdings which will follow if coca is eradicated and resettlement of colonists takes place.

Agrarian reform, however, is essential if the decision is made to bring agriculturalists down from the hillside to the Valley floor. It may be the case that the majority of agriculturalists who live on the Valley floor may work only a small part of the land to which they have been officially entitled. This does not mean, however, that these agriculturalists will stand by idly as others from the hillside descend or are resettled by officials onto their land on the Valley floor. Such an outcome will complicate still further the already chaotic land tenancy situation.

Response: Creation of a Viable Agrarian Reform Office

A government office, equipped with topographers and agrarian reform specialists with sufficient number of personnel, and with sufficient technical expertise, must be established to supervise the resettlement of thousands of agriculturalists now dedicated to coca farming on lands not adequate for the cultivation of other crops.

This Agrarian Reform Office should remain part of the ministry of Agriculture which must also receive additional support. Presently land disputes are more frequently handled by lawyers who work independently of the Ministry of Agriculture than by Ministry of Agriculture officials. Furthermore, private individuals such as notary publics often are approached to resolve land disputes; and charge a fee for so doing even though they have no legal authority to do so.

Authority for settling land disputes should rest with the Agrarian Reform Office of the Ministry of Agriculture.

It may be impossible to resettle some agriculturalists on the Valley floors in which case these agriculturalists must be provided some alternative possibilities for relocation whether that relocation be to other parts of the colony, elsewhere in the Selva, or even to Lima.

The relation of the office of Agrarian Reform to colonists must change from the present attitudes of paternalism towards colonists to one of open dialog, and equal exchange of views on how to resolve land disputes. The problems of "land invasions" especially in the National Park area who lack title to land must also be resolved. The government should consider that colonists, some of whom have resided in the area for up to twenty-five years, and who have worked the land to the best of their abilities are entitled to feel they have the same rights and privileges as agriculturalists who live in the area and who have legal title to land. Because perhaps as many as 50% or more of the population lack title to land the current criterion of title to land as a sine qua non of eligibility for bank loans needs also be questioned. Rational development of the region can only proceed after the present chaotic land tenure situation is regularized. Therefore, efforts should begin immediately to achieve a better understanding of the distribution and ownership of land in the area.

Problem: Tendency to Promote Agricultural Specialization Where Not Appropriate

Ministry of Agriculture technicians have in the past emphasized the importance of specialized agricultural activities, whether it be of rice or cacao activities or cattle raising per se, to the exclusion of other kinds of agricultural activities. 4

The frequent failure of these particular endeavors have left agriculturalists without any other economic alternatives.

Response: Promotion of Mixed Farming Activities

Technicians should advise agriculturalists to cultivate not only coffee or cacao, but a combination of agricultural products to protect against possible failure of any specific crops. At the same time, where feasible, agriculturalists should be involved in cattle raising. The current economic climate makes exclusivity of cattle raising a tenuous economic venture for almost all agriculturalists in the Valley.

This can be facilitated by experimental field or demonstration parcels which illustrate a mixed farming approach.

This emphasis on a mixed farming activities' approach should be promoted by loan agencies such as the Agrarian Bank, the Ministry of Agriculture, the Central de Cooperativas, and by State agencies such as ECASA or ENCI. Extensions Agents may need to be trained in promoting mixed farming systems.

Problem: Failure of Agroindustrial Enterprise

Agroindustrial enterprises for the most part have failed to achieve their goals because they are not integrated into a wider regional economic system; they also failed because of scarcity of labor, lack of low interest bank loans, and due to an unstable market for the commercialization of their products.

Also, some agroindustrial enterprises contemplated may be inappropriate given the availability of existing resources in the region. This may be the case, for example, with regard to proposed concessions

to private groups for further exploitation of the forest.

These agroindustrial enterprises should be designed to complement one another; and a central of agroindustrial enterprises should exist. Special low interest loans should be extended to these enterprises to stimulate their initial growth.

Agroindustrial enterprises should be promoted only after studies have been carried out which indicate their appropriateness to the region, and only after it has been clearly determined that the enterprise has the absorptive capacity to utilize existing or projected quantities of raw materials. Will proposed plants for processing of palm plants have the capacity to process all of the Palm which will be grown? We ask the same of the contemplated Naranjillo plant for processing cacao.

Response: Systematic Integration of Agroindustrial Enterprises Into the Regional and Local Economy.

A rational planning of agroindustrial enterprises must be systematically linked to promotion of specific agricultural activities such as cacao, coffee, citrus fruits, etc.

An agroindustrial model proposed by representatives of the Cooperativo Naranjillo deserves special attention. This cooperative proposes the processing of cacao products and the storage, transportation and the milling of the rice grown by its' members.

At the same time, this cooperative provides inexpensive fertilizers, pesticides, and other products needed by its members as well as providing educational and social services. Such a multipurpose agroindustrial enterprise with broad membership throughout the Valley should serve as a model for other agroindustrial enterprises.

This agroindustrial enterprise and others like it, such as proposed palm extractive agroindustries will be essential to providing economic alternatives to peasants who will lose their present acquisitive power with eradication of coca farming.

Problem: Problems of Commercialization, Inefficiency and Inability of ECASA, ENCI and Other State Agencies to Commercialize Maize, Rice Soya, etc.

The inefficiency and inability of state agencies whose purpose is to assure commercialization of agricultural products is a primary factor contributing to the abandonment of agriculturalist of rice, soya and maize as cash producing activities.

*Marketing
constraint*

Agriculturalists are forced to turn toward intermediaries from the private sector for the sale of their products which has led to economic exploitation of agriculturalists by these middlemen.

This, in turn, raises the cost of production of these crops to a point at which it is no longer economically viable to cultivate them; and many of these agriculturalists have turned to coca farming instead.

A number of other factors limits the agriculturalists ability to commercialize farm products.

These other factors include:

- 1) High interest rates charged by the Banco Agrario ✓
- 2) The difficulty of transporting products due to the lack of adequate roads. ✓
- 3) Price limitations imposed by state agencies, placing a ceiling on what agriculturalists receive for certain products such as maize and rice. ✓
- 4) Alleged unfair practices by some officials of state agencies who allegedly unfairly discount from sale a certain percentage of the rice and maize or soya brought to state agencies by agriculturalists because, according to these employees, a certain percentage of the agriculturalists products are not of high enough quality for resale.

All of the above factors lead agriculturalists to feel insecure about the certainty of commercializing their products at prices which guarantee them a profit. These factors, plus lack of technical assistance by Ministry of Agriculture officials, have formed many to turn to coca farming.

It may be advantageous to minimize the number of state agencies which purchase distinct crops thus combining agencies such as ECASA or ENCI. Amalgamating distinct state agencies should help minimize overall inefficiency of these distinct agencies. We do not support the suggestion that it may be more reasonable to give support to middlemen ("Intermediarios) who are more efficient merchants than are the more bureaucratic purchasing agencies such as ECASA.

We believe centralized government control over the process of commercialization is important in this region which has traditionally lacked government offices with sufficient authority to implement government regulations in the past.

Traditionally, the role of the merchant or intermediary has been to maximize profit making at the expense of the agriculturalist. We believe that further support of these private intermediaries may give

them even further power and authority to the agriculturalists.

The Agrarian Bank represents the primary source of credit in the region although its interest rates are to most agriculturalists exorbitant so as to prohibit borrowing, for anything but coca growing.

Yet, there are other banks in the region including the Bancoop, through which funds for agriculturalists could be channeled.

The policy by which price ceilings are placed on how much state agencies pay agriculturalists for their products, rice for example, bears further examination.

Rice production in the Cèja de Selva is, of course, quite a different activity from rice production along the Coasts. Special incentives, such as higher prices paid agriculturalists for products by these agencies should be considered for the Cèja de Selva given the particular difficulties of agricultural production in this zone.

A guarantee for the sale of these products must be offered to the agriculturalists. The GOP may even have to consider the risk of losing some money the first couple of years it guarantees to purchase products from the agriculturalist.

If the GOP wants agriculturalists in this region to give up the more lucrative enterprise of coca farming, then the GOP in turn must also consider risk of some potential losses on its' return.

Response: An Integrated Development Program That Reasonably Assures the Agriculturalist Commercialization of Their Products

Specific aspects of this program must include:

- 1) Coordination, control over, and integration of state purchasing agencies with other agencies in a rational program of regional economic development.
- 2) The availability of low interest, short and long term loans whose specific terms are arranged on the basis of studies of the capacity of the agriculturalists to repay these loans.
- 3) The construction of feeder roads into areas which at present are difficult ~~access would enable~~ agriculturalists to commercialize products which are not viable economically because of difficulty of transporting farm products.

The construction of these roads is specially important to agriculturalists now living on the hillsides who cultivate coca because it is presently the only crop which it is feasible for them to sell given the difficulty of transporting citrus fruits, bananas, avocodos, etc., which these agriculturalists produce for their own consumption.

4) Technical Assistance.

Technical assistance in the past, even when available, was often inappropriately applied. Technicians suggested mechanization where inappropriate, diminishing soil fertility in many instances. Trained technicians with knowledge concerning soil conditions, appropriate varieties of seeds for particular ecological settings, and knowledge of when it is appropriate to apply mechanization are needed.

Problem: Coca Eradication Will Reduce Cash Income of Coca Farmers
Farmers

Only the sale of coca leaf provides farmers with a cash income five to six times a year. Other crops are harvested only once or twice a year. Agriculturalists are paid for these other crops with a check which they then cash (sometimes with considerable delay and red tape). This may necessitate entire days in the city, and means significant travel expenses and time away from home and family for the agriculturalist. Lack of cash income represents special hardships for agriculturalists who live in a part of Peru where the cost of living is very high to begin with. Since many coca farmers have no legal title to land, they are currently ineligible for bank loans. It will take some time before cost of living is lowered in relation to cash available to agriculturalists. It is not clear how agriculturalists will meet their cash without coca.

Response: Development Efforts, Including Provision of Low Interest Loans, Must Begin Before Eradication Efforts Start

It is impossible to ignore the fact that the quality of life of many coca farmers will decline after eradication. Therefore, every effort must be made to minimize the loss of purchasing power which will result from eradication of coca farming. Low-interest loans, availability of low-cost agricultural supplies, additional health posts, and additional educational services, are needed to buffer the social, economic and political crises which may result from coca eradication.

The government should consider partially subsidizing the costs of some agricultural supplies, such as pesticides, fertilizers, seeds, and tools. Again, the GOP must consider the fact that the very high costs of living in this region plus a dramatic decrease in purchasing power which results from eradication makes this part of Peru a very special case in which the GOP may initially have to consider loss of money in investments whose ultimate goals are to dissuade some agriculturalists from cultivating coca leaf in the future.

Not only must less expensive agricultural supplies be made available; but in general efforts to improve the overall health and well being of the population are essential.

We have noted that there exists only one hospital in the region for some 60,000 persons, and existing health posts are woefully inadequate. Malnutrition is widespread. Therefore, the GOP should invest in additional medical centers at which there will be present not only traditional health specialists, but also health educators, sanitarians, social workers, and promoters of social services of various kinds.

The somewhat atomistic nature of contemporary social life may grow even more fragmented as agriculturalists perceive their access to existing resources as even further diminished once profits from coca have disappeared. Therefore, we suggest the importance of a cadre of social service and health specialists who could be located in the major urban centers of the region. A number of mobile units with health and social service specialists could travel throughout the region; and would do much to minimize the feeling by the agriculturalist that he is completely abandoned by the government. Timing for the provision of these services is important. They should be in place, as much as is possible, before any coca is eradicated so that agriculturalists will experience less dramatically the impact of eradication if and when it begins.

no

Problem: The Failure of Cooperative Enterprises

Most cooperatives, especially CAPS, have failed miserably to achieve the goals set initially by their organizers and colonization authorities.

Many cooperatives have already been liquidated while others are in the process of being liquidated. Some cooperatives are so shaky that even if those cooperative were helped to pay off their debts it is not clear that their membership would wish to continue as members of the cooperative once these debts were paid off.

Response: Support for Cooperatives

We believe cooperative enterprises, both CAPS and CAS' should receive government support and should not be left to die. The past failures of these cooperatives are due as much to external factors, such as high interest rates, lack of technical assistance, and land invasions, as they are due to internal problems such as social heterogeneity among their members, and lack of organizational capability.

A study of the needs of these cooperatives must be carried out. Cooperative enterprises can form the basis of much needed agro-industrial enterprises in the region. Control over the activities of the administrators of cooperatives is essential to avoid past experiences of misappropriation of cooperative funds by these administrators.

It is necessary to determine those instances in which some members of cooperatives have been particularly taken advantage of

74/3

by unscrupulous agents; and these individuals should be provided compensation.

The original concep by which a Central de Cooperativas would function to a facilitate the administrative needs of the distinct cooperatives which Central should be restored. Presently the Central plays a completely Independent role, and fails to meet the needs of the other cooperatives.

A board of directors should exist at the level of the Central with a representative from each of the existing cooperatives. The Central in turn should be in direct contact with officials from the Ministry of Agriculture, the Agrarian Bank, the other development agencies working in the region, etc.

A special fund should be established to help cooperatives with existing debt problems help pay off their debts. At the same time, lending agencies should establish sufficient commitment from the cooperative members so that it is unlikely that once debts are paid off, the members abandon the cooperative enterprise.

Problem: Lack of Faith of Agriculturalists in the Good Will of the GOP and Banks

An attitude of cynical despair and caution characterizes most agriculturalists who feel abandoned by all government authorities, and feel themselves at the mercy of whom they consider heartless bank officials.

This attitude is based on historical experience, and on lack of faith or false promises of the GOP. Agriculturalists view the area as one in which although great wealth is generated, this wealth inevitably leaves the area. Corruption of officials throughout the zone is alleged to be epidemic. Cynicism not only characterizes the attitude of agriculturalists but also characterizes public officials, Ministry of Agriculture atuhorlities, University technicians, etc. This negativism must be turned around if it is not to infect future development efforts.

Response: Acts of Good Faith by Developers Should Reverse an Attitude of Understandable Skepticism Which Characterizes the Attitudes of Most Agriculturalists

We believe agriculturalists, while understandably distrustful, still possess the adoptive capacity to accept meanifl change if they, genuinely consider this change in their best interest. The assumption that agriculturalists will accept alternative economic activities to coca growing only if these alternative activities provide greater profit margins than coca growing is a somewhat simplistic and a cynical view of agricultural decision-making in the region.

It is the past failure of the existing infrastructure to even come close to meeting the economic, health and social needs of the

people in this region which may contribute to their reluctance to accept at first blush yet another "offer" by the government to improve their lot. If the GOP presents "old wine in new bottles", such as channeling funds through the Agrarian Bank expect an attitude one can of continued incredibility on the part of agriculturalists

Problem: Lack of Community Leaders and Individualists Nature of Social Life

Socio-cultural heterogeneity and distinct proveniences of agriculturalists prevents the development of a sense of community spirit and makes work at the community level difficult.

An accelerated in and out-migration in recent years also has weakened community cohesiveness.

However, lack of access to resources of the region, the existing market economy, increased needs for cash incomes, and an emphasis on consumerism have also, together with sociocultural heterogeneity, contributed to the fragmentary nature of social life in the region. To these must be added the manipulative influence of money lenders and taffickers who play upon the vulnerabilities of individual agriculturalists who lack, generally speaking, legitimate access to resources of the region.

Response: In urban centers such as Aucayacu and Tingo María, planners should initiate discussion with locally appointed officials, and with members of the Comités de Defensa del Pueblo, as well as with local business leaders who fear eradication of coca almost as much as do cocaleros.

At the level of the small town, contact should be made with local municipal authorities as well as with leaders of groups of Padres de Familias, school teachers, directors of sports clubs, etc.

Considerable thought should be given to the nature of the functioning unit within the community with which planners can work successfully. The extent to which factionalism exists within the community must be taken into consideration to avoid supporting particular groups which "appear" to represent the entire community of cooperative. The factionalism which exists within the Pucate cooperative near Aucayacu is a case in point.

At the local community level, reciprocal work groups (ayni) function to construct roads, schools and perform community-wide services in general. Planners should make maximum use of already existing forms of social organization which promote work in common.

We believe that the excessive individualism and factionalism which characterize social life do not have to be permanent features of life in the region. We believe individualism and factionalism can be minimized by a constructive development program once this program shows results. And there are a number of groups of individuals, cooperatives and comités which have already expressed

willingness to work with outsiders. MAPRESA, the Naranjillo cooperative, school teachers, the comité regional de coccaleros among others, are willing to initiate discussion with all authorities except those who believe in an immediate program of eradication without compensation.

→ We emphasize the need to begin now to establish liaison with community leaders to tap their ideas about alternative economic activities; and we note the importance of entering into dialog with as broad a spectrum of community leaders at all levels as is possible. To the extent to which municipal authorities at the local level of the sector and caserío are left out of such discussions, they will feel that the GOP is not interested in their viewpoints; and may marshal their community members against the development plans.

Problem: Limited Access to Resources in the Region

Peasants have limited access to low interest bank loans, technical assistance and no access to the experimental results of the Instituto Nacional de Investigaciones Agropecuarias (INIA) experimental station in Tulumayo.

Agriculturalists are wary of relations with technicians from the University of the Selva because they believe the UNAS is assisting the North American government ultimately to carry out a program of coca crop eradication.

Those agriculturalists without title to land have no access to bank credit.

Response: Provide Agriculturalists Greater Access To Resources of the Region Through Strengthening in All Ways Possible the Infrastructure by Which Services Are to be Provided.

We have on several occasions referred to the importance of available cash and low-interest loans via one lending institution or another. These loans should be made available on terms and conditions worked out after a study has determined that individual agriculturalists are likely to be able to repay these loans.

The results of the work of such institutions as INIA must be disseminated via technicians from INIA and UNAS who visit the communities of agriculturalists, and who seek out and meet with community representatives.

A priority of any development program must be to strengthen the Ministry of Agriculture's ability to reach agriculturalists at the level of their communities.

This will require the purchase of vehicles to be used by Minister of Agriculture extensionists; as well as a program for training particular agriculturalists, perhaps at Ministry offices throughout the colonization, in more advanced agricultural techniques. So far,

agriculturalists are expected to take time off and spend money to go to experimental stations. We believe the activities of these experimental stations should be decentralized.

Expansion of access to resources in the region will require a coordination between agriculturalists and a committee which represents diverse governmental offices and which corresponds to an Inter-Ministerial decision-making body at a higher level. Lack of accountability of particular individuals to their parent agencies has contributed to a paternalistic attitude on the part of some technicians towards individual agriculturalists.

Problem: Ambiguous Position of the GOP Concerning Coca Eradication, Authorization of ENACO to Purchase Coca, and GOP Attitude with Respect to the Mastication of Coca Leaf

The Gop has not clearly stated its position to agriculturalists in the region concerning aspects of coca cultivation, commercialization, and coca leaf use. This has heightened even further anxiety of the agriculturalists about the intentions of the GOP.

