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ABOUT **AFRUIBANA**

Afruibana is a pan-African association of fruit producers and exporters, formed in 2017 when a number of different associations from Côte d'Ivoire, Cameroon and Ghana came together. Although most of its current members are banana, pineapple and mango producers, Afruibana is a platform open to the entire African fruit industry, with the aim of representing their interests.

The association's specific mission is to be the voice of African fruit producers within international institutions, and in the negotiation and implementation of bilateral and multilateral agreements, including the post-Cotonou agreement. Joseph Owona Kono is the President of Afruibana, and Jean-Marie Kakou-Gervais and Anthony Blay are its Vice-Presidents.

Afruibana is also concerned more generally with rural development, new generation farming and food self-sufficiency. It supports and encourages initiatives that contribute to a fairer world and trade, promoting a more equitable sharing of wealth and the development

of responsible and sustainable business models, rather than blind competition, environmental degradation as an "externality", and the even widening of inequalities and the North–South divide.

The role of representation and advocacy for the continent's agro-industrial and farming sectors is all the more necessary in the current context of:

- Renewing the partnership between Europe and Africa, as called for by the European Union and its Member States
- Combating climate change, which particularly affects the countries of the South despite the fact that they are much less responsible for causing it
- Preventing migration, which can only be stemmed by providing jobs, business opportunities, education and health services as drivers of resilience and the development of communities and rural areas.



EDITORIAL BY MR. JOSEPH OWONA KONO

President of Afruibana and former co-chair of the ACP-EU Joint Parliamentary Assembly

Supporting African banana means supporting the emerging Africa of tomorrow

In a time of far-reaching changes for the world, Africa and Europe, when the realities of the post-war world are now being re-examined with new force, it is sometimes important for us to stop, symbolically place the tool of one's work in the furrow, lift our eyes, for a moment, contemplate the horizon.

As such, after three years of existence, the Afruibana association took the time to look at the big picture and now we are publishing a white paper on the African banana sector. Indeed, when we look up and take stock of the state of the European banana market, as the new Post-Cotonou Agreement is about to come into force, we realise that there is a pressing need to conduct a demanding strategic reflection on the ways and means of bringing about the transformation of our sector in the years to come.

Since 2009 and the "Geneva Agreement on Trade in Bananas" international trade and that of bananas have undergone enormous changes. Over the years, we have seen an erosion of our conditions of access to the European market. Initially set to decrease from €176 per ton in 2009 to €114 per ton in 2019, successive bilateral agreements with Latin American countries have reduced this figure to €75 per ton from 2020 onwards.

Although the European Union has sought to mitigate the impact of these changes and allowed some progress through the Banana Accompanying Measures (BAM), they have also experienced some delays in their implementation and may not have allowed for a sufficiently thorough reflection on the real investments that need to be made to equip the sector with the means for sustainable competitiveness on the world market.

This white paper aims to present an analysis of recent market developments through our African prism and to examine potential investment areas for the coming years. Arising from the collective thinking of all the players in the sector, it outlines an integrated plan to support the sector that embraces, reshapes and revives our endeavour.

In order to succeed in this major transformation of the banana sector in Africa, the European Union, as our continent's privileged partner, must play its role to the full. At a time when Europe is concerned about migratory flows and the economic future of the continent, support for African bananas is fundamental to the development of rural areas and the emergence of the Africa of tomorrow. Public authorities on both sides of the Mediterranean, working in the general interest and calling for sustainable and equitable growth, must weigh up the challenges ahead and focus on the roots of our problems. This is how together, tomorrow, we can reap the fruits of common prosperity.

FOREWORD BY MR. LOUIS MICHEL

Former European Commissioner for International Cooperation



Investing in Africa benefits both Africans and Europeans

The negotiation of the post-Cotonou agreement is an opportunity for a paradigm shift in the nature of relations between the EU and African, Caribbean and Pacific (ACP) countries. The new agreement must be given a new vision by strengthening the partnership component, and by overcoming negative perceptions (colonial past), victimisation, charitable dependency, aid conditionality, cumbersome procedures, etc. It has to adapt to new realities and new stakeholders, promote economic development, encourage investment and include the private sector.

We need a modernised, strengthened and more political partnership that focuses on our common interests. A large share of development aid must support our integration into world trade. Because that is where the engine of growth is; that is where the energy to eradicate poverty is to be found. Industrialisation, as provided for in Goal 9 of sustainable development, which requires sustainable investment, will not be possible without financing, without the mobilisation of the private sector. Investments must be directed primarily at agriculture, in a continent where almost one in three inhabitants is undernourished. Thriving agriculture ensures food security and fosters growth, exports, job creation and social integration, especially for young people in rural areas, thereby reducing migration and the spread of radicalism.

The European Union has constantly reiterated the priority of Africa as a strategic international partner, as evidenced by the first foreign trip of the President of the Commission, which was the occasion to meet with representatives of the African Union in Ethiopia. 2021 will mark a new stage and will be «the year

of Africa for the European Union» according to the statement of Joseph Borrell, EU High Representative for Foreign Affairs. The EU-Africa Summit 2021 will allow to agree on common priorities and a common future in which the African continent will be a decisive partner for the effective implementation of the Green Deal. The importance of this strategic partnership is also reflected in the Multiannual Financial Framework 2021-2027 which allocates 98 billion to external aid. It will be important, however, that this development aid be targeted in particular at LDCs and fragile countries.

The African continent's current state of development reflects neither its potential nor its exceptional natural and human resources. With these assets, Africa can, I am sure, become one of the engines of global growth.

Africa needs sizeable investments in the productive sectors that create wealth and employment and a dynamic private sector that will contribute its resources, know-how and market expertise to bring the continent into the global economy.

Investing in Africa benefits both Africans and Europeans. It is in the economic and geostrategic interest of our countries, and in the security and well-being of future generations. Africa and Europe are a community of destiny forged in a history and a relationship of interdependence.

Today there are people in African partner countries (decision-makers, members of civil society, young people) who are keen to be enterprising and to take risks. We need to stand by their side.



FOREWORD BY MS. CHARLOTTE LIBOG

Founder of Afrique Grenier du Monde and Chairman of AGM Business

It is essential to continue working towards a policy that is supportive of agricultural sector consolidation

"Agriculture is the mother of all the arts: when it is well carried out, all the other arts prosper; but when it is neglected, all the other arts decline, on land as on sea". Greek philosopher Xenophon's words sum up perfectly the universal challenge we face today: to work for a better world through agriculture and to feed 9 billion people by 2050.

Africa is at the heart of this challenge as the continent with the highest agricultural potential, with more than half of the world's arable land, untapped water potential and unprecedented population growth. Yet, despite this potential, Africa is struggling to solve the thorny equation of real and sustainable economic growth, youth employment, women's empowerment, rural—urban migration and urbanisation.

These formidable challenges could see the beginning of a solution with the emergence of the agricultural sector, and consequently of its farmers, who today represent more than half of the continent's population.

In this context, it is essential to continue working towards policy that is supportive of agricultural sector consolidation, particularly for bananas, one of the flagship export products of many sub-Saharan African countries. In light of the global price liberalisation in this sector, maintaining and consolidating support measures for the African banana sector would be tantamount to contributing to the construction of building global balance through the improvement of living conditions for African producers, who generate wealth, and therefore real inclusive growth, on the continent.

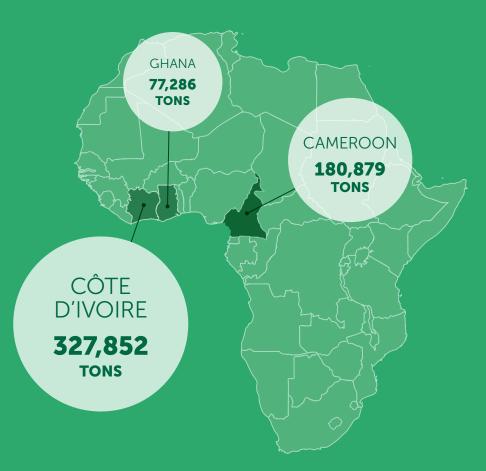
These measures would, in fact, be conducive to retaining rural populations within their environment and in beneficial conditions, and would therefore help to control the recent migratory flows to Europe.

It is therefore urgent and imperative that we all continue to work together for effective North–South cooperation that generates wealth for all. Measures to support the banana sector would be a true symbol of this ideal.

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urces: Furostat/FAO/CIRAD

KEY FIGURES FOR THE AFRICAN BANANA SECTOR





90%

of Africa's banana exports are destined for the European market



80,000

direct and indirect jobs are linked to the banana sector in Cameroon, Côte d'Ivoire and Ghana



9%

of the European banana market is held by African countries



60 %

of jobs are linked to agriculture in Africa



80%

of farms are less than two hectares in size



220 million

Africans will enter the labour market in rural areas by 2030



This White Paper describes the current state of the sector and reviews the market and the competition faced by African producers. It then offers a set of solutions to successfully transform the sector and provide it with the means necessary to ensure its resilience and sustainability in the coming decade.

The tariff cuts granted to Latin American bananas, successively through the World Trade Organization (Geneva Agreement on Trade in Bananas, 2009) and then through the EU's bilateral agreements with South and Central American countries, have significantly reduced the preferential tariffs for ACP producers. Although the European accompanying measures have helped to make progress, African producers continue to experience a gap in competitiveness with their Latin American competitors, in particular due to the exceptional size and productivity of farms in the Americas.

This situation has led to a sharp increase in the volumes exported by Latin American producers to Europe. However, despite the diversification process undertaken, given the historical and geographical links, the EU remains the main international destination for African bananas. This abundance of Latin American fruit at very low prices destabilises the market, allows for a significant increase in Latin American fruits market shares in Europe and poses a serious threat to African producers.

In order to overcome these increasingly adverse trading conditions and pull through these dire straits, the facts of the problem have to be rethought and investments have to be made in the key areas that will determine the future of the sector and its social model:



Training and skills development for women and men in the fruit industry



Integration of the cost structure as a driver of savings through African business development and higher value-added solutions



Continuous improvement of cultivation practices and durable yield optimization



Continuous optimisation and decarbonisation of the entire value chain, from farm to fork



Broader communication on the quality and values of African bananas

KEY POINTS



COMPETITION.

African bananas face head-on competition from Latin American bananas on the European market. To address this, African banana producers – and more broadly ACP – must unite to defend their interests with the European Union by advocating a win-win partnership with their countries.



RURAL DEVELOPMENT.

The banana sector is a powerful vehicle for the development of rural Africa. It provides a significant number of jobs, enabling Africa to better face its demographic challenge. It contributes to a general rise in the living standards and on the Human Development Index; and promotes food security in producing countries. It thus contributes to the fight against poverty, migration and the effects of climate change.



EMPLOYMENT.

Banana companies play an essential role in the development of human capital through the training of workers and the promotion of women's employment. The sector would benefit from organising itself to harmonise its training programmes and to be able to issue common certifications for the validation of prior experience.



ORGANIC.

Transition to organic agriculture and agroecology will be key to the transformation of the African banana industry. However, such transformation has a high initial cost and requires numerous adjustments, including fallow land and alternatives to chemical fertilisers and plant protection products, in a context of sometimes limited local resources and a relatively long adaptation time (3 to 5 years).



RESEARCH.

Fundamental and applied research into banana diseases and pests is a highly necessary but lengthy undertaking. It involves the collaboration of cutting-edge laboratories, as well as sustained funding over a long period of time. The same applies to research into substitutes for plastics to reduce their environmental impact.



PRODUCTIVITY.

Excellence in horticultural practices and overall productivity improvement are all reasons for a greater commitment to developing local talent at all levels of the value chain. At the same time, investment in agricultural infrastructures and equipments (cableways, irrigation systems, electrification, etc.) must continue. The combination of these two factors is decisive in achieving the best possible returns.



ENERGY.

From an economic as well as an environmental point of view, in-depth reflection on energy and transport issues is essential. Solutions to these issues involve a multitude of technical transformations. These include finalising the connection of isolated farms to national electricity grids and developing alternative green energies: solar energy is being given careful consideration, but other avenues are also being explored (biomethanation of banana waste; small-scale wind power). This energy transition is particularly necessary in maritime and land transport, and in cold chain management.



LOCAL SOLUTIONS.

Sector competitiveness can be significantly improved by vertically integrating its cost structure. This requires the development of local production solutions in terms of packaging, inputs and quality analysis. However, initial investments can be prohibitive for operators whose margins are strained by the intensity of international competition.



ADDED VALUE.

The local processing of bananas, in the form of flour, milk, juices and condiments, is a valid way of diversifying and increasing added value for the sector. However, these new markets have yet to be established, but could particularly benefit from the development of African middle classes.



LAND.

Land management is a major issue for agricultural development in Africa. In the absence of land registers, procedures involving official and traditional authorities are the only guarantee of fair and harmonious land development.



INFRASTRUCTURE.

