

## **Colombia: Coca Price Crash Offers Opportunities and Challenges in the Fight Against Narcotrafficking**

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In recent months, the price of coca, the raw plant used to make cocaine, collapsed by as much as 50 percent in Colombia, while coca buyers have seemingly all but disappeared. In the country's most impoverished regions, where hundreds of thousands of families depend on the crop for their livelihood, coca growers are resorting to stashing kilos of coca paste at home, waiting for buyers, Spanish daily *El País* reported.

"Prices are really bad," a coca grower in Llorente, Nariño department, told *AFP*. "The only option is to keep it [the coca]."

The crisis is nationwide and in some towns that depend mostly on the illicit crop, there is a domino effect that affects all businesses, leading stores to shut down and areas that were once brimming with life now empty.

"People come to town to buy something, to go for a walk, to get something for the house... but if people don't have money, they don't go," Jhonatan Patiño, mayor of Argelia, Cauca department, told Colombian daily *El Espectador*. According to Patiño, 90 percent of the population of Argelia, some 30,000 inhabitants, directly depend on coca cultivation.

### **The Coca conundrum**

Speaking with *El Espectador*, Felipe Tascón, Colombia's director for illicit crop substitution, said that the collapse in coca prices began in late 2021 in Colombia's Catatumbo region along the border with Venezuela. Over time, the phenomenon spread throughout the country with the cost of the average kilo of processed coca paste dropping 30 percent and 12.5 kg of coca leaves dropping more than 50 percent in some cases, *El Espectador* reported.

Analysts are still uncertain as to the exact cause of the price collapse with explanations ranging from a shift in demand toward synthetic drugs as well as an increase in supply in or outside Colombia.

In an interview with *El País*, during state visits to Spain and Portugal, Colombian President Gustavo Petro weighed in on the debate over the coca collapse. President Petro contended that the price collapse was the result of a shift in demand from consumers in the United States away from cocaine and toward synthetic drugs such as Fentanyl.

Similarly, in an interview with *Al Jazeera*, Daniel Parra, a researcher at Colombian nongovernmental organization Peace and Reconciliation Foundation (PARES), echoed the president, explaining that, “The materials needed for refining coca paste can be easily traced by Colombian security forces — Buying large amounts of ammonia, sulfuric acid, and sodium permanganate sets off a red flag for law enforcement authorities. Some laboratories may be switching to other drugs which are less risky to produce.”

Yet, a lack of demand for raw coca as well as coca paste does not necessarily entail a commensurate drop in demand for finished cocaine. The United Nations Office on Drugs and Crime’s (UNODC) 2023 report on the illicit cocaine trade indicated record cocaine production in South America as well as record consumption in the United States. In turn, Colombian authorities have committed to seizing record amounts of cocaine in 2023, Spanish news site *Notimerica* reported, thus casting doubt that cocaine consumption is seeing meaningful declines in the hemisphere.

Rather, analysts such as Estafanía Ciro, a researcher at the Colombian think tank A la Orilla del Río, argued that the price collapse is instead the result of an excess in supply due to overproduction in cocaine. Likely a result of the COVID-19 pandemic, traffickers are believed to have stockpiled finished coca in response to tighter controls on the movement of goods and persons throughout 2020 and 2021.

Both Parra and Ciro also coincide with anecdotal accounts from coca farmers that the late 2021 arrest and extradition of the top leader of the Clan del Golfo, also known as the Gaitanist Self Defense Forces of Colombia (AGC), Dairo Antonio Úsuga David, alias Otoniel, was a destabilizing factor for the cocaine trade and may have led the group to reorganize and reorient toward other illicit economies, *Al Jazeera* reported.

Likewise, Tascón notes that part of the explanation lies with the Petro administration's crackdown on trafficker's fluvial, maritime, and terrestrial routes — a move that may also explain the record high seizures. Furthermore, Diego García Devis, drug policy researcher at U.S.-based nonprofit organization Open Society Foundations, suggested to InSight Crime, which studies organized crime in Latin America, that armed groups such as the National Liberation Army (ELN) may be disincentivizing the cultivation of coca ahead of ongoing and potential peace negotiations with the government under its proposal for “total peace.”

### **Challenges and opportunities**

Whatever the ultimate reason for the price collapse, analysts and officials agree that groups like the ELN and the Clan del Golfo are reorienting to other illicit economies. “We think AGC may have begun to focus on other illicit income streams, such as illegal mining, extortion, and domestic sales of illicit substances rather than multinational smuggling,” Parra told *Al Jazeera*.

Garcia Devis and InSight Crime ascribe to the view that the coca glut is not likely to last given the still high demand for cocaine. Consequently, advocates of crop substitution contend that policy makers and authorities must seize on the crisis affecting coca farmers throughout the country before any potential resurgence of demand for raw coca.

Speaking with *Al Jazeera*, Gimena Sánchez-Garzoli, Andes director for the Washington Office on Latin America (WOLA) welcomed calls by the administration to reimplement crop-substitution programs and invest in alternative economic opportunities for coca farmers. “The government needs to show that it has the will, and the ability, to live up to its promises,” Sánchez-Garzoli said.

Juliana Mejía, a columnist for *El Tiempo*, argues that the state needs to actively engage territories that have been historically neglected to counter alternative illicit economies such as extortion, illegal mining, illegal forestry, and human trafficking and promote partnerships with as well as the safety of local social leaders.

If analysts are correct, the current crisis facing coca farmers is a golden opportunity for crop substitution that future administrations may not have the chance to exploit. “We live as coca growers and we’ve had many difficulties,” the supervisor of a 20-acre coca farm in El Zulia told *El País*. “We’ve stopped growing coca for a bit due to the situation... those who have a little spare land [have also started] planting crops like cassava.”

As Mejía notes in her column, “It is crucial that we take note of the opportunities this new reality offers us. The fact that in so many regions [of the country], it is now more profitable to cultivate legal crop has led us to a type of natural substitution [of coca]. For the state to leverage this situation, the state must offer a hand with added licit alternatives [to farmers] in these territories”.

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