

FREE

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fair trade

CANADA'S VOICE FOR SOCIAL SUSTAINABILITY

Bolivian coffee producers

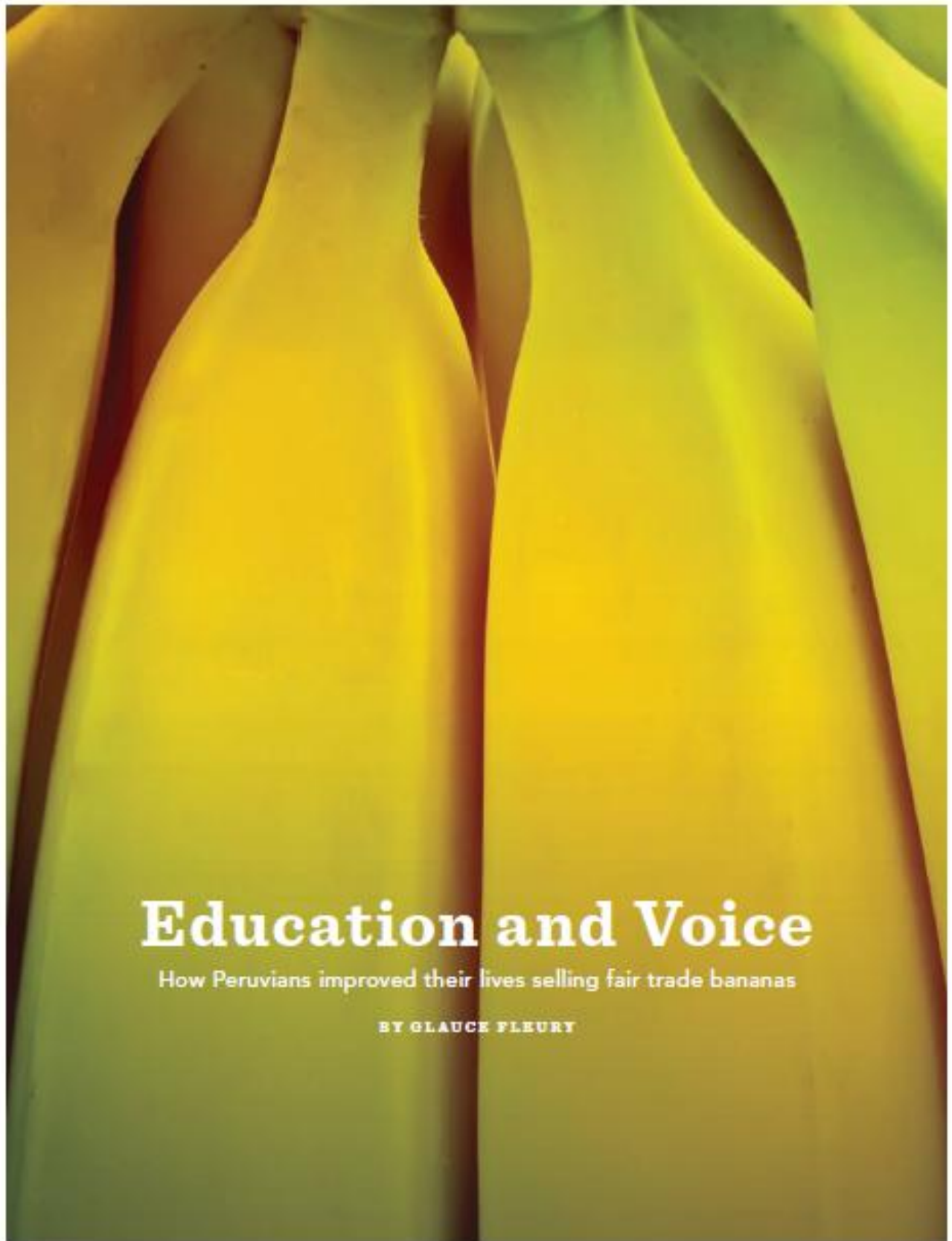
History of a social movement

Fair trade versus free trade?



