

CHAPTER 6.2

FOCUS ON FAIRTRADE PRODUCTS: BANANAS



Yupaisa Sambleur at Fairtrade certified Asociacion de Trabajadores Banafem plantation, Dominican Republic.
© Photography: Erika Santelices

FIGURE 6.2.1

FAIRTRADE BANANAS: KEY DATA 2016



Fairtrade bananas entered the European market in 1996. Today bananas are one of Fairtrade's most successful products. In 2016, sales totalled 579,081 MT – up five percent on 2015. This generated tangible benefits for 147 Fairtrade certified banana producer organizations in 16 countries, which collectively received over €28.5 million in Fairtrade Premium funds.

The Fairtrade Minimum Price has offered economic stability to Fairtrade banana producer organizations and the Fairtrade Premium (US\$1.00/box) has helped finance a variety of support services – increased productivity, health, education, housing and more.

Some important challenges remain – notably the low productivity level of many small producers, heightened by climate change. Fairtrade's priority is threefold: help strengthen organizations' governance; improve productivity and efficiency, and advise on the strategic investment of Fairtrade Premium funds.

In 2016, Premium funds were used to develop and improve systems to help banana farmers

become more resilient to climate change. We also focused on strengthening the position of hired workers on banana plantations. Fifteen percent of the farmers and workers in the banana sector are women.

WORKING TO INCREASE PRODUCTIVITY AND SOIL FERTILITY

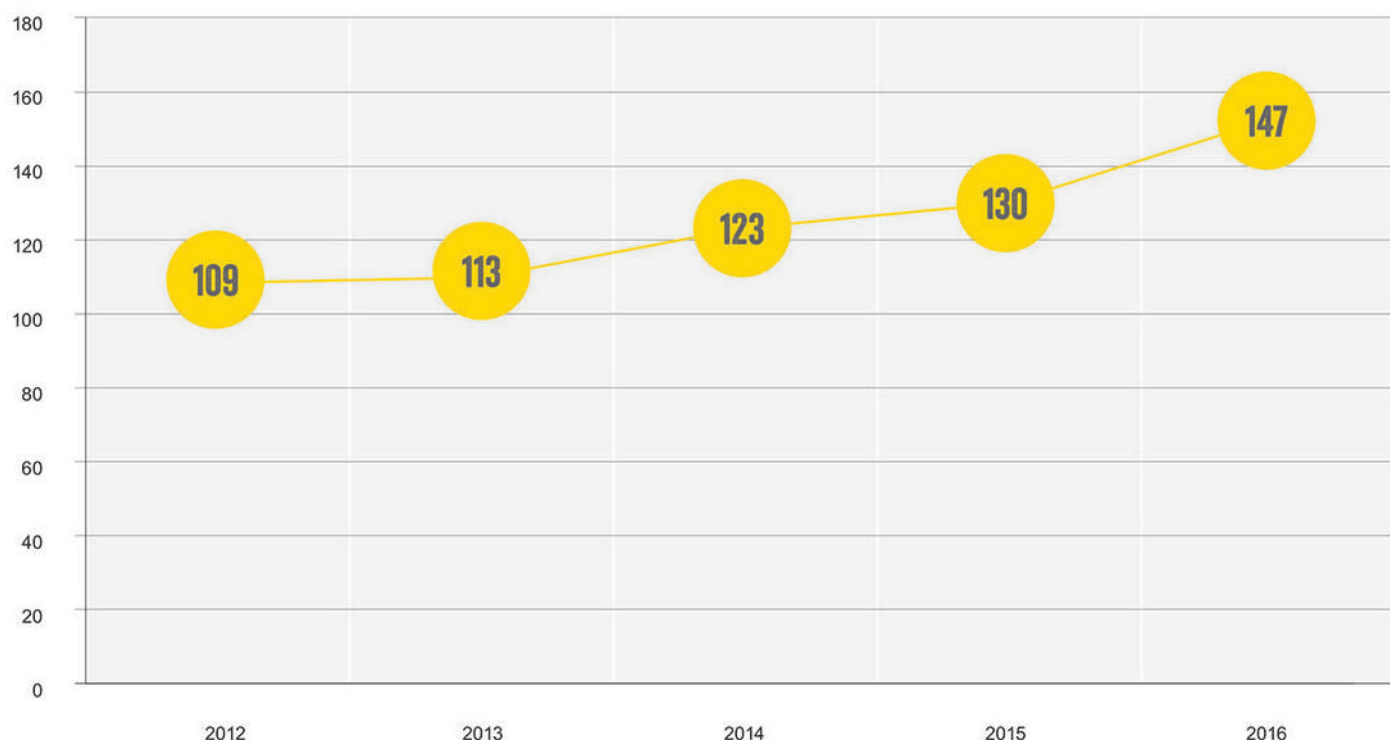
Producers in Latin America and the Caribbean produce 94 percent of Fairtrade bananas consumed worldwide – a specialization that calls for intensive production.

But most banana production still depends on chemicals, which affect the microbiological balance of the soil and the wider environment. Ultimately, this leads to lower yields, increased costs and reduced effectiveness of traditional, non-chemical crop management.

To break this cycle, CLAC (the Latin American and Caribbean producer network) designed and implemented a productivity improvement programme in 2015.