This anxiety is especially heightened among members of the Comités de Cocaleros who have indicated their desire to cooperate with government representatives concerning all aspects of "the coca problem". By contrast the GOP's position has been filled with contradiction. All coca leaf, according to law 22095, should by now have been eradicated. At the same time, the government extra-officially sanctions the continued purchase of leaf by mayoristas and not by ENACO. ENACO buys leaf in other parts of Perú (Quillabamba, for example) at much higher rates than mayoristas buy Tingo María leaf. Agriculturalists feel ripped off, and associate this feeling with the attitude of the GOP. Agriculturalists believe that the GOP in Lima is about to make some decision about their fate as agriculturalists, and some of them are in "a holding action" waiting for the GOP to declare, and to do something about "the coca crisis."

Response: Clarify Intentions with Regard To the Above, and Especially with Regard to ENACO'S Future Role (if any) in the Commercialization of Leaf.

We believe agriculturalists should be permitted to cultivate at least enough leaf to meet the demand for leaf necessary for mastication. Also, peasants should be permitted to cultivate small quantities of leaf which they have traditionally bartered in economic exchange for highland products.

Development planners must acknowledge the economic, political and social realities stemming from the historical importance of coca growing in the region. This means working with the GOP and with ENACO in an effort to communicate in a straightforward manner what the GOP intends to do about agriculturalists who cultivate small amounts of leaf for barter, versus agriculturalists who are owners of vast amounts of coca, and are known to everyone in the region

as traffickers. Colonization authorities like everyone else who lives in the area know perfectly well who these big traffickers are.

So long as the GOP's position remains ambiguous, contradictory, and fails to affect the big traffickers operating in the zone, cocaleros will continue to lack faith in the belief that the GOP is capable or interested in resolving the problems of the cocaleros.

Problem: Police Harassment

So many cases of alleged abuse of cocaleros by police have been called to our attention by diverse sectors of society in the region that we believe an investigation of the attitude of police officials toward agriculturalists in the region is necessary.

Colonization authorities claim that police bother only those agriculturalists growing coca from whom the police believe they can extort money while permitting the others to continue to grow coca leaf. Agriculturalists, we were told, fear coming to town because so long as the current Ley de Emergencia is in effect, they are open to potential harassment by the police if the police suspect these agriculturalists grow coca and show indications of being affluent.

The irony in the fact that coca agriculturalists earn more money than Guardia officials is not lost on the Guardia as it is not lost on any of the colonization authorities. They are the small agriculturalists who are arrested most frequently and harassed by the police. One of the biggest "narcotraficantes" of Aucayacu told one of us that more police and more jails are needed to put all the small "pichicateros" (traffickers) who exist in the region in jail.

Response: Accountability of Police to Development Planning Agencies

Currently, police are not accountable to either local or regional authorities. Police participation in coca eradication and control efforts must be integrated into the over all planning effort.

There is unquestionably a need for continued police control in the region; but control efforts should be coordinated with other development efforts; and not be above those efforts. Effective control can only occur when there are channels of communication between the Ministry of Agriculture, ENACO, the UMOPAR unit, etc. At this moment, the head of the Ministry of Agriculture office in Tingo María has not even met the head of the UMOPAR office in Tingo María! The Ministry of Agriculture is also resentful of the fact that although the Ministry lacks vehicles to carry out basic extension services in the region, the UMOPAR has many many vehicles which it has confiscated from "traffickers" in the region which are used only by Guardia personnel.

If eradication at some level is to take place, police must coordinate their activities with those of development planners, local officials, community leaders including business leaders, directors of cooperatives, etc., Up to this point, however, the UMOPAR is perceived

uniformly by everyone in the region as an occupying force whose men are to be avoided and feared; and the UMOPAR is not perceived as functioning in any constructive fashion, or as helping to resolve "the coca crisis" in the region,

Need for Future Anthropological Studies

Coca crop eradication, if not carefully planned and coordinated with the overall development efforts may be particularly injurious to the health and well being of the population. Even with careful planning, a negative impact on current life style of thousands of peasants in the region seems unavoidable.

Anthropological studies should be carried out in particular during the first 2 years of enactment of the eradication program to monitor inevitable disjunctures which are bound to occur in the lives of coca farmers as their principal means of livelihood is taken from them; as many of them are forced off the land they have occupied for years; and as many agriculturalists are forced to learn to use a new technology.

The role of the anthropologists in the analysis and monitoring of these changes in the way of life of coca agriculturalists should be integrated into the overall planning effort.

An anthropologist should be involved from the very beginning of the development project in the collection of data on patterns of migration into and out of the area, in assessing attitudes of agriculturalists towards proposed plans, and in attempting to understand current land tenure patterns and disputes. This anthropological work should begin immediately so as to provide needed baseline data which will be useful in assessing developmental changes in the years ahead.

An important role of the anthropologist will be to help identify change agents "cultural brokers" at the level of the small town or at the level of the larger more urban center with whom planners can work to introduce change in a rational, integrated and orderly fashion.

The movement of individuals from the hillside to the Valley floors, if deemed feasible, will be a difficult and tricky feat of human engineering which will require careful planning and surveillance. It is suggested that anthropologists play a critical role in the above mentioned feature of this change program.

The many potential obstacles to change discussed on pages of this report will not be overcome easily; but they must be reorganized. The extent to which government efforts to overcome these problems are successful, and results in a change, needs to be assessed objectively.

This control development project will be viewed critically by many outside observers who presently are skeptical that it can succeed; and by many who believe that the proposed program is actually inimical to the wellbeing of the people in the region. Therefore, it is especially incumbent upon those actively participating in this program to do all they can to minimize potential harm to the beneficiaries. Continued anthropological evaluation and monitoring of the development process as it unfolds, by a full-time and well-trained anthropologist who is familiar with the region, we hope, we can help to minimize the potential inimical effects of this program on the beneficiaries.

We stress the need for an anthropologist to be actively involved as an integral team member throughout the change process and not merely to be used as an afterthought whose evaluation of the change program is tacked on as an appendix to a final report of the five-year development program.

A Proposed Plan of Integration

Poor integration of the agriculturalist with agencies and institutions of the wider society can hamper development efforts. Currently, the agriculturalist interacts with a number of diverse agencies and institutions in the region whose activities are not coordinated with one another. The lack of an integrated and coordinated action by state and private agencies contributes to the feeling of the agriculturalist that he is abandoned by the government. The Agrarian Bank, for example, acts independently from the Ministry of Agriculture, which in turn has little or nothing to do with the University. A restructuring and/or reorganization of these agencies are necessary to an integral and regional development program and we believe integration and coordination of agencies must occur at several levels. (see chart, next page).

At the national level an Inter-Ministerial committee is to be established whose function is to plan and coordinate activities at the highest levels for the development of the Upper Huallaga region.

Representatives from this Inter-Ministerial Committee will regularly meet with members of a Regional Development Committee, which has its most significant component an office of Agrarian Reform which may be either independent of or as a part of the Ministry of Agriculture. An initial function of the Agrarian Reform Office will be a land titling effort, and the carrying out of a survey to determine who uses the land, land use capabilities, and possibilities for resettlement of some agriculturalists.

Beneath this Agrarian Reform Office come the diverse state and private agencies whose activities are at the present time not integrated, and sometimes even antagonistic to one another. ENACO, the University, the Agrarian Bank, UHOPAR, etc., are some of these agencies. Purchasing agencies such as ENCI, ECASA, ENACO, etc. may be grouped into an Inter-Agency Purchasing Consortium.

The Regional Development Committee on the one hand works with the Inter-Ministerial Committee to assimilate National priorities and to

channel funding into the region. However, it also functions in an integral way with representatives from a Local Development Committee and also with extension agents. The Local Development Committee consists of representatives of the Central de Cooperativas, of a proposed Central de Agroindustrias, and of municipal authorities. A number of smaller communities can be represented by a single authority on the Local Development Committee. The Local Development Committee represents the interests of individual cooperatives, individual agroindustrial enterprises, and individual communities, but works directly in interaction with the Regional Development Committee, and attends meetings at the office of the Regional Development Committee.

The extension agent or technician is a critical link between state agencies on the one hand and local communities, cooperatives and agro industrial enterprises on the other hand.

Extension agents will be charged by the regional committee with actually carrying out a lot of the development work; and agents must be well trained, well paid, and highly motivated. They are responsible on the one hand to the Regional Development Committee out of whose offices they will work; and on the other hand they must be responsible to the local Development Committee and the individual cooperatives, agroindustries and community leaders with whom they will interact at the local level. They must be sensitive barometers of local needs, local possibilities; and must accurately communicate to local leaders what are the existing sources for development which are available at the national or re-regional level.

This model for integrated regional development considers the following:

- 1) the need for both horizontal and vertical intergration of state and private agencies.
- 2) the importance of decision-making and interaction of individuals at several levels: the national the regional and the local.
- 3) the logical priority and central importance of an effective Agrarian Reform Office of the Regional level.
- 4) the crucial role of the extension agent in mediating regional capabilities and local realities.

This model is extremely tentative, and is meant at this time primarily to stimulate discussion only.

752

INTER-MINISTERIAL COMMITTEE

REGIONAL DEVELOPMENT COMMITTEE

AGRARIAN REFORM

B. Agrario B. Coop UNAS UMOPAR health education experimental stations Inter-Agency Purchasing Consortium

ENCI ENACO ECASA

LOCAL DEVELOPMENT COMMITTEE

Central de Cooperativas

Municipal Representatives

Central de Agroindustrias

Individual Cooperatives

Individual Communities

Individual Agroindustrial Enterprises

Proposed Integrated Regional Development of the Upper Huallaga Area.

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Prevalence of Cocaine Use

Cocaine use, once popular among the rich and sheik in the United States in the 1920's, became much less popular in the thirties when the amphetamines appeared on the market, providing a cheaper and more accessible stimulant than cocaine (Brecher et. al. 1972:277). When narcotics agencies began to crack down on the amphetamine blackmarket in the late sixties, cocaine experienced a renewed popularity.

The last several years (1977-1979) have seen a several fold increase in cocaine use among young adults (NIDA 1979). There have also been increased reports of cases of drug overdose in which cocaine is one of the drugs implicated in the overdose (DAWN 1980:7).

However, cocaine use, although on the rise among young adults (18-25), at present appears to pose no public health menace. The majority of young adults who have used cocaine have used it ten or fewer times; the prevalence of its use among 12-17 years old is low and not rising; and there is no increase in the use of cocaine by those over 25 in the last several years (NIDA 1979). Cocaine use by high school students shows signs of stabilizing according to one national survey (cited in New York Times, 2/81). Smith and Wesson conclude that the drug has "high abuse potential" (italics added) although it produces no harmful consequence when used in a recreational social setting (1979:234). Egan and Robinson counsel caution to those who use it until more is known about the drug (Egan and Robinson 1980). Cocaine use is known on occasion to result in a drug-induced depression and psychosis.

Cocaine, more than heroin or opium, was considered a public menace prior to 1930 (McLaughlin 1973). Stiff penalties for the sale, possession or giving away of cocaine have been in effect since the passage of the Harrison Narcotics Act (1914). A federal amendment banned importation to the U. S. of coca leaves except for "legitimate purposes" in 1927. This same amendment incorrectly classified cocaine as a narcotic for the first time. The 1970 Controlled Substance Act classified cocaine as a drug with high potential for abuse which can lead to severe psychological or physical dependence. The last five years have seen drug enforcement agencies pay increased attention to cocaine trafficking because of increased trafficking and use in the United States.

Peter Bensinger, chief administrator of the Drug Enforcement Administration (DEA) stated:

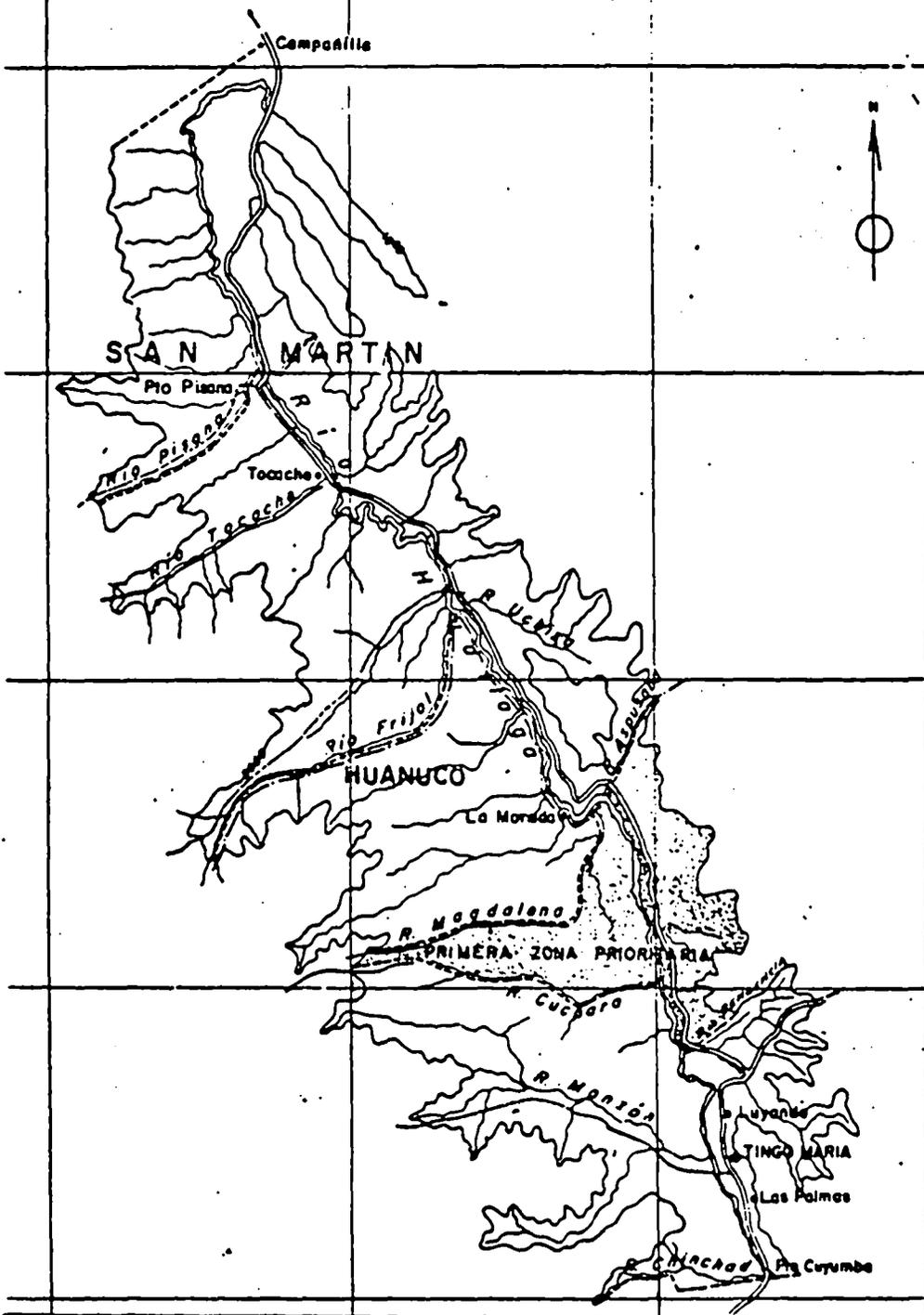
We have seen injuries and deaths increase as cocaine has become more acceptable.... The time has come for the American people to recognize the seriousness of the cocaine problem (New York Times, 9/1979).

Bensinger believes that the best way to reduce cocaine trafficking is to begin in the South American countries that produce the coca leaf.

MAPA DEL PROYECTO ALTO HUALLAGA Y DE LA PRIMERA ZONA PRIORITARIA

AREA TOTAL DEL PROYECTO 1'052,218 Hás

AREA PRIMERA ZONA PRIORITARIA 120,941 Hás



77°

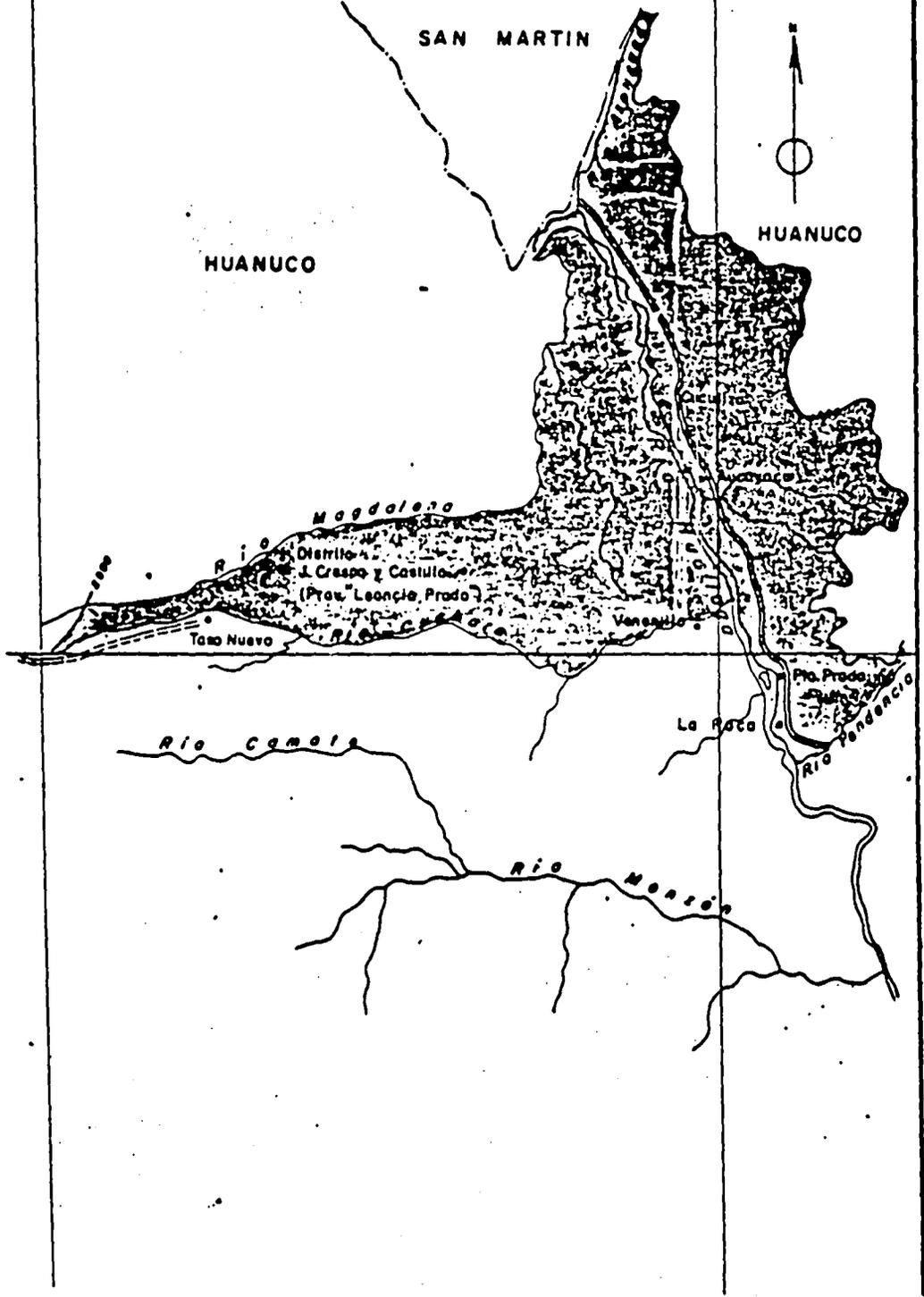
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78°

