With the same warmth that characterizes our producers, the organizations and the regions to which they pertain, please receive a cordial and respectful greeting on our behalf.

In line with CLAC’s Communication Strategy and the objectives of the CLAC Banana Network, we are pleased to present our second Banana Newsletter; which aims to connect the principal actors in the banana supply chain: producers, workers and buyers, committed to responsible trade and consumption. In addition, the newsletter intends to share more directly the work carried out by producers and workers, to share the stories of impact generated by Fairtrade within their organizations and communities.

With the same energy that characterizes the industry, this semester has been determined by great challenges for producers, both from the market point of view, as well as the climate, productivity and sustainability, amongst others. In line with those challenges, we have selected a number of topics to share with you all, including a focus on the Program for Increased Productivity (PIP).

Enjoy reading,

CLAC Banana Network
The banana, besides being a high demand tropical fruit in the international market (mainly in northern countries), is also a staple aliment for millions of people around the world, especially in Africa and Asia; making it one of the most important foodstuffs worldwide.

In its origin, the banana was produced in a natural environment in the wooded areas of Asia, with natural biodiversity, which maintained adequate fertility levels for normal development and production without pests or diseases threatening its existence.

Man took it out of its natural habitat and adapted it to open air, mass cultivation. The banana was cultivated to the point of maximizing its productivity with a chemical base, breaking the natural balance of the soil, losing its health and productive capacity.

Latin America and the Caribbean have ideal agro-ecological conditions for producing banana crops. The region produces 95% of Fairtrade bananas consumed worldwide, of which more than 70% are produced by organizations with large numbers of small-scale producers participating in production.

The specialization of the crop has led the producers to an intensive production system. In the past, the majority of the area under production was largely based on the use of chemicals, affecting the microbiological balance of the soil and its environment. This leads to lower yields, increased costs and minimal response to traditional crop management.
In banana production, especially conventional, with naked soils, erosion can cause losses in production. In addition, the incorporation of fertilizers and agrochemicals for pest and disease control, along with the absence of then necessary organic materials, over time, causes the soil to lose organic matter and the beneficial microorganisms that provide it with enrichment and health. Gradually, the soil becomes acidic, which leads to the loss of important minerals (Calcium-Magnesium-Potassium), generating a rapid decrease in production potential.

Small-scale producers from organizations in the region cannot escape this problem; on average, they produce just 58% of their productive potential.
In response to the needs of producers in the region and to reverse this process of poor crop management, the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC) formulated and developed the “Program for Increased Productivity (PIP).” It’s a training program that incorporates the transfer of technology as a basic element of sustainable development for Fairtrade banana producers in the region.

As part of Phase 1 of PIP, with the support of Fairtrade International, CLAC, along with the selected participating organizations, initiated the program to improve fertility and soil health by training technical staff and producers in the production and preservation of beneficial microorganisms for the soil.

To further develop the program, CLAC contracted the services of a fertility and soil specialist in banana, for technical support in program adaption and the use of specific bio-ferments and organic fertilizers such as Bokashi.

All fertilizers were elaborated with the Multiple Communities of Beneficial Mountain Microorganisms, plant foliage with protective elements, bio-fertilizers and key minerals. Applied with technical recommendations, results showed significant increases in production, accompanied by a 25% reduction of agrochemicals, less water use and an overall smaller carbon footprint.

Due to the positive results achieved in Phase 1 of the program and its impact on productivity and economic income for the organizations, CLAC has decided to start a second phase of the program. Phase 2 will provide follow-up to participating organizations and incorporate new ones into the program.
With the objective of improving the socio-economic status of small-scale banana producers in the region, through increasing productivity and environmental sustainability, the Latin American and Caribbean Network of Small Fair Trade Producers and Workers (CLAC) developed the Program for Increased Productivity (PIP).