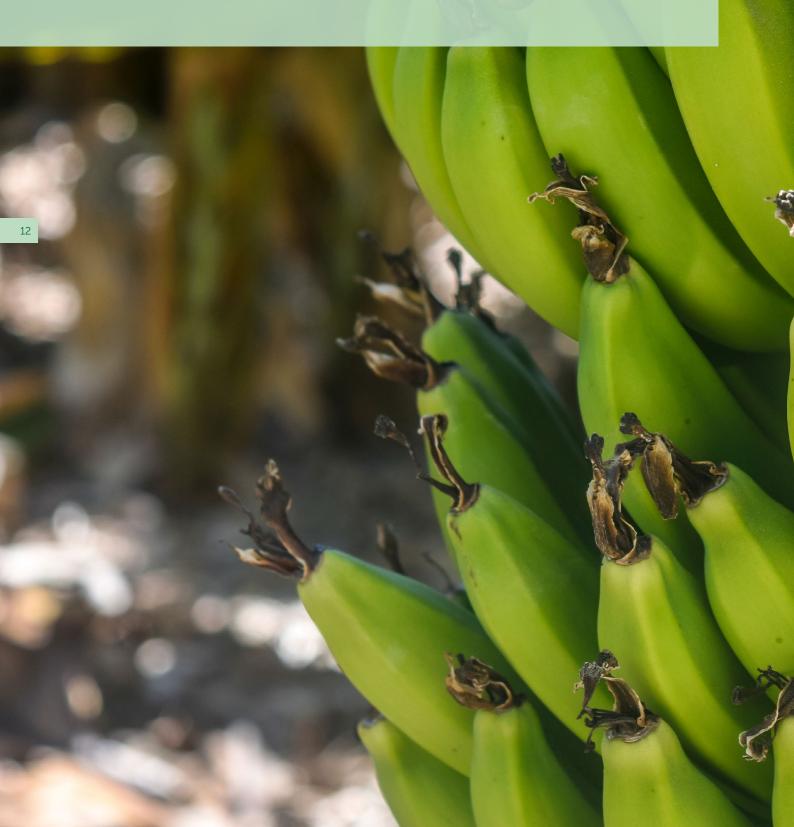
The geographical diversification of commercial opportunities in Africa depends on the improvement of logistics infrastructure, including roads and railways, and the emergence of the retail and distribution sector.



INDUSTRY.

The development of the banana industry generates a knock-on effect for other industries, generating positive externalities at the local level. Banana companies are not isolated islands, but rather the driving force behind regional ecosystems working with many local service providers and supporting entrepreneurial projects.

CURRENT STATE OF THE MARKET AFRICAN BANANAS: CONTEXT AND CHALLENGES



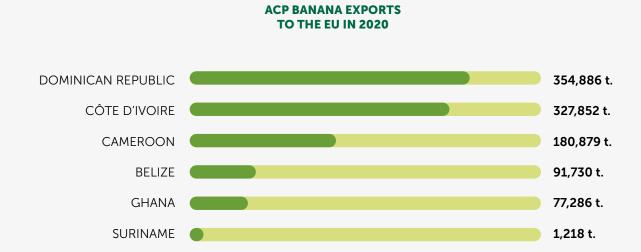
A. Status of banana producers worldwide

The ACP banana

This grouping includes the banana-producing African, Caribbean and Pacific (ACP) countries that are signatories to the Cotonou Agreement, including Cameroon, Côte d'Ivoire, Ghana, Belize, Dominican Republic and Suriname.

While Africa as a whole is the largest producer, other ACP countries account for a significant share of ACP production (almost 45%), such as the Dominican Republic, which is the first exporter of ACP bananas to the EU (with 354,886 tons in 2020).

Belize and Suriname are smaller exporters, having shipped 91,730 tons and 1,218 tons respectively to the European Union in 2020.



African producers

Côte d'Ivoire, Cameroon and Ghana are major players in the production of dessert bananas for export on the African continent. Some countries, with lower production volumes, are more focused on domestic markets. Côte d'Ivoire, which is the African leader in exports to the European market, exported 327,852 tons in 2020, followed by Cameroon and Ghana with 180,879 and 77,286 tons respectively. In comparison, the volume of Dollar origin exports reached 5,050,691 tons in 2020.

Each country has different strengths. Côte d'Ivoire and Cameroon, for example, benefit from a well-structured sector, good quality soils and a high level of technical knowledge, allowing for a very profitable

production on total areas of 7,300 and 7,800 ha, respectively. However, Africa's cultivated areas are much smaller than those of Latin America, ranging from 11,914 ha in Mexico and 19,000 ha in Honduras to 33,000 ha in Guatemala and 43,000 ha in Costa Rica. Ecuador boasts a massive 176,000 ha.¹

Plantations vary in size between the three African countries. While Cameroon has a majority of medium and large plantations (between 250 and 3,500 ha) with a productivity of 40 t/ha, Côte d'Ivoire's vary in size (ranging from 20 to 900 ha) with average yields of 50 t/ha. Ghana's production is concentrated south-east of Lake Volta and along the Volta River. In these three countries, production consists of a

few large plantations, associated with a number of smaller planters. In Côte d'Ivoire, seven players – SCB, EGLIN, SPDCIe/BATIA, BANACI, BACIBAM and SIAPA – make up the local sector. Cameroon has three: Plantations du Haut-Penja (PHP), Cameroon Development Corporation (CDC), and Boh Plantations (BPL); Ghana also has three: Golden Exotics Limited (GEL), Musahamat Farms (MF), and Volta River Estates Limited (VREL). This concentration of operators allows for intensified banana production.

However, the sector's potential for growth faces several both obstacles: organisational, logistical, administrative and institutional. The conquest of new markets in Europe, the Middle East and further afield is still hampered by logistical constraints: maritime transport and ripening facilities in consumer countries

are required. The lower productivity of some producers and the non-optimal climatic conditions that favour the development of black sigatoka (a fungal disease of banana leaves) jeopardise plantations and incur significant costs for the prevention and control of the disease. There is also the threat of contamination by the Fusarium Tropical Race 4 (TR4) fungal disease.

For Africa as a whole, the cost of inputs is problematic as the size of the African market is too small to allow for economies of scale, as seen in Latin America. High costs of production and transport within and outside Africa, with the external market heavily constrained by competition from Dollar bananas, are all factors that are currently hindering African bananas from increasing their market share.



European production

There are five main European banana production areas: the Canary Islands (Spain), Martinique and Guadeloupe (France), Madeira (autonomous region of Portugal), Cyprus and Greece. Reunited within the Association of European Banana Producers (APEB), these different national sectors work with the European institutions to defend their interests.

In the Canary Islands, bananas are the main crop in terms of area and volume and the second biggest source of wealth, providing a livelihood for almost 8,500 producers, and 2,500 packers and professionals in the cooperative sector, and a total of around 15,000 direct and indirect jobs. Despite a highly fragmented land base (80% of farms are under 1 hectare in size), severe constraints due to the subtropical climate and low rainfall, which lengthens the production cycle by three months, the Canary Islands achieve a yield of 35 to 45 t/ha. Annual production has reached 382,339 tons in 2020. Mainland Spanish consumption absorbs 88% of production.

With 156,009 tons produced in 2019, Martinique is Europe's second largest producer after the Canaries. The sector is the island's largest private employer, providing jobs for 10,000 people in the French West Indies, i.e. 63% of the agricultural workforce. As a result of the widespread implementation of agroecological practices under the aegis of the various Sustainable Banana Plans, Martinique, like Guadeloupe, has achieved a noticeable reduction in the use of plant protection products. Today, production is based on small to medium-sized structures that use innovative techniques and provide social benefits to workers. For all Caribbean producers, hurricanes remain a permanent threat.

For historical reasons (sugar cane crops), the banana sector is less developed in Guadeloupe, with nearly 43,000 tons produced in 2019. However, productivity is high, with yields of 35 t/ha, an all-time record for the French West Indies, on plantations that have grown from a total cultivated area of 1,600 ha in 2000 to 2,000 ha in 2015. The Sustainable Banana Plan has modernised employment conditions and cultivation methods, as in Martinique. Guadeloupe's objective is to reach the 100,000 tons mark by 2022. According to producers, this objective implies a reform of the Programme of Options Specifically Relating to Remoteness and Insularity (POSEI).

Madeira Island is another member of the Association of European Banana Producers (APEB), represented by the producers' union, Empresa de Gestão do

Sector da Banana (GESBA), and constitutes Portugal's production in the European Union with 23,405 tons in 2020. A flagship export product of the island, the banana sector is made up of almost 2,800 producers with small and medium-sized plantations.



The Dollar banana

A historical pillar of world banana farming, Latin America is represented by Ecuador, Costa Rica, Colombia, Panama, Guatemala, Honduras, El Salvador, Nicaragua and Peru.

Latin America alone accounts for more than 70% of the world's 500,000 ha of land producing bananas for export, with more than 44,000 ha in Guatemala, 50,000 ha in Colombia and almost 176,000 ha in Ecuador, plus a few thousand hectares in several other countries.

Ecuador alone, with 1,627,376 tons exported to the European Union in 2020, represents just over a quarter of European imports. It is followed in the region by Colombia and Costa Rica, which imported 1,454,462 and 1,272,960 million tons respectively in the same year. These three countries alone account for more than 65,1% of the European Union's banana imports in 2020.

European banana

624 425 TONS

(volumes produced)

Dollar banana

16 658 837 TONS

(volumes produced)

ACP banana

2 109 835 TONS

(volumes produced)

Banana supply chain

The perishable nature of fresh fruit requires a dedicated supply chain to get the fruit to the final consumer under 20 days:



Production, harvesting, packing and dispatch to port



Maritime transport from Africa to Europe



Reception, ripening, wholesalers and sales to the large-scale retailers

Breakdown of the value and share of the supermarket sector

The banana value chain shows a disparate distribution. Whereas labour in producing countries gets between 4% and 8% of the market price, producers receive 15%, while retailers get between 30% and 40% of the European retail price. A total of 40% of the value of the banana market goes to the exporter, transporter, importer and ripener.

Margins are low: a financial report from Fresh Del Monte announces a gross margin for its banana segment of between 4,9% and 6,3% from 2017 to 2019, while the margin for fruits and vegetables in supermarkets breaks down into a gross margin of 31.1% in 2014 and a pre-tax net margin of 2.3%².

Around 90% of fresh fruits and vegetables are sold through supermarkets in Europe. However, bananas are a product that differs mainly in terms of price in the eyes of consumers, creating fierce competition on selling prices between distributors. As a result, the average consumer price of bananas in Europe, despite being the main fresh fruit imported into the zone, is 25% lower than that of apples, the most widely consumed local fruit (7,5 million metric tons per year³).

Consumer prices have stagnated or risen only slightly since 2001, except in the United Kingdom, where a banana price war between retailers halved consumer prices. In contrast, box prices have fallen by almost 25% between 2001 and 2020, while retailers have increased their share in the value distribution of bananas in most European countries (except the UK) to between 36% and 43%.

In a market where supply exceeds demand, retailers have a disproportionate bargaining power in negotiations with banana-producing companies. Several reports⁴ have exposed unfair commercial practices by the supermarkets, jeopardising banana value chains. In recent years, banana producer associations have regularly spoken out against the abuses of the supermarkets and called for a fair price for bananas.

Without a strong commitment by the major retailers on this issue, there is a legitimate concern of exacerbated competition between banana producers, jeopardising the social and sustainable model that African producers established in their plantations.



^{2:} Focus Banane, Fruitrop, Cirad

^{3:} Freshplaza

^{4:} Oxfam « Workers' rights in supermarket supply chains », FreshFruit Portal

B. European banana market

In 2017, 33% of banana exports were destined for the European continent, making it the world's largest consumer market. This market is still growing: with an average annual increase of 3.6% over the last six years, it represented in 2020 a consumption of 6,689,725 tons of bananas. Despite the diversity of suppliers, more than 95% of the growth in the European market has been captured by Latin American producers.

In fact, while in 2013, dollar bananas already represented 69.1% of the European market, the rapid increase in the production capacity of Latin American producers has led to the rise of their relative market share to the detriment of other producers. Thus, in 2020, Latin American bananas accounted for 75.5% of European consumption. Driven by the extremely rapid growth of exportations from Guatemala and Costa Rica, Latin American producers are the major beneficiaries of the increase in European consumption. Despite increased efforts to maintain their market share, each of the other banana origins saw a decline in market share.

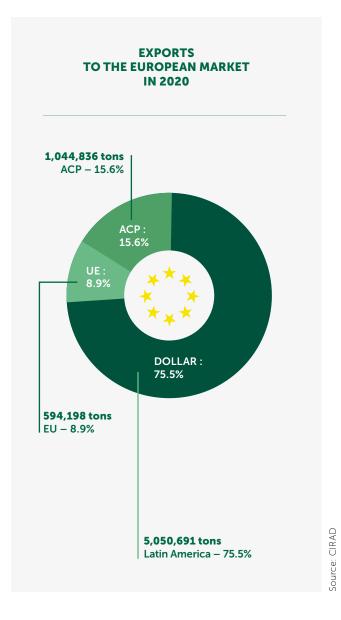
While in 2013, ACP producers supplied 19.5% of European banana consumption, in 2020 their market share reached 15.6%. Despite increased investment to meet rising European demand, the exponential growth of Latin American producers, with larger farms and higher yields, has prevented ACP producers from taking full advantage of the growing European market. Thus, over the last 7 years, European imports of Caribbean ACP bananas have decreased by 11.9%. African banana producers have, for their part, seen an average increase in their export volumes to the European Union of only 1.2% since 2013.

