



## Supporting Question 3

### Featured Source

**Source A:** Fairtrade International, description of banana production, “Bananas” (excerpts), 2011

*NOTE: This article has been modified for accessibility.*



Only about 20% of the prices paid by consumers for bananas reach exporting countries. Bananas are one of the most important foods for both consumption and trade. Almost 100 million metric tons of bananas are consumed every year. Bananas are the fourth most important food staple in the world and the fifth most-traded agricultural commodity (after cereals, sugar, coffee and cocoa), generating billions of dollars.

In the banana industry, just five corporations control around 80% of the sales on the banana import market worldwide. Meanwhile, it is hard for small banana farmers and workers on banana plantations to earn a living, and they often work and live in difficult conditions.

### The cheapest production process possible

While large plantations can produce cheap bananas, there are problems in the system. Large banana corporations have not always been good for Latin American countries where their plantations are based.

For example, huge quantities of pesticide and fungicide spray are used to prevent the spread of disease on large plantations. These chemical sprays may have a serious impact on the health of workers and people living in the area, as well as the surrounding wildlife.

In many plantations, work days can be very long, often between 12 to 14 hours with unpaid overtime. The majority of workers lack job security or protection against sudden layoffs, and many employers only offer short contracts of six months or less.

### Benefits of Fairtrade for producers

Bananas bearing the FAIRTRADE Certification Mark have been produced by small farmer organizations or in plantations that meet high standards.

### Fairtrade price

- Producer organizations are paid a Fairtrade Minimum Price, which aims to cover average costs of production. The Fairtrade Minimum Price for bananas is different for each region and is based on the costs of sustainable production.
- The Fairtrade price for organic bananas is higher than for conventional bananas.

### Fairtrade standards for small banana farmers

- Profits must be equally distributed among the members of the cooperative or association.
- All producer organizations must have a voice in the decision-making process and in group organization.

### Fairtrade standards for banana plantations

- The Fairtrade Premium Committee is formed and includes workers and management to decide on the use of the Premium.



- The Premium must not be used to cover ongoing operating expenses, but rather to improve living and working conditions.
- Forced labor and child labor of children of 15 years and under is prohibited.
- Workers have the right to establish or join an independent union.
- Salaries must be equal to or higher than the regional average or than the minimum wage.
- Health and safety measures must be established in order to avoid work-related injuries.

Fairtrade International - Web Edition. <http://www.fairtrade.net/bananas.html>



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**Source B:** Equal Exchange, description of farmer-run cooperative in Ecuador, “El Guabo,” no date

*NOTE: This text has been modified for accessibility.*



Location: Ecuador

The story of El Guabo is a success story in grassroots organizing. In 1998, 14 small-scale banana farmers in southwest Ecuador decided to take a big risk. They sent one 38,400 pound container of bananas to Europe with the hope of selling it directly to a supermarket. By cutting out the *middleman*, they took the power back into their own hands. With the sale of their first container, the El Guabo Association of Small Banana Producers was born. The *entrepreneurs* transformed themselves from individual, marginalized growers into a democratically run organization with access to the international market.

Today, El Guabo is a farmer-run *co-operative (co-op)* with 350 small-scale banana farmers. Each farmer is committed to improving quality of life for themselves and their communities. In addition to earning a fair price for their bananas, El Guabo receives one dollar per case of bananas. El Guabo’s members voted to spend the extra money on education, health care, retirement, environmental projects and infrastructure improvements. El Guabo is also giving back to the local and global community by sharing their successful co-op model with other groups in Ecuador and throughout the world.

Oke USA / Equal Exchange Bananas. <http://equalexchange.coop/our-partners/farmer-partners/el-guabo>