

Global education module

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TITLE:	The real price of banana
AGE GROUP:	12+
SUBJECTS:	geography, economics, ethics
TIME REQUIRED:	45 minutes

The real price of banana

the aim of the exercise:

- to explore the economic and social aspects of sustainability through a produce (banana)
- to become acquainted with the concept of fair trade

related subjects: geography, economics, ethics

age group: 12+

number of participants: 5-30 students

tools: description of the key actors of banana trade (each actor on a separate sheet)

time required: 45 minutes

Description of the exercise:

A schematic banana is drawn on the board which can be clearly seen by everyone in the room, and key actors of the banana trade are listed below the sketch:

- the banana-picker
- the banana plantation owner
- the shipper (owner of the cargo ship)
- the importer
- the retailer

The game starts with a group discussion where the group reaches an agreement as to the percentage of each actor's share from the price of the banana. To make it simple and easy, participants assume that one banana costs 100 Hungarian Forints (HUF). The facilitator divides the banana in proportion to the estimated share of each actor from the 100 HUF price.

Then the group is divided into five smaller groups (equal in number). Each group represents a key actor of banana production and trade. The facilitator assigns the roles to the small groups and gives them the appropriate descriptions (see Appendix 1). After the groups have simultaneously become acquainted with their respective roles, an open bargaining begins between them under the facilitator's supervision: representatives from each group try to put forward the interests of their own actor (group) during a group debate, so that they get a



bigger share than the one previously established. During the debate, they should refer to the information received in the role descriptions.

The discussion lasts until the groups reach a consensus on the shares. Then the agreed shares will also be written on the board. When this is done, the facilitator reveals the true shares of each actor from the price of the banana, and marks them on the banana sketch (Appendix 2).

Following this the facilitator dismisses the small groups, “calls back” participants from their roles, and initiates a closing discussion based on the background information, highlighting the concept of fair trade.

Questions:

- How did you feel in your assigned role?
- What do you think of the ratios? Are they fair?
- What would you do to change the situation?



Background:

1. Banana producing and exporting countries:

Banana is primarily grown in tropical countries – in Latin America, Africa, Asia and the Caribbean – as well as in Europe and Australia. In most countries banana is cultivated as a basic food. Only about 20 % of the total banana production is exported. The biggest banana exporter is Ecuador.

Some exporting countries:

Latin America: Ecuador, Costa Rica and Columbia are the world’s largest exporters. Further Latin American exporters are: Guatemala, Honduras, Belize, Panama, Nicaragua, and Suriname.

The Caribbean: Windward Islands (St Vincent and the Grenadines, St Lucia, Dominica), Jamaica, Dominican Republic.

European producers: Martinique (France), Guadeloupe (France), The Canary Islands, Greece, Portugal. They are part of the EU, and although they do not actually export banana, they sell their produce within the EU.

Africa: Ghana, Cameroun, Ivory Coast.

2. Do actors of production for export typically work in big plantations owned by large companies, or in small family farms?

Most of the banana is grown on huge, monocultural plantations in Latin America. These plantations rely on cheap labour and heavy pesticide use. In the Caribbean, production is carried out mostly on small family farms which have better social conditions and the production process is less damaging to the environment.

3. How does banana production affect the environment and human health?

Traditional banana production uses around 30 times more pesticides and fertilizers than traditional agriculture in the UK.

90 percent of the coral reefs by the Costa Rican coast was destroyed because toxic materials used on banana and pineapple plantations leaked into the sea.

Producing one ton of banana means producing 2 tons of waste left behind.

More than 30 000 South African, African and Philippine plantation workers are suing for damages caused by the long-term adverse health effects of an insecticide called Nemagon. Most of the workers became sterile and many of them died before the case was brought before the court.

4. Which are the large companies that control the banana trade?

Only 5 big groups control 80 percent of the world market for banana. Half of them is in the hands of two big companies, Chiquita and Dole.