The Banana Accompanying Measures (BAM), which were intended to compensate for the reduction in ACP producers' customs preferences, have thus proved insufficient to offset the competitive disadvantage of ACP producers vis-à-vis Latin Americans. Their implementation proved to be particularly complex and envelope payments were often late.

Cameroon, after a period of internal turmoil that led to a halt in the production of some of its banana plantations, is observing a gradual resumption of activities on its plantations. Côte d'Ivoire is strengthening its position as Africa's leading producer with a 30% increase in its export volumes since 2013. In addition, in view of the significant demand from European consumers for Bio-Fairtrade certified bananas, which represented

12% of the total European supply in 2020⁵, Ghana has made numerous investments and obtained Fairtrade/Max Havelaar certification in 2012. However, despite a general increase in their productivity, the relative market shares of African banana producers are declining, under pressure from Latin American operators.

Finally, the production of bananas of European origin is stagnating. While Spanish and Portuguese production is increasing, storms have affected the growth of banana farms in Martinique and Guadeloupe, which have recently resumed their activities. The increasing liberalization of the market therefore benefits neither European nor ACP producers. On the contrary, we are witnessing a phenomenon of market concentration, to the detriment of the consumer.



It should be noted, however, that while the volumes of bananas exported to the European Union are increasing, this overabundance has led to a significant drop in the price of bananas. Whereas in 2015, the import price was 14,3 euros per box of bananas, in 2020 it reached 11,7 euros⁶. In a context where African operators have higher costs than their Latin American competitors, this drop in market prices impacts them all the more strongly. The condition for the prosperity of the sector is therefore based on its ability to sell its products at a fair price, which in turn allows it to invest at all levels of the value chain and offer a decent wage to workers in the sector.

Added to this are the aggressive purchasing policies pursued by the supermarkets. Always in search of the lowest prices, the procurement policies of several major European distribution chains have led to a gradual deterioration in the purchase price of banana boxes. Since 2018, the players in the sector have joined forces to call for greater consideration of the socio-economic issues underlying the deterioration in the supply policies of mass distribution. By constantly pushing prices down, the players in the supermarket chain are jeopardizing the survival of the banana industry, whose margins are already low. The importance of a fair purchasing policy is all the more important for ACP and European producers as they do not benefit from the same economies of scale as their Latin American competitors.



Ongoing tariff cuts benefit Dollar bananas

Since the establishment of the single market for bananas in 1993, the European Union has always guided and supported ACP banana production. This has essentially translated into two policies:

- Differentiated access to the European market with preferential quota-free and duty-free access
- In 2009, a support system was set up for the development and assistance of African bananas, called Banana Accompanying Measures (BAM), aimed at improving the competitiveness of the banana sector and its diversification, in order to compensate producers after the Geneva Agreement on Trade in Bananas.

These two policies are currently reaching their limits. Following the "banana war", the Geneva Agreement was signed under the aegis of the WTO in 2009. It

significantly reduced ACP producers' preferential tariffs despite the disparities in the competitiveness and size of the various producer countries, at the risk of leading, in the short term, to a quasi-monopoly of the European market by Latin American producers.

Over the long term, and despite customs tariffs (defined by the Geneva Agreement from 2010, and by association or trade agreements from 2013), Latin American exports grew by 1,411,420 tonnes between 2009 and 2020, i.e. an overall growth over the period of 38.7%. On the same fast-growing European market, African bananas only grew by 77,882 tonnes between 2009 and 2020 (i.e. 15.1%). Consequently, Latin American origins saw their market share increase by 5% while that of Africa fell by 1.1%, a decline that is all the more significant as it must be put into perspective with the considerable investments made to accompany the increase in European consumption.

COMB – CUSTOMS DUTIES BY NON-ACP THIRD COUNTRY SUPPLIERS

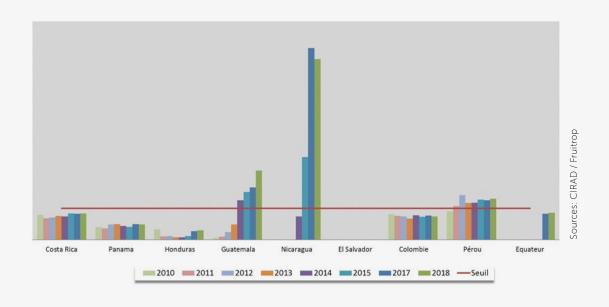
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Today, with the eroding of preferential tariffs for ACP producers in the EU, African producers have reached the limits of these two mechanisms:

- The Banana Accompanying Measures (BAM), too small (€190 million) and overshadowed by the cumulative savings of €2.8 billion from tariff reductions that Latin American exporters have enjoyed since 2009.
- The stabilisation mechanism, which was supposed to prevent oversupply of the European market by Latin American producers by setting individual annual export thresholds, and which has expired in December 2019, has never been used. Until 2017, the European Commission analysed the wholesale price on the European market only in relation to the previous months, without

giving any indication of price trends, and merely observing the absence of any noticeable change. As of 2017, the European Commission has retained this analysis for Nicaragua only, and not for Peru or Guatemala, where the comparison was made with the same month of the previous year; which illustrates the mechanism's inconsistency. The ineffectiveness of the mechanism is exacerbated on the one hand by the excessively high level of the thresholds, and on the other by the annual 3 to 5% increase, making a true stabilisation of the European banana market impossible. The inadequacy of the thresholds in relation to volumes and the changing methodology of the mechanism means that the European Union should have rethought the mechanism to make it truly effective and avoid giving it a mere symbolic value.

BANANA – STABILISATION MECHANISM – IMPORTS INTO THE EU AS % OF THE TRIGGER THRESHOLD AT THE END OF 2018



C. Banana Accompanying Measures and their deployment

The Banana Accompanying Measures (BAM) are a financial package for African, Caribbean and Pacific banana exporting countries. They were adopted by the European Commission to compensate for the 2009 Geneva Agreement on Trade in Bananas, signed by the European Union, Latin America and the United States in order to put an end to disputes managed by the World Trade Organization.

This agreement, combined with the proliferation of trade agreements with Latin and Central American countries, led to the European Union reducing the customs duties applied to banana imports from Latin America from €176 to €75 per ton. The EU introduced the BAM to help ACP banana producers make the transition to the new scheme.

The BAMs are an envelope of €190 million allocated to 10 beneficiary countries in Africa (Cameroon, Côte d'Ivoire, Ghana) and the Caribbean (Belize, Dominica, Dominican Republic, Jamaica, St Lucia, St Vincent and Suriname) according to the scale of their banana trade with the EU, the importance of this trade for their economy, and their level of development.

Adopted in 2010 by the European Commission, the implementation of the Banana Accompanying Measures began in early 2013 and is due to be concluded in 2020. The EU has undertaken to subsidise structuring projects to strengthen the sector to the tune of around €45 million in Côte d'Ivoire, €48 million in Cameroon and €7 million in Ghana. To date, the complexity of the implementation modalities and the delays observed in the disbursement of certain envelopes have not made it possible to take full advantage of these accompanying measures.

Since Côte d'Ivoire's production is of a high level of quality and know-how, the BAM have focused on increasing competitiveness (modernisation of equipment and infrastructure upgrades), developing villages (housing) and diversifying outlets (setting standards, a market monitoring mechanism) and a ripening centre.

Due to the advanced technical level in Cameroon, BAM have been used to improve workers' social conditions and the environmental aspects of banana production, create new plantations and build capacity, notably through the modernisation of the Douala port terminal. In May 2020, due to the economic

Boosting banana sector competitiveness Promoting economic diversification of the sector Managing social, economic and environmental impacts

consequences of the Covid-19 pandemic and the security situation in the North-East and South-West of the country, the European Union extended the duration of the programme by two years. This extension will give companies two more years to complete the actions undertaken.

In Ghana, the dedicated MAB envelope, 7 million euros, made it possible to finance projects such as a composting unit, social infrastructure (housing, schools, dispensaries, etc.), agricultural equipment and the training of banana industry employees and local entrepreneurs.

In a context where the competitiveness of dollar suppliers is particularly strong, the renewal of different technical and financial supports would make it possible to provide the African banana industry more competitiveness.



D. Competitive advantages of Latin American producers

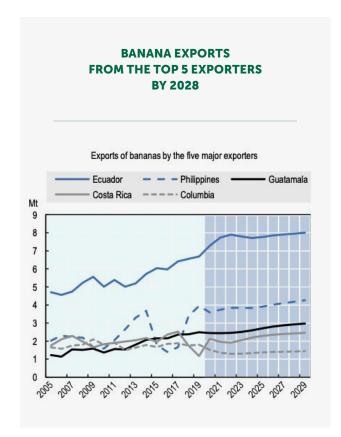
Latin American producers combine large cultivated areas with high productivity, allowing economies of scale and export facilities to all major world markets.

Higher yields

The competitive advantage of Latin American bananas can be attributed to a combination of factors that enable them to generate higher margins than African bananas, despite the pressure exerted by mass retailers on prices.

The first of these competitive advantages lies in the region's productivity per hectare, which is generally higher than that of African plantations because of its good agro-pedological (soil quality) environment and favourable climate (better and more evenly spread rainfall). In Ecuador, 12.000 producers farm 176.000 ha of bananas for export and export more than 6.5 million tons, making this country by far the leading world producer and exporter. Located in the southern hemisphere, this country's production takes place mainly in the first half of the year when world prices are generally at their highest. Moreover, the excellent level of production techniques linked to a very rich soil makes it the only country whose banana production has penetrated almost all the world's consumer markets.

The various competitive advantages of Latin American producers explain the projections for 2028, which foresee an increase of 2 million tonnes in their total export volume.



Bigger margins

Given that more than 75% of the world's banana exports are concentrated in Latin America, there is an incentive for all input suppliers to be there. For example, the main input, cardboard, is entirely produced in this region and even in each producing country, and at prices that are 20 to 30% lower due to the volumes and the euro/dollar exchange rate. On the other hand, African producers today import most of their cardboard needs (between 65% and 75%), thus leading to transport and handling costs, in the absence of imported raw paper for local processing. It should be noted however, that in Côte d'Ivoire, nearly a third of producers are nevertheless supplied

from two local factories, the equivalent of 10 million cardboard boxes per year.

Latin America also benefits from the mass effect on the cost of transporting fruit to the shipping ports, as well as from a maritime transport network with a range of destinations worldwide. Numerous weekly departures serve Asia, Europe, North America, as well as Russia and the Middle East. However, departure from the West African coast, for historical as well as geographical reasons, offers mainly European destinations, a market which represents nearly 80% of African producers' exports (Côte d'Ivoire, Ghana and Cameroon).

E. Outlook for African bananas

The African banana industry has the potential for growth in the coming years.

Challenges specific to the African banana

In a context of lower tariffs, together with the ending of the BAM, the African banana sector has to transform itself to adapt to a changed economic context. The African banana will make a différence through its penetration of new market segments, professional organisation of its sector, capacity to resist diseases and climatic variations, and adaptation to new consumption trends (organic, fair trade). In order to reduce its input costs, African banana companies need to develop a local input industry.

Organic and Fairtrade opportunities

Organic and Fairtrade organic bananas represent 12% of the French market and, in the coming years, could represent between 550,000 and 600,000 tons on the European market. Organic bananas have more stable retail prices than conventional bananas, both inter- and intra-annually, while the retail price

of conventional bananas has been dropping steadily over the last 10 years or so.

For example, in Cameroon, the PHP plantations have had Fairtrade certification since 2013. In the organic segment, Ghana is also particularly well positioned.

Retain European market share and develop the African market

The Eastern European and Russian markets are currently almost exclusively served by the largest producers in Latin America. In Russia, demand is driven by the embargo on European fruit and vegetables, Ecuador's leading position and the fall in world banana prices, which prevent African bananas from gaining ground.

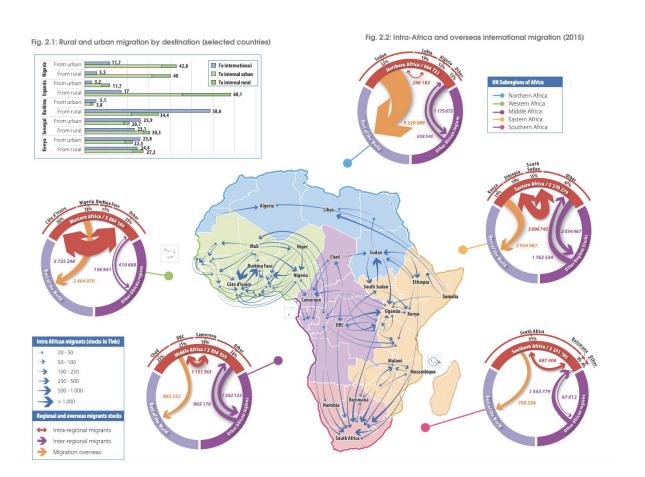
The African banana's near future depends on its capacity to serve an increasing demand in the European markets both Western and Eastern, the African continent, and some countries in North Africa and the Middle East. To gain further access to export markets, they need to be more competitive on the world market, which will require a great deal of investment.



AGRICULTURE AND BANANAS

AT THE HEART OF MIGRATION ISSUES

Controlling migration flows has become a key issue for Africans and Europeans alike. In order to fix populations, and give Africans in Africa a real future, economic development is essential, especially in rural areas where population growth is highest. The European Union must focus on supporting industries in rural areas so that Africa's population is an asset and not a time bomb.