MAPA DE LA PRIMERA ZONA PRIORITARIA

MAP 2

AREA 120,941 Hás



National Park DataInformación "Parque Nacional"Río Oro SectorArea: Sector: "Río Oro"I. PROCEDENCIA - ORIGEN:

<u>Place of Origin</u> <u>Lugar</u>	<u>District</u> <u>Distrito</u>	<u>Province</u> <u>Provincia</u>	<u>TOTAL</u>
1. Panao	Panao	Pachitea	8
2. Punchao	Punchao	Huámalies	2
3. Chavinillo	Chavinillo	Huámalies	2
4. Pinquino	Umari	Pachitea	2
5. Cochabamba	Cochabamba	Dos de Mayo	2
6. Vista Alegre	Cillapata	Dos de Mayo	2
7. Llanana	Panao	Pachitea	2
8. Huánuco	Huánuco	Huánuco	2
9. Zomayquichua	Tomayquichua	Ambo	1
10. Baños	Unión	Pachitea	1
11. Huatuna	Panao	Pachitea	1
12. Januna	Panao	Pachitea	2
13. Recuay	Ripan	Dos de Mayo	1
14. Molino	Panao	Pachitea	1
15. Gibia	La Unión	Dos de Mayo	1
16. Chaqla	Chaqla	Pachitea	<u>1</u>

National Park Data

Información "Parque Nacional"

"3 de Mayo" Sector

Area: Sector "3 de Mayo"

I. PROCEDENCIA - ORIGIN

<u>Lugar</u>	<u>Distrito</u>	<u>Provincia</u>	<u>TOTAL</u>
1. Acomayo	Acomayo	Huánuco	1
2. Cayumba	Palmas	Leoncio Prado	1
3. Santa María	Huánuco	Huánuco	2
4. Yuramarca	Ambo	Ambo	1
5. Valle	Valle	Valle	1
6. Pano	Pachitea	Huánuco	3

526

National Park Data

Información "Parque Nacional"

"Tres de Mayo" Sector

Area: Sector: "Tres de Mayo"

II. Obtención - Tiempo - Superficie
Obtained - When - Area

<u>OBTENCION</u>		<u>TIEMPO</u>		<u>SUPERFICIE</u>	
<u>FORMA</u>	<u>TOTAL</u>	<u>AÑOS</u>	<u>TOTAL</u>	<u>HAS.</u>	<u>TOTAL</u>
1. Transferecia	5	5	3	6	1
2. Por Compra	2	4	1	10	1
3. Por Irvasión	2	10	1	15	3
		11	1	19	1
		12	1	20	1
		15	2	60	1
				100	1
<u>TOTAL</u>	<u>9</u>	<u>--</u>	<u>9</u>	<u>260.00</u>	<u>9</u>

100

II. Obtained - When - Area
Obtención - Tiempo - Superficie

FORMA	OBTENCION		TIEMPO		SUPERFICIE		
		TOTAL	AÑOS	TOTAL	HAS.	TOTAL	
Land Transfer	1. Por Transferencia	15	8 meses	1	1	1	
By Purchase	2. Por Compra	6	1.5	3	1.5	1	
By Invasion	3. Por Invasión	7	3	6	2.0	2	
Gift	4. Por obsequio	3	4	1	2.5	2	
			5	5	3	7	
			7	1	4	2	
			8	9	5	2	
			10	1	6	1	
			12	2	7	2	
			15	1	8	5	
			17	1	9	1	
						12	1
						15	3
			25	1			
TOTAL		31	---	31	201.5	31	

National Park Data

Información "Parque Nacional"

Río Oro Sector

Area: Sector: "Río Oro"

196

National Park Data

Información "Parque Nacional"

Río Oro Sector

Area: Sectores: "Río Oro" - Quebrado "3 de mayo"

III. CULTIVOS (CROPS)

<u>Nombre del Cultivo</u>	<u>HAS.</u>
Coffee 1. Café	33.00
Coca 2. Coca	25.25
Cacao 3. Cacao	31.50
Banana 4. Plátano	31.50
Yuca 5. Yuca	7.00
Rice 6. Arroz	9.50
Lima + 7. Limón + Pineapple Piña	6.50
Corn 8. Maíz	7.50
Pasturage 9. Pastos	19.00
	TOTAL: 136.25 HAS.
No. of Head of Cattle 10. No. de Cabezas de Ganado Vacuno: 16 Raza Criolla	

Important: Necesidades en el 90% de los Agricultores - Necessities
- Créditos Agrícolas - credit
- Insumos Agrícolas - supplies
- Cursos de capacitación - technical training

162

LAND TENANCY - Tingo María - Huallaga Appendix 4
TENENCIA DE LOS LOTES N° 1

Tingo María - Huallaga (Huánuco)

DENUNCIOS

GRUPOS	LOTES DE Has.	NUMERO DE LOTES		EXTENSION	
		Cantidad	%	Has.	%
A	1 a 10*	23	3.38	101	0.10
B	10 a 20	24	3.52	306	0.32
C	20 a 50	149	21.88	4,342	4.54
D	50 a 100	178	26.14	9,280	9.70
E	100 a 200	223	32.74	23,020	24.05
F	200 a 1000	68	9.99	23,951	25.02
G	1000 a más	16	2.35	34,710	36.27
TOTAL:		681	100.00	95,710	100.00

*Exclusive

Fuente de Información: Obtenidas por SCIF de la Delegación Técnica de tierras de Montaña de Tingo María.

Tingo María - Huallaga (Huánuco)

TITULADOS

GRUPOS	LOTES DE Has.	NUMERO DE LOTES		EXTENSION	
		Cantidad	%	Has.	%
A	1 a 10	1	2.6	1	.
B	10 a 20				
C	20 a 50	9	23.7	252	0.80
D	50 a 100	5	13.1	282	1.00
E	100 a 200	8	21.1	931	3.10
F-G	200 a más	15	39.5	28,210	95.10
TOTAL:		38	100.00	29,676	100.00

763

EMPRESAS COOPERATIVAS

NOMBRE DE COOPERATIVAS	FECHA DE CREACION	NO DE SOCIOS	TARPO	AREA HECT.	CREACION LEGAL	UBICACION	OBSERVACIONES
Central de Corp. Instit. Huancayo No. 138	05-05-72	07	CAS	100	Proceso de liquidación	Huancayo	fs 100 Hect. 2 di la a Corp - Tronero
Naranjillo S.A. No. 149	24-12-64	227	CAS	—	Propuesta Pto	Tungurahua	Terreno urbano
La Horada Hda No. 148	13-12-64	30	CAS	—	—	La Horada	Proceso de liquidación
Financiera Central No. 62	16-2-69	07	CAS	—	—	Pueblo Nuevo	Solo prend. obavots
Azul de Magdalena Hda No. 173	30-11-66	16	CAS	—	—	Magdalena	Proceso de liquidación
San Martín de Lucas Hda # 66	13-06-65 21-12-71	30	CAS CAP	584.0050	No adju- dicar	Pucallpa	—
Prim Oriental Hda # 104	1979	11	CAP	560.0000	Incorporación	S.A.I.P.A.I	Incorporado a la CAP-TC - Copi Perú
El Progreso Hda # 277	1966	16	CAS	100	Incorporación	COTACAMBO	Incorporado a la Central de Corp.
Jardín de Teñal Barrera # 09	13-07-74	476	CAP	2,339	Adjudicada fs. 1474	H. Vilduyán (F. Prado)	2 polidivisa- ción
TECAFÉ DEL PERÚ Hda # 10	13-7-74	318	CAP	856.56	Adjudicada	D.A. Robles (F. Prado)	—
San Humberto Hda # 08	7-5-76	20	CAP	165.60	Adjudicada	MONZÓN (Huancayo)	50 Hect. de uso.
Piura Hda # 57	15-06-65	25	CAP	3,570	Adjudicada	UCHIZA	—
Pringipa Hda # 121	4-4-70	36	CAP	1928	Adjudicada	UCHIZA	—
La Marginal Hda # 28	27-7-69	20	CAS	—	Adjudicada	UCHIZA	Trabaja como CAP - 15 hect. forestal

BEST AVAILABLE DOCUMENT

Anda Lita Nº. 112			CAS			ANDA	Proceso de Liquidación
Hariscol Sociedad SA			CAS				Proceso de Liquidación
Nueva Horizonte Sida Nº. 47			CAS				Proceso de Liquidación
Nueva Esperan- za Sida # 133	20-10-71 11-01-72		CAS			UCHIZA (M. Giers)	Proceso de Liquidación
Tocachi Sida Nº. 49			CAS				Proceso de Liquidación
El Porvenir Sida 272	12-6-72	59	CAP	3,242	aljudicada		Incumplida p/la Comunidad Camp. N.º 15

BEST AVAILABLE DOCUMENT

C.A.S

Cooperatives

EM PRES A	FECHA CONSTIT.	FECHA RECONOC.	RESOL. RECONOC.	U B I C A C I O N				Nº. Socios	HAS. PRODUCC.
				DISTRITO	PROVINCIA	DPTO	SECTOR		
La Marginal Nº. 28	27-07-64	02-09-70	565 ONDECOOP	UCHIZA	Municipal Escoles	Sau. Martín	Parango	20	---
Agropecuaria Maruyel-Linda PA	27-19-64	16-09-65	229 INCOOP	RUPA R. PA	Financ. Trabajo	Huancayo	Tungo Moris	3601	---
Huallaga Central 02	16-02-64	12-05-70	410 ENDECOOP	J. C. Castillo	Financ. Prado	Huancayo	Puñco Moris	20	---
Nueva Experiencia La Lida 133	20-10-71	14-01-72	013 DGAE	UCHIZA	Municipal Financ.	Sau. Martín	Fin. Frijol	---	---
Asociación Hagstadiana			I N A	C	T	-	-	A	---
Ozco de Hagstadiana H. 173	15-06-65	30-11-65	252 INCOOP	CHCLÉN	MARAYON	HUANUCO	La HERRADA	25	---
La Morada Bide Nº 148	13-12-64	16-09-65	228 FINCOOP	CHCLÉN	MARAYON	HUANUCO	La HERA DA	20	---

CENTRALES

Central Office of Cooperatives

Central de Cooperación Tercer Grupo de la Morada	05-08-72	27-12-72	246 ONAMS	J. C. CASTILLO	Financ. Prado	Huancayo	ANAYACO	CS.	---

CENTRAL OFFICE OF COOPERATIVES

Relación De Empresas Campesinas Del Distrito

Agricultorías Tingo María

G. A. P.

EMPRESA	FECHA CONSTIT.	FECHA RECONOC.	RESOL. RECONOC.	UBICACION				Nº Socio	H.A.S. ADJUDIC.
				DISTRITO	PROVINCIA	DEPTO.	SECTOR		
Jardines de Tc "El Estanque" # 19	13-07-74	22-07-74	031-V CRAMS	H. Vicos Vicos	Tarma Tarma	Tarma	Ajo Tarma	510	2354.77
Té Inf. del Perú Lda. N.º 10	13-07-74	22-07-74	032 CRAMS-V	D. E. ROSALES	Tarma Tarma	Tarma	Tarma Vicos	300	743.92
San Humberto Lda. N.º 58	07-05-66	11-06-76	1224 CRAMS-V	MONTE MONTE	H. Vicos Tarma	Tarma	Tarma Tarma	20	165.60
Puente Lda. N.º 06	14-12-74	20-12-74	353 RA-VII	J. C. CASTELL	Tarma Tarma	Tarma	Tarma Tarma	30	620
Arqueiro Lda. 2.ª	04-04-76	21-07-76	456 CRAMS-V	UCHIZA	Morona Tarma	Tarma	Tarma Tarma	20	1925.00
Puente Lda. N.º 57	19-09-76	27-11-76	514 CRAMS-V	UCHIZA	Morona Tarma	Tarma	Tarma Tarma	20	2670.00

1.4

Loans Authorized by the Agrarian Bank

5.3. - POLITICA DEL BANCO AGRARIO EN LA ZONA TINGO MARIA -

 TOCACHE - SUCURSAL DE TINGO MARIA

El cuadro N°. 1 nos muestra que si bien el monto de los créditos del Banco aumentó en un 41.9 % (1975-1976) y un 40 % (1976 - 1977), estos se reducen ruidamente por efecto de la inflación a un 8.4 % y 1.9 % para los mismos periodos; éstas cantidades son los aumentos reales en el monto crediticio en dichos años.

CUADRO N°. 1

PRESTAMOS OTORGADOS POR EL BANCO AGRARIO SUCURSAL TINGO MARIA

AÑO	MONTO (1) S/	TASA DE INFLACION (2) PROM. ANUAL	TASA DE INCREMENTO	RELACION
1975	164'533,054	23.61		
1976	233'497,915	33.49	41.9	8.4
1977	326'986,350	38.05	40.0	1.9
1978 SET.	318'095,210	70.09 (3)		

- FUENTE : 1. - BANCO AGRARIO SUCURSAL TINGO MARIA
 2. - LA ECONOMIA PERUANA 1977 CIUP. 1978
 3. - I. N. E.

Cuando relacionamos el incremento del monto para el año agrícola con la tasa de inflación, vemos un descenso fuerte en el apoyo del Banco en la producción de alimentos en la zona (ver cuadro N°. 2).

CUADRO N° 1

PRESTAMOS OTORGADOS POR EL BANCO AGRARIO - SUCURSAL TINGO MARIA

AÑO	MONTO /	TASA DE INFLACION / PROMED. IO ANUAL.	TASA DE INCREMENTO	RELACION
1979	660'811,401			
1980	1,694'380,980			

CUADRO N° 2

RELACION INCREMENTO AVIO AGRICOLA CON TASA DE INFLACION -SUCURSAL TINGO MARIA

AÑO	MONTO	TASA DE INFLACION	TASA DE INCREMENTO	INCREMENTO REAL
1979	415'433,676			
1980	896'844,500			

NOTA- SON DATOS GLOBALES EN LO QUE RESPECTA AL AVIO AGRICOLA, CONTANDO CON LAS AGENCIAS DE PANAJO - LA UNION - HUANUCO. QUE TAMBIEN PERTENECEN A LA SUCURSAL DEL BANCO AGRARIO DE TINGO MARIA.

FUENTE : BANCO AGRARIO SUCURSAL TINGO MARIA.

76.9x

CUADRO N° 3

PRISTANOS OTORGADOS POR EL BANCO AGRARIO SEGUN FINALIDAD SUCURSAL TIRO MARIA
1975 - 1978 (En miles de soles)

FINALIDAD	1 9 7 5		1 9 7 6		1 9 7 7		1978 (1)		VARC.	VARC.
	MONTO	%	MONTO	%	MONTO	%	MONTO	%	75/75	77/76
T O T A L	164'533	-	233'494	-	326'906	-	318,095	-	-	-
AVIO AGRICOLA	103'908	63.2	112'467	48.2	140'152	42.9	161'062	-53	8.2	24.6
AJO	26	0.025	-	-	-	-	-	-	-	-
ARVEJA	324	0.31	-	-	202	0.14	-	-	-	-
ARROZ	11'719	11.28	22'350	19.9	2'010	6.43	1'377	0.82	90.7	-59.7
CACAO	336	0.32	849	0.76	3'700	2.64	8'839	5.23	152.7	335.8
CAFE	6'057	5.83	6'200	5.51	26'093	18.62	30'383	17.99	2.4	320.9
CAMOTE	108	0.10	-	-	183	0.13	255	0.15	-	-
CEBOLLA	113	0.11	57	0.05	75	0.05	-	-	-49.6	31.6
FRIJOL	32	0.03	150	0.13	423	0.30	1'159	0.69	368.8	182.0
MAIZ	13'562	13.05	26'677	23.90	32'277	23.03	22'624	13.4	98.2	20.1
MARANJOS	1'279	1.23	435	0.39	480	0.34	370	0.22	-66.0	10.3
PAPAS	39'872	38.37	14'000	12.50	15'809	14.13	30'716	18.2	-64.7	40.9
PLATANO	5'893	5.67	1'765	1.57	769	0.55	555	0.33	-700.0	-56.4
SORGO	861	0.83	880	0.78	-	-	-	-	2.2	-
SOYA	1'692	1.63	4'314	7.39	-	-	444	0.29	391.5	-
TE	19'279	10.55	26'901	25.77	45'000	33.39	71'660	42.44	50.3	61.5
TRIGO	734	0.71	556	0.49	142	0.10	-	-	-74.2	-74.4
YUCA	2'020	1.24	986	0.88	190	0.14	460	0.20	-51.2	-80.7
AVIO PECUARIO	9'484	5.8	3'877	1.7	3'638	1.1	3'502	-	-59.1	-6.2
AVES	679	7.2	1'187	10.6	2'686	73.8	2'250	-	74.8	126.3
VACUROS	8'488	89.5	2'691	69.4	142	3.9	350	-	-62.3	-94.7
PASTOS	317	3.3	-	-	810	22.3	850	-	-	-
ABEJAS	-	-	-	-	-	-	132	-	-	-
OTROS PRESTS.	1'140	-	117'157	-	183'196	-	145'702	-	-	-
MAQUINARIAS E IMPLEMENTOS	951	0.58	3'125	1.30	1'200	0.37	1'382	-	228.6	-61.6
COMERC. CAFE	44'880	27.3	77'515	33.2	181'996	55.7	144'320	-	72.7	134.6
OTROS COMERC. PRODUCTOS	5'309	3.2	36'518	15.6	-	-	-	-	587.0	-100.0

FUENTE: Banco Agrario Sucursal Tingo Maria.

(1) Hasta el 30 de setiembre.