FAIRTRADE BANANAS: NUMBER OF PRODUCER ORGANIZATIONS WITH FAIRTRADE BANANA CERTIFICATION 2012-2016

Number of producer organizations with Fairtrade banana certification



It focused on improving agricultural practices at farm and organizational level and involved 20 small-scale banana producer organizations from Costa Rica, Panama, Colombia, Ecuador, Peru, the Dominican Republic and the Windward Islands.

The outcomes were very positive: soil health and fertility improved; productivity rose almost a third by 2017, and the leaf emission rate¹ increase cut the cost of weed control and irrigation in half. In addition, control cycles for the leaf spot disease, black sigatoka, were reduced by 50 percent². Chemical application is no longer needed.

We hope this project can now be replicated in other regions with other products.

STRENGTHENING THE POSITION OF HIRED WORKERS

The majority of Fairtrade bananas are produced by small-scale farmers but the number of larger Fairtrade certified banana plantations has been increasing steadily – up to 56 in 2016.

Employers must comply with the Fairtrade Standard for Hired Labour, which demands decent labour conditions. Fairtrade requires certified plantations to pay workers at least the regional average or national minimum wage and then increase real wages annually.

To further improve the position of hired workers in plantations and enable them to negotiate better wages, Fairtrade is partnering with labour rights movements across different regions.

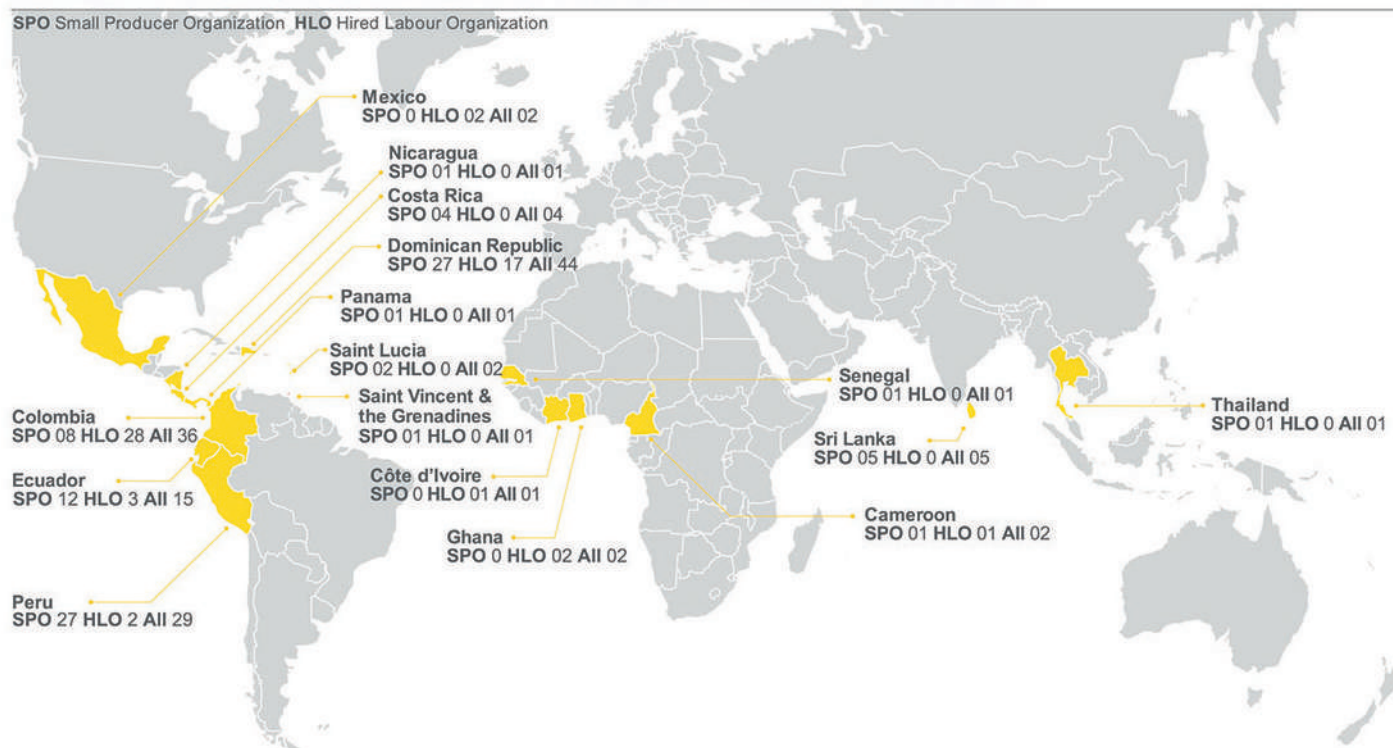
1 Leaf Emission Rate (LER) is a method of measuring the rate of evolution of banana leaves. When the temperature is lower in shade, LER is slower. This leads both to delays in yield and more than likely lower yields. Dold, C. (2007). Musa in Shaded Perennial Crops: Response to Light Interception. Available at: <https://www.catie.ac.cr/attachments/article/551/Tesis-Grado-C-Dold-2007.pdf>

