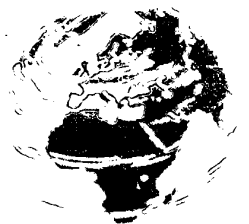
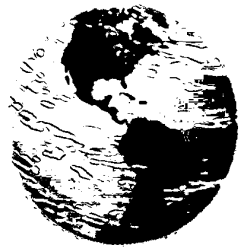
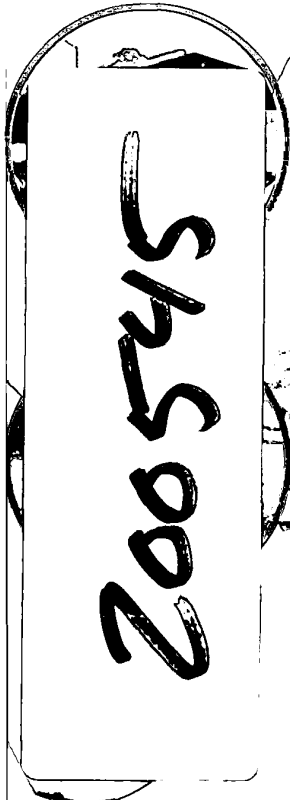
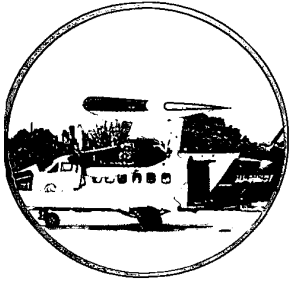
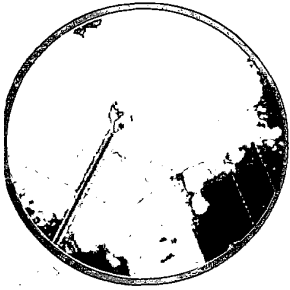
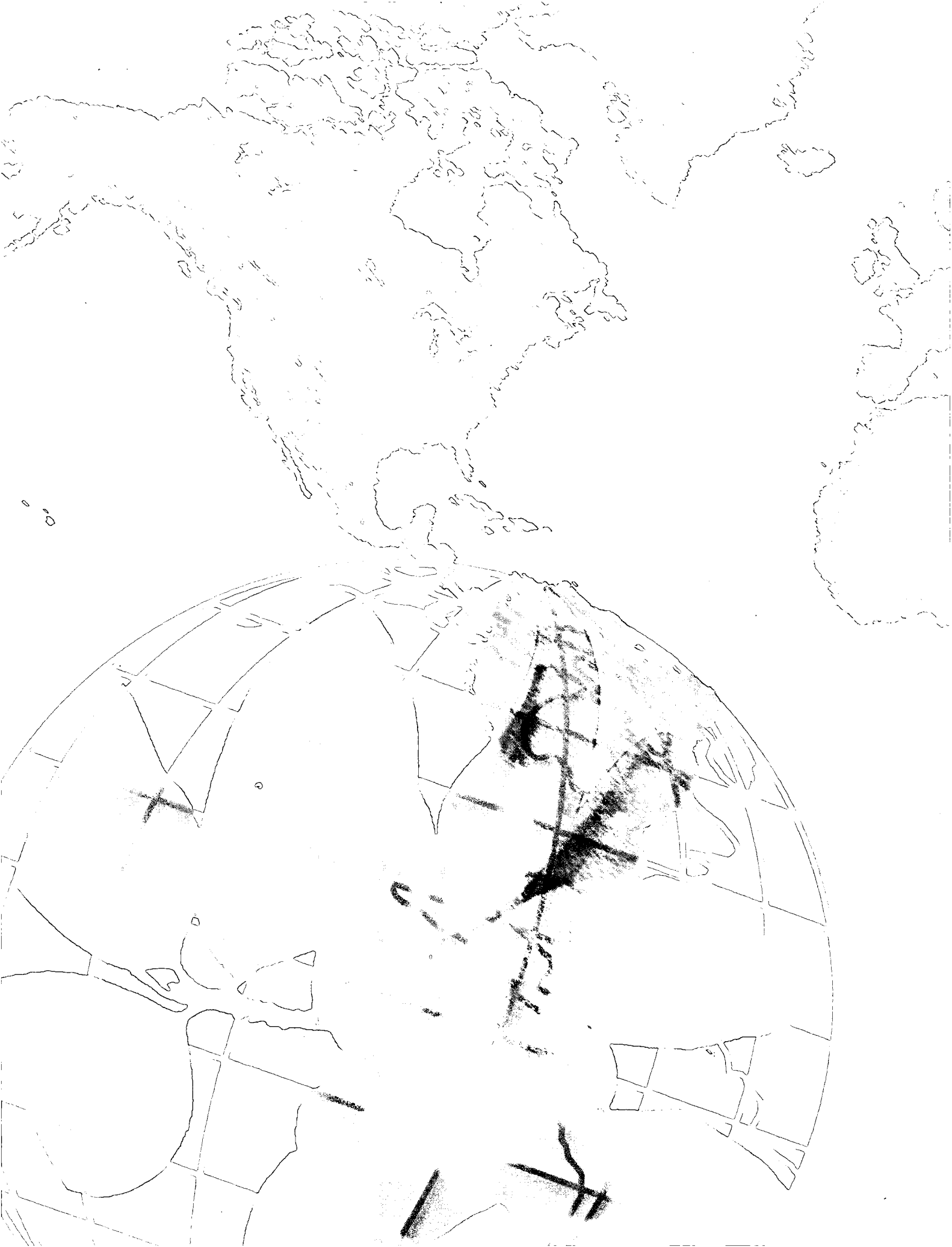