"Population growth translates into a massive expansion of the labour force. Some 380 million new working age people are expected to enter the job market by 2030. Of those about 220 million are likely to be in rural areas. The challenge is to generate enough employment to absorb this booming labour force. This is why agriculture and rural development must be an integral part of any response to large migratory movements"

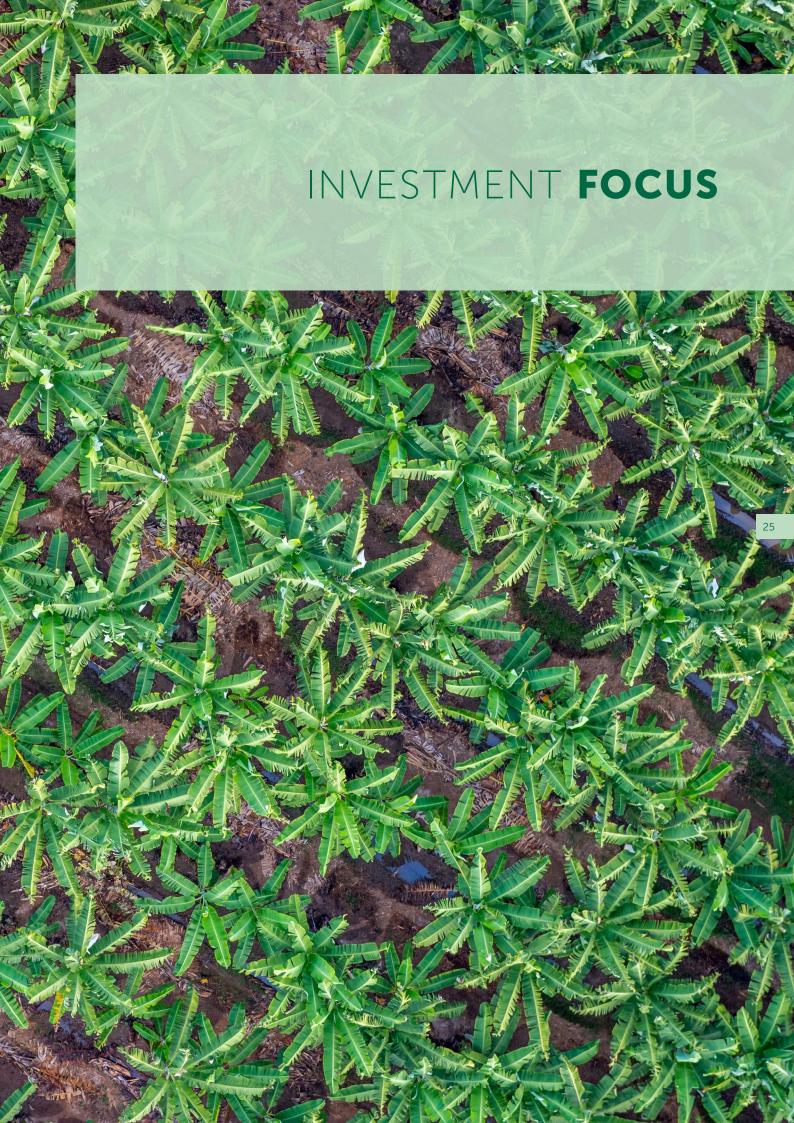
Kostas Stamoulis,

FAO Assistant Director-General, Economic and Social Development Department.

"The future of Africa's youth does not lie in migration to Europe, but in a prosperous Africa. We must turn rural areas from zones of economic misery to zones of economic prosperity. This requires new agricultural innovations and transforming agriculture into a sector for creating wealth. We must make agriculture a really cool choice for young people. The future millionaires and billionaires of Africa will come initially from agriculture"

Akinwumi Adesina,

President of the African Development Bank (AfDB)



FOCUS 1

HUMAN CAPITAL AND TERRITORIAL DEVELOPMENT

Land, water and the sun are essential to the development of the industry, but beyond that, it is the commitment of employees and their fulfillment that is the cornerstone of its true emergence. Thus, African banana companies participate in the socio-economic and environmental development of their regions, particularly through their corporate social responsibility (CSR) initiatives. Aware of their proactive role, these companies align their actions with the United Nations' Sustainable Development Goals (SDGs).

This focus enables them to contribute to building a better and more sustainable future for their employees, their families and the surrounding communities. In so doing, these companies are responding to the global challenges they face, including those related to poverty, inequality, climate change and environmental degradation. Because these SDGs are interconnected, African companies in the sector are striving to address each of them, and each of their targets, as part of their daily operations.

In keeping with this principle, Afruibana collaborates with the World Banana Forum, a working group where all stakeholders in the banana value chain work together to implement a set of sustainable and responsible good practices. In January 2021, Afruibana signed the charter of commitment of IAM Africa, a multilateral initiative whose ambition is to promote agroecology in the framework of agricultural cooperation between Europe and Africa while ensuring the protection of biodiversity.

A. Ensuring workers' health and well-being

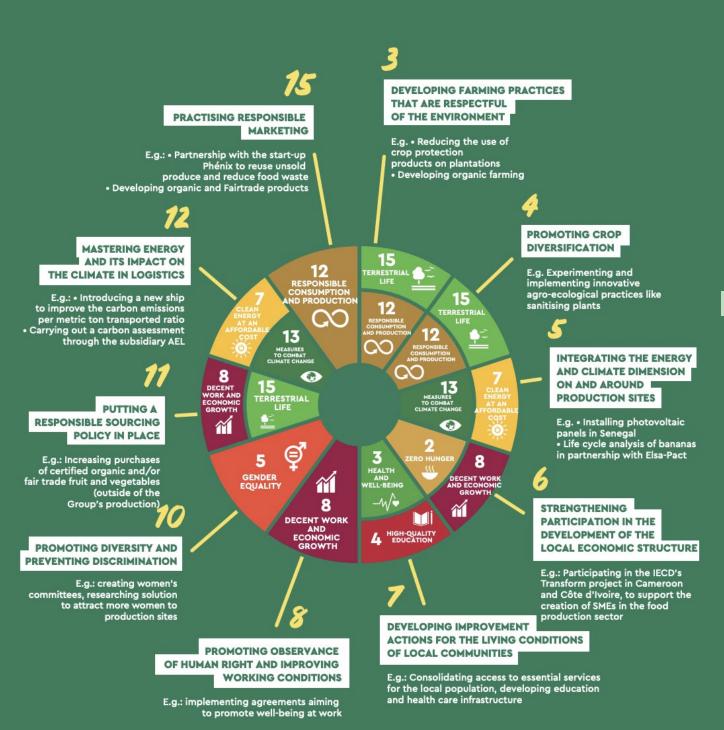
Safeguarding workers' health and safety is a major element of corporate social policy in the sector. The intense physical activity in banana plantations requires plans to prevent potential occupational hazards, particularly workplace accidents.

A series of actions aimed at preventing these risks and enforcing the compulsory wearing of personal protective equipment (PPE) are carried out in all companies in the banana sector. Because the safety of our employees is our priority, as soon as the Covid-19 pandemic arrived, all employees were equipped with face masks and hydroalcoholic gel was made available. Nevertheless, current PPE is not always adapted to working conditions in the humid tropical regions such as those found in West and Central Africa. Research funding to develop PPEs that meet the specific characteristics of working in banana plantations in Africa must be initiated.

The reduction of drudgery is one of the main objectives of the sector because, on the one hand, it leads to an improvement in the well-being of the employees and, on the other hand, performance improves significantly. In many banana plantations in the West Indies and Latin America, mechanisation tools (lifting tables, automatic palletisers, cardboard formers, etc.) are used to reduce the drudgery of work for the employees. In Africa too, these tools are gradually being integrated into the various stages of production in the sector. However, for African producers, this transition to a mechanised value chain presents several challenges. Furthermore, massive investments are needed to equip the different sites and simultaneously, employees must be made aware simultaneously of the benefits of these different

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BANANA INDUSTRY CONTRIBUTION TO SDGS





B. Investing in human capital

For several years, international institutions have been stressing the need to invest in human capital in developing countries. Aware of this imperative, particularly in terms of productivity and economic potential, companies in the banana sector invest in human capital in different ways: continuous training of employees, giving priority to local talent and contributing to the international expansion of African agricultural training. The sector is therefore organising itself, in collaboration with its various partners, to work towards common standards which will then be recognised by consumers in terms of human resources management.

Continuous training for employees

Companies in the banana sector attach great importance to developing the skills and career paths of their employees, whatever their hierarchical level, profession or geographical location. Because bananas are such a delicate and technical fruit to grow, it requires six times as many hands per hectare as palm oil.

Considering that a large part of the workforce is unskilled and that the banana business requires continuous adaptation of production techniques, many companies in the sector have built training centres on their own sites dedicated to the development of workforce skills and apprenticeships for young people who have left the traditional school system and want to take up a career in agriculture.

These centres can also serve as training centres for people wishing to move on to other functions. Finally, with the progressive mechanisation of the different stages of production, operators specialised in electromechanics will be increasingly indispensable on the plantations. To this end, the training offer must enable current employees to acquire these specific skills internally to be able to accompany the transformation of production methods.

In this way, employees are guided towards training courses over several years that enable them to enhance their skills and access positions of responsibility within their companies.

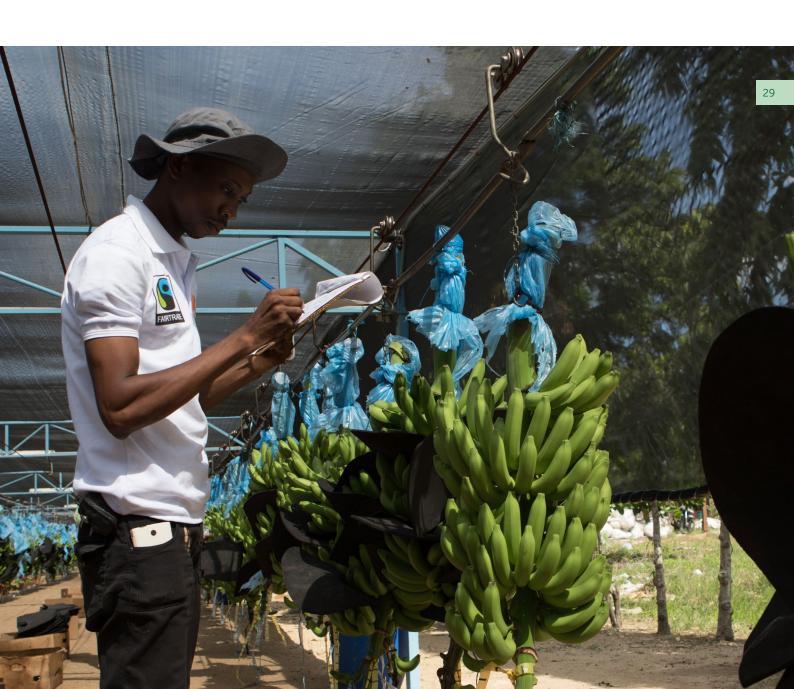
Leveraging local talent and contributing to the international outreach of African agricultural training courses

The industry favours the recruitment of local employees from both locally and internationally trained candidates. This mix of academic backgrounds and experience is essential to the success of projects on the ground.

International banana companies could also help develop university agricultural training by acting as intermediaries between foreign and African universities. In this way, human resources and training departments could be actively involved in the transfer of students and workers in training from an African university to a foreign university, and gradually make it possible for diplomas and degrees to be certified. Their training centres could also run training courses with degrees specialising in banana industry jobs.

Indeed, with the establishment of partnerships between local training institutions and companies in the banana sector, public authorities have an important lever for improving the employability of young Africans.

The access of populations to quality jobs is a sine qua non condition for national development. As shown by the creation in Côte d'Ivoire of the Agence Emploi Jeunes, both for donors and States, this objective is a priority. The players in the banana sector, aware of these issues, are inclined to sign agreements with the various public agencies dedicated to these questions.



C. Promoting decent work and an inclusive labour market

According to the International Labour Organization (ILO), Decent Work encapsulates the aspirations of human beings at work. It encompasses opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives, and equality of opportunity and treatment for all women and men.

This definition of Decent Work corresponds to African producers' aspirations for the sector, guaranteeing these working conditions to all employees in the value chain.

Working to end child labour

Child labour is an invisible scourge in many parts of the world. It contributes to a cycle of poverty by reducing children's opportunities to go to school and get an education. Agriculture, mining and the construction sector are the main sectors implicated in this issue.

In line with the measures put in place to ensure sustainable production methods, African banana producers are committed to combating child labour in the agricultural sector. Since 2003, each of the three main African banana exporting countries has been a signatory to Convention 182 on the Worst Forms of Child Labour, which obligates its members to set up an action programme to combat the exploitation of

minors. On the farms owned by Afruibana members, the hiring of minors is therefore strictly prohibited.

In accordance with the ILO definition, Fairtrade distinguishes between child labourers and exploited child labourers. In the agricultural sector, however, it is common for children to help their parents and work alongside them on small family farms, as their income is vital for many families. «Working children» are children whose work does not prevent them from going to school and does not interfere with their education. Members of Afruibana who support small family farms work alongside trade unions and associations to ensure that no abuses are committed in this regard.