2 CLAC (2017, September), Banana Newsletter, p.7. Available at: <http://clac-comerciojusto.org/wp-content/uploads/2015/04/Newsletter-Banana-September-2017-ok.pdf>

FIGURE 6.2.3

FAIRTRADE BANANAS: PRODUCER ORGANIZATIONS WITH FAIRTRADE BANANA CERTIFICATION 2016

SPO Small Producer Organization HLO Hired Labour Organization



**Latin America
and the Caribbean**
SPO 83 HLO 52 AII 135

**Africa and
the Middle East**
SPO 02 HLO 04 AII 06

Asia and Pacific
SPO 06 HLO 0 AII 06

Global Total
SPO 91 HLO 56 AII 147

RESEARCH INSIGHT

AN EVALUATION OF FAIRTRADE'S IMPACT ON SMALLHOLDERS AND WORKERS IN THE BANANA SECTOR IN NORTHERN COLOMBIA

In 2013, Fairtrade commissioned a study to look at the impact of Fairtrade on banana smallholders and workers in Colombia. The study found that Fairtrade has had positive effects, mainly through Premium investments in areas such as farm productivity, cooperative administration,

household services, local community support, and SPO strengthening. Smallholders wanted to increase their Fairtrade sales and noted that the Fairtrade Minimum Price was equal to or less than their cost of production. The study recommends that Fairtrade meets with cooperatives and exporters to work out strategies to improve prices and plan for the future collaboratively.

Ostertag, C.F. et al (2014)

FIGURE 6.2.4

FAIRTRADE BANANAS: NUMBER OF FARMERS AND WORKERS BY COUNTRY OR REGION 2016

SPO Small Producer Organization HLO Hired Labour Organization

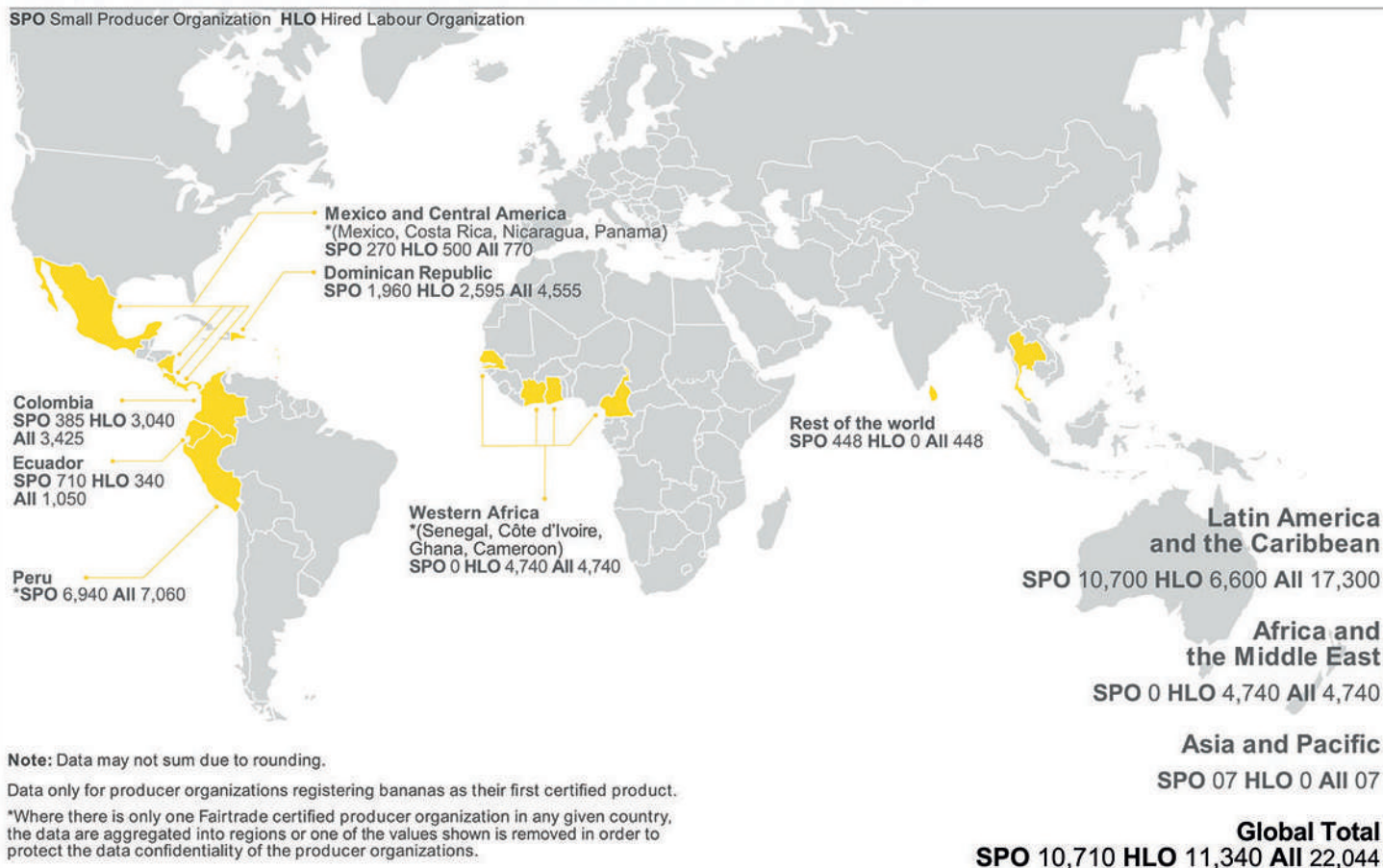
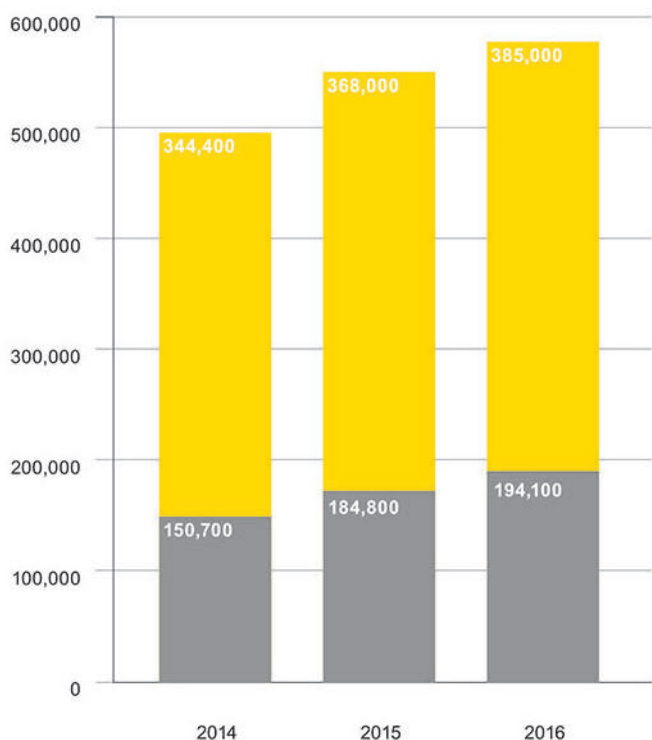