200545

2002 ANNUAL ASSESSMENT OF
**Cocaine
Movement**



March 2003
ONDCP-03-01



2002 ANNUAL ASSESSMENT OF COCAINE MOVEMENT

Information Cutoff Date: 31 December 2002

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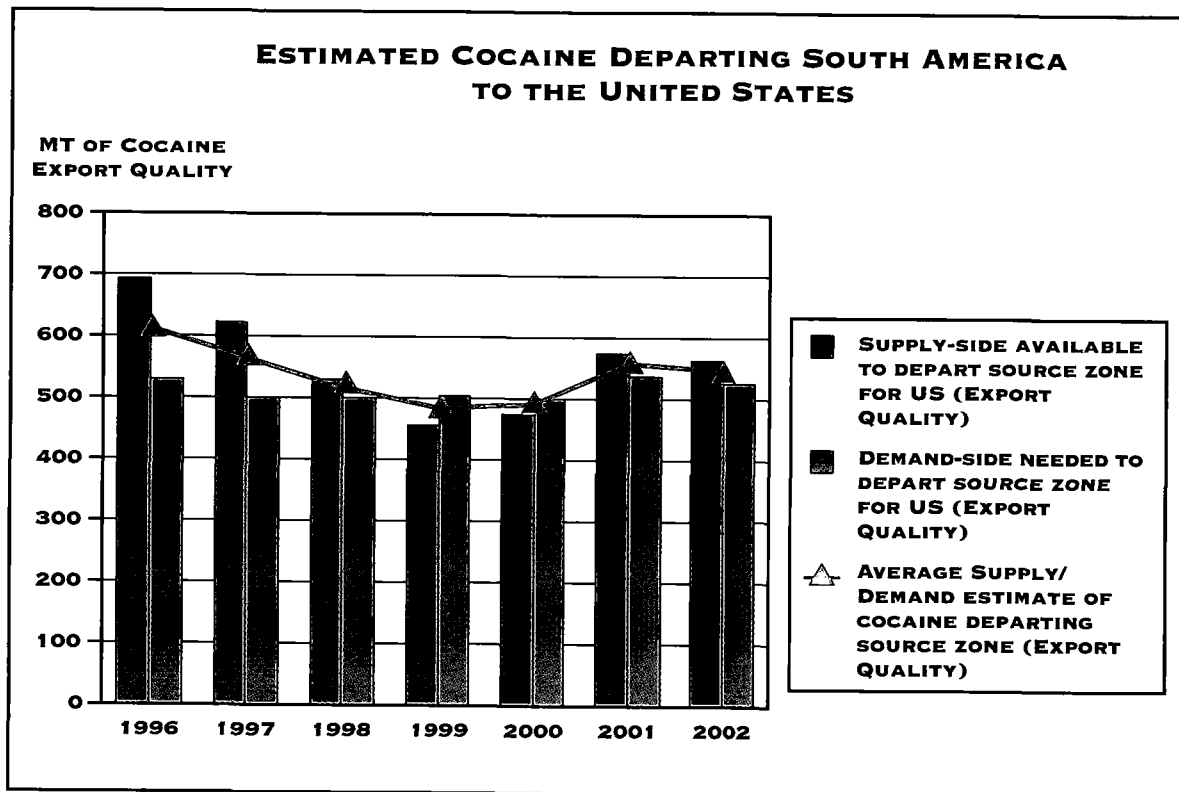