Fostering women's employment

According to a study conducted by Banana Link in 2015, and published by the FAO on behalf of the World Banana Forum, women's employment in the banana sector in Africa ranges from 11% in Côte d'Ivoire to 21% in Cameroon. As in all agricultural sectors, there is still room for improvement in terms of gender equality at the professional level. Women often have to bear the «triple burden» of plantation work, domestic chores and childcare.

To encourage female employment, several companies in the banana sector have taken various initiatives that should be supported and deployed throughout the sector: setting up company crèches, promotion of female employment, particularly in management; organising women in committees to collectively make their voice heard by employers; encouraging them to apply for managerial positions and supporting community projects for women.

For example, Golden Exotics Limited (GEL) in Ghana has been working on this issue with Banana Link: in its 2018–2019 report, Banana Link points out that female employment in the company rose from 7% to 11% in the space of a year as a result of management commitment. The company is now targeting 40% of female hires in various positions without discrimination, whether in the fields or in the packing station.



Guaranteeing a decent income

African banana companies are committed to decent work in regions that are often affected by long-term, chronic unemployment. Decent wage for workers depends on the financial resources devoted to the entire value chain, which is incompatible with the downward pressure on prices exerted by supermarkets. Afruibana, along with many fruit producers' associations, therefore calls on supermarkets to adopt a responsible sourcing policy by means of a fair purchase price in order to guarantee decent and gainful working conditions for all employees in the sector.

In Côte d'Ivoire, Cameroon and Ghana, the banana industry provides more than 30,000 direct and 50,000

indirect jobs. Despite the volatility of the market price, the importance of establishing fair and guaranteed wages is central because it has a direct impact on the development of rural areas.

For example, the production facilities in Cameroon, Ghana and Côte d'Ivoire all pay salaries and benefits above the minimum wage. Wages are not the only means of improving incomes. Tangible advantages are also provided: in Ghana and Côte d'Ivoire, respectively, 2,766 and 250 houses have been built for farm employees, as well as numerous other health and social amenities that are often made available to all the people living in and around the banana plantation area, as we present in the following sections.

D. Developing the fruit-growing region

By establishing themselves in rural areas, banana companies are helping build real places to live for workers in the sector, as well as for the surrounding populations. In addition, large companies in the sector, aware of their importance to the local economy, contribute actively to community development by working with local suppliers.

Building new places of living

Improving employees' overall standard of living is one of the major CSR policy thrusts of banana sector companies. Generally speaking, companies in the sector contribute to a better quality of life for employees in production areas through various measures: facilitating access to drinking water and electricity, building and renovating housing, setting up public transport systems between residential and work areas. Actors in the sector also contribute to improving access to healthcare by building hospitals and health centres, and to elevating the population's level of education by building and managing schools, renovating classrooms and distributing school supplies. In some cases, scholarships are awarded to finance the most deserving students' education all the way to university.

In Kasunya, in the Greater Accra region, the European Union has provided technical and financial support to Golden Exotics Limited (GEL) for a housing and social infrastructure project estimated at €5.9 million. This BAM support will provide between 800 and 1,000 people with the opportunity to live in this new

residential area, where a social action centre is also under construction. The housing units, which were completed in the spring of 2020, were made available in July.

Home ownership is envisaged as the next step in the development of this policy. Innovative financing mechanisms need to be studied in consultation between the individuals concerned, the company owning the housing, and local banks so that employees can become home owners in nearby intermediate towns.

Historically, employee housing has been located in the heart of the plantations. However, new actors in the sector, particularly in Côte d'Ivoire, are encouraging the transition to housing in neighbouring villages. At the same time, the sector is trying to contribute to the development of the communes in which the workers live, while simultaneously facilitating transport from their homes to the plantations. This model, which clearly separates «housing» and «plantation», is the one that the sector wishes to favour in the future.



Becoming part of an ecosystem

Banana sector companies' CSR policies contribute to many other positive externalities, notably through the economic development of production areas. Two areas of action have been identified as priorities to enable fruit-producing regions to develop and diversify their wealth: on one hand, through the promotion of entrepreneurship and, on the other, by developing a framework for contract farming with local producers.

In a region that is highly dependent on a raw material, in this case agricultural, it is essential to diversify the economy by allowing the local population to develop new economic activities. Banana sector companies are in a position to support entrepreneurs operating in their area, financially and technically, by setting up

partnerships with local producers, who still make up nearly 80% of African producers. Banana companies support enables these producers to benefit especially from considerable skill-sharing and access to distribution networks that would have otherwise been difficult to achieve: technical support, help with certification, and the development of agricultural practices that respect people and the environment. Through these partnerships they are guaranteed a regular income.

The contribution of large companies in facilitating market access, in particular by enabling smaller operators to benefit from logistical facilities and access to local and international distribution networks, is essential

WAYS IN WHICH LARGE BANANA COMPANIES SUPPORT LOCAL PRODUCERS

Reviving village production through technical assistance (agronomic plans, quality, certification, training, input supply). Securing commercial outlets by providing logistical channels to export and distribute on various markets (sub-regional, regional and European).

Strengthening producers' autonomy so that they can develop their own distribution channels, with control over all production factors and the ability to manage their input supply



Finding synergies between small producers and industrial companies:

THE CASE OF "LA CLÉ DES CHAMPS" IN GABON

In Lambaréné, Gabon, French mining company Eramet is starting up a rare-earth mine. Seeking to control its social impacts and ensure that the communities living near the site benefit from the positive spin-offs of the business, the group is working with classM, a CSR consultancy, to devise solutions.

classM has created, **La Clé des Champs**, a central purchasing office for food products. This is an intermediary structure that allows for the mining project's food requirements to be met by sourcing locally. Today, more than 200 farmers are involved in supplying fruit and vegetables to the mining site's canteen. Through La Clé des Champs, the local communities feel involved in the industrial project by cultivating a long-term relationship around activities created to align the interests of all stakeholders.

This model is increasingly being replicated in Central and West Africa, fostering synergies between large industrial companies and small local producers, including banana producers.



FOCUS 2

R&D AND THE MODERNISATION OF FARMING PRACTICES

The transformation of agricultural systems to ensure their sustainability and resilience requires a major effort in R&D investment combined with modernisation and renewal of farming practices.

The implementation of new agro-ecological practices on conventional crops or via organic crop management sequences should contribute to a sustainable transformation of agriculture. Depending on the various natural constraints (soil, climate), African producers now tend to favour organic or agro-ecological crops. This is particularly the case in Ghana, which positioned itself very early on this organic niche.

All these solutions also help improve the sector's carbon footprint, in line with the "Farm to Fork strategy" to sustainable food, where African producers seek to limit the use of synthetic products as much as possible.



A. Reducing the use of synthetic phyto-pharmaceuticals products

To cope with the constraints caused by parasite and banana plant's pests, a range of new crop cultivation practices must be developed then generalised to reduce or even eliminate the still frequent use of phytosanitary products.

Some examples of these new methods that need to be reinforced: sanitizing fallows, sanitizing plants, new post-harvest treatments, organic control products, very precise monitoring of infestations...

Sanitizing fallow in combination with carefully selected sanitizing plants should lead, after replanting, to a lasting reduction in herbicides and insecticides following the fallow period. The sanitizing plants can also be grown below banana plantations, thus suppressing herbicides in particular. The favourable planting of these sanitizing plants requires prior testing of different varieties to match the conditions of each soil.

To combat black sigatoka, the main scourge of the banana tree which thrives in humid environments, there are organic-control solutions that make possible the reduction or elimination of the use of fungicides depending on the climatic conditions of each soil. Only a very precise monitoring of infestation levels can enable treatment products to be reduced to a minimum.

B. Reducing the use of synthetic fertilizers

There is a necessity for precise measurement of inputs and requirements through soil and leaf analyses on all planted plots, to better quantify inputs and reduce their dispersion in the environment.

The manufacture and use of compost and organic fertilizers is also another mean of reducing synthetic fertilizer inputs, but it requires substantial prior investment with the creation of treatment centers, of composting stations and the development of organic matter supply chains that are not yet structured in Africa.

In order to gain autonomy and inhance production capacity for compost and organic fertilisers, reserving dedicated areas to produce biomass or integrate livestock farming is a solution to be studied but which requires investment and significant involvement.

Beyond better long-term productivity, these solutions make it possible to strengthen soil sustainability with richer biodiversity and optimization of the water consumption necessary for the absorption of nutrients in the soil.

C. Promoting agricultural itineraries of High Environmental Value

Crop management sequences certified for Organic Agriculture require substantial investments at the start and lead to lower yields (about 15%). The transition from conventional to organic farming is also possible, but the financial burden must be carried for at least 3 years before having the possibility of selling products under organic conditions.

Other High Environmental Value crop management sequences are currently under development such as 'zero pesticide' but their success in Africa is still linked to research programs and tests.

In order to be duly valued, these High Environmental Value crop management sequences would need to be

identified by a certified label recognized by consumers. These different crop management sequences allow to strongly limit the impact on the environment, notably through the absence of synthetic products.





D. Innovating through varietal research

Whether it is to fight against black sigatoka or especially against Fusarium TR4, for which there is no treatment to date, the implementation of varietal research programs or of new means of control is more than ever a topical issue. In the worst-case scenario, there is a risk of witnessing to the disappearance of massive banana cultivation's areas.

Since contamination is caused by the movement of soil or water containing the spores, the main prophylaxis to date is to disinfect all equipment likely to carry soil within banana plantations and to limit any movement of plant material from risk areas.

Research into varieties resistant to climate change and pests is focusing both on hybridization with varieties other than Cavendish, in parallel with improved transport and ripening processes to serve the same markets as the original Cavendish, and on the exploration of genetic mutation techniques (CRISPR) to resist drought and disease and enhance its organoleptic qualities.

CIRAD is at the forefront in this field, making it a priority research area. Other African and European research organizations are expected to participate in this work.

E. Diversifying crops, optimising areas

Every farmer knows that he must listen to the land to use it to its full potential. Banana companies do not hesitate to plant other crops depending on the area. For instance, diversification of soils less favourable to banana towards cocoa production is currently being tested on a small scale in Cameroon, with the first evaluation study being conducted by CIRAD in November 2018.

There are four forms of soil diversification: either planting forest species for reforestation, or planting biomass production areas for compost, or combining inter-row crops (e.g. bananas and legumes), or finally introducing livestock farming over a period of 3 to 5 years to enable grazing, soil re-enrichment and the production of hay for compost.

Furthermore, maintaining «buffer» zones on the periphery of cultivated areas also helps to preserve biodiversity. They are also of great interest for controlling and limiting the transfer of contaminants of agricultural origin.

Thus, in Ghana, despite land pressure from local communities, 730 acres directly bordering certified organic farming areas have voluntarily retained unproductive portions in 2018. The implementation of virtuous practices on agricultural plots must be accompanied by customised land use planning of the surrounding area. This special effort is part of a sustainable approach to preserving biodiversity restored through the evolution of agricultural practices.

F. Reducing the use of plastics

Today, the sector ensures the complete recycling of plastics used in production. As an example, Afruibana's consumption can be estimated at 3,300 tonnes of plastic per year. On a daily basis, discussions are held to prioritise the recycling of inputs, in particular the reuse of plastic for the construction of corner beads.

Replacing plastics is crucial for environmental protection. Alternatives based on algae or corn already exist. These alternatives are currently three times more expensive than using plastics.

In order to develop and adapt them to the banana sector, a partnership with the CNRS and the French National Research Agency (ANR) is envisaged, notably through the funding of doctoral theses that pave the way for patents co-owned by the funders.

Another example is the use of stickers for each product that consumes non-renewable resources. The most sustainable alternative in the long term is the use of laser marking. For this, there are several specialised companies, but their solutions are currently too expensive (€200,000 per machine for the 50 machines required) in a context where European regulations do not oblige all producers to adopt this solution.

It is important to note that African producers are not the decision-makers in the method of packaging bananas, mainly imposed by the European supermarkets for which these fruits are intended. The reflection must therefore be conducted with all stakeholders in the banana sector to reduce the use of plastic.

Finally, the issue of pallet consumption is one of the major projects to be carried out to improve the environmental performance of banana production. Today, pallets are purchased by African producers producers and then collected by the final customers for whom the banana boxes are intended. To make the transition to the use of reusable pallets, the costs of repatriating them are too important to be taken in charge only by the actors of the banana sector.



FOCUS 3

CHANGING AGRICULTURAL MODELS FOR IMPROVED PRODUCTIVITY

A. Developing training programmes and nurturing local talent

Banana is a delicate fruit that demands a great deal of care. The human aspect of productivity is therefore essential. In a business that requires on average six times more labour per hectare than the palm oil sector, training is a key issue. Focus 1 of this White Paper, which refers to human capital and territorial development, details measures for training programmes and the development of local talent in order to boost actions aimed at improving productivity while ensuring the required levels of quality are met.

B. Optimising production factors through new technologies

Increased production also requires better control of production factors in the field. The use of computers and new technologies (GPS, smart objects, UAVs), which make it possible to track the development of banana plants and bunches, can help maximise banana plant density, the number of bunches harvested and their quality (weight and size) by keeping losses to a minimum and optimising the harvest.