FIGURE 6.2.5

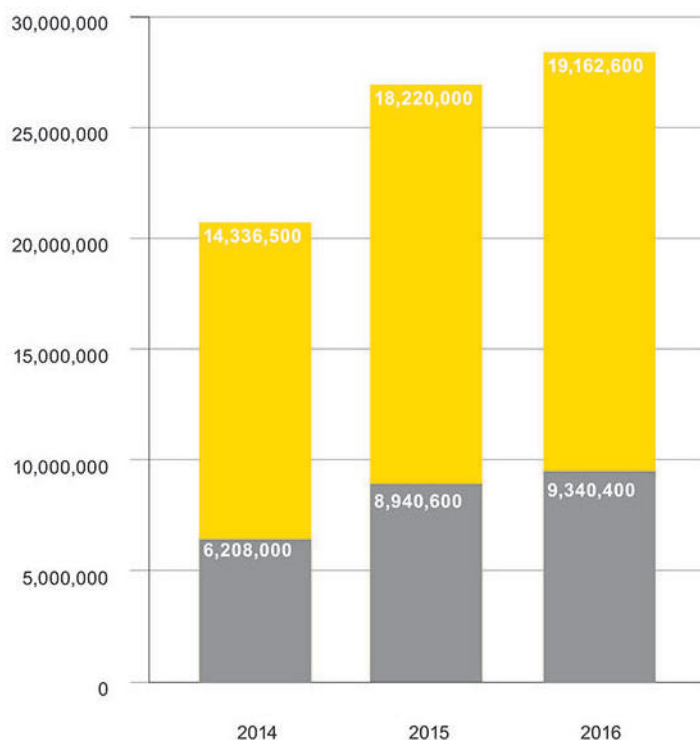
FAIRTRADE BANANAS: FAIRTRADE SALES VOLUMES AND FAIRTRADE PREMIUM RECEIVED 2014-2016

■ Hired Labour Organizations
■ Small Producer Organizations

Fairtrade bananas
volumes sold (MT)



Fairtrade Premium
received (€)