Figure 1. Estimated Amount of Cocaine Departing South America to the United States, 1996-2002.

METHODOLOGY FOR ESTIMATING THE MAGNITUDE OF COCAINE FLOW

This assessment uses a methodology combining both supply-side and demand-side analyses from production, consumption, and seizure data for estimating the amount of cocaine departing South America. This approach provides an estimate of the magnitude of the drug flow confronting interdiction assets in the Transit Zone and distinguishes the amount bound for US versus non-US markets. In 2002, about 544 metric tons were estimated to have departed South America for the United States and an additional 316 metric tons for non-US markets. Not all cocaine reached its intended markets due to losses en route such as seizures and consumption.

ANNUAL ASSESSMENT OF COCAINE MOVEMENT FOR 2002

Counterdrug forces scored a major achievement in 2002 by cutting Andean coca cultivation by 8 percent by the end of 2002 through effective eradication efforts in Colombia. Although traffickers still were able to meet world demand during 2002, increasing stress between supply and demand may appear in late 2003 in either retail price increases or falling purity levels or both. Sustaining this success will require strong counterdrug efforts throughout the Source and Transit Zones in 2003 as traffickers and coca growers adapt to counterdrug programs.

Significant Developments

Hard-hitting eradication in four of Colombia's key coca growing areas reduced the coca crop 15 percent at the end of 2002—the first decline observed in Colombia's crop in a decade.

- Colombia reportedly sprayed over 38 percent more area in 2002 than in 2001, resulting in drastic reductions in coca production in the Putumayo, Narino, Norte de Santander, and Caqueta growing areas.
- Colombian coca farmers were unable to offset these eradication efforts even by planting in non-traditional growing areas, such as in the Antioquia, Vichada, and Santander Departments. Violence in some key growing areas also disrupted harvesting activities, which probably also contributed to the decline in coca cultivation.
- Cultivation of coca in Peru and Bolivia increased in 2002, but potential cocaine production in those countries remained steady because it takes as much as two years for new fields to fully mature. However, sustained high coca prices, combined with social unrest and increasing demand in non-US markets, could lead to increases in cocaine production in those countries in 2003.

Despite the eradication success in Colombia, traffickers still were able to move enough cocaine from South America to the United States and other world markets in 2002 to ensure cocaine supplies met world demand.

- Apparently stable retail price and purity levels in the United States and Europe, together with US public health reports, suggest that cocaine was readily available throughout world markets in 2002.
- Worldwide seizures remained high in 2002 but failed to offset traffickers' ability to deliver ample cocaine supplies to world markets.