PROJECT FOCUS:

DEVELOPING THE USE OF DRONES IN BANANA PLANTATIONS

UAV technology is increasingly used in the agricultural sector. The use of this electronic equipment enables «precision farming» which increases agricultural efficiency. Indeed, UAVs make it possible to carry out various surveying operations very quickly and with a minimum footprint. The information collected, once processed with the appropriate tools, is a valuable aid to farmers in their decision-making.

The evolution of UAV technology also makes it possible to develop equipment capable of carrying significant loads, thus opening up prospects for the targeted application of treatment solutions against cercosporiosis.





C. Integrating deforestation issues into growth policies

The gradual integration of tools aimed at optimising the production capacities of banana farms is part of a well thought-out approach to growth. Rather than trying to increase production volumes by expanding into uncultivated land, African farmers are focusing their efforts on transforming production methods in areas that are already cultivated in order to achieve these objectives.

This method is recognised by independent labels: the plantations have been certified by the Sustainable Agriculture Network (SAN) standard since 2016. In addition, a forest protection programme has been in place since 2000. The areas surrounding cultivated land are thus subject to a strict management plan, including reforestation policies.

D. Improving irrigation management

As bananas are a water-intensive plant, it is essential to ensure that irrigation can be managed according to the needs of the plantations.

Initially, this may entail a better assessment of these needs based mainly on more accurate meteorological

measurements and a better understanding of the dynamics of water in the soil (capacitance sensors and tensiometers, etc.). In addition, the automation of irrigation networks can make irrigation control more precise and reliable and therefore more water-efficient.

E. Making better use of agricultural land and protecting biodiversity

Banana cultivation requires surfaces that are as flat as possible to accommodate the most efficient methods of transporting the bunches, and draining and securing the banana trees (cableways, aerial guy wires, etc.). In some cases, plantations on land that is not very flat, or not flat enough, can be relocated to areas suitable for the implementation of these methods, thereby enabling increased productivity.

Besides conventional plantations, Afruibana members are developing organic plantations, which require more agricultural land and create buffer zones for this purpose. In addition to intercepting the flow of water and substances, these can be used to plant other

crops that act as a barrier against possible diseases or for grazing livestock, thus providing manure that can be used to make organic fertiliser to be spread on the plots instead of conventional fertilisers. Hence, it may be effective and interesting to use traditional methods.

The protection of biodiversity is an imperative issue for the sustainability of the sector, but also for the rural areas in which the plantations are located. Thus, any form of collaboration with local authorities, which are often equally mobilised on the subject, could undoubtedly be an essential asset to strengthen the effectiveness of biodiversity protection.

F. Investing in infrastructure and equipment

Any new land requires infrastructure specific to banana cultivation: an irrigation and drainage system, a cableway network to transport the bananas to the washing and packing stations while avoiding damage, as well as a guying system to secure the plants in windy conditions. This infrastructure costs between €20,000 and €30,000 per hectare.

Plantations also require a certain amount of agricultural machinery, such as tractors for transporting and applying agricultural inputs or for harvesting the bunches. Unlike other crops (palm, rubber, etc.), banana cultivation is highly technical and involves a narrow time frame for certain tasks, which requires adequate and efficient equipment on a continuous basis.

G. Securing land tenure and respecting property and customary rights

Securing land is a prerequisite for perpetuating and developing the plantations. However, land can only be leased if the cadastral registers are fully accessible and up-to-date.

In many cases, title deeds are non-existent in Africa. Deeds must therefore be obtained from traditional leaders, who make sure that the local population is on board. Leases are signed in the presence of the owners designated by the traditional leaders, the traditional leaders themselves, and the administrative authorities (generally the prefectures or subprefectures concerned).

Dialogue is therefore essential in land management, whether for plantations or protected areas, to ensure that the company, the State, the authorities and the local populations agree on the occupation of the land and guarantee its continued use or non-use. Respect for customary law and property rights and avoiding

recourse to expropriation are essential if local populations are to truly support agricultural projects.

Where title deeds exist, their status with regard to the law must be assessed. This involves identifying the owners of the land, determining whether rents are being paid by tenants, and managing any compensation for past expropriations. An example is what is being done under the M'Banga project in Cameroon (see project focus).

In some cases, large farms may also make part of their land available to small-scale producers. An example is the case of the Grand Fleuve estate in Côte d'Ivoire, which has set up a project to help women workers by making available arable land on the farm as part of a partnership with the Institut européen de coopération et de développement (IECD) for the TRANSFORM project.



PROJECT FOCUS:

BRINGING THE M'BANGA PLANTATION IN CAMEROON BACK TO LIFE

Afruibana members intend bringing an old, abandoned plantation back to life in a new project that would see 1,100 to 1,200 hectares of arable land being replanted and employing trained workers.

The first step in this project is to establish very clear land ownership in order to be able to make proposals for a new venture, free of any ties with the previous company. This means asking the authorities to examine the leases in order to clarify matters with the local communities and the traditional and official authorities so as to avoid any future disputes. The infrastructure (irrigation, drainage, cableway, etc.) then needs to be put in place and the necessary equipment and machinery purchased.

The project aims to create a modern and competitive agro-industrial hub in the heart of the plantation, around which two areas reserved for small land-owning planters (100 hectares) and Cameroonian agro-industrial planters (300 hectares), respectively, would be established.

Here, the members of Afruibana will implement their CSR policy, which could translate into several concrete actions: building housing for the workers and their families, training centres, a dispensary providing immediate care for the workers, and schools in the surrounding villages that would be open to both the villagers and the company's staff.

This project was presented by Afruibana members to the local communities and to the Ministry of Agriculture, who expressed their support for it.



FOCUS 4

A "GREEN DEAL" FOR THE BANANA INDUSTRY

While the European Commission intends making Europe the first climate-neutral continent with the announcement of its Green Deal, African countries – among the most affected in the world by the impact of global warming – are also committed to the energy transition and to sustainable practices, as evidenced by the measures taken by the African private sector, particularly in the banana sector.

A. Stepping up farm electrification

One of the first challenges is to fully connect the farms to the power grid. Still today, many banana plantations are not yet electrified because they are far from the national grid.

New surface development projects will also require connections to the electricity grid. On these projects, all the electrical installations must be developed (medium and low voltage lines, as well as pumping and protection equipment) and without outside help, they will not be able to be carried out in their entirety.

In Cameroon, all sites have been connected to the electricity grid, thanks in particular to BAM assistance. However, there are still some pumping, irrigation and drainage sites, further away from the main power plants, that need to be equipped with medium and low voltage lines and pumping systems. The investment is estimated at just over ≤ 1 million.

Over and above the electrification of various sites, discussions are under way regarding the the joint negotiation of electricity tariffs with a view to increasing the bargaining power of Afruibana members and lowering prices.

B. Increasing the use of solar power

The members of Afruibana are considering programmes to build photovoltaic farms because of the very sunny climate they enjoy and the proximity between production and use that this system allows.

The solar electricity produced would be used for activities related to the operation of the plantation (conditioning station), and in particular for irrigation, which remains the largest item of energy expenditure. Any surplus energy would be fed back into the local grid and would benefit the entire population. It is important to note that developing solar energy requires resistant

equipment suited to a tropical and humid environment in order to limit maintenance costs.



C. Developing bio-gas production from banana sorting gaps

In order to produce electricity, Afruibana members have started to think about producing methane from the sorting bins that contain stems and rejected bananas unfit for export. Some organic plantations, especially those in Ghana, have areas where they compost banana waste, coffee and cocoa hulling

waste, and cardboard. Investment is needed to isolate, capture and reuse the methane from this compost, some of which could be fed back into the local grid once converted into electricity. They also need to create sufficiently large units so that the amount of methane collected is useful.

D. Facilitating maritime transport's environmental transition

Within Afruibana's members, different modes of operation are privileged for maritime transport. While some use only external service providers, others have their own fleets.

Since 1 January 2020, the International Maritime Organization (IMO) has required ships to use fuels with a sulphur oxide content of no more than 0.5% (previously the maximum permitted rate was 3.5%).

This is an important issue for Afruibana members, and requires financial support for the transition to these new low-sulphur oxide fuels, and in the longer term towards the IMO's 2050 zero emission target.

Apart from the sulphur oxide issue, Afruibana members are considering how to improve the carbon footprint of banana shipping and are ready to study the relevance of this issue and, if necessary, to implement other means of mitigating fine-particle and $\rm CO_2$ emissions or to direct towards logistical choices using these methods. Fuel-saving prototypes exist, such as auxiliary sail systems and photovoltaic sails. Public authorities are expected to provide financial as well as technical support to accelerate the ecological transition of transportation.

One of the possible medium-term routes to achieving the transition to zero emissions by 2050 would be to build LNG-powered ships. This technology, which has been tried and tested for many years, makes it possible to significantly reduce the main emissions from petroleum-based fuels. Compared to current

fuels, LNG allows the almost disappearance of sulphur oxides emissions, but also 90% less nitrogen oxides, 90% fewer fine particles and 30% less CO₂ emissions.

The environmental transition also involves the reduction of fuel consumption by dedicated shipping lines. By doubling the size of vessels, the reduction in consumption is around 20 to 30% in relation to the current gross consumption, but the most interesting evolution is the significant reduction in the ratio of CO_2 emitted per ton of goods transported per nautical mile.

In general, the shipping partners of African producers, Africa Express Limited (AEL), CMA-CGM or MSC carry out a carbon assessment of their activity every year.

The European Green Deal again raises the issue of carbon tax at Europe's borders. While the scope of the Green Deal and the regulatory measures have not yet been defined, it would appear that the Commission wishes to extend the CO_2 emissions trading scheme to the maritime sector. Pending future announcements, the African banana sector and their shipping partners stand at the disposal of the Commission to participate in the dialogue on these issues.

The shipping companies who are logistics partners of Afruibana members have committed themselves through technological innovations to an energy transition that could allow some of them to achieve carbon neutrality within a few years. Other examples such as the use of alternative fuels must also be encouraged and supported by our sector.

E. Renewing fleets to achieve land transport's environmental transition

In Côte d'Ivoire and Cameroon, trade preference erosion has considerably slowed down investment and reduced the incentive in maintaining a significant fleet of trucks, pushing producers to outsource to local providers.

On the contrary, in Ghana, the cost of outsourcing is too high to make this feasible and has therefore forced Ghanaian banana producers to maintain an inhouse fleet. To maintain an optimal level of service, it must be completely replaced within the next two to three years.

In concrete terms, the renewal of the road transport fleet must be promoted to improve the carbon footprint of these operations.

The improvement of refinery techniques in African countries, notably the refinery of Abidjan in the next two or three years, will significantly enable the production of cleaner fuel that can be used in the engines of the latest generation of trucks. Lastly, another less costly way of reducing the energy consumption of the land fleet is to train road hauliers in eco-driving, with estimated gains of around 20%.

F. Supporting initiatives to measure and monitor carbon footprint minimization

Afruibana members have long been concerned about the impact of their industry on the environment. Several initiatives have been put in place to assess the banana sector's carbon footprint.

Furthermore, Afruibana members have been measuring the energy footprint in terms of electricity and fuel used in certain emissions categories. In Côte d'Ivoire, one of Afruibana's members carried out a Life Cycle Analysis of conventional bananas in 2018 that examines 18 different impacts, including carbon.

Due to growing interest in sustainability among distributors of Afruibana members' products and their consumers, members are interested in conducting a comprehensive and accurate analysis of their carbon footprint using external experts in order to make recommendations and monitor their progress.

G. Supporting research on cold chain and energy efficiency

The issue of energy consumption in the cold chain is another challenge for Afruibana members. In addition to its impact on the environment, the cold chain represents one of the main areas of energy expenditure for members, hence the current debate on how to make it more efficient.

There are four links in the cold chain.

■ The first two links comprise storage at ports of origin and maritime transport. The model is evolving towards full containerisation of exports. Today, bananas are transported either in the hold or by refrigerated containers to their destination markets. On arrival at the port, the fruit must first be cooled down to be preserved in the best possible conditions. This stage, which is carried out on site using cold rooms or refrigerated containers, is the most energy-consuming.

■ The final two links concern the ports of arrival for exports, where products are stored in cold-storage facilities, and ripening rooms.

Whatever the preferred method of operation, the challenge is to set up the most efficient systems for managing energy consumption and scaling of cold zones in order to reduce energy consumption in the banana sector.

H. Improving port efficiency

■ Modernization of the Douala mixed fruit terminal

Considering that the Douala mixed fruit terminal is no longer suitable for modern fruit transport, this modernization project aims to strengthen the competitiveness of port and maritime logistics for Cameroonian banana producers. In particular, it appeared necessary to change the initial project for the development of the fruit terminal, which was centered on the pallet, to a concept giving a predominant place to the container.

In this context, the Banana Support Measures (MAB) have financed - to the tune of €7,200,000 - several strategic developments for the modernization of the terminal: creation of a storage and connection yard

for about 300 containers, development of a yard for 300/400 empty containers, installation of 10 to 15 reception/loading docks for fruit and import goods. In parallel, these various modernization measures will allow energy savings and improve the working conditions of port employees. All these developments should enable the mixed fruit terminal to be fully operational by the end of the first quarter of 2021.