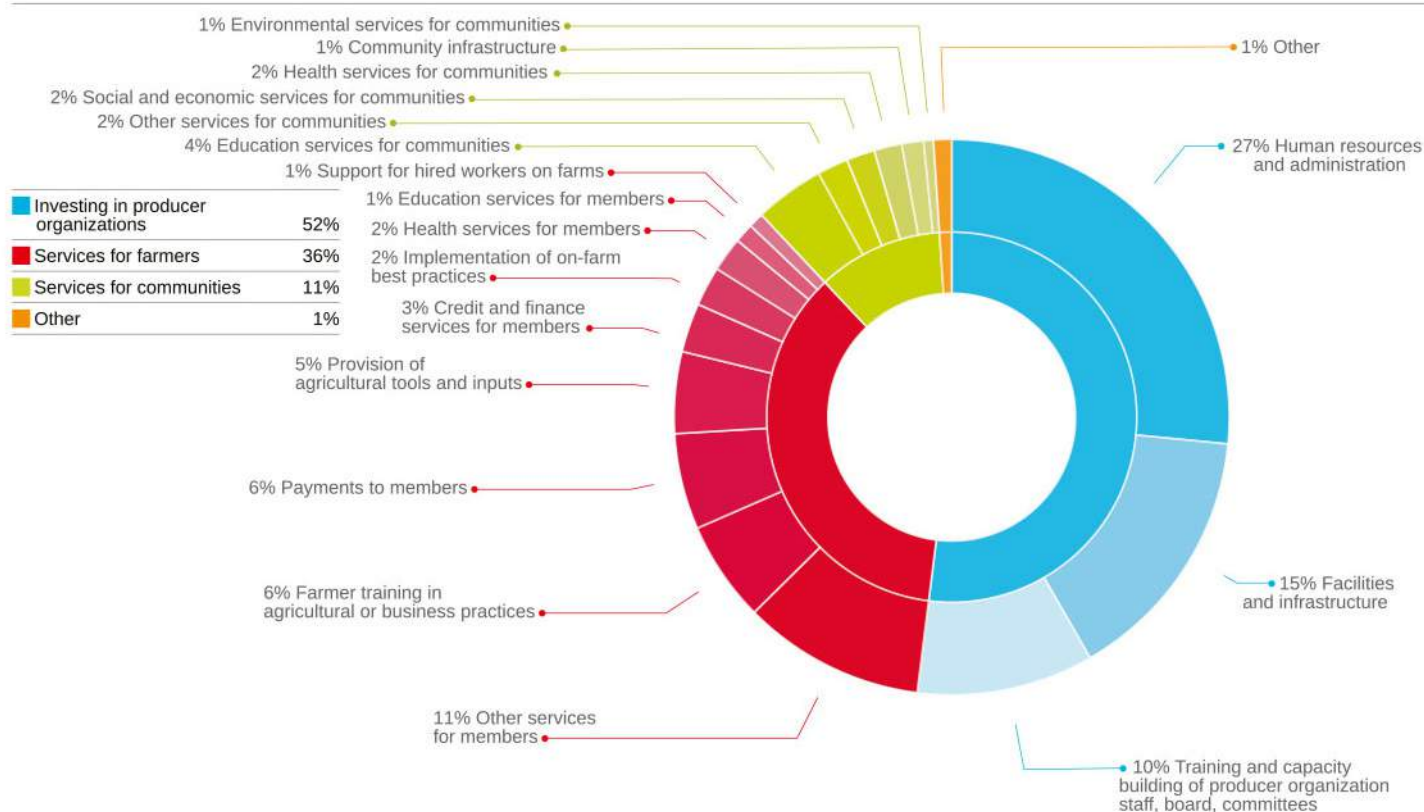
In Ghana and Cameroon, Fairtrade works with the largest international agricultural union (IUF), BananaLink, and local unions on workers' rights, collective bargaining agreements, and collaboration between unions.

But we want to go further. Fairtrade is determined to increase the wages of banana plantation workers as part of our efforts to support workers' rights. Living wage benchmarks for banana workers have already been calculated for the Dominican Republic, Ghana and Ecuador.

And we are working hard to close the gap between current wage levels and living wage benchmarks. This can help create a direct link between improved wages and Fairtrade sales for plantation workers. It's an ambitious strategic goal and we are conscious that we need to work with the various stakeholders in the banana industry, and the World Banana Forum, to make real progress.

FIGURE 6.2.6

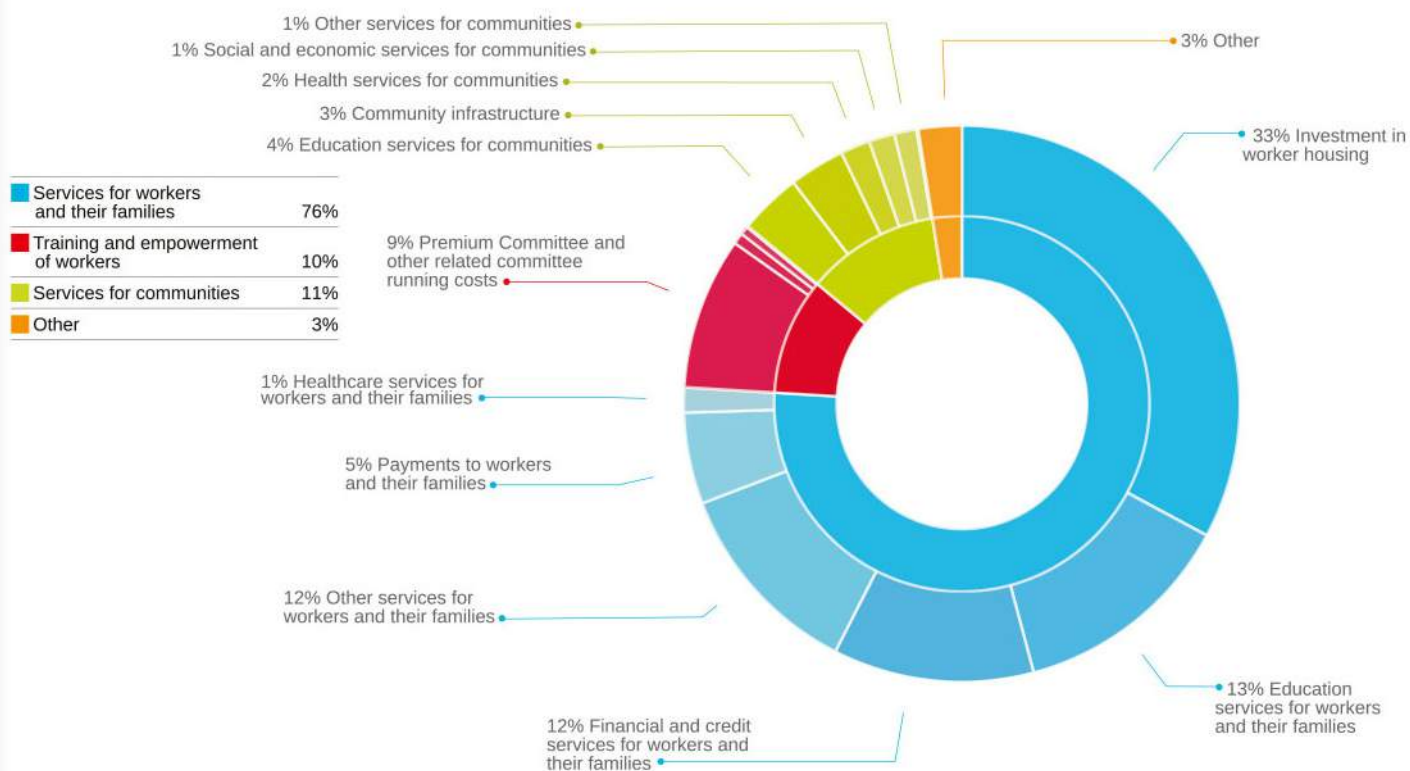
FAIRTRADE BANANAS: FAIRTRADE PREMIUM USE IN SMALL PRODUCER ORGANIZATIONS 2015–2016