Chiquita (USA)	25%
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Dole (USA)	25%
Del Monte (USA)	16%
Noboa (Ecuador)	11%
Fyffes (Ireland)	8%
Other companies	15%

Due to their large size, these companies have great influence both in their own countries and the exporting countries as well. In banana producing countries, which often highly depend on the income from producing and exporting banana, big companies put a pressure on governments to pass tax laws, export taxes, credit conditions which are more favourable for these companies, as well as to loosen social requirements and environmental regulations. In Panama for instance, the government tried to raise the minimum wage in vain, and finally it was forced to back out when Chiquita threatened to terminate their contracts with local producers. In recent years, this power has been taken by big chain stores, but multinational banana trading companies still have a great influence on and responsibility for working conditions on their own plantations or those of their suppliers.

5. Working conditions on banana plantations

The majority of people working on the plantations are seasonal workers hired only for a definite time. Seasonal workers have fewer rights; they work in poorer safety conditions, often for less money. Many workers are hired only for a day, with no contract. Every morning workers gather at a specific point of their village where they get picked and transported to the plantation by trucks.

75 percent of the people working on the plantations are younger than 29 years old. It is because this work is very strenuous and when workers turn thirty they are usually fired. Young workers perform the hardest work for the lowest wages; in addition they are in daily contact with toxic materials. In some countries, in Ecuador for instance, children too are employed.

In Ecuador, the world's biggest banana exporting country, only 2 percent of the workers are members of some independent trade union. Workers are often oppressed by the companies which tend to hire more and more seasonal workers, thus diminishing the chances of workers to self-organize. In 2002, there was a brutal armed attack against the newly self-organized workers on the Los Alamos plantation in Ecuador. The proprietor of the plantation, who was also a candidate for President, said: "I don't like trade unions, and I will fight against them."

On a Nicaraguan plantation, workers get 1.2 US dollars for 8 hours of work. This sum can buy one third of the basket of basic foodstuffs in Nicaragua. According to recent reports, some workers are paid not in cash, but in unripe bananas.

6. How many percent of the banana goes to chain stores?



45 percent – which is an enormous number if we consider the number of actors involved in the complete process –, while workers get 2.5 %. Chain stores have become very influential players within the supply chain. The low purchase price they pay for the banana has a direct negative effect on wage levels and working conditions on the plantations.

More on fair trade:

<http://tudatosvasarlo.hu/cikk/mi-meltanyos-kereskedelem-fair-trade>

http://hu.wikipedia.org/wiki/M%C3%A9lt%C3%A1nyos_kereskedelem

Additional information for trainers:

The history of banana

Banana is the fruit of the *Musa acuminata* species. The term *acuminata* means ‘long and arched or apiculate’ and it refers not to the fruit but to the plant itself. Antonius Musa was the personal physician of the Roman emperor Octavius Augustus, who encouraged the cultivation of the exotic African fruit between 63 and 14 BCE. Banana was brought to Europe by Portuguese sailors from West Africa at the beginning of the 15th century. Then it spread to the Canary Islands, to the western coasts of India and to North America. The word “banema”, which the English “banana” comes from, first appears in print in the 17th century.

In the past, banana was not that sweet, yellow fruit we know it today. Modern banana was the result of the hybridization of the red and green bananas used for cooking (also called plantains). The Jamaican Jean Francois Pujot discovered in 1836 that a banana tree on his plantation bore yellow fruits, which were sweet even when raw and uncooked; therefore he quickly set out to cultivate them. In the 19th century banana became a real exotic delicacy, which was eaten with knife and fork from a plate.

Banana varieties and some interesting data

There are more than 300 varieties of banana but only 20 of them are cultivated for commercial purposes. The fruits of wild species have big, hard seeds, whereas the seeds of commercially available varieties are small or entirely lacking. There are so-called dessert banana varieties, which are yellow and eaten when fully ripe; and cooking bananas, which have to be cooked before consumption.

The banana ripens three months after flowering. Its harvesting requires at least two people. One cuts the bunch with his machete, and then the other carries it on his shoulder to a cable running through the whole plantation from which hooks are hanging. It is important to cut the banana when still green, but when exactly matters a lot. If it is harvested too early, the banana will not develop its characteristic sweet taste.

Due to their high potassium content, bananas are slightly radioactive (more so than other fruits). This slight radioactivity is enough to regularly cause false alarms in detectors used to search for illegal substances in US seaports.