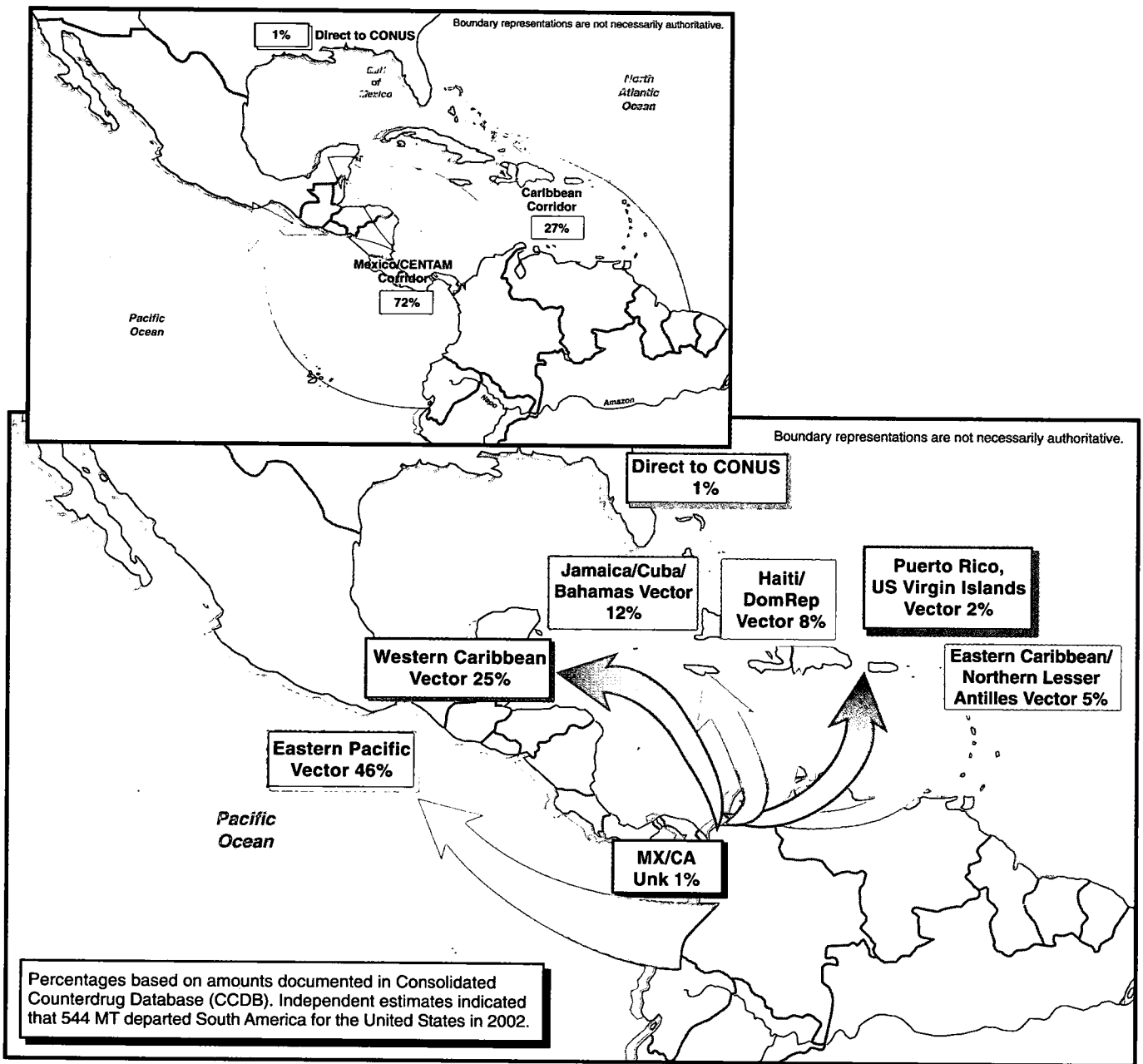


Figure 2. Estimated Cocaine Flow by Vector, January-December 2002.

