

FAST FACTS: Fair Trade Certified™ Bananas



Banana Farmers and Farm Workers

- Most bananas are grown on large plantations that employ hundreds of farm workers. Farm workers receive wages as low as US\$2/day, which is less than a third of the cost of basic necessities in most banana growing countries. These low wages have led to the need for children to join their parents in the fields to supplement the family income.
- Small farmers grow many of the bananas sold in the US market. Without direct access to the US market, small farmers have to sell their bananas to middlemen. Small farmers receive as little as 1.5 cents a pound, which is lower than the cost of production.
- Banana prices fell by 40% from 1997 to 2003.
- Banana plantation workers have had little success in organizing into unions, and have been subjected to violence and harassment.
- Fair Trade guarantees fair prices, fair wages and safe working conditions for small farmers and plantation workers. The Fair Trade premium allows small farmers and farm workers to fund community development projects, including health centers, schools and reforestation projects.

The Market for Fair Trade Certified™ Bananas

- In 1996, just 2500 of the 10 million metric tons of bananas traded worldwide were being sold under Fair Trade terms. Today, more than 110,000 metric tons of Fair Trade Certified bananas are sold each year; that's about 1% of the entire volume of bananas traded worldwide.¹

- Fair Trade Certified bananas have achieved 50% market share in Switzerland and 4% market share in the UK.²
- Market research performed by the European Commission Director General for Agriculture suggests that Fair Trade banana imports to the European market will reach at least 10% market share.

Bananas and the Environment

- On most non-Fair Trade conventional plantations, dangerous pesticides are used throughout the growing and harvesting process. International standards for pesticide use are often disregarded by plantation owners and unknown to workers.
- Fair Trade certification ensures compliance with international standards of environmental protection. This includes limiting or eliminating the use of synthetic fertilizers and pesticides.
- Producers must adhere to strict standards regarding the protection of natural waters, virgin forest, and other ecosystems of high ecological value, as well as the management of erosion and waste.
- The majority of Fair Trade Certified bananas are also certified organic.
- The Fair Trade premium is often used to help banana farms pay for organic certification.



¹www.bananalink.org.uk

²www.bananalink.org.uk

TransFair USA and Fair Trade Certification

- TransFair USA is the only independent certifier of Fair Trade products in the US.
- TransFair USA launched its Fair Trade Certified label with coffee in 1999 and began certifying bananas in January 2004.
- TransFair USA is part of a world-class certification network with a 16-year track record of success operating in over 60 countries worldwide.
- The integrity of the Fair Trade certification system is guaranteed by a rigorous inspection and certification process that audits the entire supply chain—from the farm to the supermarket.

World Banana Trade

- US consumers eat approximately 3.5 million metric tons of bananas per year (1.5 bananas per week), a market value of \$1.5 billion.³
- 96% of Americans buy bananas on a regular basis.
- Bananas can be the most profitable item in a grocery store, generally accounting for about 2% of a store's total profit.⁴
- The top three banana companies exporting to the US are the Dole Food Company, Chiquita Brands International, and Fresh Del Monte Produce; together these three control 65% of world exports.⁵

- The four leading banana export countries are Ecuador, Costa Rica, Philippines, and Colombia. Ecuador alone provides more than 33% of global banana export.⁶
- Fair Trade Certified bananas are currently grown in Ecuador, Costa Rica, Peru, the Dominican Republic, Colombia, Ghana and the Windward Islands.⁷



³<http://bananas.agoranet.be/MacroEconomics.htm>

⁴www.bananalink.com

⁵*A Market Opportunity Assessment for TransFair USA* by students at Stanford University School of Management. Also, *Dole Food Company 2002 Analyst Report*, Bear Sterns; *Del Monte Foods 2000 Analyst Report*, Bear Sterns; *Chiquita Brands International 1999 Analyst Report*, Salomon Smith Barney.

⁶<http://r0.unctad.org/infocomm/anglais/banana/market.htm>

⁷www.bananalink.org.uk