■ Phase 2 of development of the Abidjan fruit terminal

The European Union financed an extensive rehabilitation of the Abidjan fruit terminal some 20 years ago, making it one of the main regional

export points. Due to the strategic redistribution of the various import and export flows in Abidjan, the sharp increase in volumes to be loaded, and shipping lines' shift from conventional ships to containerised vessels, the project aims to redevelop and extend the current terminal (250 m of additional quays to accommodate ships with a 12.5 m draught) under a 20-year concession, to keep pace with sector activity and to expand the terminal and its container fleet and equip it with modern, fast and automatic handling equipment.

These upgrades would allow to cater to bigger boats thus optimizing operations, their costs and carbon footprint. An additional option would be to build an extension to the container yard, with associated reinforcements and equipments.



■ Abidjan Terminal (Vridi container terminal)

A program to modernize the container terminal is underway to anticipate the productivity needs generated by the country's growth. In parallel, the construction phase of the container terminal 2 has started, and will considerably improve the operational and storage capacities of reefer containers. Most of the

equipment available to the fruit exporters is electrically powered and Côte d'Ivoire currently has the third largest electricity production system on the continent. This electricity is 'clean' thanks to hydroelectric power plants, with a transition to steam or biomass power plants. These new technologies allow to face the decrease of production capacity of hydroelectric dams, caused by the decrease of water resources, consequence of the climate change.

■ Investing in the Tema fruit terminal

With European demand for organic products growing steadily, Ghana has become a major growth area for Afruibana members. To export the volumes required to meet this demand and maintain a weekly service to European ports, a new fruit terminal is the Tema Harbour. It will be built next to the new container terminal, which has just started operations, and is expected to be completed in 2021. The fruit terminal project would have a draught of around 10 m, a container yard with 200–250 reefer connections, a 3,000 m³ warehouse to store inputs during ship unloading and serve as a cross-docking area, and modern handling equipment for the terminal.

■ Building a deepwater port at Limbé

In Cameroon, the country's bananas are loaded from the Douala river port, which is about 8-metres deep depending on the tides, and which road access is saturated. Afruibana members want to develop the Limbé deep-water seaport (12-metre deep), which is currently underutilized. An extension of the quay and the filling of several hectares are required in order to build export infrastructure (unloading warehouse, quality control unit, connection capacity for containers). This would increase volume loaded annually from 280,000 tons to more than potential for 400,000 tons, which is not economically feasible in Douala.

I. Supporting wind and tidal energy programmes

Wind and tidal power are additional sources of green energy that require further study. Some sites in Ghana have the advantage of sufficiently reliable and regular winds all year round to develop such sources. For example, investments could be made to equip infrastructure such as packing stations with wind turbines for powering machinery, as opposed

to larger wind turbines that require stronger winds. Afruibana members have also undertaken a number of initiatives to evaluate the feasibility of developing tidal power (assessment of the distance from the lvorian coast required to install them, measurement of river flow). European funds would enable these studies to continue.

FOCUS 5

LOCAL PROCESSING, ADDED VALUE AND VERTICAL INTEGRATION

In countries where economic growth is highly dependent on commodities, it is essential not to simply export raw materials, but to develop an ecosystem that promotes employment and development around their transformation. Strengthening local value chains thus allows the benefits of growth to be enjoyed by the greatest number of people.

A. Develop local cardboard box factory

To date, 65 to 75% of Afruibana members import all their cardboard needs by sea. The boxes are unloaded, transit through a port for customs clearance, and are then distributed via storage warehouses on plantations. Maritime transport (bulky but light), handling, customs duties, storage costs – all costs generated by this supply chain force producers to manage eight weeks of inventory and can create quality problems.

However, two cardboard factories already exist in Côte d'Ivoire and a third is under construction. This now enables Ivorian's producers to source up to 10 million cartons from local factories.

In Côte d'Ivoire and Cameroon, Afruibana members are considering the possibility of setting up their own cardboard factory. It will then be necessary to develop a partnership with a large papermaking company in order to ensure the supply of paper reels to the cardboard mill. Paper in reels is a heavier and less bulky transport unit, which significantly reduces the costs of maritime transport compared to the transport of machined cardboard.

For each member of Afruibana, the priority is to obtain quality cardboard at the best price. Unique cardboarding could lead to economies of scale thanks to to the volume processed. It also reduces inventories and lowers transport costs by having to supply reels to a single site. The cardboard boxes produced (which are currently shipped from Europe and Morocco) would only be transported between African countries in lightly loaded ships; transporting the boxes would therefore not take up any "commercial" space and

thus would not generate any additional costs. In any case, having a cardboard factory could give greater flexibility to the members of Afruibana who today import their cardboard as it would allow a supply in a fortnight (one for manufacture and one for transport) where today it takes at least eight weeks.

A cardboard factory is a job-creating industrial tool and the low level of local competition in Cameroon and Ghana can also be an alternative supply source for other fruit producers, and even for other industries and businesses needing corrugated cardboard.



B. Establish a biological analysis laboratory

At present, product and input quality analyses are carried out by third-party laboratories. They are expensive, costing around €280 per screening every two weeks for bananas. Ideally, part of all of the analyses could be carried out in-house allowing for greater responsiveness, the development of local skills, reducing costs, and optimising exports by avoiding having to transport merchandise that could get stranded at borders for not meeting quality standards (thus preventing loss of earnings, transport and destruction costs).

The feasibility of building a laboratory in Côte d'Ivoire is however dependent on several factors. Projected volume of analyses must ensure that the investment in equipment and expertise are cost-effective.

It must be determined whether transporting samples between African countries is legally possible, in order to centralise analyses in one country. Lastly, consideration should be given to whether an African laboratory could benefit from European Community recognition and appropriate certifications.

If all these conditions were met, an analytical laboratory could perfectly complement the so-called "km17" laboratory in Côte d'Ivoire, dedicated to the development of new plants, which is one of the flags of R&D in the sector and a very good example of the usefulness of an integrated organisation. It could also be used as a teaching platform for engineering students, while complying with their confidentiality obligation, disseminate expertise crucial to the industry.



C. Adding value through local processing

Local processing of bananas would be a smart way to add value to non-standard produce. This represents about 5% of annual production, or 32,000 tons per year. Although the quality and taste of the product are good, it does not meet supermarket requirements for a perfect appearance. The processing of bananas into by-products such as flour, milk, condiments, juice, could be highly desirable and increase real demand for bananas in Africa and around the world. This would add value to products that are expensive or impossible to preserve over long distances.

With the emergence of the new African middle classes, these products may respond to a number of market demands. In Africa, banana milk is not commonly used. This is what makes it possible to offer products that stand out from the usual supply, both for African and international markets: banana ketchup, banana chutney and other condiments.

The sector is currently at the stage of market research and product design, but is already in discussion with local players on the logistics and large-scale distribution side.





D. Fostering the emergence of a natural organic fertiliser industry and reducing chemical fertiliser use

Replacing chemical fertilisers with natural organic fertilisers comes at a cost: since there is not enough local production, they have to be imported from Europe. This doubles the costs of fertilization per hectare. One alternative would be to start domestic production of natural fertilisers from livestock manure or compost generated by fallow land. A study is under way to assess the organic resources available locally. Another less costly alternative could be to find a medium-term solution by continuing to use chemical fertilisers while progressively phasing

out industrial plant protection products. This would require the creation of a new commercially recognised category, given the competition from Latin America, whose organic production also uses artificial fertilisers.

The African banana sector is partnering with CIRAD to carry out its agroecological transition. This matches with consumer expectations, and also has economic advantages, reducing the costs associated with spraying by around 20%.

E. Developing regional markets to boost local consumption

The emergence of a middle class eager to shop in supermarkets and hypermarkets is opening up a new market for African dessert bananas. The advantage of African markets is that they are open to a greater variety of bananas than European markets. In addition, the establishment of structured African markets would be a key driver for local production.

However, in order for these new markets to develop, the priority remains improving intra-African rail, port and road access, as well as ensuring the reliability of free trade agreements in the economic zones and the fluidity of regional and sub-regional trade. Structuring the sector also requires better transparency of price

information from the producer to the retailer, at every step of the value chain.

In order to better oversee this shift, there is a potential role for a training centre to teach techniques and Hazard Analysis and Critical Control Point (HACCP) rules in the sub-region's producing and importing countries, as well as the simultaneous establishment of an accreditation system. This would increase confidence among supermarket customers. The growth of intra-African markets will also require the implementation of regular communication campaigns to raise consumer awareness on the importance of consuming fruits and vegetables on a daily basis.

PROJECT FOCUS:

DEVELOPING PRE-RIPENING AT THE PORT OF ARRIVAL

Importing ripe bananas is prohibited in Europe and generally all over the world.

In order to use the ripening room more effectively, making additional energy savings and increasing cooling capacity while maintaining uniform ripening of fruits without any additional investment expenditure, Compagnie Fruitière is trialling pre-ripening at the port of arrival.

This entails taking a container of fruit to the Dartford Ripening Centre and activating the ripening process inside the container for a 3-day period using a CO_2 , O_2 and return air sensor, monitoring fruit ripening at low temperatures, before putting it into the ripening chamber to complete the ripening cycle.

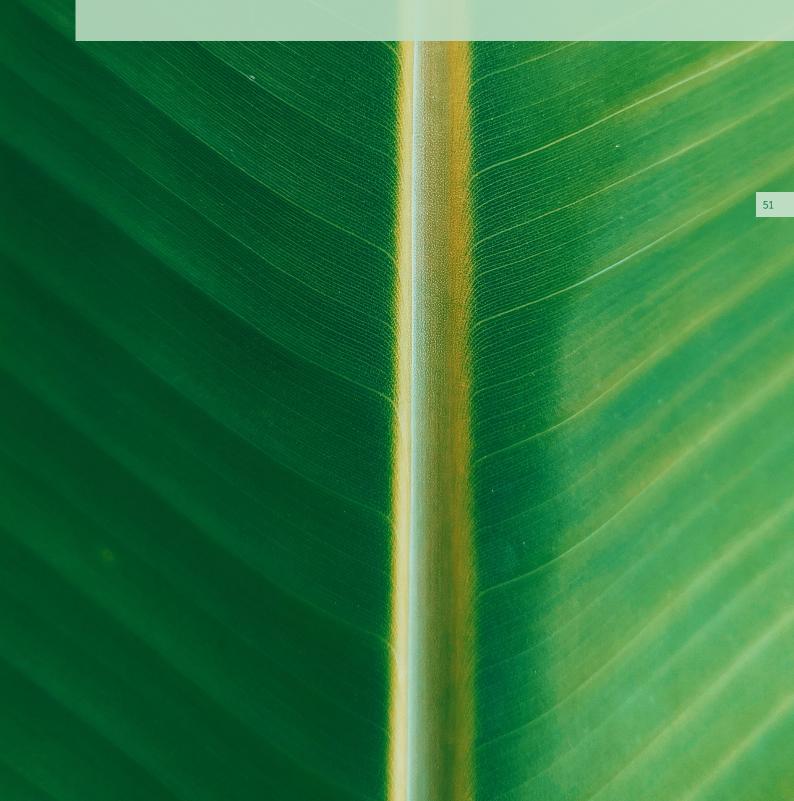
In Cameroon, fruit is packed in standard 18.14 kg boxes, in polybags (closed polyethylene bags) and not in Banavacs (polyethylene bags allowing gas exchange by diffusion through the plastic). Fruits from the same harvest are all packed in the same station and transported in controlled atmosphere containers that can be monitored remotely.

The results validated the model. Further tests will be carried out to monitor ethylene diffusion and temperature more closely using radio-frequency sensors.



PROMOTING AFRICAN BANANAS:

A COMMERCIAL IMPERATIVE AND A POLITICAL ISSUE





During the consultations that took place for the production of this White Paper, all stakeholders agreed on one point: the African banana is not known well enough. Not in the sense that African and European consumers are not familiar with bananas, but these consumer groups tend to underestimate the health benefits of this fruit, as well as the socio-economic impact of the banana industry for producing countries.

The challenge now is to promote the African banana through two channels: audacious marketing to promote the dessert banana, particularly to African consumers with a view to developing regional markets; and proactive communication on the benefits of the African banana industry, particularly to European decision-makers who understand the fundamental issues around the development of rural Africa.

Marketing African bananas as a driver of growth

As with our fellow banana growers in the West Indies, the African banana now needs to adopt a much more proactive marketing approach to make itself known to consumers. While dessert bananas are a staple consumer product in Africa, they can still gain market share, particularly through marketing campaigns and the establishment of labels and Protected Geographical Indications (PGI).

For bananas to become a "trendy" fruit, companies in the sector must call on influencers. These influencers will convey positive messages about bananas, on their virtues as well as their benefits in terms of sustainable development, via physical poster campaigns and through social media. Alongside these campaigns, bananas should be positioned as a fashionable food, suitable for a variety of uses, which could be presented in cooking programmes and on social media, for example.

Communicating on the socio-economic impact of the banana sector

For several African countries, such as Cameroon, Côte d'Ivoire and Ghana, the banana industry represents an important share of the agricultural economy, contributing to the creation of wealth and a large number of jobs. Multiple initiatives have been taken by companies in the sector to attract young people and local talent, promote female employment, develop a sustainable and increasingly organic industry, and become part of a rural ecosystem where these large companies contribute to prosperity for all.