■ Because large-scale eradication occurred mostly during the latter half of 2002, cocaine markets could experience some tightening later in 2003—more so if seizures remain at high levels—which may show up in rising prices and/or declining purity.

Continued strong counterdrug efforts throughout the Source and Transit Zones in 2003, including substantial additional spraying in Colombia, will be required to further limit Andean cocaine production and trafficking operations, especially because continued counterdrug success in Colombia could motivate increased production in other Source Zone countries.

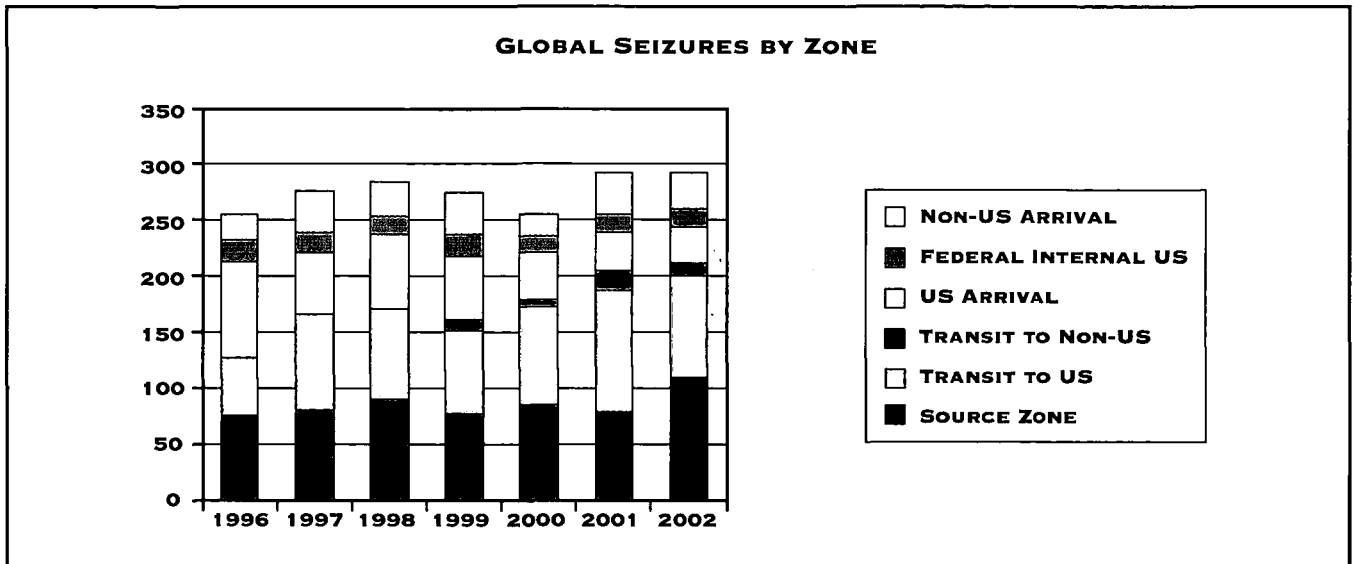


Figure 3. Global Seizure Trends. Although cocaine seizures have increased markedly in certain regions, the global seizure rate has been relatively stable over the past 7 years. Seizures in the Transit Zone in 2001 and in the Source Zone in 2002 increased by about 30 percent over previous annual averages. However, the total worldwide seizures for both years were less than 10 percent above the previous 5-year average.

- In Peru and Bolivia, the cocaine industry will continue to recover as possible reduced coca supplies in Colombia and high consumer demand in Europe and South America continue to fuel record high coca prices.
- Mexico will remain the principal Transit Zone country for US-bound cocaine despite President Fox's efforts to strengthen bilateral counterdrug cooperation.