**PRESTAMOS OTORGADOS DEL BANCO AGRARIO SUCURSAL TINGO MARIA
HAS. Y Nº DE PRESTAMOS POR CULTIVOS Y AVIOS**

CULTIVO	1975		1976		1977		1978 (1)		INCRM. HAS.	
	HAS.	Nº PTMS.	HAS.	Nº PTMS.	HAS.	Nº PTMS.	HAS.	Nº PTMS.	75/76	76/77
TOTAL GENERAL		2,421		1,601		1,555		963		
TOTAL AVIO AGRIC.	7,720	2,370	7,154	1,580	5,752	1,541	3,678	954	-7.3	-19.6
JO	7	1	-	-	-	-	-	-	-	-
ARVEJA	18	-	-	-	6	-	-	-	-	-
ARROZ	1,036	196	1,384	309	515	190	68	24	33.6	-22.8
CAJAO	65	18	136	23	251	57	318	65	109.2	84.6
CAFE	601	136	628	155	1,079	219	789	152	4.5	71.8
CANOTE	7	-	-	-	5	-	8	-	-	-
CEBOLLA	6	6	25	3	2	1	-	-	-58.3	-20.0
CHILIZ	98	2	16	3	10	-	30	-	-83.7	-37.5
MAIZ	1,822	340	3,052	563	2,627	568	1,327	294	67.5	-13.9
MARAJOS	45	12	35	6	23	4	16	3	-22.2	-34.3
PAPAS	2,263	1,360	575	375	672	462	665	393	-74.8	16.8
PLATANO	657	153	160	42	89	21	43	7	-75.6	-44.4
QUINUA	68	1	50	1	-	-	-	-	-26.0	-
SOYA	173	7	515	11	-	-	10	-	197.7	-
TE	427	4	438	4	444	5	522	5	2.6	1.4
TRIGO	138	39	55	49	10	6	-	-	-60.1	-81.8
YUCA	289	90	111	37	18	8	22	11	-61.6	-83.8
TOTAL AVIO PECUARIO	-	47	-	11	-	11	-	6		
AVES	21,500	6	14,150	6	18,000	6	12,500	4		
VACUOS	352	37	626	5	2	2	11	-		
PASTOS	-	4	-	-	134	3	20	1		
ABEJAS	-	-	-	-	-	-	22	1		
SITIOS PRESTAMOS	-	4	-	6	-	3	-	3		
1 VOLVO MAQ. e IMPLEMENTOS	1 Volvo	1	-	1	1 Volvo	1	1 Grupo	2		
COMERCLZ. CAFE	33,000	1	25,000	3	22,196	2	22,000	1		
COMERCLZ. OTROS PROFITOS	4.4	2	4.4	2	4.4	-	4.4	-		

FUENTE: Banco Agrario - Sucursal Tingo Maria.

PRESTAMOS OTORGADOS POR EL BANCO AGRARIO SUCURSAL TINGO
MARIA Háa y N° DE PRESTAMOS POR CULTIVO Y AVIOS

C U L T I V O	1 9 7 9		1 9 8 0		IINCREMEN. HAS 60/79
	HAS. UNID.	PTMOS	HAS UNID.	PTMOS	
TOTAL GENERAL	3349.75	780	6829	1297	
AVIO AGRICOLA	3191.75	753	5447	1233	
Arroz	319.5	122	728	253	
Café	940.75	232	1028	258	
Cacao	316	79	755	156	
Soya.	6	2	83	59	
Frijol	3	1	3	1	
Maíz	857	183	1854	361	
Té	532.5	7	482	5	
Yuca	63	25	237	66	
Plátanos	83	18	264	64	
Naranjas	21	4	61	10	
AVIO PECUARIO	158	14	712	63	
Aves		19,501	13	53,807	17
Pastos	158	3	712	11	
Vacunos		4		29	
Otros					
AVIO FORESTAL	462,240	2	620 1'227,	1	
REPAACION MOBIL.					
Camión, camioneta	2	1	4	2	
Horno secador	1	1	-	-	
Motocultor	--	-	1	1	
Tractores	-	-	2	1	
aserradores	-	-	1	-	
Grupo Electrógeno	-	-	1	-	
Motosierras	-	-	4	-	
Compresores	-	-	1	-	
Equipo ordeñador	-	-	1	1	
COMERCIALIZACION		2	Q.S.Q.S.	1	
CAPITALIZACION	Inst. Avic. 1				

FUENTE : BANCO AGRARIO DEL PERU - SUCURSAL TINGO MARIA

5

PRESTAMOS EJECUTADOS SEGUN FINALIDAD Y PRINCIPALES CULTIVOS
Y/O DESTINOS AÑO 1979-80 SUCURSAL TINGO MARIA

FINALIDAD T O T A L	1 9 7 9		1 9 8 0		VARIACION 79/80
	MONTO	%	MONTO	%	
AVIO AGRICOLA	357'998,6	59.93	625'703,0	44.36	
Arroz	15'238,3	4.25	59'412,0	9.49	
Café	115'151,0	32.33	93'514,0	18.49	
Cacao	22'854,0	6.38	105'557,5	16.87	
Mais	28'893,6	8.07	56'513,9	15.42	
Té	165'500,0	46.22	210'340,0	33.61	
Yuca	2'854,5	0.80	16'319,0	2.68	
Plátanos	3'888,0	1.08	29'544,5	4.79	
Naranjos	2'709,0	0.75	7'096,0	1.13	
Soya	300,0	0.08	6'896,0	1.10	
AVIO PECUARIO	12'999,0	2.18	135'302,0	9.60	
Aves	8'616,0	66.28	27'697,0	20.47	
Pastos	1'203,0	9.25	27'955,0	20.66	
Vacunos	3'180,0	24.46	59'489,0	43.96	
Otros	- - -	- - -	20'170,0	14.90	
AVIO FORESTAL	776,4	0.13	40'000,0	2.84	
Maderas	776,4	0.13	40'000,0	2.84	
EXPANSION MOBILIARIO	13'174,0	2.21	95'580,0	6.85	
Manión, Camioneta	3'794,0	28.79	17,660,0	18.28	
Horno secador	9'380,0	71.20	- - -	- - -	
Motocultores	- - -	- - -	1'520,0	1.57	
Tractores	- - -	- - -	34'000,0	35.20	
Aserradores	- - -	- - -	13'000,0	13.46	
Grupo Electrógeno	- - -	- - -	11'700,00	12.11	
Motosierras	- - -	- - -	1'188,0	1.23	
Compresores	- - -	- - -	15'112,0	15.64	
Equipo ordeñador	- - -	- - -	2'400,0	2.48	
AVIOS COMERCIALIZAC.	218'000,0	35.49	512'804,0	36.36	
CAPITALIZACION	42872	0.08	- - -	- - -	

FUENTE : BANCO AGRARIO DEL PERU - SUCURSAL TINGO MARIA.

CUADRO N° 6

PRESTAMOS EJECUTADOS A GENCIA AUCATACU SECON TIPO DE EMPRESA

POR TIPO	1979			1980		
	PTOS.	MONTO	%	PTOS.	MONTO	%
TOTAL	71	10'534,000		238	118'182,500	
UNIDADES ASOCIATI-	--	--		--	--	
INDIVIDUALES, ME- DIOS Y GRANDES A- GRICULTORES	11	3'350,000	31.71	194	112'629,500	95.3
PRESTAMOS INDIVIDUA LES Y PEQUE- ÑOS AGRICULTORES.	60	7'184,000	68.19	44	5'553,000	4.70

CUADRO N° 7

PRESTAMOS EJECUTADOS SUCURSAL TINGO MARIA

POR TIPO	1979			1980		
	PTOS.	MONTO	%	PTOS.	MONTO	%
TOTAL	1085	660'811,401		2261	1,694'380,980	
UNIDADES ASOCIATIVAS	12	478'374,000	72.39	13	914'355,980	53.96
AGRICULTORES INDIVIDUALES	1074	182'438,475	27.60	2248	780'025,000	46.03

CUADRO N° 8

MOVIMIENTO CREDITICIO DE LAS OFICINAS DEL BANCO AGRARIO DE LA ZONA

OFICINA	N° DE PRESTATARIOS		MONTO TOTAL		% :	
	1979	1980	1979	1980	79	80
TINGO MARIA	457	606	564'875,275	1,173'231,480	85.48	69.24
AUCATACU	71	238	10'534,000	118'182,000	1.59	6.97
TOCACHE	159	436	19'921,000	91'554,000	3.01	5.40
HUAFUCO	238	486	40'252,126	173'751,000	6.09	10.25
LA UNION	26	160	16'619,000	64'902,000	2.51	3.83
PANAO	75	335	8'610,000	72'760,000	1.30	4.29
T O T A L	1086	2,261	660'811,401	1'694,380,980	100	100

PRESTAMOS EJECUTADOS AGENCIA AUCAYACU SEGUN TIPO DE EMPRESA

POR TIPO	1975			1976		
	PTMOS	MONTO	%	PTMOS	MONTO	%
TOTAL	681	41'688,498		873	41'802,601	
UNIDADES ASOCIATIVAS	6	14'454,248	34.7	6	55'029,901	60.0
INDIVIDUALES	675	27'234,250	65.3	867	36'772,700	40.0

POR TIPO	PTMOS	MONTO	%
	TOTAL	515	29'959,750
UNIDADES ASOCIATIVAS	---	----	
INDIVIDUALES	515	29'959,750	100.0

FUENTE : BANCO AGRARIO AGENCIA AUCAYACU

775

PRESTAMOS EJECUTADOS SUCURSAL TINOCO MARIA

POR TIPO	1975			1976		
	PTMOS	MONTO	%	PTMOS	MONTO	%
TOTAL		773'781,000		1,601	233'497,915	
UNIDADES ASOCIATIVAS		96'927,000	55.8	16	171'710,891	73.5
INDIVIDUALES		76'854,000	44.2	1,585	61'787,024	26.5

POR TIPO	1977		
	PTMOS	MONTO	%
TOTAL	1,555	326'986,350	
UNIDADES ASOCIATIVAS	12	247'321,600	75,64
INDIVIDUALES	1,543	79'664,750	24,36

FUENTE : BANCO AGRARIO SUCURSAL TINOCO MARIA

69

**MOVIMIENTO CREDITICIO DE LAS OFICINAS DEL BANCO AGRARIO
DE LA ZONA AÑO 1977**

OFICINA	Nº. DE PRESTATARIOS	MONTO TOTAL S/	%
TINGO MARIA	788	264'884,200	81.0
AUCAYACU	515	29'959,750	9.2
TOCACHE	172	8'352,600	2.6
HUANUCO	374	19'299,300	5.4
LA UNION	82	3'199,500	1.0
PANAO	24	1'291,000	0.3
TOTAL		326'986,350	100.0

FUENTE : BANCO AGRARIO = SUCURSAL DE TINGO MARIA,

OBSERVACIONES GENERALES SOBRE LA POLITICA DEL BANCO AGRARIO (1977)

Sobre el apoyo que la Sucursal de Tingo Maria presta al desarrollo de la producción agro-pecuaria en la zona, hay algunas observaciones que se deducen de la información estudiada hasta aquí :

APOYO A LAS COOPERATIVAS

El Banco Agrario cada vez apoya más a las Cooperativas de Tingo Maria, dedicadas a los cultivos no-alimenticios de Té, Café y cacao, por la seguridad económica que representan dichos cultivos para la recuperación de los préstamos, por otro lado las cooperativas del Distrito de Uchiza, dedicadas exclusivamente a la producción de alimentos, no reciben ningún tipo de préstamos.

Sobre el apoyo a las cooperativas, un aspecto que lo determina es la actitud de las mismas de aceptación o rechazo frente al funcionamiento de las Instituciones Públicas (EPSA, MINISTERIO, BANCO); aquí se ve muy claro que no hay ningún interés en apoyar la función social de las cooperativas sino que se las "ve" como

82

DATOS DEL CUADRO DE ANALISIS DE LA CARTERA CORTO PLAZO AL 31-12-80

CLASE DE PRESTAMO	CONCEPTO	TOTAL CARTERA	TOTAL	CARTERA POR VENCER			CARTERA VENCIDA			
				CURSO NORMAL	PRORROGADA	TOTAL	HASTA 30 DIAS	91 - 180 DIAS	181 - 360 D	MAS 360 D
	N° PTROS.	6 16	535	519	16	79	17	28	14	20
	CAPITAL	359'720,	349'505,	310'328,	39'177,	10'235,	2'156,	2'009,	1'660,	4'410,
	INTERESES	26'645,	21'363,	13'369,	7'994,	5'282,	191,	351,	438,	4'302,

DATOS DEL CUADRO DE ANALISIS DE LA CARTERA LARGO PLAZO AL 31-12-80

CLASE DE PRESTAMO	CONCEPTO	TOTAL CARTERA	TOTAL	CARTERA POR VENCER			CARTERA VENCIDA			
				CURSO NORMAL	PRORROGADA	TOTAL	HASTA 30 DIAS	91 - 180 DIAS	181 - 360 D	MAS 360 D
	N° PTROS.	77	56	50	6	21				21
	CAPITAL	126'630,	103'168,	96'821,	6'347,	23'512,				23'512,
	INTERES	23'706,	7'249,	6'872,	377,	16'457,				16'457,

FUENTE : BANCO AGRARIO DEL PERU - SUCURSAL TINGO MARIA

CUADRO N° 8

RELACION ENTRE MONTOS OTORGADOS ENTRE PRODUCTOS ALIMENTICIOS Y NO-ALIMENTICIOS
SUCURSAL TIAGO MARIA AÑOS 1975, 76, 77

	ALIMENTICIOS					NO ALIMENTICIOS			TOTAL ALIMENTIC.	TOTAL NO ALIMENTIC.	TOTAL AVIO AGRIC. + COMERC. PRODUCTOS COSECHADOS	
	MAIZ	ARROZ	PAPA	PLATAZO	OTROS	CAFE	CACAO	TE				
1975	MONTO	16'037.6	11'719.4	39'871.7	5'893.3	7'621.3	50'937.2	336.1	19'278.8	81'143.3	70'552.1	151'695.7
	%	10.6	7.7	26.3	3.9	5.0	33.6	0.2	12.7	53.5	46.5	
1976	MONTO	26'877.0	22'350.5	14'060.3	1'765.0	10'380.4	83'714.4	849.3	28'981.0	75'433.2	114'544.7	189'977.9
	%	14.1	11.8	7.4	0.9	5.5	44.1	0.4	15.3	39.7	60.3	
1977	MONTO	32'276.9	9'009.9	19'809.0	788.8	1'695.1	208'089.0	3'699.7	46'800.0	63'553.7	258'588.7	322'148.4
	%	10.0	2.8	6.1	0.2	0.5	64.6	1.1	14.5	19.7	80.3	

FUENTE: Banco Agrario Sucursal Tiago María.

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10
4

799
x666

Loans for Commercial Versus Non-Commercial Crops

RELACION ENTRE MONTOS OTORGADOS DE PRODUCTOS ALIMENTICIOS Y NO ALIMENTICIOS
SUCURSAL T INCO MARIA AÑOS 1979-80

	ALIMENTICIOS				NO ALIMENTICIOS				TOTAL ALIMENTI	TOTAL NO ALIMENTICIO	TOTAL A/ ACRI COLA COMERCIAL DE PRODUCTOS DESTACADOS.
	MAIZ	ARROZ	PLATANO	OTROS	CAFE	CACAO	TE				
1979 MONTO	28'893,6	15'238,3	3'888,0	5'873,5	115'151,0	24'884,0	165'500,0	53'893,4	305'505,0	357'998,600	
%	8.07	4.25	1.08	1.64	32.3	6.38	46.22	15.04	84.4	100	
1980 MONTO	96'513,9	59'412,0	29'544,5	30'811,0	93'514,0	105'567,0	210'340,0	216'281,1	409'421,5	625'703,000	
1980 %	15.42	9.49	4.72	4.91	18.49	16.87	33.61	34.54	68.97	100	

FUENTE : BANCO AGRARIO - SUCURSAL T INCO MARIA.

1980

Situación crediticia de las empresas registradas

Appendix 6.

AL 31 DE DICIEMBRE 1980

CAP "AREQUIPA" LTDA Nº 21								
P.u. Tamo.	Monto	OBJETO	VENCTO	VALOR DE DEUDAS		TOTAL	EN MONEDA	GARANTIAS
				CAPITAL	INTERES			
PIEA 64/40	15'220,000	Compra de 630 vac. 7a. 738 Hb. p. 20, 21 y 22	30-12-73	13'344,152	1'875,848	14'220,000	- -	Magnum 1500,000 788 Hb. 44'832,000
PIEA 14/40	5'600,000	Imp. p. 2000. 400 Hb. 2000000000	30-12-70	1'844,890	3'755,110	2'510,220	Castiga	Sin Garantías
PIEA 27/40	2'000,000	Cont. 40 Hb. 2000000000 2 p. 2000 con 1000000000 de 1000000000 y 1000000000	30-12-75	500,000	1'500,000	2'000,000	Castiga	Sin Garantías
CAP "PIURA" LTDA Nº 57								
PIEA 50/40	16'100,000	Compra de 650 vac. 7a. 750 Hb. p. 20, 21 y 22	30-12-75	16'300,000	- -	16'300,000	- -	1,180 Hb. 70'523,110
PIEA 2/40	3'400,000	Cont. 200 Hb. 2000000000 2000000000 y 1000000000	30-12-75	2'100,000	1'300,000	3'400,000	Castiga	Sin Garantías
CAP "EL PORVENIR" LTDA Nº 148								
PIEA 1/40	27'215,000	Compra de 600 vac. 7a. 600 Hb. p. 20, 21 y 22	30-12-74	17'500,000	9'715,000	27'215,000	- -	502 vac. 57'578,000
CAP "LA MORADA" LTDA Nº 148								
PIEA 34/40	3'254,525	Compra de 250 Hb. 2500000000 250 Hb. 2500000000	31-10-78	2'270,666	983,859	3'254,525	Castiga	Sin Garantías
PIEA 11/40	2'100,693	250 Hb. 2500000000 y 2500000000	31-10-78	1'414,439	686,254	2'100,693	Castiga	Sin Garantías
CAP "PUCATE" LTDA Nº 06								
PIEA 4/70	11'458,000	240 Hb. 2400000000 de 240 y 55 Hb. de 1100	30-04-81	624,000	10,833	634,833	- -	Sin Garantías
PIEA 30/39	9'345,471	Imp. p. 2000. 400 Hb. 2000000000	30-10-70	5'173,050	4'172,421	9'345,471	- -	Mag. 7'000,000
PIEA 3/39	5'439,720	Imp. p. 2000. 400 Hb. 2000000000	30-04-81	6'018,350	1'421,370	7'439,720	- -	Mag. 17'242,000
CAP "AZUL DE MODORENA" LTDA Nº 173								

