



# THE MANY vs THE MIGHTY:

## A Story of Small-Scale Banana Farmers

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Walk into the produce department of your local grocery store anywhere in the continental United States and regardless of the season, there will be bananas. Their average price? Just \$0.54 per pound. By comparison, the average price for a pound of apples: \$1.35 per pound.<sup>1</sup> That's right; a highly perishable, easily bruised tropical fruit costs less than half the price of a fruit that is easily stored for months and readily grown all over the United States. How does this happen? The answer to this question says so much about our global food system and the history of U.S. involvement in Latin America.

In June 2018, I traveled to Ecuador with Equal Exchange and their partners along the supply chain to visit members of AsoGuabo, a cooperative of approximately 130 small-scale fair trade banana farmers. Since 1998, their grassroots organizing has built something rare in the banana industry: a small-scale farmer banana supply chain.

Bananas are big business in Ecuador. Drive through the countryside, and the trees line the road like corn in Iowa — an unending blur. The brands Dole and Chiquita are everywhere: on packinghouses along the roads, on buildings, trucks, and boxes discarded along the highway.

Bananas are such a massive enterprise that there are two ports side by side in Guayaquil, where most of the country's imports and exports pass through. Dole owns one, and the other is for the rest of the country's exports. It's staggering to see just how big this business is.

### THE MANY VS. THE MIGHTY: TWO BANANA SUPPLY CHAINS

As we visited AsoGuabo members' farms, we saw the other side of the banana trade: small-scale farmers growing bananas, some intercropped with other crops, often cocoa. Their plots of land are small, so each week they produce just a few pallets of the highly perishable fruit. To get their bananas to market, members have to pool their resources. On each farm, one day a week is reserved for harvesting and packing the bananas. Starting at dawn, each farmer begins cutting the bananas, hauling them from the field, washing them, and packing them into the same cases you see in the back of your local supermarket. All across the region, small-scale farmers are packing boxes, stacking pallets, and loading them onto a few rented box trucks making the rounds and ferrying the pallets to AsoGuabo's central warehouse. Slowly, together, they fill a shipping container.

Unlike other bananas, AsoGuabo's leave the port without the name Dole or Chiquita on the box. This is a big deal; it means that a cooperative of small-scale farmers controls every aspect of their business. And they do it using just a few rented box trucks and a small warehouse. Meanwhile, their main competitor owns massive ocean freighters and an entire port.

### BIG FRUIT: A BLOODY HISTORY

In many ways, it's fitting that this story of bananas has become a story about logistics. The history of this fruit — and the reason for its ubiquity in our supermarkets



today — is intertwined with the story of one man and the banana trees he planted along railroad easements at the turn of the last century. While Minor Keith and his brothers set out to make a fortune building railroad lines, they ended up building the infamous United Fruit Company. United Fruit Company, now Chiquita Brands, is notorious for its dealings in Latin America. The company gained control of large swaths of land in Central America through a series of shady business deals, in which they promised to build railroad lines in exchange for land and the rights to profit off of the railroads. Those landholdings gave them tremendous power in the region as the company had their tentacles in transportation, communication services, and governments. Perhaps most infamously, they collaborated with the CIA to overthrow the democratically-elected government of Guatemala in 1954. Their goal was to prevent land reform that would break up their plantations and diminish their profits. That coup led to a 36-year civil war that left an estimated 200,000 dead or disappeared.

United Fruit's marketing efforts made the banana a staple fruit; their logistics systems made that possible. Frederick Upham Adams, a writer of the time, wrote of "the banana of commerce," representing "man's profound triumph over nature."<sup>2</sup> The triumph he was referring to was making such an improbable fruit available so cheaply.

### THE HIGH COST OF A CHEAP BANANA

Yet that cheap price tag hides high costs. Big fruit companies built their wealth on the backs of hundreds of thousands of unpaid and underpaid workers across Central and South America, many thousands of whom died from exploitation and labor rights abuses.<sup>3</sup> This is not just ancient history; the banana industry is still plagued by injustice.

A recent study<sup>4</sup> quantified the hidden costs of growing bananas, from underpaid farmers and workers, water exhaustion, and other environmental factors. For every case of conventional, plantation-grown bananas, that number stands at \$7.33/case.

That's \$7.33 per case that continues to enrich the big fruit companies at the expense of communities in countries throughout Central and South America. The exploitation and extraction of wealth continues.

### BUILDING AN ALTERNATIVE TO CORPORATE FRUIT

Small-scale farmer organizations like AsoGuabo offer an alternative model to corporate fruit. Instead of enriching multinational corporations, these cooperatives are building a supply chain by and for small-scale farmers. They are also creating professional jobs and investing in their surrounding communities, including in healthcare and income diversification opportunities for families. As we drive through the country visiting fields, we stop at the farm of Don Vicente and his wife, Ana, in the community of Tenguel. Once a United Fruit plantation spanning over 7,600 acres, striking workers and small-scale farmers in Tenguel came together and seized the land in the 1960s. Today, they grow bananas on their own land using organic farming techniques. In so many ways, it is the opposite of Big Fruit's extractive plantation model.

And yet these small-scale farmers are still expected to compete against Dole and Chiquita. Too many grocery stores expect these small-scale farmers' bananas to sell for the price dictated by the system built by United Fruit, now Chiquita, over a century ago.

Dole and Chiquita have both jumped on the fair trade bandwagon. Both companies now sell some bananas with a fair trade certification, their costs subsidized by their conventional banana sales, and the massive economies of scale

and externalized costs they've built up over a century of exploitation. While the fair trade seal on these big fruit companies may be the same, the supply chain behind it is completely different from the small-scale farmer's supply chain. This is why so many fair trade advocates have long been skeptical about the entry of the big fruit companies and their plantations into the fair trade certification system.

In the 1900s, the hidden costs of banana production may have looked like a "triumph of man over nature." But, in 2019, the bill for those cheap bananas is coming due. Climate change, growing concern about wages and water, and a creeping disease that threatens the extinction of the common Cavendish banana—all mean that it is high time to consider how our bananas are grown.

Small-scale farmer cooperatives and their allies along the supply chain offer an alternative to the Big Fruit companies and their continued extraction of wealth from producer communities. Thriving communities or continuing the legacy of exploitation? These bananas offer us a choice—and a model for a fairer future.

Sources available at [FairWorldProject.org](https://FairWorldProject.org)