Note: Percentages may not sum due to rounding.

FIGURE 6.2.7

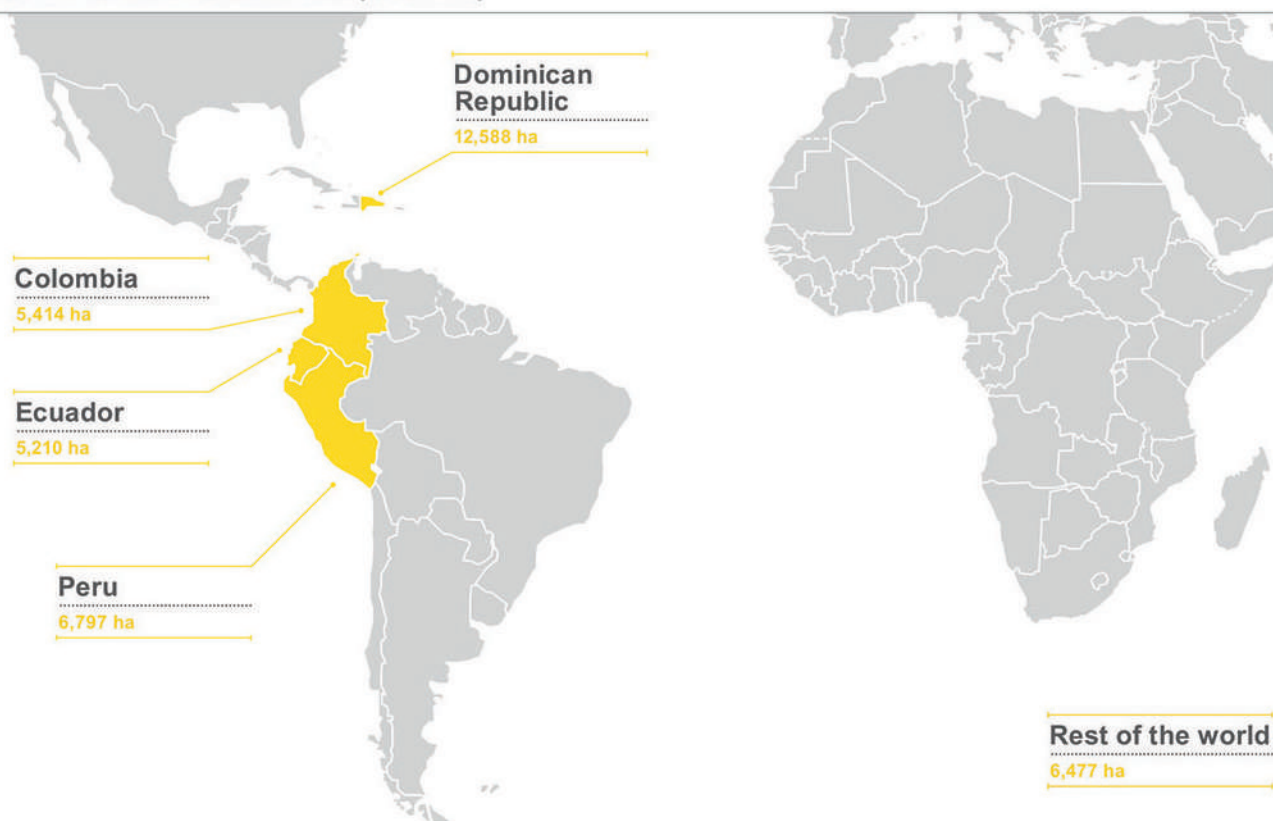
FAIRTRADE BANANAS: FAIRTRADE PREMIUM USE IN HIRED LABOUR ORGANIZATIONS 2015–2016



Note: Percentages may not sum due to rounding.