X 186

CAS "TODACHE" LTDA N° 79								
SAEA 13/41	750,000	St. J. ... H. de MAJL	19-01-75	195,938	---	195,938	CASTILLO	Sin Garantías
CAS "NUEVA ESPERANZA" LTDA 133								
PEEA 5/42	15'000,000	Comp. 735 Ha. 750 Ha. pa. Por Instalaciones y Fluo	03-02-78	11'519,484	6'970,444	18'537,928	18'537,928	Mag 45,000 (6.4)
PIEA 24/40	3'046,468	Est. 85 Ha. 1 ... 3 Pys. con Tanager de ...	03-02-78	2'202,714	949,253	3'154,722	Cast. b	Sin Garantías
CAS "EL PROGRESO DE ALCAYALDO								
PEEA 35/42	7'500,000	Comp. 424 Ha. 465 Ha. de parcelas y otros	24-02-78	5'231,792	2'563,030	5'201,022	5'201,022	Sin Garantías
SEEA 16/39	2'050,000	Sumbia y cond. 117 Ha. de ... y 200 Ha. de MAJL	24-02-78	1'314,447	349,113	1'463,560	CASTILLO	SIN GARANTÍAS
PIEA 10/39	300,000	Comp. Alc. 75 Ha. Alente Parrina	24-02-78	300,000	112,007	412,007	CASTILLO	Sin Garantías
PIEA 15/39	300,000	Comp. Alc. 75 Ha. Parrina	24-02-78	266,754	149,863	416,617	CASTILLO	Sin Garantías
PIEA 19/39	240,000	Comp. Alc. 50 Ha. Alente Parrina	24-02-78	239,000	135,249	374,249	CASTILLO	Sin Garantías
PIEA 31/39	558,000	Comp. Alc. 60 Ha. Alente Parrina	24-02-78	333,000	122,222	455,222	CASTILLO	Sin Garantías
PIEA 2/35	2'490,000	Comp. 5 Ha. 4 Ha. de habiles, pastos, 2 Tanager y Fluo	24-02-78	2'206,017	515,075	2'721,092	CASTILLO	Sin Garantías

Oficina Aucayacu

Aucayacu Office

<u>COMERCIALIZACION</u>	<u>AGRARIAN REFORM</u>	<u>AGRARIAN PRODUCTION</u>	<u>LIVESTOCK PROD.</u>	<u>MANAGEMENT</u>
I Technician	I Secretary I 4 Technicians 1 Field Assistant 2 Topographers	I Technicians 4	Veterinarian Doc. Technicians for Livestock	I Manager 1 Warehouseman 1 Personnel Adminis. 1 Radio Operator 1 Cashiers 3 Heavy Equipment Operator 2
<u>Irrigation Dept.</u>	<u>Forestry</u>	<u>General Services</u>		<u>Workshop</u>
Technicians 1	Forestry Officer 1	Janitor 1 Groundskeeper 2 Watchmen 4 Generator Operator 1	Topographer 1 Secretary 1	Personnel Admin. 1 Helpers 2

Total Office Personnel,
Aucayacu

48

xhs

MINISTRY OF AGRICULTURE

PERSONNEL OF TINGO MARIA OFFICE

<u>COMERCIALIZATION</u>	<u>AGRARIAN REFORM</u>	<u>AGRARIAN PRODUCTION</u>	<u>VETERINARY SECTION</u>
1 Agronomist	1 Agronomist	5 Technicians	1 Veterinarian
1 Secretary	1 Secretary	4 Agronomists	1 Secretary
4 Employees	3 Assistants	1 Secretary	3 Technicians
-	-	-	-
6	5	10	5
<u>FORESTRY DISTRICT</u>	<u>SOILS</u>	<u>MANAGEMENT</u>	<u>PERSONNEL</u>
2 Agronomists	1 Agronomist	1 Manager	1 Personnel Officer
1 Forestry Officer	2 Technicians	1 Secretary	1 Helper
2 Helpers		1 Cashier	
<u>2 Office Employees</u>		<u>22 Employees</u>	
7	3	25	2

v ✓

STATUS OF THE COLONIZATION

SITUACION DE LA COLONIZACION TIENE MARIA-ROCAULT-COMPANIAI. INTRODUCCIONA.- Antecedentes.-

- 30-9-66 - Prvia evaluacion de Mayo 1965, Contrato de Prestamo N° 96/SP-PR entre el BID y la Corporación Financiera de la Refinería Agraria (CORFIRA) que comprendia:
 - Aprovechamiento de 85,000 Has.
 - Asentamiento de 5,250 familias
 - Construcción de infraestructura complementaria.
- Al costo total del proyecto en dólares \$ 25'000,000
 - Aporte local = 10'000,000
 - Prestamo BID = 15'000,000
- El 14 de 9-72 se amplía a Compañilla por valor en dólares ---- \$7'000,000
 - Aporte local = 22'200,000
 - Prestamo BID = 14'800,000
- Estimados en áreas:
 - 456,800 Has.
 - 126,000 Has. de posible utilización.

Sistema de Inversión :

	30-9-66	14-9-72
• Infraestructura y servicios	19.26	30.1
• Gastos en áreas de colonización	10.7	23.5
• Crédito para org. y explot. parcel.	55.9	28.5
• Administración del Proyecto	12.4	9.2
• Asistencia Técnica	0.0	0.2
• Inspección y vigilancia	0.5	0.4
• Otros	0.9	0.10

B.- Objetivos del Proyecto :

- Aprovechamiento racional de 106,000 Has.
- Asentamiento de 4,227 familias
- Ampliar y mejorar red caminera
- Promover programas coordinados : Fomento-Extensión-Crédito.

VI. SITUACION ACTUAL DEL PROYECTOA.- Objetivos.-

- No se ha logrado aún el aprovechamiento racional de las 126,000 Has. falta los estudios agrícolas.
- 3,797 adjudicaciones, los originales no se encuentran.
- Las viviendas construidas en número limitado.
- 467 Km. de carreteras de acceso, con falta de mantenimiento.

B.- Metas.-

1.- Estudios Especiales

- Levantamiento topográfico 398,951 Has.
- Levantamiento aerofotogramétrico 152,440
- lo que ha determinado la existencia de 126,000
- Has. favorables a la actividad agropecuaria.
- Levantamientos Catastrales 140,000 Has.

2.- Acciones de Asentamiento Rural : adjudicaciones diversas:

Tipo Empresa	No. empresas	lo. familiar	Has.
Asociativa	11	42%	21,376
Individual	--	3,371	104,421

70

3.- SITUACION DE LAS EMPRESAS ASOCIATIVAS

- EMPRESAS INCLUIDAS EN EL PROYECTO DE LA COLONIZACION

EMPRESAS	Area adjud.	Area cultiv.	No. de Socios		Monte Ejecutado	CREDITOS		
			Calif.	Actual		Saldo deudor	Saldo en P. Ejecutado	
1. CAS Huallaga Central	-	200	30	23	1'551,000	388,000	66,670	Malo
2. CAS Anco Patac	-	15	29	03	4'000,000	3'233,000	3'175,000	Malo
3. CAS Progreso de Aucayacu	-	200	-	80	19'180,000	14'174,000	5'001,000	Liquid.
4. CAS San Martin de Tucete	-	482	35	27	34'700,000	20'000,000	15'065,000	Malo
5. CAS La Moreda	-	244	30	13	15'018,000	13'058,000	11'081,000	Malo
6. CAS Azul de Magdalena	-	18	25	02	324,000	102,648	102,648	Malo
7. CAS Nueva Esperanza	-	170	44	04	12'646,000	15'227,000	1'151,000	Malo
8. CAS La Mariscal	-	538	39	27	13'082,000	13'455,000	451,153	Buen.
9. CAS Tocache								Liquid.
10. CAS Teru Oriental	532	413	52	20	14'801,655	15'531,037	3'871,027	Malo
11. CAS Piura	1,850	800	37	27	20'021,785	20'712,953	511,619	Regular
12. CAP Arequipa	1,762	500	31	0	25'000,000	21'000,000	3'451,000	Malo
13. CAP El Porvenir	9,000	2,060	57	18	86'000,000	72,600,000	-	Malo
14. CAP Nuevo Horizonte	-	-	37	-	10'897,000	8'221,000	-	Liquid.

588

EMPRESAS NO INCLUIDAS EN EL PROYECTO DE LA COLOMINACION

EMPRESAS	Area Adj.	Area Cultiv.	No. de Socios		C R E D I T O S			Estado
			Calif.	Actual	Monte Ejecutado	Saldo Deudor	Saldo a Favor	
1 Caf San Uberto	-	60	20	20	5'277,800	3'510,312	-	Bueno
2 Caf Karenjillo								
3 CAP Jardines de T6	2,339	469	558	461	35'635,168	13'371,084	5'365,136	Bueno
4 CAP T6 - Caf6	677	291	184	166	21'905,264	12'958,444	2'072,401	Bueno
5 Central del Huallaga								Regular

8.- COMENTARIO

En la actualidad en la Colonización (Set. 1974) ha quedado una infraestructura únicamente carreterable, pues otro tipo de infraestructura no existe, ni de tipo administrativo ni de tipo técnico, lo que ha traído como consecuencia que a lo largo de la colonización, se instalen entre 20,000 a 30,000 Has. de coca. Esta problemática ha nacido en la siguiente secuencia:

- a) Se trae un grupo de colonizadores, se les da una parcela agrícola, pero no se les provee la asistencia técnica necesaria.
- b) Los colonizadores empiezan la explotación de las parcelas con los cultivos tradicionales de la zona, obteniendo utilidades muy bajas que no les alcanzará para subsistir ni educar a sus hijos.
- c) Observa que algunas personas que siembran coca, disponen de recursos para satisfacer sus necesidades primarias, secundarias y les sobran excedentes monetarios con los cuales se da una vida muy fácil.
- d) Los colonos empiezan a sembrar coca y entran en el círculo siguiente:
 - Producen la hoja y la venden a terceros para la elaboración de la pasta básica de cocaína.
 - Posteriormente ya no venden la coca sino ellos mismos producen su pasta, pero siempre dependiendo de intermediarios para la venta de este producto (FBC).
 - Eliminan al intermediario y comienzan a venderla directamente, pero lo cual instalan campos de atorrizaje clandestinos o se les ingenan para llevarlos a otros países.

CONCLUSION :

Si analizamos la situación de la colonización observamos que en el Proyecto de la Colonización, solamente se había destinado para asistencia técnica del 0.2 al 0.4%, mientras que en otros rubros la inversión fue más grande.

La base más importante para la implantación de un Proyecto de Colonización es la asistencia técnica, pero con la mentalidad burocrática de nuestros dirigentes no fue implementada, lo cual ha traído como consecuencia el problema actual que se está viviendo en dicha colonización.

126

6.- SITUACION DE LA PRODUCCION AGROPECUARIA

Apropecuaria	Anterior a la ejecucion	Ejecuc. del Iruy
Plátano	4,040 Hls.	5,200
Coca	1,235	4,260
Café	1,510	6,080
Tabaco	118	-
Maiz	3,089	3,005
Cacao	1,250	134
Pan llevar	2,610	-
Frutales	930	-
Pastos	400	12,422
Arroz		1,400
Yuca		805
Soya		144
Borjo		150
Frijol		126
Palma		1,260
Otros cultivos	400	
Vacunos	2,000	11,160
Aves	40,000	88,000
Cerdos		6,500
Ovinos y caprinos		1,250
Caminos	62 Km.	
Aeropuerto	3	
Población	27,974	60,000 (1973)

A 1976 Considerando Aparte y la Región IV de la antigua Zona Agraria IX

Vacunas	30,780 cabezas
Pasturas	75,375 Hls.
Hls.	Cultivo
3,000	Arroz
12,000	Maiz
2,500	Yuca
5,000	Plátano
50	Citricos
650	Frijol
90	Sorjo
600	Soya
4,000	Café
1,500	Cacao
10,000	Coca
350	Tabaco
700	Té

En Abandono
- 3,300 vacunos en abandono
- 1,300 Coop.
- 2,000 Individ.

SOME PRODUCTS WHICH ARE SOLD IN THE LOCAL MARKET

<u>AÑO</u>			<u>Purchase price of Merchant</u>		<u>Sale price of Merchant</u>	
1981	1.1	Yuca	30.00 35.00		50.00 50.00	
1980	1.2	"	20.00 25.00	Por kilo	35.00 40.00	Por kilo
1981	1.1	Platano	10.00 15.00		20.00 25.00	
1980	1.2	"	10.00 15.00	Por unidad	20.00 20.00	Por unidad
1981	1.1	Palta	25.00 30.00		50.00 y 100.00 100.00	
1980	1.2	"	15.00 20.00	Por unidad	40.00 50.00	Por unidad
1981	1.1	Maiz	70.00 60.00		120.00 100.00	
1980	1.2	"	50.00 55.00	Por kilo	80.00 90.00	Por kilo
1981	1.1	Prijol	350.00 380.00		480.00 450.00	
1980	1.2	"	300.00 300.00	Por kilo	380.00 400.00	Por kilo
1981	1.1	Arroz	129.20	Por kilo	135.00	Por kilo
			<u>Arroba</u>	<u>Kilo</u>	<u>Total</u>	
1981	1.1	Coca	17,000 11,000	1,200 1,500	13,200 16,500	
1980	1.2	"	20,000 21,000	2,500 3,000	27,500 30,000	

<u>AÑO</u>		<u>Purchase price</u>		<u>Sale price</u>	
1981	Naranja	8.00	por unidad	15.00	por unidad
1980	"	5.00		10.00	
1981	Mandarina	15.00		30.00	
1980	"	10.00		25.00	
1981	Toronja	10.00		20.00	
1980	"	5.00		15.00	
1981	Limón dulce	10.00		15.00	
1980	"	5.00		15.00	
1981	Limón ácido	10.00		15.00	
1980	"	5.00		10.00	

COST OF PRODUCTION

COCA 1981

ORDEN DE PRODUCCION Y COSTOS
(C.C.)

TECNOLOGIA : Boliviana
SEMILLERO : 1/2 Ha. 15 arillos por cosecha
 4 cosechas a/a.
JORNAL TIENDE : 1 - 1,000.00
PIEZA : 4 - 3 = 12.
LUGARES : Cochabamba, Chuquiaguani, Las Palmas, Rio Uchira,
 Incahuasi.

<u>DESCRIPCION</u>	<u>UNID.</u>	<u>CANT.</u>	<u>COSTO UNIT.</u>	<u>COSTO TOTAL</u>
Fertilización	litro	1	20,000.00	20,000.00
Abono foliar	Kgs.	2	4,000.00	8,000.00
Control fitosanitario	Jornal	6	1,000.00	6,000.00
Mano de obra	Kgs.	463	40.00	18,520.00
Fertilizac. y abono foliar	Arrobas	15	1,000.00	15,000.00
Cosecha	Jornal	20	1,000.00	20,000.00
Labores culturales				
Cashiro				
Costo por alimentación X = 200.00 por cada jornal				
Control fitosanitario y fertilizaciones			3,000.00	
Cosecha mano de obra			7,750.00	
Labores culturales			15,000.00	8,750.00
Transporte de hoja verde a secadora - 500 Kg x 400 Kg.				<u>2,000.00</u>
COSTO TOTAL				211,470.00
Balance económico				
Costo por arroba de hoja seca				<u>6,222.00</u>

NOTA : En el costo no se considera los Beneficios Sociales, ni el costo de vicio, tampoco los intereses por capital invertido.

Ing. Abelardo Requena
 Especialista Agrícola
 Estado Plurinacional de Bolivia
 Tarija - Yocche.

1980

"AÑO BICENTENARIO DE LA REVOLUCIÓN EMANCIPADORA DE TUPAC AMARU Y
NICARLA BASTIDAS"

COSTO DE PRODUCCION DEL CULTIVO DE COCA

TECNOLOGIA : Alta.
 RENDIMIENTO \bar{X} /ha. : 20 a por cosecha
 4 cosechas año
 JORNAL : Diario \$ 1,000.00
 FECHA : 4 - 3 - 81
 PROVINCIA : Leoncio Prado, Distrito : Rupa Rupa, J. Crespo
 Castillo.

<u>RUBROS</u>	<u>Unid.</u>	<u>Cant.</u>	<u>Costo Unif.</u>	<u>Costo total</u>
Abono foliar	litro	1	10,000.00	10,000.00
Control fitosanitario Sevin 85	Kg.	2	4,600.00	9,200.00
Mano de obra para fertil. y control fitosanitario	Jorn.	6	1,000.00	6,000.00
Cosecha Mano de obra	Kg	621	40.00	24,840.00
Secado Secado en secadora	a	20	1,000.00	20,000.00
Labores culturales Deshierbo	Jr.	20	1,000.00	20,000.00
Costo por alimentación x		\$ 500.00 a/J.		
Mano de obra control		6.00	3,000.00	
Cosecha		20.7	10,350.00	
Labores culturales		20.0	10,000.00	23,350.00
Transporte de hoja seca a secadora		5.00 Kg.		<u>3,105.00</u>
		COSTO TOTAL		116,495.00

BALANCE ECONOMICO

Costo por arroba de hoja seca \$ -5,824.75

NOTA : En el costo no se considera, los beneficios sociales ni el costo de vida, además no se considera los intereses de capital por inversión.

RLP/Int.

x
7/16

RICE

COSTO DE PRODUCCION DEL ARROZ

Cultivo : Arroz 1 Há
 Rendimiento : 1,800 Kgr.
 Jornal : 1979 : \$ 750.-
 1980 : \$ 890.-

Precio : 1979 : \$ 45.-
 1980 : \$ 80.-

A S P E C T O	UNIDAD	COSTO 1979	COSTO 1980
Total Jornales	94	70,500	83,660
Semillas	60 Kgr	3,600	6,000
Herramientas		2,500	4,000
Transporte		9,000	14,400
	1,979: \$5.- (1,800 Kgr). 1,980: \$8.-		
Interés	1979: 21% 1980: 33%	11,031	22,082
Administrativos	15% G.D.	19,460	25,790
Imprevistos	5% G.D.		
COSTO TOTAL		116,091	155,935
INGRSO BRUTO		81,000	144,000
SALDO EN CONTRA		35,091	11,935

RICE
COSTO DE PRODUCCION

CULTIVO : Arroz JORNAL : \$ 1,500.00
 EXTENSION : 1 Há. NIVEL TECNOLÓGICO : Media.
 SISTEMA : Mecanizada EPOCA DE SIEMBRA : Nov.-Feb.
 PERIODO VEGETATIVO : 120 días. PROMED. PRODUCCION: 3,000 Kgs.