Two years after the implementation of PIP, there was an average increase of 29% in the productivity of participating farmers’ plots, with a direct and indirect impact on their income, improving their quality of life, along with that of their families. This increase in productivity also improves economic, social and environmental aspects of their organizations. One of the most important results is an increase of 522 boxes per hectare per year. Taking into account that each box has a price of $6.20 (USD), they achieved an additional income of $3,238.00 per hectare. With a cost reduction of $0.66 per box, they generated a secondary savings of $1,529.00 per hectare. Considering the price per box and the reduction of costs, the total added income for the producer is estimated at $4,767.00 per hectare for 2017.

Likewise, PIP has generated environmental impacts through the reduction of agrochemicals and better management of production resources, amongst other results.

Positive Impacts on the Environment:

- A 25% reduction in the consumption of agrochemicals
- Irrigation frequency was reduced by 50% (less water)
- An increase in the leaf emission index
- Improved biological control of insects (control of Mancha Roja in organic plants)
- Increased biodiversity
- Healthier soils, which act as a suppressant for pests and diseases

Another important impact of PIP is the large area the program covered, through the training and transfer of technology.

The program reached 14 Fairtrade small-producer organizations in seven countries, with a total of 37 participating producers and all technical and administrative staff of the organizations. This does not account for the additional 25% of producers and technicians who were not included in the program initially but joined throughout the training.

With the obtained results, the program is reaching other organizations that are now showing interest in participation. These organizations will be incorporated in the implementation of Phase 2 of the program.
FAIRTRADE IMPACT: COOBANA R.L.

By Edwin Vargas
Strengthening and Development Manager - Costa Rica and Panama, CLAC

BACKGROUND

The Cooperativa de Servicios Múltiples Bananera del Atlántico (COOBANA R. L.) is located in the region of Changuinola, in the province of Bocas del Toro, Panama; in a traditional “banana enclave,” which has controlled the region for more than a century.

Faced with the economic crisis of Bocas del Toro in the 1990’s, many banana companies ceased operations, mainly due to labor conflicts between workers and owners. The organization was initially founded on October 30, 1991 by a group of 74 visionary workers who joined together to maintain employment in the area.

The group then proposed the idea to the government, to purchase and restore what was the Atlantic Banana Corporation (COBANA), as administered by the Ministry of Agricultural Development (MIDA). Following the agreement, COOBANA R.L. was officially formed.

As a result of poor purchasing contracts, in regards to fruit conditions and pricing, as well as the lack of knowledge within the global fruit market, the organization hit its lowest level of productivity in 2009 (1,400 / cases / ha. / year). This was well below its financial capacity, resulting in great losses and a lack of investment capacity.

As COOBANA R.L. faced this situation, officials from Coopetrabasur R.L., an organization located on the southern coast of Costa Rica, invited the organization to learn about Fairtrade and how it helped them commercialize their product.

After analyzing the benefits of the certification, including better prices and the Fairtrade Premium, growth opportunities for small banana producers and a smaller, more transparent supply chain, the organization began the certification process with collaboration from Agrofair; who would later become a partner and support for fair trade development within the organization.

At that time (2010), COOBANA R.L. began its recovery on the road to social and economic development, in the hands of its partners, workers and Fairtrade.

Currently, the organization has more than 550 employees, of which 217 are members. 84% of employees are of indigenous decent, from the region of Ngobe Bugle in the province of Bocas del Toro.

COOBANA R.L. owns three farms in the area with a total of 566.8 hectares of banana (545 in production), being the largest independent producer in the region.
As a result of better prices and the Fairtrade Premium, the organization invested greatly in production. This resulted in a 50% increase in production from 2009-2016, as the organization went from 1,397 cases / ha. / year (750,000 cases) in 2009 to 2,100 cases / ha. / year (1,100,000) in 2016.