FIGURE 6.2.8

AREA OF FAIRTRADE BANANAS CULTIVATED 2016 (HECTARES)

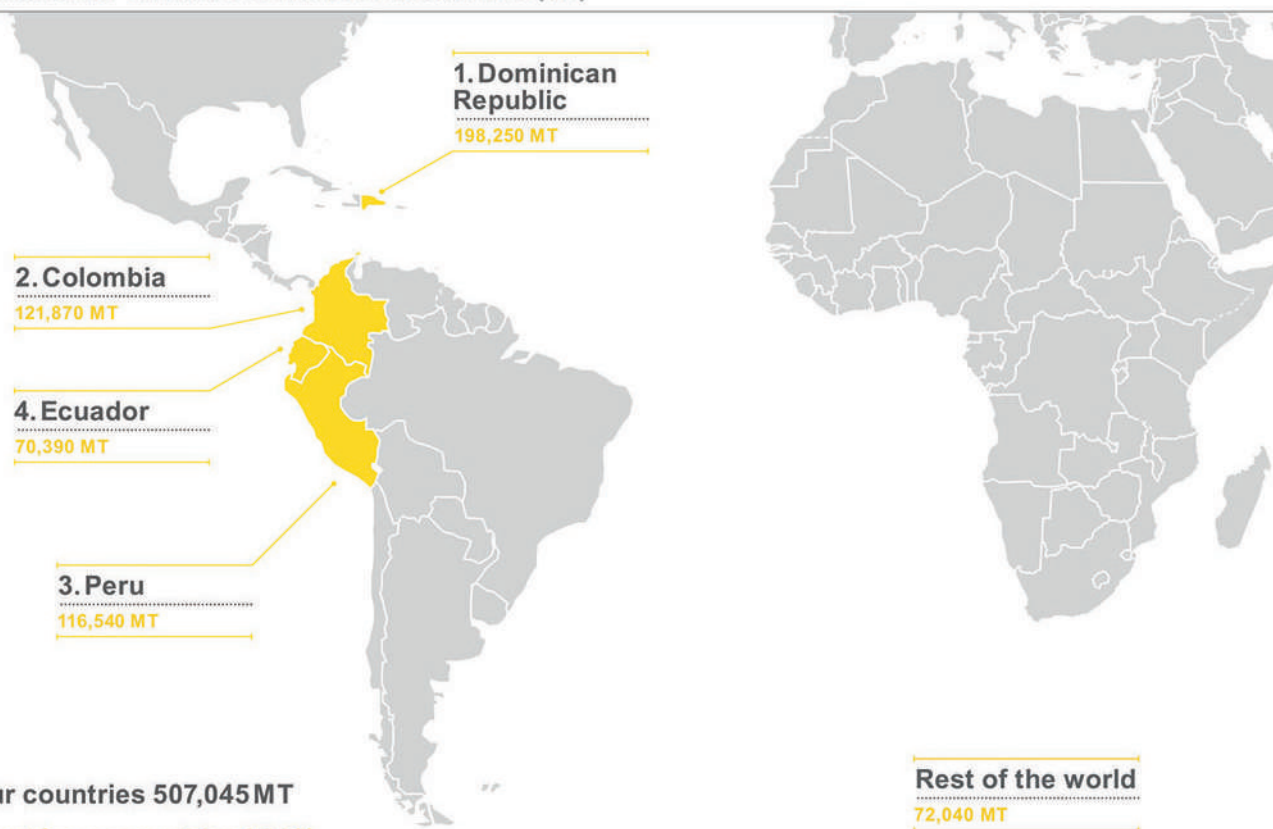


Note: Data only for small producer organizations.

World 36,487 ha

FIGURE 6.2.9

FAIRTRADE BANANAS: TOP SELLING COUNTRIES BY VOLUME 2016 (MT)