As the European Union has just concluded the negotiations of the post-Cotonou, it needs to be aware of all the African banana sector's commitments that contribute to the socio-economic development of rural areas. Stability in these areas is essential, particularly at a time when Europe fears waves of migration from sub-Saharan Africa. These messages need to be regularly conveyed to African and European decision-makers and the media.

OPEN LETTER OF DECEMBER 2019

Afruibana calls on retailers to adopt a responsible sourcing policy with a fair purchase price

While the annual contracting season is in full swing and the African banana sector is facing ever-increasing challenges, supermarkets continue to pursue an ever-harder purchasing policy, focused solely on blind competition and finding the lowest price.

Indeed, there is no shortage of challenges for the African fruit sector: lower tariffs for Latin American bananas, Brexit, the fight against climate change, investment in Research and Development, maintaining education programmes, health and housing, and the agroecological transition. The sector will only be able to meet all these challenges if its fruit is purchased at a fair price.

For the record, just one year ago, Afruibana joined a first appeal initiated by our fellow producers and competitors, the Latin American majors, condemning the practices of large retailers. How can one fail to understand that if such practices are unsustainable for large producers, they are even more so for those of us who are, in terms of volume, twenty times smaller? Nevertheless, a full year later, with the same causes producing the same effects, Afruibana must renew this same appeal and urge the same parties to reconsider the same purchasing policies. Is it necessary to recall here that the price of a kilo of apples produced in Europe is, on average, three times higher than that of bananas, which require more intensive field management, and that are grown and transported from tropical regions?

While our association welcomes the promise made by the Aldi supermarket chain to increase the purchase price of banana boxes as of 2020, the conditions for the purchase of African and other bananas by supermarket chains have continued to deteriorate over the years. This initiative, although salutary, is not enough in view of the high stakes for the future of the sector, and should be emulated and pursued by their counterparts in the European supermarket sector.

Indeed, the International Maritime Organization (IMO) has decided that, as of January 2020, ships should use

fuels with a sulphur oxide content not exceeding 0.5% (compared with the current maximum rate of 3.5%). This new regulation is legitimate and necessary, and is a step in the right direction in reducing greenhouse gas emissions. However, it will increase the cost of maritime transport by more than 70%.

Similarly, the responsibility to pursue the transition to a more ecological, environmentally-friendly agriculture, as well as the control of black cercosporiosis and prevention of TR4 disease, are major challenges to which the African banana industry must rise. It must be borne in mind that, although TR4 has not been identified in our countries, these two scourges continue to pose a serious threat to the entire Cavendish variety, are still untreated, and require investments amounting to tens of millions of euros spread over more than a decade.

These vast undertakings carry a cost that is incompatible with the economic conditions brought about by large-scale retailing practices and, it should also be remembered, more than a decade of liberal European trade policy and tariff dismantling. Large-scale retailers must be in tune with the expectations of European consumers who are prepared to pay a fair price for quality fruits produced in a responsible and sustainable way. These are all areas that also require the political support of the European Union and its technical and financial backing.

Faced with these challenges, we call on mass retailers and the European authorities to make a firm commitment and do their part to ensure the sustainability of our sector. It is only under these conditions that Europe and Africa will be able to reap the benefits of shared prosperity tomorrow.

Mr. Joseph Owona Kono, President of Afruibana Mr. Jean-Marie Kakou-Gervais, Vice-President of Afruibana Mr. Anthony Blay, Vice-President of Afruibana



CÔTE D'IVOIRE



Background and production

In Côte d'Ivoire, commercial banana farming developed later than in other countries such as Guinea and Cameroon, not really taking off until the 1960s. Despite a significant increase in production until the end of the 1970s, difficulties quickly began to accumulate: the scourge of yellow cercosporiosis, years of adverse weather, and more difficult access to the European market. These various developments have put the small plantations in the Ivorian banana landscape in difficulty. Since the early 1990s, under the impetus of the Central Organisation of Pineapple and Banana Exporting Producers (OCAB) and the Organisation of Producers of Bananas, Pineapple, Mangoes and Other Fruits of Côte d'Ivoire (OBAM-CI) since 2009, the Ivorian banana sector has improved and boosted its production, quality and marketing, and actively supported small producers.

Overall, Côte d'Ivoire's banana producers are performing well, with conventional banana yields rising steadily since the 1990s (from 30 t/ha in 1994 to 50 t/ha on average in 2015, rising to between 25 and 60 t/ha depending on location and investment). They are also investigating the possibilities of organic banana production. The Ivorian banana is nevertheless facing a major health challenge with increasing telluric parasitism. In 2017, the estimated area under cultivation was 7,300 ha. With the current plans for expansion, Côte d'Ivoire could have 12,000 ha of banana-growing areas in the medium term.

Given its strong growth dynamics, the labour market does not currently meet the needs of the banana sector, particularly during peak production periods, when there is a lack of skilled labour.

Structure and exporting

Côte d'Ivoire's banana sector is made up of six operators: the SCB group, a subsidiary of the Compagnie Fruitière; the GBH group, which owns the BANACI, PACOBAN, MARABAN, BANOUREBO, BACIBAM, KOFFIBAM and TIABAM plantations; the AFRICA INVEST group, which owns the SAKJ plantations; the SIPEF group, which owns the J. Eglin SA plantations; and finally, the SIAPA group.

Since the early 2000s, Côte d'Ivoire has been exporting between 180,000 and 339,000 tons of bananas each

year, benefiting from its status as an ACP country and enjoying privileged access to the European market, the destination for 85% of its production. Today, the challenge is to expand its exports to other markets, including African regional markets.

In 2020, the country exported 327,852 tons of bananas to the European market, making it Africa's leading exporter of bananas to the EU.

KEY FIGURES



Farming area (2017):

7,300 hectares





Number of direct jobs (2017):

8,500



CAMFROON



Background and production

Growing bananas for export began in 1907, and went through a succession of crises until 1988, when it experienced a lasting and tangible upturn thanks to a process of production modernisation and concentration in the sector, and the establishment of strategic private agreements between CDC (which became the Cameroon Development Corporation in 1963) and the multinational Fresh Del Monte (Tiko area) and Agrisol (Ekona area).

Today, the dessert banana is Cameroon's second largest export product in volume after timber (excluding oil). As

the country's largest employer (15,167 direct jobs in 2017) after the state, the banana sector is a pillar of economic and social development.

Average yields increased from 35 t/ha in 1994 to 40 t/ha in 2015, with an improvement in fruit quality. Despite this strong performance, black cercosporiosis is very prevalent due to the humid climate, and some resistance is beginning to appear. The reduction in the use of plant protection products is working, although treatments are still necessary.

Structure and exporting

In recent years, Cameroon has maintained its position as the third largest ACP exporter after the Dominican Republic and Côte d'Ivoire, with 188,564 tons exported in 2019. Export volumes, which were gradually declining and reached close to 200,000 t in 2012, rebounded significantly in 2015 and 2016 (about 290,000 t). They are mostly destined for the European Union (more than 95%). The main unloading countries are France and Belgium, which serve as hubs, as well as the United Kingdom and Italy. Exports to diversification markets are growing (Maghreb and more recently the CEMAC sub-region, including Chad). Export of Fairtrade-labeled bananas continues to flourish thanks to certification in the country, covering 800 ha. Efforts have also focused on the social aspects, notably with the implementation of the CSR initiative at the Plantations du Haut-Penja (PHP).

The organisational structure, which has undergone considerable change in recent years, has evolved towards an increasingly concentrated organisation. Following the

bankruptcy of Société des Plantations de M'Banga (SPM) in 2015, after a protracted downward spiral, only three operators, including the two major historical players, are currently operating from production to market. PHP, a private subsidiary of Compagnie Fruitière, owns nearly half of the area under production (3,800 ha) and employs about 6,000 people. CDC is the second largest producer with 3,700 ha in the Tiko region (2016).

Boh Plantation Limited (BPL), a private company established in 2009 on 260 ha in the village of Missaka, in the South-West region, is managed by a Cameroonian developer and employs nearly 500 people. It markets through Compagnie Fruitière and accounts for 4% of exports. These operators are grouped within the Association Bananière du Cameroun (ASSOBACAM), founded in 1988, which represents and defends the interests of producers both nationally and internationally. It also carries out statistical monitoring of the sector and studies fiscal aspects, communication policy and marketing strategy, while promoting the sector.

KEY FIGURES



Farming area (2017): **7,800 hectares**





Number of direct jobs (2017):

15,167



GHANA



Background and production

Ghana's commercial banana production and export trade are much more recent than those of Cameroon and Côte d'Ivoire. They were launched by the historical company Volta River Estates Limited (VREL) in the 1990s, joined in 2003 by Golden Exotics Limited (GEL) and Musahamat Farms more recently. In 2018, producers and exporters structured the banana sector by creating the Banana Producers Association, Ghana (BPA).

Ghanaian bananas are characterised by their organic cultivation and fair trade origin, choices that were made in the 1990s by VREL. Today, more than 80% of the area is certified Fairtrade. Production benefits from favourable conditions along the Volta River and south-east of Lake Volta: good soil quality, limited parasite pressure, very

good sunshine, limited rainfall (which prevents black cercosporiosis), and access to water thanks to the lake and the river. However, high winds can cause significant damage.

The sector was strongly stimulated when GEL came onto the scene: from 4,200 tons in 2005, production rose to more than 77,286 tons. However, productivity remains at an intermediate level (30 t/ha on average, with a range of 10 to 35 t/ha depending on the plantation). This is due to underperformance of the drip irrigation system, the need to build windbreaks, as well as the instability of the labour force in a country where many other agricultural sectors (rice, cocoa, rubber, etc.) need farmers, especially during harvest time.

Structure and exporting

The sector is concentrated around GEL (a subsidiary of Compagnie Fruitière), a major operator that owns three-quarters of the country's banana-growing area (1,100 ha) and accounts for nearly 90% of its exports. VREL owns 250 ha. In 2015, they were joined by Musahamat Farms Limited, a subsidiary of Kuwait's Intishar Holdings, which owns 250 ha and plans to develop 1,700 ha.

Ghanaian exports are mainly destined for the European market and place Ghana as the 5th largest ACP supplier neck-to-neck with Belize. Ghanaian bananas are primarily sold in the United Kingdom, France and Belgium. While 50% of Ghana's banana exports go to the UK, Brexit has been a matter of serious concern to Ghanaian producers. Market diversification and export growth in the African sub-region is also a major challenge.

KEY FIGURES



Farming area (2017):

1,700 hectares





Number of direct jobs (2017):

3,378



CONCLUDING REMARKS

H.E. GEORGES REBELO PINTO CHIKOTI

Secretary General of the Organisation of African, Caribbean and Pacific States (OACPS)

Due to their historical, geographical and cultural similarities, the Members of the Organisation of African, Caribbean and Pacific States (OACPS) have long enjoyed a privileged relationship with the European Union (EU). The commodity, bananas, was one of the enduring areas of cooperation from the Lomé Convention to the Cotonou Partnership Agreement, in view of the significant role in employment and wealth creation in members of the OACPS.

Under the Lomé Convention, preferential treatment of banana exports from members of the OACPS to the EU was facilitated by the Banana Protocol. Another important mechanism under the Lomé Convention was the STABEX (Système de Stabilisation des Recettes d'Exportation) scheme, which compensated members of the OACPS for the shortfall in export earnings due to fluctuation in the prices or supply of commodities.

Under the Cotonou Partnership Agreement, Banana Accompanying Measures (BAM) were designed to assist members of the OACPS adjust to new trade realities resulting from the banana dispute at the World Trade Organisation (WTO). Furthermore, a Joint OACPS-EU Banana Working Group was established to facilitate dialogue between the two parties. The OACPS-EU Partnership has resulted in the development of local economies focusing on sustainable and responsible projects that improve competitiveness in the Banana sector.

Today, a new chapter in these relations begins with the conclusion of negotiations of the new OACPS-EU Partnership Agreement in December 2020. The political agreement reached paves the way for a modern and more committed Partnership at the national, regional, continental and international levels

Going forward, cooperation will focus on promotion of inclusive and sustainable development of the members of the OACPS. Notable efforts in the banana sector need to be geared towards enhancing productivity, local processing capacities, value addition, diversification and research.

Development of the African regional banana market to boost local consumption is fundamental, especially in view of the commencement of trade under the Africa Continental Free Trade Area. Complementarity of regional initiatives is essential in developing sustainable banana value chains. In the "fruit regions" of West Africa, banana companies play an indispensable role in the socio-economic development of rural areas, and contribute to the retention of populations by offering employment opportunities and social services.

Through this white paper, African banana companies demonstrate their willingness to build a competitive and balanced sector, contributing to the achievement of the Sustainable Development Goals (SDGs). However, this ambition needs technical and financial support from key partners. Consequently, the establishment of OACPS-EU governance structures under the new Partnership Agreement that support national and regional banana development strategies will be key to the success of the banana sector.

This important industry of the OACPS embodies an essential area of cooperation that will continue to unite Africa and Europe for the wellbeing of our peoples for generations to come.

"It is essential that Africa takes control of its agricultural transformation"

Kofi Annan

1938-2018

Diplomat
Secretary-General of the United Nations
Nobel Peace Prize winner