This increase in production has made an impact in the following areas:

- **Income**: Income from fruit sales (comparatively in EW pricing) went from $3.1 to $7.25 million per year
- **Salary**: On average, members and workers’ salaries increased by 45%, compared to 2009
- **Investment**: Investment in productive, social and environmental areas, as a result of the increase in income from greater production and the Fairtrade Premium; income went from $168,0000.00 / year in 2009 ($345.00 /employee or member) to $1.3 million / year in 2016 ($2,650.00 / employee or member)
- **Other Income**: The business relationships with supermarkets that buy Fairtrade has allowed the organization to connect with Corporate Social Responsibility Departments, receiving donations that impact the organization, its members, workers and their communities
FAIRTRADE PREMIUM USE

COOBANA R.L. has invested part of the Fairtrade Premium to develop projects in the following areas: productivity, training, education, healthcare, housing, community development and environmental conservation.

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<tr>
<th>Project</th>
<th>Description</th>
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<td>Improvements to infrastructure, machinery and equipment</td>
<td>Improve working conditions for members</td>
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<td>Training for personnel</td>
<td>Frequent training in productivity, labor security, quality assurance, environmental sustainability</td>
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<td>Renovation of 25 hectares of banana</td>
<td>Renovation of 25 hectares of banana plants, with technical package</td>
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<td>Education and Healthcare</td>
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<td>Environmental Conservation</td>
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Before Fairtrade productivity was at 1,400 cases per hectare; we have been gaining more cases, and this year we are going to close with 2,100 cases per hectare. This means more sales and more Fairtrade Premium. Thanks to the Premium, we have advanced in the renovation of the farm, as each year 30% of the Premium is invested in renovation. There are 570 people working with an average of five children (per family), so around 3,000 individuals benefit from Fairtrade, and 150 children are given scholarships with the Premium.

Before Fairtrade, COOBANA R.L. did not have a conservation program for turtles or manatees, which are on the extinction list. The Fairtrade Premium has enabled us to work in partnership with the N.G.O. Anmencona for the conservation of these animals. We have allocated $5,000.00 to this work, as well as volunteers from COOBANA R.L. Before Fairtrade, there was also no way to help workers. During our time with Fairtrade, 90% of the 570 worker-members have improved their housing. Part of the Premium is invested in this social program.

Chito Quintero,
Founding member and member of Administrative Counsel
In the training framework for knowledge-sharing and improvements in labor standard compliance and social protection in the banana sector, the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC) held a series of gender-related workshops in May and June at small producer organizations and worker associations in the Dominican Republic.

In order to develop the principles and values of fair trade, it is necessary to promote a respectable working environment in the banana sector, with good labor practices, adequate socio-economic conditions and gender equality. In this sense, it is important to promote actions that contribute to the construction of workspaces that favor integral development for men and women, with full exercise of their rights. In the Dominican Republic, women’s participation in the banana sector is very important; it is estimated that women represent 17% of small producers and 23% of workers 1.

Initially, the workshops were held for workers at banana plantations, with 79% participation. In these workshops, participants reflected on equality, equity, gender discrimination and violence, and impacts within the organizations related to said themes.

At the same time, it was analyzed how the organizations, internally, can prevent situations of violence and implement an organizational approach; this includes the role played by the workers’ committee in an inclusive workspace. There was also space to meet with middle managers of the organizations, in which they reflected, with case analysis, on situations that can arise in the workplace and the importance of having instruments such as a gender policy.

According to María Eduviges Jorge Cruz, Fairtrade Premium Committee President at Hacienda Lidia María, “this type of training increases the leadership of women, it teaches us to value ourselves and our colleagues; it opened my knowledge and helped me empower me.”

In the same context, other awareness-raising workshops on gender equality were held at small producer organizations, with 41% participation. As part of this methodology, CLAC worked with women on leadership skills and with men on masculinities, generating spaces for reflection in the processes of learning about respect for men and women, recognizing the differences that sometimes result in inequality.

The implementation of these types of workshops is of the utmost importance, since it allows the organizations to work on the construction of concepts and assessments on gender issues, while also fostering healthy, equitable and respectful workspaces for coexistence.