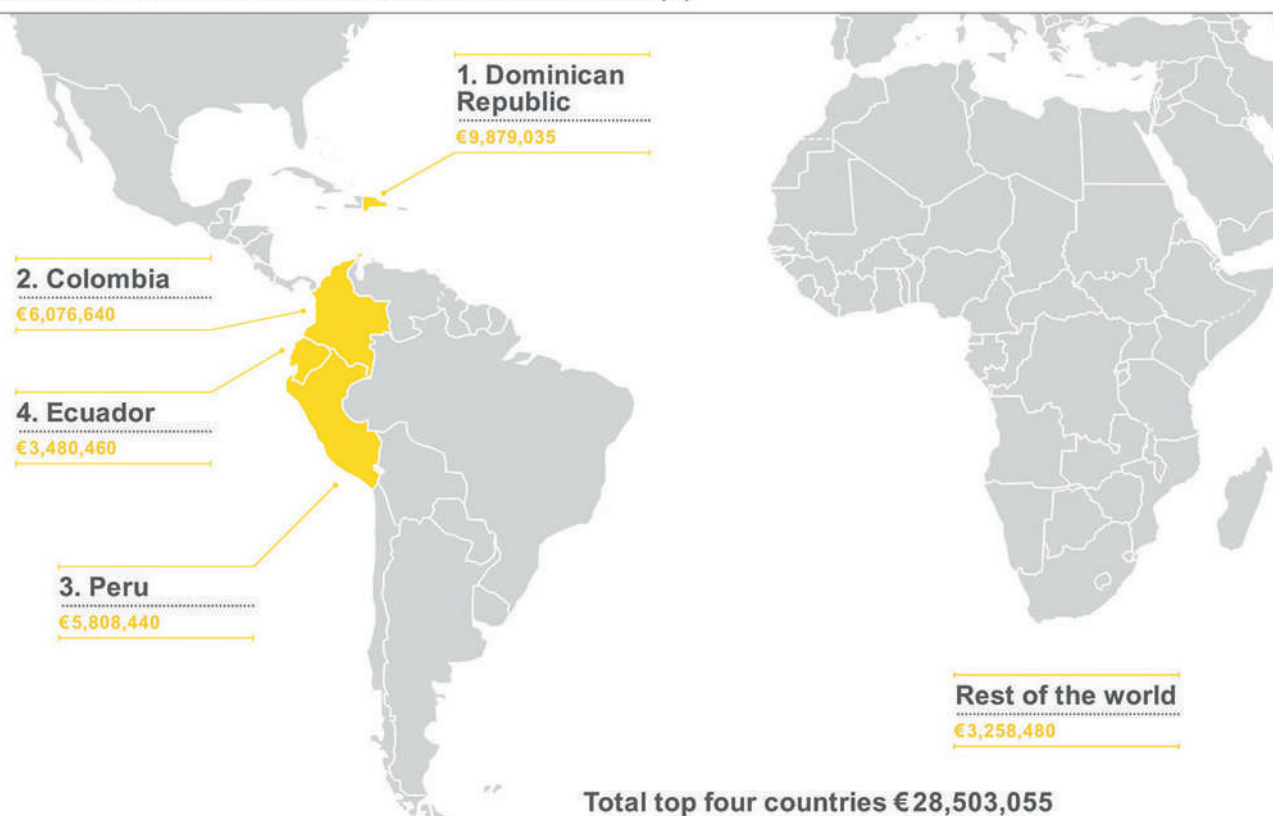
Total top four countries 507,045 MT

Top four countries account for 87.5% of Fairtrade bananas sales volumes

Note: Numbers may not sum due to rounding.

FIGURE 6.2.10

FAIRTRADE BANANAS: TOP COUNTRIES FAIRTRADE PREMIUM RECEIVED 2016 (€)



Total top four countries €28,503,055

Top four countries receive 88.5% of Fairtrade Premium for bananas

Note: Numbers may not sum due to rounding.

PRODUCER

STORY



Feliciano Quintero holds a Fairtrade banana ready for export at Fairtrade certified COOBANA plantation, Panama.

© Photography: James Rodriguez, mimundo.org

FROM NEAR BANKRUPTCY TO SUCCESSFUL BUSINESS MODEL WITH FAIRTRADE

COOBANA is a real Fairtrade success story. From a group of people with a vision who were hit by economic crisis and a lack of business acumen, they have emerged bigger and stronger, with a bright future thanks to Fairtrade and the concept of partnership.

Bocas del Toro province is a traditional banana-growing enclave in Panama. But, during a downturn in the 1990s combined with related labour conflicts, many banana companies went to the wall. In 1991, a group of workers came together to try and keep jobs in their region, Changuinola. They had a proposal for government: to purchase and restore what was formerly the Atlantic Banana Corporation run by the Ministry of Agricultural Development. It was accepted and they did.

But, almost three decades on, they were at breaking point. Following a number of bad purchasing contracts combined with lack of knowledge of the global fruit market, COOBANA

hit a low point in 2009. Producing only 1,400 boxes per hectare, it was making losses hand over fist. But, when they most needed help, a banana co-op just across the border in neighbouring Costa Rica suggested they contact Fairtrade for advice.

After studying the potential benefits of certification, including better prices for their bananas, the Fairtrade Premium, growth opportunities for small banana producers and a more transparent supply chain, COOBANA began the certification process in 2010. They collaborated with Dutch importer Agrofair, which became a partner and supported their development within Fairtrade.

Today, COOBANA employs more than 550 people, almost half of whom are members. They own three farms and are the largest independent producer in the region. From a lowly 1,400 boxes per hectare, they now produce 2,100 – meaning better wages and more Premium funds to invest in their farms, their communities and their children's education and, ultimately, a better future for the whole community.

147 BANANA
PRODUCER ORGANIZATIONS



REPRESENTING
22,044 FARMERS
AND WORKERS IN 16
COUNTRIES

SALES VOLUMES
OF FAIRTRADE
BANANAS
GREW BY 5%



€28.5 MILLION IN
FAIRTRADE
PREMIUM
RECEIVED BY BANANA PRODUCERS
IN 2016



94% OF ALL
FAIRTRADE BANANAS
COME FROM
LATIN AMERICA AND
THE CARIBBEAN