The co-operative forces behind your bananas

feature



Education and Voice

How Peruvians improved their lives selling fair trade bananas

BY GLAUCE FLEURY

Take a snapshot of Piura—the region in northern Peru where farmers grow fair trade organic bananas—and compare it to 10 years ago; you’ll see huge social change. Literacy rates have improved remarkably, allowing many children from farming communities to attend post-secondary education. According to José María Lecarnaqué Castro, founder of the Central Association of Small Producers of Organic Bananas (CEPIBO), this development has been “due to the stable prices of fair trade bananas.”

Popular commodity

Bananas are one of the most popular and widely consumed fruits in the world. Canadians alone eat an average 6.5 kilograms per person every year, second only to apples in terms of fresh fruit consumption.

Despite the mass appeal, however, the banana industry is ripe with many troubling issues. Many banana farmers around the world don’t earn enough to feed their families and are forced to work long hours (up to 14 hours per day) with no overtime pay. They also have no protection against sudden layoffs and are often exposed to unsafe working conditions. With the exception of cotton, the banana industry uses more agrochemicals—many of which have been classified as hazardous by the World Health Organization—than any other in the world. These chemicals pollute natural environments and saturate workers’ homes, food, and the workers themselves.

Why is the Peruvian market appealing? Castro says bananas from Peru have a low risk for contamination. “Due to [Peru’s] climate, which is both warm and dry, our bananas don’t develop the disease known as Black Sigatoka, which requires chemical sprays to be controlled,” he says. Another reason is that Peru doesn’t have violent weather patterns that could affect the seasonality of its crops. “We have El Niño, but it isn’t frequent, so we can assure our importers they’ll have good bananas throughout the whole year.”

Knowing the fruit will be available 52 weeks per year is crucial for Canadian importers. “Every time consumers go to the grocery store, they buy bananas. Kids love the fruit because they just have to peel it. It doesn’t need to be cut or sliced and doesn’t make a mess like, for example, mangoes,” says Randy Hooper, managing director of Discovery Organics, the only fair trade banana importer in the western Canada. But despite their popularity, expectations are high among Canadians. “[Bananas] are one of the most complicated commodities to work with. They’re perishable and have to be just the right colour.” If they’re not? The consumers don’t buy them.

Peruvian origins

Previously, Piura farmers grew conventional bananas for local markets. Year after year, as production increased, the local market stopped being as lucrative. At the end of the 1990s, the Ministry of Agriculture launched a program to produce organic bananas to differentiate from other markets. “Our neighbour Ecuador is the largest exporter and producer of conventional bananas, so we saw an opportunity to enter the market selling organic,” says Castro.

But when Peruvians first started selling their new product, they faced certain challenges, especially when individual farmers signed contracts with multinationals to distribute in foreign markets. “This model limited our opportunities to negotiate conditions like price, quality, and volume. That’s why we created the co-operative.” Once they became certified Fairtrade, and increased their prospects to negotiate international markets, they began exporting on their own.

Approximately 5,000 hectares of Piura farmland is dedicated to growing organic and fair trade certified bananas, of which 90 percent are exported to Europe and North America, where the climate won’t allow the fruit to grow. According to Castro, Piura can export up to 100,000 boxes of bananas, each weighing 18 kilograms, every week. For such a high volume, the better prices from fair trade certification have provided the small-scale farmers with funds to reinvest in their land and earn higher incomes. “We generate a foreign capital inflow of US\$50 million per year, and each hectare of bananas creates 1.2 stable jobs per day,” Castro says.

Benefits of fair trade

While Peru has been able to invest in better education and improve literacy rates, much of this has been made possible through social premiums. For each box of fair trade bananas sold, co-operatives earn an additional payment of US\$1 in premiums (beyond the minimum fair trade price), and this money is spent according to the decisions of each organization’s democratic assembly. In the case of CEPIBO, they’ve used the premiums to train farmers; create educational, environmental and health campaigns; and improve their harvesting and post-harvesting infrastructure, which is necessary for packaging and preparing fruit for export. To build this capacity, the co-operative required 70 facilities, each costing more than US\$30,000.

Receiving the “perfect” banana takes three to four weeks. This is about how long it takes from when farmers cut the fruit to when consumers find it on store shelves.



Piura region, Peru

Castro also asserts that being a member of a co-operative has given farmers the means to better navigate international markets. “[Fairtrade certification] gives small-scale producers more empowerment to negotiate their contracts. This power was almost zero before the year 2000,” he says. “The premiums helped us develop our capacities as farmers and leaders. Now we also have a voice in the political spaces.”