R	U	B	R	O	UNIDAD DE MEDIDA	CANTI	PRECIO UNITARIO	DIFORTE	SUB- TOTAL
A) COSTOS DIRECTOS:									
I PREPARACION TERRENO									
					1.- Aradura	Hora	3	8,000.00	24,000.00
					2.- Rastra	Hora	2	8,000.00	16,000.00
					3.- Ayudante	Jornal	1	1,500.00	1,500.00
									<u>41,500.00</u>
II SIEMBRA									
					1.- Semilla	Kgs.	80	130.00	10,400.00
					2.- Desinfe. semilla	Jornal	1	1,500.00	1,500.00
					3.- Siembra en sí	Hora	1	8,000.00	8,000.00
									<u>19,900.00</u>
III ABONAMIENTO									
					1.- Urea	Kg.	170	93.16	15,837.20
					2.- Cloruro de Sodio	Kg.	57	94.22	5,370.54
					3.- Superfosf. Calcio	Kg.	150	114.34	17,151.00
					4.- Aplic. de Abono	Jornal	3	1,500.00	4,500.00
									<u>42,859.00</u>
IV LABORES CULTURALES									
					1.- Primer deshierbo	Hora	1	8,000.00	8,000.00
					2.- Segundo Deshierbo	Jornal	10	1,500.00	15,000.00
					3.- Pajareo	Jornal	5	1,500.00	7,500.00
									<u>30,500.00</u>
V CONTROL FITOSANITARIO									
					1.- Minoxán	Lts.	2.50		
					2.- Surcofur	Lts.	5.00		
					3.- Tamarón	Lts.	1.00		
					4.- Fenarsol	Lts.	0.16	35,000.00	35,000.00
					5.- Aplic. Pestic.	Hora	1	1,500.00	1,500.00
					6.- Aplic. Pesticid.	Jornal	3	1,500.00	4,500.00
									<u>41,000.00</u>
VI COSECHA									
					1.- Cosechadora	Hora	2	5,000.00	10,000.00
					2.- Ayudante	Jornal	1	1,500.00	1,500.00
					3.- Envases.	Sacos	60	150.00	9,000.00
									<u>20,500.00</u>
VII TRANSPORTE									
					1.- Ferrocarril	Kms.	100	5.00	5,000.00
VIII LIMPieza Y SECADO									
						Kgs.	3,000	18.00	54,000.00
									<u>59,000.00</u>
T O T A L :									258,259.00 *****

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V A N .../

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B) COSTOS INDIRECTOS:

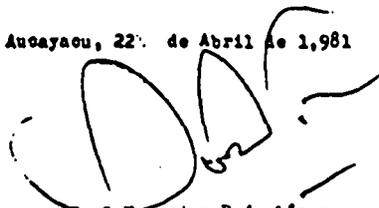
1.- Imprevistos: 10% del G.F.	30,120.00
2.- Leyes Sociales Mano de Obra: 50% C.D.	12,762.00
3.- Costo Administrativo: 8% C.D.	20,420.00
4.- Costo Financiero: 50% C.D.	12,762.00
	<u>76,064.00</u>

COSTO TOTAL DE PRODUCCION: 331,323.00

PRODUCCION 3,000 Kgs. x S/ 114.00: 342,000.00

RENDIMIENTO NETO: 10,677.00

Aucayacu, 22 de Abril de 1,981



Ing. Federico Ruiz López
Coordinador Administrativo
Agencia Agraria Aucayacu.

CORN

COSTO DE PRODUCCION DEL MAIZ

Cultivo : Maíz PRECIO: 1979 = \$35.-
 Rendimiento : 2000 Kgr. 1980 = \$60.-
 Jornal : 1979 = \$750.-
 1980 = \$890.-

A S P E C T O	UNIDAD	COSTO 1979	COSTO 1980
Total Jornales	76	57,000	67,640
Semilla		1,500	3,000
Herramientas		5,000	8,000
Transporte (2000 Kgr)	1979=\$5.- 1980:\$8.-	10,000	16,000
Interés	1979 : 21% 1980 : 33%	9,755	19,391
Administrativos	15% G.D. 5% G.D.	19,400	22,528
COSTO TOTAL		102,655	136,559
INGRSO BRUTO		70,000	120,000
SAIDO EN CONTRA		32,655	16,559

YUCCA

COSTO DE PRODUCCION DE LA YUCA

Cultivo : Yuca 1 H ^a	Rendimiento: 15,000 Kgr
Jornal : 1979: 750.-	Precio : 1979: \$10.-
1980: 890.-	1980: \$20.-

A S P E C T O	UNIDAD	COSTO 1979	COSTO 1980
Total Jornales	122	91,500	108,580
Herramientas		1,000	3,000
Administrativos 15% G.D.		18,500	22,320
Imprevistos 5% G.D.			
Interes 1979: 21%		11,655	22,094
1980: 33%			
COSTO TOTAL		122,655	155,994
INGRESO BRUTO		150,000	300,000
SALDO A FAVOR		27,345	144,006

SOYA

COSTO DE PRODUCCION

CULTIVO : Soya EXTENSION : 1 H^a.
 REGION AGRARIA : VII - Huánuco SISTEMA : Tradicional
 DISTRITO AGRICOLTA : Tingo María EPOCA SIEMBRA : Mayo-Junio
 EPOCA COSECHA : Oct.-Nov.
 JORNAL : S/ 800.00

RUBRO	UNIDAD	CANTIDAD	P. UNITARIO	SUB-TOTAL	TOTAL
A. GASTOS DIRECTOS					
I. PREPARACION DE TIERRAS					
Rozo-Tumba-Quema-Jor	Jornal	20	800.00	16,000.00	16,000.00
II. SIEMBRA					
Sonilla	Kgs.	50	130.00	6,500.00	
Nitrógeno	Dosis	1	2,700.00	2,700.00	
Siembra	Jornal	10	800.00	8,000.00	17,200.00
III. DESHERBOS					
Deshierbo Manual	Jornal	20	800.00	16,000.00	
Deshierbo Complem.	Jornal	10	800.00	8,000.00	24,000.00
IV. CONTROL FITOSANITARIO					
Servin 85	Kgs.	1.5	2,500.00	3,750.00	
Aplicación	Jornal	4	800.00	3,200.00	6,950.00
V. COSECHA:					
Sioga	Jornal	10	800.00	8,000.00	
Rocojo	Jornal	4	800.00	3,200.00	
Trilla	Jornal	10	800.00	8,000.00	
Secado y Emvasado	Jornal	4	800.00	3,200.00	
Transporte	Kgs.	1,500	2.50	3,750.00	26,150.00
SUB-TOTAL:					90,300.00
VI. OTROS					
Imprevistos 5% S.T. G.D.				4,515.00	
Leyes Sociales 52% de H.O.				38,272.00	42,787.00
TOTALDE G.D.:					133,087.00
B. GASTOS INDIRECTOS:					
VII. GASTOS ADMINISTRATIVOS (8% de G.D.)				10,647.00	
VIII. COSTOS FINANCIEROS					
18% anual al robotar de G.D. (6 meses)				11,978.00	22,625.00
					159,712.00
C. COSTO TOTAL DE PRODUCCION					
D. ANALISIS ECONOMICO					
Empleo/Kg./H ^a .		103.500			
Precio/Kg. (venta)		94			
Valor Bruto de la Prod.		126,000			
Costo total de prod.		155,712			
Saldo negativo		29,712			
Costo por Agr.		103.00			

COMUNIDAD AGRICOLA DE TINGO MARIA

SLD

178

COSTO DE PRODUCCION

CULTIVO : Soya EXTENSION : 1 Ha.
 REGION AGRARIA : VII - Huánuco SISTEMA : Mecanizado
 DISTRITO AGROPECUARIO : Tiago María EPOCA SIEMBRA : Mayo-Junio
 EPOCA COSECHA : Oct.-Nov. JORNAL : \$ 800.00

<u>B U B O</u>	<u>UNIDAD</u>	<u>CANTIDAD</u>	<u>P.UNITAR.</u>	<u>SUB-TOTAL</u>	<u>TOTAL</u>
A. GASTOS DIRECTOS					
I. PREPARACION DE TIERRAS					
Arado	Hora	4	2,500.00	10,000.00	
Gradoo	Hora	3	2,500.00	7,500.00	17,500.00
II. SIEMBRA					
Semilla	Kgr.	60	130.00	7,800.00	
Nitrógen	Doz.	1	2,700.00	2,700.00	
Siembra	Hora	1.5	2,500.00	3,750.00	
Tapado de Semilla	Jornal	1	800.00	800.00	15,130.00
III. FERTILIZACION					
Fosfata (0-50-50)	Kgr.	130	75.00	9,750.00	
Superf. Triplo de Ca.	Kgr.	133	55.00	7,315.00	
Cloruro de Potasio	Kgr.	133	55.00	7,315.00	
Aplicación	Jornal	2	800.00	1,600.00	10,532.00
IV. DESHERBOS					
1° Deshierbo	Jornal	20	800.00	16,000.00	
2° Deshierbo compl.	Jornal	10	300.00	3,000.00	19,000.00
V. CONTROL FITOPATARIO					
Sovin 85	Kgr.	1.5	2,500.00	3,750.00	
Aplicación	Jornal	4	800.00	3,200.00	6,950.00
VI. COSECHA					
Sioga	Jornal	10	800.00	8,000.00	
Bocajo	Jornal	4	300.00	1,200.00	
Trilla mecanizada	Kgr.	2,000	3.50	7,000.00	
Secado y Lavado	Jornal	4	800.00	3,200.00	
Transporte	Jornal	2,000	2.50	5,000.00	25,750.00
				SUB-TOTAL:	109,012.00
VII. OTROS					
Imprevistos (5% S.T. de G.D.)				5,450.00	
Leyes Sociales (5% de H.O.)				25,480.00	30,930.00
					139,942.00
B. GASTOS INDIRECTOS					
VIII. GASTOS ADMINISTRATIVOS (3% de G.D.)				11,195.00	
IX. COSTOS FINANCIEROS					
(10% anual al cobrar de G.D. (6 meses))				12,595.00	23,790.00
					163,732.00
C. COSTO COMPLETO DE PRODUCCION					
D. ANALISIS ECONOMICO					
Rend. 1.25 t/Ha.					

813

BAHAMA
COSTOS DE PRODUCCION DEL PLATANO

Cultivo : Plátano L Há Jornal: 1979: 3750.-
 Rendimiento : 1º año: 12,000 1980: 1890.-
 2º año: 70,000 Precio: 1979: 23.-
 3º año: 50,000 1980: 25.-

A S P E C T O	UNIDAD	COSTO 1979	COSTO 1980
1º año			
Total Jornales	102	76,500	90,780
Hijuelos	700	10,500	14,000
Herramientas		1,000	3,000
Administrativos 10% G.D.		13,200	16,160
Imprevistos 5% G.D.			
Interés 1979 21%		10,626	20,450
1980 33%			
TOTAL		111,826	144,390
2º año			
Total de jornales	67	50,250	59,630
Herramientas		800	2,500
Administrativos 10% G.D.		9,000	9,320
Imprevistos 5% G.D.			
Interés 1979: 21%		6,305	11,789
1980: 33%			
TOTAL		66,355	83,239
3º Año			
Total Jornales	55	41,250	48,950
Herramientas		800	2,500
Administrativos 15% G.D.		8,410	10,290
Imprevistos 5% G.D.			
TOTAL		50,460	61,740
COSTO TOTAL 1º, 2º, 3º año		228,641	289,369
INGRESO BRUTO 1º, 2º, 3º año		396,000	660,000
SALDO / FAVOR		167,359	370,631

30/12

COFFEE

COSTOS DE PRODUCCION DEL CAFE

Cultivo : Café
 Rendimiento : 500 Kgr/Há
 Jornal : 1979.- \$750.-
 1980.- \$890.-

Periodo : 1 AÑO
 Precio : 1979 \$380.-
 1980 \$550.-

A S P E C T O	UNIDAD	COSTO 1979	COSTO 1980
Total Jornales	81	60,750.	72,090.
Herramientas, Maq.		43,000.	56,000.
Equip. Insumos			
Administrativos	15% G.D.	20,750.	25,620.
Imprevistos	5% G.D.		
Intereses	1979= 21% 1980= 33%	13,072.	25,362.
Costo Total		137,572.	179,072.
Ingreso Bruto		190,000.	275,000.
Saldo		52,428.	95,928.

1980

TEA

COSTO DE PRODUCCION

CULTIVO : TE JORNAL BASICO : 800.00
 EXTENSION : 1. HA. DENSIDAD : 12,000 pl/Ha.
 PERIODO : 1 AÑO PRODUCCION : 8,000 Kgs/Ha.

DESCRIPCION	UNID. REP./LABOR	Nº UNID. REPET.	TOTAL	PRECIO	TOTAL
			U.	U.	U.

A. GASTOS DIRECTOS

1. Labores culturales

Deshierbo	Jornal	4	15	60	800	48,000
Podas y platan	"	0.5	40	20	300	16,000
Control fitos.	"	2	4	8	800	6,400
Replantes	"	1	4	4	800	3,200
Aplicac. Fert.	"	2	5	10	300	8,000
Cosecha	Kgs.	-	-	8,000	15	120,000
						201,600

2. Pesticidas

Cupricos	Kgs.	-	-	3	800	2,400
Thiodan	Lts.	-	-	3	2,500	7,500
Adherente	ltg.	-	-	1	1,000	1,000
Aldrin	Kgs.	-	-	3	250	750
						11,650

3. Fertilizantes

Nitrato de Am.	Kgs.	-	-	400	71	28,400
Sup. trip.	Kg.	-	-	100	76	7,600
Cloruro Potas.	Kgs.	-	-	54	70	3,780
						39,780

4. Herramientas Envases

Machete	Unid.	-	-	1	2,000	2,000
"	"	-	-	0.3	4000	1,200
Sierra de podar	"	-	-	0.3	6,000	1,800
"	"	-	-	0.3	2,000	600
Bomba de mochila	"	-	-	0.25	34,000	8,500
Canastas	"	-	-	4	700	2,800
Cilindro	"	-	-	0.5	3,000	1,500
						19,000

TOTAL GASTOS DIRECTOS : 272,000

B. GASTOS INDIRECTOS

1. Gastos administrativos 3% de G.D.	21,762	
2. Imprevistos 5% de G.D.	13,602	
3. Leyes sociales 52% M.C.	42,432	
4. Gastos financieros 28% al rebatir	76,168	151,964

C/ RESUMEN

GASTOS DIRECTOS	272,000.-
GASTOS INDIRECTOS	151,964.-
COSTO TOTAL DE PRODUCCION	423,964.-

601

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D/. ANALISIS

1. Costo de Producción	425,994
2. Rendimiento 0,000 Kg/Ha	
3. Costo por Kg/Hoja fresca	53.24
4. 20% utilidad por Kg	53.24 + 10.65
5. Precio que se debe pagar por Kilogramo de hoja fresca	<u>63.89</u>

Tingo Maria, Setiembre de 1940

TCS.
GLR.

TABLE 1

VALOR BRUTO ESTIMADO DE LA PRODUCCION AGRICOLA, 1980

CULTIVOS	AREA		T.M.	PRECIO S/./KG.	VALOR	
	HA	0			Miles Soles	0
<u>ANUALES</u>						
1. Arroz	2.170	18.1	3.705	89.0	329.745	23.9
2. Frijol	600	5.0	650	100.0	65.000	4.7
3. Maíz	7.200	60.0	13.710	38.4	526.464	38.2
4. Soya	565	4.7	848	84.0	71.232	5.2
5. Tabaco	216	1.8	4.096	30.0	122.880	8.9
6. Yuca	1.126	9.4	17.566	15.0	263.490	19.1
7. Otros	123	1.0	184		184	
TOTALES:	12.000		40.759		1.378.995	
<u>PERENNES</u>						
1. Cacao	1.612	4.2	661	580.0	383.300	0.8
2. Café	3.500	7.4	1.750	362.0	633.500	1.7
3. Coca	23.000	54.0	20.000	2.174.0	430.000.000	15.8
4. Naranja	220	0.6	4.400	30.0	132.000	0.25
5. Palma aceitera	3.125	8.8	4.429	230.0	1.018.670	2.0
6. Plátano	8.100	22.0	62.260	60.0	3.735.600	3.7
7. Té	695	1.9	2.125	485.0	1.030.625	2.1
TOTALES:	36.352		92.635		6.033.775	

FUENTE: - Ministerio de Agricultura y Alimentación
 - Tabacos del Perú
 - S/. 25,000 soles/arroba Black market price

¹Source: FID, 1981, Appendix.

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809

RISE IN PRICES OF AGRICULTURAL SUPPLIES

Appendix 14. ⁴

ALZA DE LOS PRECIOS DE INSUMOS AGROPECUARIOS
DE 1974 - 1978

PRODUCTO	1974		1975		1976		1977		1978		ALZA	
	PRECIO		PRECIO	%	PRECIO	%	PRECIO	%	PRECIO	%	TOTAL	%
Ripercol fco. 50cc.	362.50		362.50		427.00	17.8	688.00	61.1	1,165.00	69.3	221.4	55.35
Alambre de púu 16x16	1,650.00		1,650.00		3,100.00	87.9	3,500.00	12.9	8,500.00	142.9	415.2	103.8
Machete "Gavilán"	120.00		150.00	25.0	180.00	20.0	310.00	41.9	950.00	206.5	691.7	172.9
Gramoxone 5 Lt.	1,500.00				3,500.00	133.3	6,200.00	77.1	12,500.00	101.6	733.3	183.3
Dipterex x 60% 1 Kg.	205.00		238.00	16.1	246.00	3.4	578.00	13.5	2,276.00	293.8	1,070.2	252.55
Sevin 85% 1 Kg.	185.00		240.00	29.7	240.00		420.00	75.0	1,450.00	245.2	683.6	170.9
Aldrin 2.5% bolsa 23Kg.	260.00		310.00	19.2	350.00	12.9	600.00	71.4	1,450.00	141.7	457.7	114.4
Furadan 5 Gl. bolsa 12.5 Kg.	1,000.00		1,000.00				1,775.00	77.5	5,250.00	195.8	425.0	106.25
Mirex 1 Kg.	160.00				180.00	12.5	380.00	111.1	650.00	71.1	306.3	76.6
ALZA Ø %				22.5		41.1		73.1	163.1	163.1	550.5	137.6
1 U.S.\$ Comienzo del año	45.00		45.00		45.00		69.1	53.6	130.1	88.3	189.1	47.3
1 U.S.\$ (Fin del año)	45.00		45.00		57.1	26.9	99.6	74.4	165.1	65.8	266.9	66.7

FUENTE : COMERCIAL MACHADO TINGO MARIA, DATOS NOV/1978.

ALZA DE LOS PRECIOS DE INSUMOS AGROPECUARIOS 1979-1980

PRODUCTO	AÑO	UNIDAD	1979	1980	ALZA		
			PRECIO	PRECIO	%	TOTAL	%
Fertilizante Poliar		1 Kg.	570.*	720.-	1.26		
* Sevin		1 Kg.	2,350.-	4,250.-	1.86		
* Aldrin		22 Kg.	2,250.-	4,310.-	1.92		
Cupravit		1 Kg.	800.-	1,000.-	1.25		
* Mirex		1 Kg.	650.-	820.-	1.26		
Vitigran		1 Kg.	880.-	900.-	1.02		
Pulverizador		P-20	20,000.-	27,000.-	1.35		
Malathion		1 Lt.		1,500.-			
Antracol		1 Kg.		1,760.-			
Herbis		1		36,000.-			
* Urea		50 Kg.	3,547.-	4,711.-	1.32		
* Super Fosfato T.		50 Kg.	3759.-	5,717.-	1.52		
* Super Fosfato Simple		50 Kg.	1,853.-	2,666.-	1.44		
* Cloruro de Potasio		50 Kg.	2,760.-	4,446.*	1.52		
12 - 12 - 12		50 Kg.	3,017.-	4,605.-	1.53		
* Guano de Islas		50 Kg.	2,118.-	2,752.-	1.30		
Motosierras - Solo			214,000.-	456,000.*	2.13		
* Gramoxone		1 Gl.	12,000.-	16,000.-	1.33		
* Sacos de Yute		1	220.-	850.-	3.86		
* Hedonal		1 Gl.	4,500.-	8,100.-	1.80		
* Machetes Incoima		1	630.-	1,420.-	2.25		
Sier. as de Podar		1	750.-	1,950.-	2.60		
* Despulpadoras (café)		1	40,000.-	86,700.-	2.07		

FUENTE : Cooperativa Agraria Naranjillo Ltda. 149. TINGO MARIA MAY/81.