Overall Trends

Estimated cocaine flow out of South America for the United States was almost the same in 2002 as it was in 2001, at about 550 metric tons each year. Of the amount of export-quality cocaine estimated leaving South America in 2002, about two-thirds (544 metric tons) was bound for the United States. Of that amount, about one-third (192 metric tons) was seized or consumed en route, resulting in about 352 metric tons of export-quality cocaine available to US markets in 2002, virtually the same as in 2001.

- The Mexico/Central America Corridor remained the primary route for moving cocaine toward the United States—about 72 percent transited this corridor. Another 27 percent moved through the Caribbean Corridor, and only 1 percent was documented coming directly from South America to the United States.
- Traffickers continued to rely primarily on the Eastern Pacific Vector for transporting most of the cocaine through the Mexico/Central America Corridor toward the United States, mainly using go-fasts (small high-speed boats) rather than fishing vessels during the last three-quarters of the year. This preference for go-fasts probably was a reaction to major losses onboard fishing boats.



Figure 4. Go-Fasts Move the Lion's Share of Cocaine. Frustrated by large cocaine losses onboard fishing vessels, traffickers in the eastern Pacific are now relying on go-fasts as their primary conveyance. Go-fasts like the one pictured offer a more elusive means of transportation, and the reduced load size keeps losses to a minimum if interdicted or otherwise lost.

- Jamaica stood out as the favored destination for cocaine moving through the Caribbean Corridor toward the United States. More cocaine moved to Jamaica during each quarter of 2002 than to any other destination in the Caribbean Corridor. Most of this movement was accomplished with go-fasts.

More than one-third of the estimated cocaine flow departing South America (316 metric tons) in 2002 moved toward destinations in the Non-US Arrival Zone, primarily Europe. Nearly three-fourths of the estimated non-US cocaine flow was bound for European markets.

- In addition to servicing West European markets, traffickers continued to expand operations in East European countries in 2002.
- Most cocaine shipments to Non-US Arrival Zone points were carried by commercial maritime conveyances, notably in container traffic and mothership operations. Substantial amounts of cocaine also were carried on commercial aircraft.

The southwestern border of the United States remained the most vulnerable area for cocaine smuggled into the United States during 2002, most of which entered using land conveyances in the South-Texas area. In addition, traffickers appeared to increasingly send shipments to Florida, primarily in maritime conveyances, via the Dominican Republic and The Bahamas.

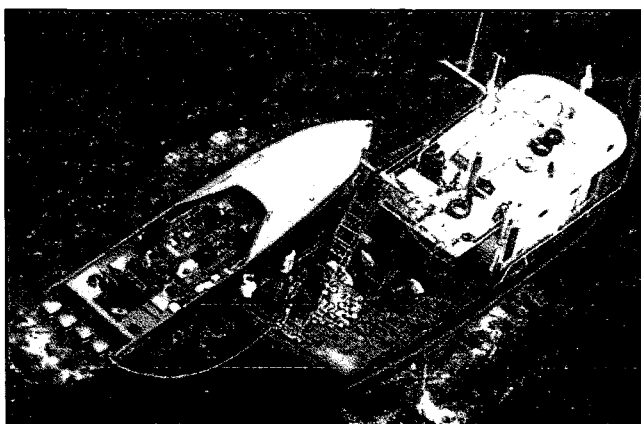


Figure 5. Go-Fast and LSV Rendezvous. In the eastern Pacific, traffickers using go-fast boats to move cocaine toward Mexico must rely on fishing boats that function as logistic support vessels (LSVs) for refueling and repairs.



Figure 6. Seizures in Colombia Greater Than 1 Metric Ton. Cocaine seizures in Colombia in 2002 were 45 percent greater than in 2001 (55 metric tons compared with 38 metric tons) because Colombian military and law enforcement counterdrug efforts were focused in known transshipment areas. Nearly all of the 18 cocaine seizures that were 1 metric ton or greater in 2002 occurred on or near the Colombian coast.



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