1 According to the study on women’s participation in Fairtrade banana organizations, authored by Sally Smith.
FAIRTRADE BANANA MARKET CONTINUES TO GROW

By Nicolas Léger
Product and Market Coordinator

Last year, the Fairtrade banana turned 20 years old. From their first introduction into the European market in 1996, up until today, it has become one of Fairtrade’s most important products. Of the nearly 530,000 MT sold in 2016, 95% originate in Latin America. Fairtrade bananas represent commercial success in many markets and is one of the products that generate greater impact in the communities of small producers and workers in Latin America and the Caribbean.

Today, the main markets for Fairtrade bananas include the United Kingdom, which alone accounts for 45% of sales, followed by Germany, France, Switzerland, Sweden and the Netherlands. In most European countries, Fairtrade bananas have generated interest from various supermarket chains, who have found assurance with Fairtrade, in order to offer a sustainable product to increasingly demanding consumers in regard to production processes and working conditions for producers and workers. In Switzerland, one in every two bananas is sold on Fairtrade terms. In the UK, it is one in three. In the global European market, the share of Fairtrade bananas now stands at 8%.

From 2010 to 2016, Fairtrade banana sales grew by 79%. Just last year, growth was at 8%. In a fairly stable global banana market, Fairtrade bananas represent one of the most dynamic sectors.

After some years of sustained growth in the conventional Fairtrade banana market, mainly in the United Kingdom, recent years have shown accelerated growth in the organic market. This represents a strong trend in several markets, where Fairtrade has attained nearly the entire organic sector. In fact, supermarkets see much complementarity between organic and Fairtrade; thus multiplying organic Fairtrade banana sales by three from 2010-2016, reaching what is today 260,000 MT per year.
Currently, producer organizations and worker associations in Latin America and the Caribbean want to strengthen this growth of organic Fairtrade bananas. However, they also seek to grow the conventional market, which absorbs the largest volume of fruit globally. In this regard, producers strive to produce and offer a differentiated product to the market, one that is more sustainable, providing both social and economic benefits to producers and workers, with better management and preservation of natural resources.

Innovative initiatives such as the Program of Increased Productivity (PIP), promoted and facilitated by CLAC, allow producers to adopt better agricultural practices that guarantee a fruit with a smaller environmental footprint and greater outputs for producers.

At social and economic levels, the Minimum Price has offered small producers the opportunity to improve their income; in addition, the Fairtrade Premium ($1.00 USD / box) allows producer organizations and worker associations to finance a variety of support services to their members and the surrounding communities in areas such as production, health, education, housing, etc. Last year, Fairtrade banana sales generated more than $29 million (USD) in Premium.

In the current market context, Fairtrade proves to be the only model that rewards producers for their continued efforts to achieve socio-economic and environmental sustainability in banana production.
FAIRTRADE BANANA INFOGRAPHIC
LATIN AMERICA AND THE CARIBBEAN

1.8 has
Average production area of small banana producers

18
COUNTRIES import Fairtrade bananas from Latin America and the Caribbean, the main countries are: United Kingdom, Germany, France, Switzerland, Sweden and the Netherlands

TOTAL FAIRTRADE SALES (CLAC)
495,126 MT of which
51% sold as Fairtrade organic

12,122
SMALL FAIRTRADE banana producers in the region

$27.3 MILLION
RECEIVED IN FAIRTRADE PREMIUM IN LATIN AMERICA AND THE CARIBBEAN

6,633
WORKERS from Fairtrade plantations, also represented in CLAC’s Worker Network

83 SPOs and 56 plantations

8 COUNTRIES from the region with small producer organizations and banana plantations certified Fairtrade

BANANA NETWORK
CLAC
The Banana Network represents and brings together Fairtrade small producer organizations (SPOs) in banana throughout the continent. It is one of the Product Networks of the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC).

Fairtrade certified SPOs:
- Colombia (8)
- Costa Rica (1)
- Dominican Republic (28)
- Ecuador (13)
- Panama (1)
- Peru (30)
- Windward Islands (2)