* entre lo más importantes.

* among the most important.

COMPARISON OF COST OF LIVING AND SALARY (urban area)

APPENDIX 15

Minimal Salary	Wage Benefits	Total Salary	Taxes	Earned Net Income
19,006.00	11,344.00	30,350.00	2,600.00	28,350.00

Gastos de 2 personas en un mes :

Pensión	20,000.00			
A. Casa	6,000.00			
agua y luz	1,700.00			
Pres. o letra	5,000.00			
Imprevistos.	2,500.00			
		Total al mes	37,700.00	
		Sueldo mes.	23,350.00	
		BONIFICADO :	9,350.00	

II

Remuneración mensual: 23,350.00

Gastos de alimentación para 6 personas

INGREDIENTES		ADICIVOS Y OTRAS	
pan	50.00	Carnes	450.00
mantequilla	50.00	arroz	100.00
azúcar	40.00	frijol	250.00
leche	00.00	acido	150.00
café u otro	50.00	porras	70.00
	\$ 270.00	condimentos	00.00
		huevos	50.00
		verduras	100.00
		keratosa.	30.00
			\$ 1,300.00

A y C.

TOTAL GASTOS: 270.00 (compra) 1,200.00 = 1,550.00 diario.

gasto de alimentación para 6 p. en un mes:	\$ 45,500.00
arriendo de casa.	6,000.00
servicio de agua y luz	1,700.00
eventos por pagar	5,000.00
otros gastos.	2,800.00
TOTAL :	64,200.00

SUELDO : \$ 23,350.00 GASTOS \$ 64,200.00 BONIFICADO : \$ 9,350.00

III

Pensión A y C.	18,000.00	pan	1,500.00	útiles para uso	
prestamo-	5,000.00	Guano	200.00	personal y uso	
agua y luz	1,500.00	mantequilla	100.00	de vestuario y	
arb. rural.	100.00	azúcar	50.00	otros.	
arriendo casa	6,000.00	café otro	100.00		
	30,000.00		2,000.00		1,000.00
compras	1,000.00	GASTOS:	30,000.00		
movilidad	1,000.00		2,000.00		
ropa.	5,000.00		1,000.00		
imprevistos	3,000.00		10,000.00		
	10,000.00	SUELDO:	43,000.00		
			24,350.00		
		BONIFICADO:	15,310.00		

SOURCE: Marañillo Cooperative

BACKGROUND AND PROBLEMS
OF COCA PRODUCTION IN PERU

Hector Martinez
 Cesar Fonseca

In order to discuss coca production in Peru, this report is supplemented with a bibliographic data which contains more than 110 titles. Therefore, a comprehensive study would demand increased effort.

This report is based on part of the above mentioned information taking into consideration controversial points and the results of a variety of events both at national and international level. The first section informs briefly on coca use during the prehispanic period and the colony. A study carried out by a team of experts of the United Nations and the biological-medical discussion originated by this study, is referred to in the second section. Legal and administrative aspects since 1962 when the Unique Narcotic Convention is installed in Peru, are referred to in the third section. The fourth section deals with the most significant aspects of the reaction from both campesinos and intelectualists regarding the formulation and operation of Decree Law 22095 which rules all actual government policy on coca and the illicit drug traffic. Finally, the fifth section provides some information regarding the coca production and extension since 1961.

1. HISTORICAL ASPECTS

Peruvian natives have used coca leaves since the pre-european times. When the Incas conquered the Andes, coca was a very important element of the local ethnic identify. Information collected from the Colony indicates that ethnic groups controlled ecological zones dedicated to coca cultivation, generally at far distances from their residence. For example, the Lupaca kingdom located on the South Highlands close to Lake Titicaca, owned coca plantations in the Larecaje valley on the Eastern Highlands (Bolivia) which was at several walking days distance. Chupachu and Yachas from Central Sierra Huánuco) had their own cocacamaicos devoted full time to coca cultivation in the Eastern Valley of Chinchao (murra, 1975). Ethnic groups from the Occidental highlands owned coca plantations in the intermediate region of the coastal valleys (Patterson, 1971), which was called the Chaupiyunga zone. It seems that access to this ecological zone was desired by both these ethnic groups, from the sierra and the costa valleys. Long debates over the possession of these coca plantations is evidenced to this fact. (Rostoworowski, 1977).

The Incas not only respected property of these ethnic groups old properties, but also it was the policy of the Cuzqueña elite to favour local caciques and curacas ((chiefs) when distributing coca plantations. Since then, coca cultivation was considered a prestige connected with the magic and religious practices and it was utilized by the imperial and local elite in order to consolidate peace and to reinforce internal relationship and power ratification.

Since the first colonial decades, coca consumption by Peruvian natives has originated a series of controversies. Clergymen and decision makers urged coca eradication stating that natives practices heathen religions preventing their christianization. In 1574, Phillip II promulgated laws for coca eradication originating controversies among prohibitionists and indigenous defenders. Upon confrontation of such opinion, the king had to accept that coca was necessary as stimulant to mitigate the natives' heavy work load. (Gagliano, 1978).

European naturalists (Unanue 1794; Fuentes 1866) disseminated the coca beneficial qualities and it was called the "prodigious plant" and "vital strengthening". Sigmund Freud experimented among their patients the use of coca and he published in 1884 an article "Uber Coca". Subsequently, the awareness of coca was rapidly disseminated and was commercialized by a number of businessmen from Europe and United States producing medicines and beverages with coca and cocaine content. However, the use of this product was limited since it was classified as narcotic (U.S. Harrison Act, 1914), being its traffic and possession penalized (Ginspoon and Bakalar, 1976).

2. COCA STUDIES

Coca studies in Peru are essentially concentrated on biological and medical areas apart from those of the Pro-Indigenous Association during the 1930's decade.

The result of this trend was the establishment of the Institute of Andean Biology under the Faculty of Medicine of the San Marcos University in 1931. Later in 1940, the Institute conducted studies at national level on the "influence of high altitude on diseases related with industrial work and coca habit". Also, studies were carried out by the Department of Physiology of the same Faculty since 1943 intending to relate the potential influence of coca habit on certain biological processes, especially that of physical performance work.

In 1947 the United Nations was requested by Peru to consider assignment of an Experts Commission through the Narcotics Commission of its Economic and Social Council, to carry out an on site investigation with the cooperation of the World Health Organization regarding the potential problems of coca habit in human beings and on any particular organ.

In 1948 during the March and August meetings, the Economic and Social Council approved Peru's request and it was sent to Peru and it would be sent to any other interested country, a Commission to Study Coca Leaves comprising both the effects of coca mastication and the possibility of limiting and rule the production and distribution of coca leaves". The Peruvian Government at the same time nominated the Peruvian Commission to Study the Coca Problem. This Commission was headed by the director of the National Institute of Andean Biology.

Systematic studies related to the social and cultural context of the population using coca have not been carried out as can be seen while reviewing the number of studies made by the Peruvian Indigenous Institute and the National Plan for the Integration of the Indigenous Population. Also this subject is not included in the agenda of the Americanists International Congresses nor in the Peruvian Congresses on Man and Andean Culture, carried out in the country, except for the last event. Foreign investigators published some papers regarding the social and cultural context of coca masticators, (Gagliano 1961; Burchard, 1974 and 1976; Hanna 1974, Bolton 1975 and Wagner 1978). Contrary to this, there are investigations made on areas such as biology and medicine comprising studies on cocaine.

From September through December 1949, the United Nations Commission to Study Coca Leaves worked in Peru and Bolivia submitting their report in May 1950. The following are the conclusions of the report:

- a) Awareness of the coca mastication problem which "cannot be considered as an isolated phenomenon, but as a result of the economic and social conditions of most sectors of Peru and Bolivia populations".
- b) Effects of coca habit must be explained as cocaine consequences.
- c) Medically, coca mastication should not be considered as drug addition.
- d) Detrimental effects on health are the results of coca mastication (malnutrition, intellectual and moral changes), reduces work productivity and consequently originates a low living standard";
- e) Coca leaves has high vitamin value, but in no way coca mastication may be considered as an alternative to appropriate diets";
- f) Andean man is well accustomed to high altitudes, thus coca mastication no serves this purpose";
- g) Living conditions improvement and implementation of a policy to restrict and control production and distribution as well as eradication of coca mastication would help to solve the problem; and,
- h) Gradual coca eradication, taking into consideration complexity of the problem, economic interests and continued use. The U.S. member of the Commission recommended that a complete eradication of the habit could be carried out in a maximum 5 years period".

Since the above mentioned report had to be discussed by the United Nations Narcotics Commission, the corresponding analysis fell on the Coca National Commission. The preliminary report on this analysis was submitted in November 1952, showing disagreement with the content and general views of the report, resulting in a series of controversies. Finally, the

United Nations Narcotics Commission postponed discussions during two years.

The general concept of coca consumption is that it originates misery and is considered as the combination of a variety of paradisiacal characteristics. Discussions upon the measures to be taken to control coca leaves distribution and commercialization as well as crop eradication, have been unnecessarily mixed with mastication production and illicit commercialization leading to political problems at national level and toward foreign dependency of the country. Finally, prohibitionists affirm that eradication of cocaine traffic will be achieved through the total elimination of coca plantations providing viable economic alternatives to coca production which would represent returns to the farmers.

As contribution to the controversy, it must be added that during the decade of the 1940's, the debate on the use and abuse of coca was agains a theme of actuality. A number of articles were published on the subject, some in favor others against the use of coca leaves. Two groups were formed with two different ideas. However, both groups were inclined to favor the natives. The anti-cocaz group (Gutierrez Noriega 1949), Jorge Bejarano, 1945, Zapata Ortiz 1952; Carlos Ricketts 1952; etc.) carried out an intensive campaign for crop eradication. According to this group, coca use was originating a serious toxicomany among indigenous people with grave mental, moral and physical damages. They pointed out that natives needed coca as a physical strength incentive and also to counteract tiredness due to heavy work load. This point of view was agreed by the United Nations Commission. The cocaine model supported by these authors is based on the fact that concentrations of 0.5 and 0.6 cocaine are found in the leaves and added to this mitigate fatigue and hunger. Also, they state that sometimes indigenous people refuse to do any type of work without prior consumption of coca leaves. This statement is associated with the lack of food.

Carlos Monge (1953) stated that it was not found any signs of toxicomany among coca masticators, and according to his evaluations there is a direct interrelation between the high altitude and the coca habit and announces that andean man is a real racial variety related to clima and physiology.

Roderick E. Burchard (1976) refutes the coca mastication model based on cocaine. He indicates that cocaine is not the principal alkaloid involved in coca mastication and that there is no correlation between coca mastication and the regular consumption of food. Burchard's hypothesis is based on the fact that lime is the direct cause of cocaine degradation and the ecgonina is the final alkaloid of the hydrolisis and metabolism process. On the other hand, symptoms of coca addition are very light and after several hours of chajchapeo (mastication) indigenous people end festivities with a large supper.

The question whether consumption of coca leaves is harmful or not, is still pending. Apart from this question, several anthropologists (Mayer

1978; Wagner, 1978; Wagner 1978; Zorilla 1978; Mulshop 1978, etc.) have been in accordance with the natives' right to coca mastication. These authors have focussed their investigations into analyzing the cultural, social, economic, medicinal, magic and religious functions associated with the use of coca, resulting in group, integration as the basic condition of mutual interaction and interchange of goods and services among the community families.

According to the authors mentioned above, the variety of coca functions makes it impossible to propose alternative crops. Due to the great demand of cocaine and paste in the world market the debate is permanent. Cocaine production and commercialization are regular operations of illegal organizations. When these organizations are discovered, application of stiff sactions is not executed and most of the business owners enjoy the privilege of the so called "golden jails".

3. LEGAL AND ADMINISTRATIVE ASPECTS

Since 1962, Peru is under the international regulations for coca plantations and it has committed for the total eradication of coca masticators in a 25 year period as well as the destruction of illicit crops. This is a very difficult commitment to comply with since this country is the major coca producer at international level, added to the fact that it has a large population which consumes coca leaves.

As a result of the visit of US Congressmen in August 1977, the Ministry of Interior announced the promulgation of a new law to control drugs traffice contemplating the application of very stiff sanctions for coca marketers and the total eradication of coca crops (La Cronica, 18.8.77) although it would be carried out gradually due to well known socio-economic implications and pointing out that the technical assistance provided by the U.S. would help to accomplish this gradual eradication. (El Comercio 14.8.77).

A US representative stated that in the United States the main problem was drug consumption while in Peru was coca production as well as illicit exportation (Ibid. 1977) * Evidently, the reason for the visit of this group was the increase in coca production since 1961. (Narcotics Convention as shown in Table 1).

The Coca National Enterprise (Enaco) provided that since November 15, all coca procurement for Lima effected at the production centers, shall be stopped and since November 30th, all coca commercialization was

* In seeking a joint solution, a US\$1,500,000 grant was provided for the Peruvian Police Force pursuant agreement signed between the US Ambassador and the Ministry of Interior on July 26, 1978. Duration of such agreement would be 3 years with a probability to extend it for 1 year period. The grant includes equipment equipment, vehicles and communications means to be provided during the life of the agreement. Also, financial contributions are contemplated for both police corps. These contributions will be managed by the Peruvian Executive Office for Drug Control created by Decree Law 22095.

817

prohibited in areas located below 1,500 meters sea level. All these regulations were the result of the mandate under the supreme Decree 254-DGS enacted in 1964. This Decree Law originated a tolerated internal contraband producing a subsequent price raising of the product and placing the users against the law. Decree Law 22095 (21.2.78) known as the drug traffic control law, is the second disposition. This D.L. derogates Law 11006 and D.L. 19505 and other dispositions (*). This law is an organic law type and it has supported further dispositions on the same subject. It states that "illicit drug production, consumption and internal and foreign commercialization as well as coca leaves mastication, constitute serious social problems which are necessary to eradicate and that "legal provisions actually in effect to control this traffic are not sufficiently strong to prevent these activities both at the domestic and international levels."

In connection with coca production, this D.L. provides for the gradual reduction of crops ... limiting these crops to scientific and industrial purposes, according to changes in consumption habits. In this respect, the following provisions have been set forth; prohibition of new cultivation areas; crops control in all varieties; upon completion of crop eradication and implementation of alternative crops, all coca cultivation activities will be carried out exclusively by Enaco; expropriation of those coca plantations not run by owner and cancellation from Enaco records; expropriation of those premises individually owned which are totally or partially planted with coca and eradication or substitution will not be effected in the two years period estipulated for 10 Has. lands, and three years for 5 to 10 Hac.lands, contemplating distribution of these lands among small farmers not owning any land; land titling under rural settlement projects for farmers cultivating coca included in the eradication programs; and cooperation from the Civil Guard for application and control of reduction and substitution norms according to studies carried out by the Ministry of Agriculture.

For violators this law provides prison penalties under periods no less than two years and no more than five years for rural landowners or representatives of associative enterprises who cultivate coca without registration or in larger extensions than those authorized. In addition, penalties are contemplated for those who provide coca as partial or total payment in lieu of personal salary and also to those who make business in areas not authorized or authorized without Enaco licence. All penalties bring along fines and incapacitation to exercise professional, industrial o commercial activities.

Coca eradication measures provide that crops which have not been substituted or cut must be destroyed in front of a judge, a representative of the Ministry of Agriculture and other, and a member of the Investigation Police. These provisions include expropriation of equipment and other goods utilized in the coca cultivation activities.

(*) Several articles of Decree Law 22095 were modified by Decree Law 22926 (4.3.80). References made correspond to the modified legal instrument.

In order to apply this law, it was created the Multisectorial Committee for Drug Control formed by several ministries and a Vocal of the Supreme Court. All dispositions are executed through an Executive Office as coordinating agency from the Ministry of Interior reporting directly to the Minister. All questions concerning coca activities finally ends in a police action.

Decree Law 22927 was promulgated on March 4, 1980, providing that D.L. 22095 "urges eradication or coca substitution" and "that landowners should be registered in Enaco records in a period not later than 90 days; that in spite of the above provisions, coca cultivation has increased in several areas of the country with illicit purposes and even using lands suitable for principal crops and industrial purposes"; and "that the major part of coca production in Huanuco, San Martin and Coronel Portillo province of Loreto, is addresses to illicit operations".

The above mentioned areas were declared in "emergency" in order to control coca crops, to destroy the illicit ones and to expropriate said lands as well as detention of law violators charging them for illicit drug traffic". The Ministry of Interior was in charge of the planning, organizational and operational activities in coordination with the judicial power and the Ministry of Agriculture including support from the army force and other public agencies. Expropriated lands would be transferred to the Ministry of Agriculture in order to be distributed among small farmers.

Concurrently with the promulgation of this decree law the police action called "Green Sea" was carried out (March-April 1980), (*) covered by large publicity, including declarations of coca landowners, public demonstrations and the announcement of the destruction of 5,000 hectares of coca plantations, although some people involved in the operation estimate that this figure is exaggerated.

It must be indicated that potential small farmers stated that they would cultivate coca when be benefitted with the expropriate lands.

4. REACTION OF SMALL FARMERS AND INTELLECTUALISTS

Since the visit of the US Congressmen group (1977) and the subsequent provision of administrative and/or legal dispositions concerning coca eradication, the reaction of small farmers and intellectualists has been continued and convenient:

a) The Forum on Coca and the Andean World held in Lima on October 8, 1977 supported by the Peruvian Museum of Health Sciences and Anthropology of the Catholic University, arrived at the following conclusions:

1. traditional use of coca must be differentiated from the cocaine toxicomany since this is a problem not associated with the andean culture.