Bananas are the most popular fruits of the world, besides apples and oranges. At present the Cavendish cultivar is the most common on the world market. It is cultivated on the plantations of Latin America, Africa and South East Asia. It is available in supermarkets and



groceries of the Western world all year round. Banana in general and this variety in particular is very sensitive to diseases because plants are genetically the same. In other words, if a plantation is attacked by a disease, potentially each and every plant of the Cavendish variety in the world becomes threatened, and it can even extinguish the entire culture from the world. As we do not know whether any of the present varieties would be suitable to replace Cavendish, scientists are working on creating a more resistant variety for the global market.

At the beginning of the 20th century, the Gros Michel cultivar was the most popular export banana, and then it was replaced by Cavendish. The Gros Michel banana is no more suitable for mass export as it became practically wiped out by the Panama disease, a fungus which attacks the plant's roots. This cultivar can still be found in a few areas where the disease is unknown.

The Goldfinger cultivar was bred by a research group in Honduras. It can grow to 4 meters high. The time needed for it to bear fruit is about the same as with other varieties but it is much more resistant to cold and diseases. It can be consumed green (e.g., when dried) but western markets like to buy it ripe. Since its appearance, it made a break-through in certain markets, for example, in Australia, but it is less popular in North America and Europe.

Red banana is smaller and spuddier than Cavendish, it is also softer, sweeter and has a slight raspberry taste. When ripe, the flesh becomes pink. Red banana is popular in Central America but is available worldwide. It is eaten the same way as the yellow variety: peeled.

The Blue Java or Ice-cream banana is more resistant to cold and grows to 4.5 meters high. Despite its height, it tolerates wind quite well, thanks to its strong roots. Its leaves are silver green, the fruit is bluish green, medium sized, and the flesh is snow-white. It is an excellent quality fruit with a slight vanilla taste.



Appendix 1:

1. The banana-picker:

Selecting the best bananas is also part of their job, as well as cutting and washing bunches. The worker's hands and clothes are wet all day long; bunches have to be carried, the weight of which can be as much as 50 kg. Fertilizers and pesticides used in cultivation have harmful effects on health, and may even cause cancer. Pesticides are sprayed from planes, so they can damage nearby villages and schools. The owners of the plantations do not encourage workers to form trade unions, through which they would be able to protect their interests and achieve better working conditions.

2. The plantation owner:

Maintaining a plantation involves a lot of costs: buying expensive pesticides, fuel for agricultural aircrafts, tools, machines and paying wages. If a worker has an accident and sues, the owner has to get a lawyer. If the size and form of the bananas are not conform to European standards, or they are damaged, they cannot be exported and thus diminish the profit. The owner bears the costs if a natural disaster or pests destroy the crop. Competition between planters forces them to buy and maintain the most state-of-the-art machinery. Many years of monocultural cultivation exerts the soil, therefore expensive fertilizers have to be used or new lands have to be bought.

3. The owner of the cargo ship:

The costs of buying huge cargo ships and keeping them in working order are very high. Fuel is also very costly: one load between Latin America and Europe may be at sea for up to five weeks. Insuring the cargo is an additional cost. In case the cargo gets damaged or entirely destroyed, the shipper has to cover all the expenses. Banana has to be kept at a low temperature on the ship to prevent it from ripening during sea voyage; otherwise it will become brown and mushy on supermarket shelves. In the port the owner has to pay port taxes which include the charges of disembarkation and unloading.

4. The importer:

The importer has to transport the banana to big ripening centres, where the process of ripening is made faster by great quantities of ethylene. Then he transports the banana to the shops. After ripening, the banana is repackaged, the costs of which are paid by the importer, together with the wages of packaging workers. The importer pays huge sums to the EU for import licence. He promises to buy a certain amount of bananas from plantation owners and to deliver it to shops on time, while he cannot control eventual delays.

5. Shops and supermarkets:

Retailers have to pay the wages of their employees and the maintenance costs of the shop. Because of the competition, they have to take on new ideas, spend on machinery, bigger selling spaces, and advertising. Damaged or over-ripe bananas result in unhappy customers, who may decide to shop elsewhere.



Appendix 2

