CHAPTER 6.2

FOCUS ON FAIRTRADE PRODUCTS: BANANAS

Yupaisa Sambleur at Fairtrade certified Asociacion de Trabajadores Banafem plantation, Dominican Republic.
© Photography: Erika Santelices
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.
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 rate\(^1\) 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 percent\(^2\). 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

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.

6.2 Bananas

Fairtrade Bananas: Number of Farmers and Workers by Country or Region 2016

- **Mexico and Central America**
  - *(Mexico, Costa Rica, Nicaragua, Panama)*
  - SPO 270 HLO 500 All 770
- **Dominican Republic**
  - SPO 1,560 HLO 0 All 4,555
- **Colombia**
  - SPO 385 HLO 3,040 All 5,285
- **Ecuador**
  - SPO 716 HLO 340 All 1,095
- **Western Africa**
  - *(Senegal, Côte d’Ivoire, Ghana, Cameroon)*
  - SPO 0 HLO 4,740 All 4,740
- **Rest of the World**
  - SPO 448 HLO 0 All 448
- **Latin America and the Caribbean**
  - SPO 10,700 HLO 6,600 All 17,300
- **Africa and the Middle East**
  - SPO 0 HLO 4,740 All 4,740
- **Asia and Pacific**
  - SPO 0 HLO 0 All 0
- **Global Total**
  - SPO 10,710 HLO 11,340 All 22,044

Note: Data may not sum due to rounding.

Data only for producer organizations registering bananas as their first certified product.

*Where there is only one Fairtrade certified producer organization in any given country, the data are aggregated into regions or one of the values shown is removed in order to protect the data confidentiality of the producer organizations.

---

**Fairtrade Bananas: Fairtrade Sales Volumes and Fairtrade Premium Received 2014-2016**

- **Hired Labour Organizations**
- **Small Producer Organizations**

<table>
<thead>
<tr>
<th>Fairtrade bananas volumes sold (M'T)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hired Labour Organizations</td>
<td>600,000</td>
<td>500,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Small Producer Organizations</td>
<td>244,000</td>
<td>308,000</td>
<td>385,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fairtrade Premium received (€)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hired Labour Organizations</td>
<td>14,336,500</td>
<td>14,336,500</td>
<td>19,162,800</td>
</tr>
<tr>
<td>Small Producer Organizations</td>
<td>6,208,000</td>
<td>6,940,600</td>
<td>9,349,400</td>
</tr>
</tbody>
</table>
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**

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

- 27% Human resources and administration
- 15% Facilities and infrastructure
- 10% Training and capacity building of producer organization staff, board, committees
- 6% Farmer training in agricultural or business practices
- 5% Provision of agricultural tools and inputs
- 6% Payments to members
- 11% Other services for members
- 3% Credit and finance services for members
- 2% Implementation of on-farm best practices
- 2% Health services for members
- 1% Education services for members
- 1% Support for hired workers on farms
- 2% Other services for communities
- 2% Social and economic services for communities
- 4% Education services for communities
- 1% Support for community infrastructure
- 1% Environmental services for communities
- 1% Other
- 52% Investing in producer organizations
- 36% Services for farmers
- 11% Services for communities
- 1% Other

Note: Percentages may not sum due to rounding.
**6.2 Bananas**

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

- **Services for workers and their families**: 76%
- **Training and empowerment of workers**: 10%
- **Services for communities**: 11%
- **Other**: 3%

- **3% Other services for communities**
- **1% Social and economic services for communities**
- **2% Health services for communities**
- **3% Community infrastructure**
- **4% Education services for communities**

- **33% Investment in worker housing**
- **9% Premium Committee and other related committee running costs**
- **12% Financial and credit services for workers and their families**
- **12% Other services for workers and their families**
- **13% Education services for workers and their families**
- **1% Healthcare services for workers and their families**
- **5% Payments to workers and their families**

*Note: Percentages may not sum due to rounding.*

**AREA OF FAIRTRADE BANANAS CULTIVATED 2016 (HECTARES)**

- **Dominican Republic**: 12,598 ha
- **Colombia**: 5,414 ha
- **Ecuador**: 5,210 ha
- **Peru**: 6,797 ha
- **Rest of the world**: 6,477 ha

*Note: Data only for small producer organizations.*

World 36,487 ha
6.2 Bananas

Focus on Fairtrade products: bananas

FIGURE 6.2.5
FAIRTRADE BANANAS: TOP SELLING COUNTRIES BY VOLUME 2016 (MT)

1. Dominican Republic
   198,250 MT

2. Colombia
   121,870 MT

3. Peru
   116,540 MT

4. Ecuador
   70,390 MT

Total top four countries 507,045 MT
Top four countries account for 87.5% of Fairtrade bananas sales volumes

Rest of the world
72,040 MT
Note: Numbers may not sum due to rounding.

FIGURE 6.2.10
FAIRTRADE BANANAS: TOP COUNTRIES FAIRTRADE PREMIUM RECEIVED 2016 (€)

1. Dominican Republic
   €9,879,035

2. Colombia
   €6,076,640

3. Peru
   €5,588,440

4. Ecuador
   €3,490,460

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.

6.2 Focus on Fairtrade products: bananas
PRODUCER STORY

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.
6.2 Bananas

Focus on Fairtrade products: bananas

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