And since these operations are located in rural areas, migration to big cities has decreased, as workers can now find jobs in their hometowns. “It’s important to have those opportunities for the ones who went to school, and are interested in going back to their community,” says Emma Van Pelt, who holds the operations position at Equal Exchange, a fair trade company that offers bananas imported from Peru and Ecuador. “Education is beautiful and should be available to everybody.”

Delivering the goods

Receiving the “perfect” banana takes three to four weeks. According to Van Pelt, this is about how long it takes from when farmers cut the fruit to when consumers find it on store shelves.

Once an order is placed, farmers cut the bananas while they are still a very dark green. They then wash, place stickers, and set them in boxes that get loaded into a shipping container. The container is transferred to a large vessel carrying thousands of other products. The bananas are chilled to 14 degrees, so they don’t ripen too early.

With Equal Exchange, the fruit arrives at the Port of New York via the Panama Canal. After the produce is verified by the United States Department of Agriculture, Equal Exchange’s warehouse takes the container and informs distributors that the fruit is available. “The bananas are put into big rooms full of ethylene, which makes the green turn yellow. They’re sent to the stores when they’re yellowish green. That’s when the consumer wants to buy them,” explains Van Pelt.

According to Van Pelt, many consumers understand the merit in knowing where their food comes from. “There’s more buzz around ethical supply chains,” says Van Pelt, who has noticed increased visibility in the wake of the recent issues with the Bangladesh garment industry. “It’s all there. All we have to do is start making those connections and not think about isolated incidents,” she says. “[Supporting] social benefits means understanding how these systems work and understanding the choices we make in our purchases.”

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product profile



Bananas

Contentious from the start

The roots of the banana industry lie in the histories of monopolistic multinationals such as United Fruit and Standard Fruit (which later became Chiquita and Dole respectively) that came to dominate banana-growing regions in Central and South America. Throughout the 20th century, regions in Central America would be labelled “Banana Republics,” an epithet that would become associated with brutal military dictatorships and slave-like working conditions for plantation workers.

The banana industry would also be responsible for innovations such as built-in refrigeration in transport ships and the use of controlled atmospheres and chemicals to delay ripening. It also pioneered the use of chemical sprays and monoculture plantations in producing high volumes for export and consumption.

One banana, just like the other?

Bananas are actually giant berries, grown from plants that are more large herbs than trees. In Canada, most of us eat only one variety of banana, the Cavendish, which is essentially propagated through stems that grow laterally from a main stem, or corm, of a banana plant to form independent corms themselves. Each new plant is essentially a genetic clone of its parent. The banana that you eat today will have the same

shape, colour, size, and flavour as the one you eat tomorrow. It is one of the most consistent and reliable fruits found in the supermarket, with no variation between conventional and organic varieties.

The monocultural nature of the banana industry has been a concern for quite some time, as diseases that threaten one banana plant essentially threatens extinction for the entire industry—a fate that befell the Cavendish’s predecessor, the Gros Michel, or “Big Mike,” in the 1960s.

Bananas today

Today, few banana plantations are owned by fruit companies themselves. Instead, they are owned by local partners who sell to large exporters. This allows multinationals to choose their suppliers across national borders based on who can offer the lowest price. This proves to be a significant issue for growers, who are forced to cut costs in production, contributing to unsafe working conditions, poor wages, and environmental degradations.

Fairtrade International reports that in 2011, Fairtrade certified bananas were grown by 80 producer organizations in 11 countries worldwide. More than 18,000 people work according to Fairtrade standards, which guarantee fair wages and proper working conditions, as well as commitments to environmentally sustainable production. During the reporting period, banana producers received more than €14 million in Fairtrade Premium money. For hired labour organizations, 59 percent went to support workers, while other funds were contributed to community development, education, and health services. For small producer organizations, 67 percent of this money went to investing in businesses or organizational development to improve production and processing. ↻

While North Americans almost exclusively consume Cavendish bananas, there are hundreds of other varieties of the fruit, mostly in Asia and Africa.

India is the world’s largest producer of bananas, growing 20 percent of the world’s supply. But the 17 million tons of about 670 different varieties of bananas that India produces annually are consumed locally. Conversely, the second largest producer of bananas, Ecuador, which produces about a third as much as India, exports more than 98 percent of their bananas for foreign consumption.