(*) Experts from the Drugs Enforcement Agency (DEA) trained some members of the Civil Guard in order to perform this operation.

ii. Physiological and Psychological effects of coca mastication ("chacchar") have not been sufficiently clarified by scientific researches and also negative or harmful effects lack appropriate experimental support;

~~III. Traditional andean groups consider "Coca" as a fundamental~~
element of their lives, both for their daily and ritual world. Generally, these two aspects are ignored.

b) The first National Congress on Anthropology of the Altiplano Man, held in December 1977 in Puno under the auspices of the Andean National Technical University, recommended the following:

i. any pressures exercised on andean populations using coca in different contexts such as social, ritual and also metabolic, must be rejected;

ii. before promulgation of any legal provision for controlling use and coca consumption, intensive studies must be carried out to determine the role of coca in the andean society; and

iii. announce that the coca eradication and control program affects the sovereignty of the country and is a result of foreign pressures.

c) The Second Peruvian and Bolivian Meeting of Scientific Studies on the Bolivian Altiplano and Southern Peru, held in La Paz in August 1978, urged consideration of the traditional aspects of use and consumption of coca leaves by Peruvians and Bolivians".

d) The Four Commissions of the National Congress of coca landowners in Peru, held at the National University of San Antonio Abad in Cuzco on February 26 and March 1, 1980, concurred on the following:

i. Disprove the coca eradication law;

ii. Associate all coca producers in order to prevent establishment of parallel organizations; and

iii. Demand that domestic commercialization of coca leaves be effected through the community organizations.

e) By mid April 1980, the Provincial Federation of Quillabamba Campesinos organized a general 48 hours strike in the Convencion Province, making public demonstrations against the coca eradication dispositions. Later, they announced an indefinite strike, however it was suspended.

f) Following the approval of D.L. 22095, the Archbishop of Cuzco, the Andean Studies Center of Cuzco and the Art American Institute, promoted discussions for examining the scope of this provision, concluding that coca eradication is not a solution to the addition drug problem. In addition this group condemned drugs traffic because of the negative effects specially among young population.

g) The Defense and Research Committee for Coca use, was organized in Cuzco headed by a professor of the university. Later, some members of this Committee met in La Convencion and Lares with coca landowners and

their legal representatives in order to refuse with strong measures such as general and indefinite strikes, the newly enacted legal dispositions.

h) The I Congress of Nationalities held in Cuzco from November 2 through November 4, 1980, claimed:

i. Protection for small coca producers and application of a rational industrialization and substitution policy, and annulment of the "failed and repressive police action Green Sea as well as campesinos repression"; and

ii. Elaboration of an integral law which permits solution of the coca problem and control of drug traffic.

i) The Secone National Congress of the Defense for Coca Producers held in Tingo María on March 27 through March 29, 1981, agreed on the following:

i. To join the Peruvian Confederation of Campesinos in order to strengthen the campesino unity;

ii. To submit a draft of a law in connection with coca production, commercialization and consumption;

iii. Request derogation of the law by which campesinos are considered as drug dealers; and,

iv. Demand the benefit of coca industrialization.

In addition, in the meeting it was announced the governmental monopoly through ENACO, which was indicated as drainer for drugs dealers and large marketers and declared their position against the Green Sea police action, under the Unit Rural Patrol (Umopar) of the Civil Guard being responsible of number of abuses.

f) The Interamerican Seminar on Medical and Sociological Aspects of Coca and Cocaine, supported by the Peruvian Government, the United Nations Fund for Control and Drug Use, the U.S. Government and the Pan-American Health Office, held in July 1979, had a different approach than previous meetings as can be seen through the report Cocaine 1980, in avoiding all discussions regarding the governmental measures affecting the andean people, except for Fernando Cabieses' report. Summarizing, the Seminar was concentrated on the research aspects of cocaine and the illicit traffic of coca.

5. EXTENSION AND COCA PRODUCTION

Contrary to the objectives of the Convention against Narcotics, the size of coca plantations as well as production in Peru have increased

since 1961 according to the available official figures (Table 1), although apparently during the period 1975 - 76 decrease was substantial. However, these are not reliable data due to deficiencies in appropriate records which were underestimated probably because of political considerations associated with international commitments.

However, since 1977, counting with better information available in each Agrarian Directorate, data are more reliable and show a great difference compared with previous years. Thus, comparing annual production in 1979 with 1961 production it can be observed an increment about 150%.

On the other hand, it must be pointed out that from 1961 through 1976, Cuzco had 55% of both the area cultivated and the production of the country, followed by Huanuco with 24% and the remaining was covered by the other 11 departments. Contrary to this, during 1977-79, Huanuco gained the first position with 43% of the country's production, while Cuzco ranked the second position with 22%; other departments such as San Martin and Ayacucho are showing a significant cultivation area. Also, it must be stated that in 1977, 78 and 79 very important figures were registered showing growth areas 2,785; 3,330 and 2,959 hectares respectively.

Whichever is the case, eradication and/or substitution of coca crops bring along a series of ecological economic, technological, social and political problems, which are difficult to solve due to the complexity of them. The financial capacity of the government to undertake significant programs, is deficient. This is the reason why the Ministry of Agriculture in March 1981 stated that these type of programs should be financed by interested countries.

TABLE No. 1

CULTIVATED AREA AND COCA PRODUCTION IN PERU

(1961 - 1979)

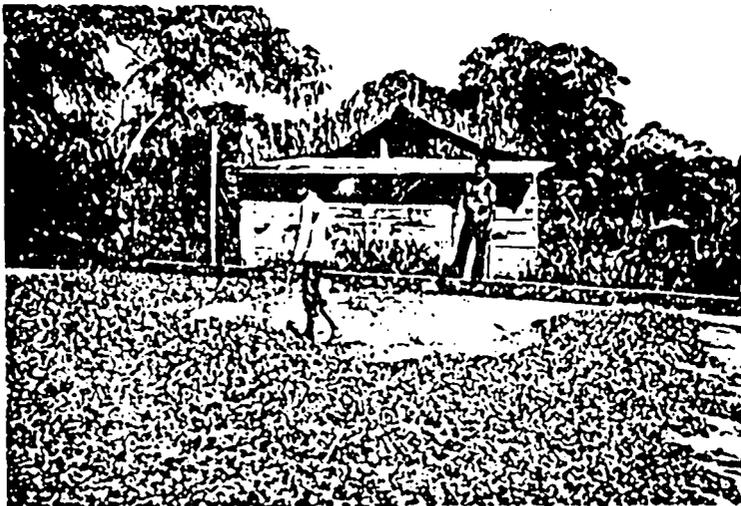
Years	Extension Hectares	Production (Metric Tons)
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Source: Peruvian Annual Statistics and Agrarian Statistical Sectorial Office.

Note: Figures for 1977-79 period are preliminar and have not been published.

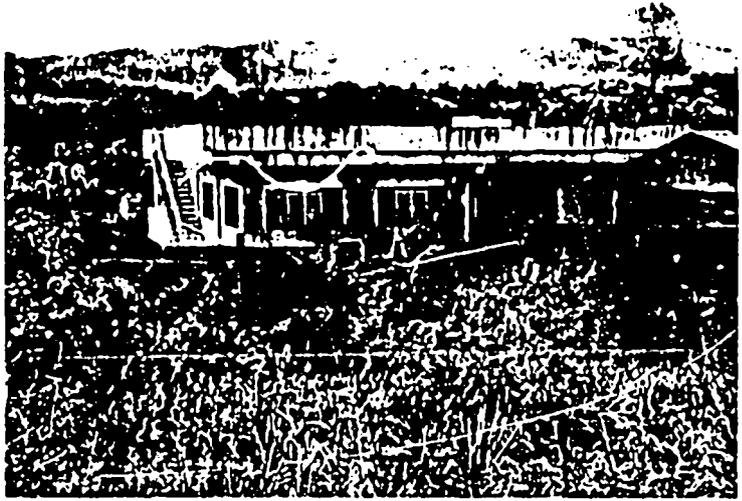


Coca leaf growing on the hillside.

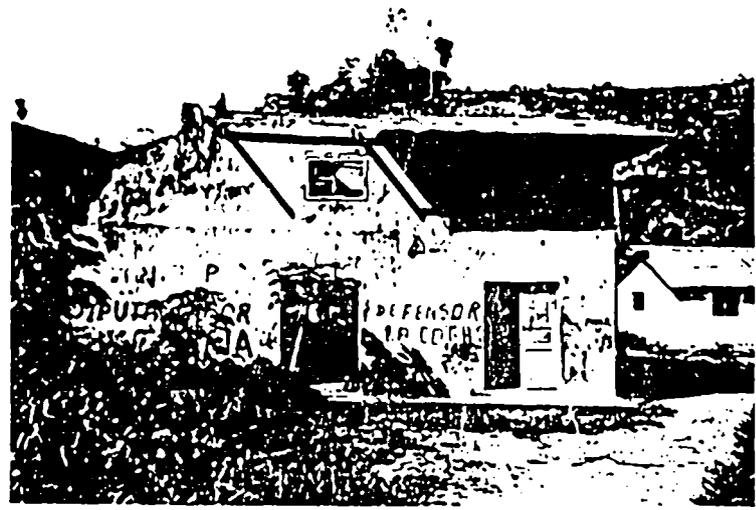


Harvested Coca Drying in the Sun.

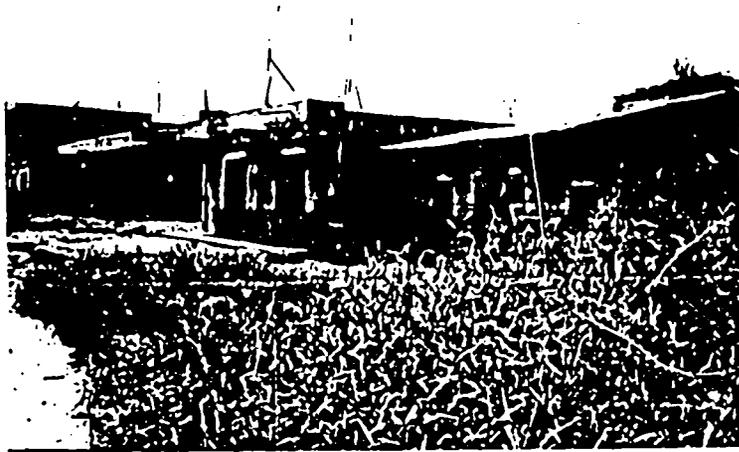
934X



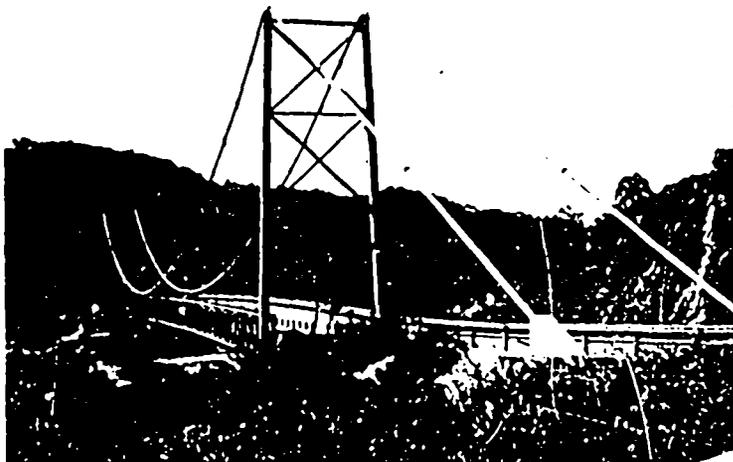
A Modern-Style Home of a Cocalero-Tingo María-Acucayacu Region.



A Partially Destroyed Secudora Blow-Up in last year's Verde Mar Operation Coca Growing in the Background.



Unfinished Storage Facilities in Aucayacu.



The New Tochache Bridge.

5/16/67



The Huellaga River.



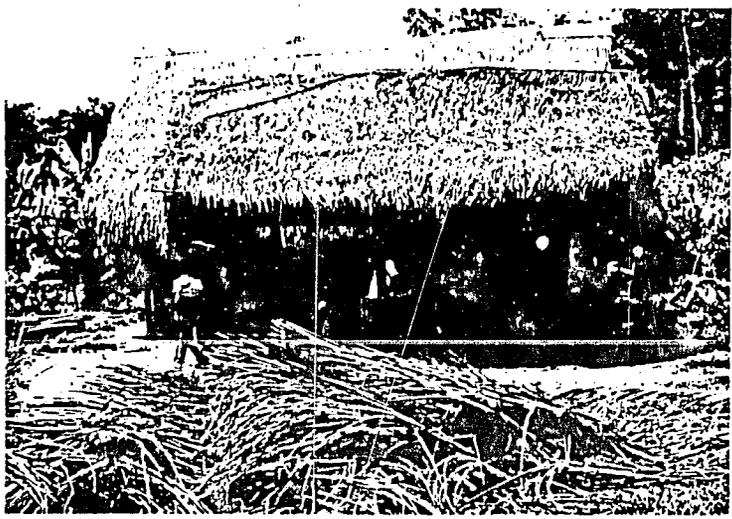
The Home of a Family of Tobacco Cultivators.



Homes Near Tocache.



Tocache.

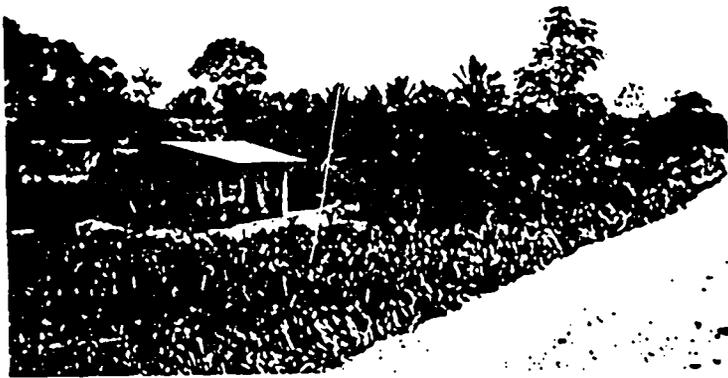


TYPICAL HOMES OF THE REGION.

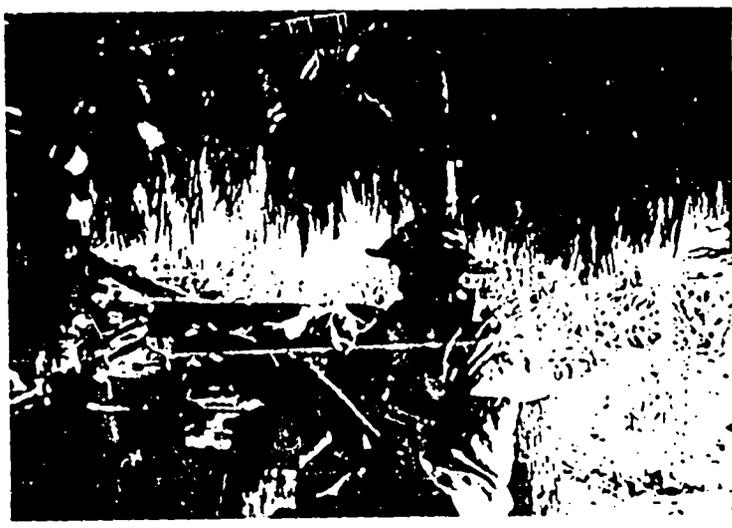




More Modern Structures In the Montana.



8.12.1



Member of a Now Liquidated Cooperative Near Aucayacu.



The Ministry of Agriculture Offices in Aucayacu.



A Banana Tree.

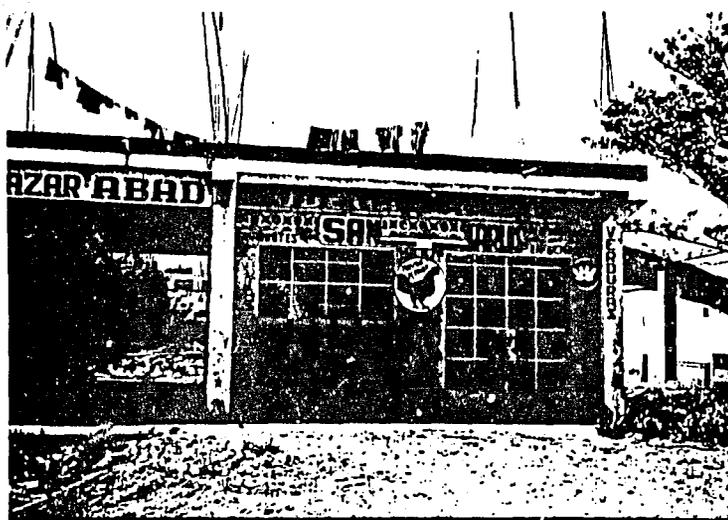


Pasturage for Cattle.

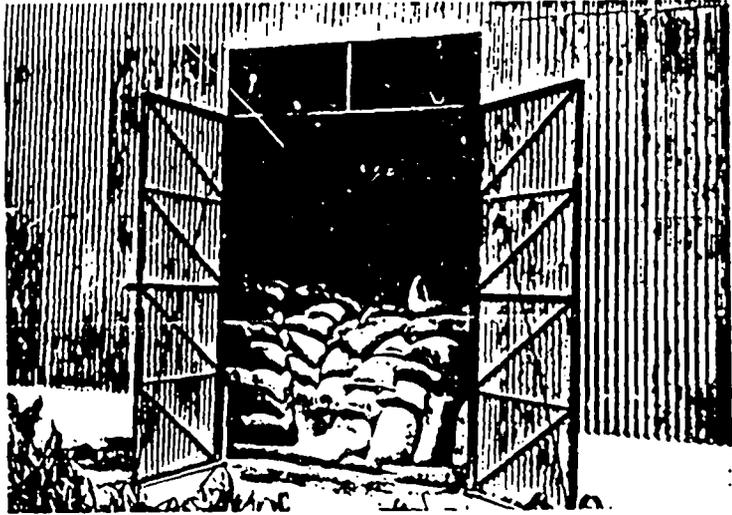
838x



Fumigation of Tobacco Plants A Tabacos del Peru Technician



An Unfinished Storage Facility in Aucayucu.



ENCA Storage Facility Near Naranjillo.



Cattle Grazing at Uchiza.

634X



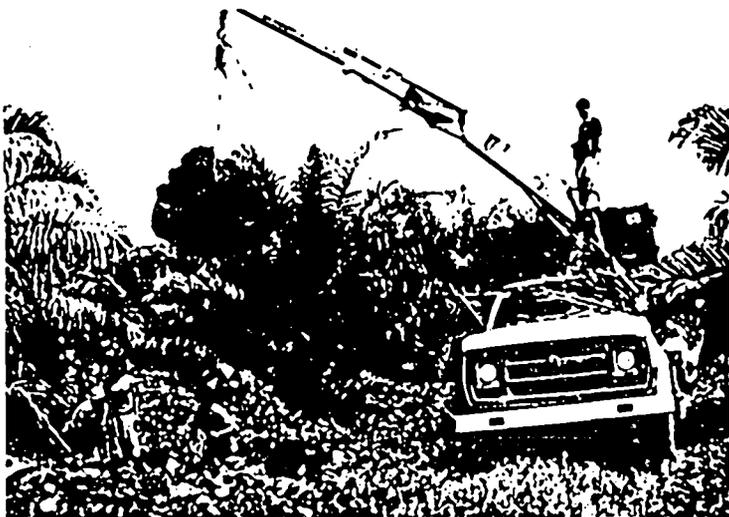
EMDEPALMA Near Tocache.



Palms of EMDEPALMA



EMDEPALMA



EMDEPALMA

836 X



The EMDEPALMA Plant.