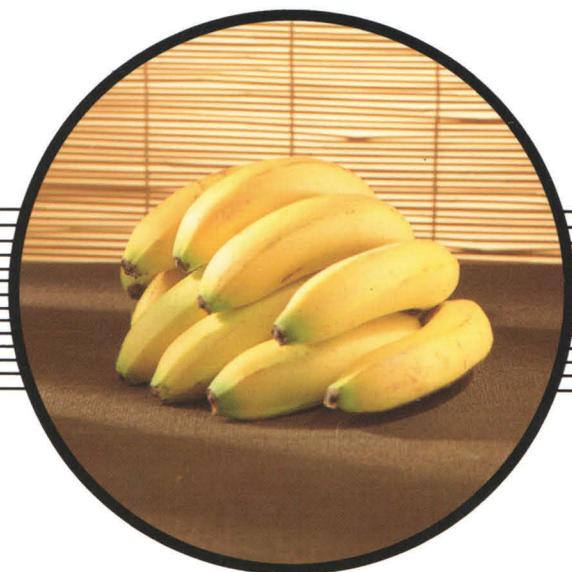


Guidelines for exporters of bananas to selected EC markets



Prepared by the Commonwealth Secretariat's
Export and Industrial Development Division and funded by the
Commonwealth Fund for Technical Co-operation

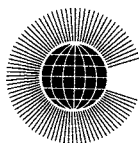


Commonwealth Secretariat

Copyright © Commonwealth Secretariat 1994

The views expressed in this document do not necessarily reflect the opinion or policy of the Commonwealth Secretariat.

All Rights Reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or otherwise, without the prior permission of the publisher.



The Commonwealth Secretariat
Marlborough House
Pall Mall, London SW1Y 5HX
United Kingdom

Guidelines for exporters of bananas to selected EC markets

Prepared by the Commonwealth Secretariat's
Export and Industrial Development Division
and funded by the
Commonwealth Fund for Technical Co-operation

This is one of a series of publications providing practical
guidelines on exporting for the benefit of
Commonwealth producers

1994

Contents

	Page		Page
INTRODUCTION	3	DENMARK	47
BACKGROUND	4	How the Market Works.....	47
Importance of Bananas		Market Requirements.....	47
in EC Fruit Markets.....	4	Packaging for the Market.....	48
Impact of the Single European Market		Promotion in the Market.....	48
on the EC Banana Market.....	7	Key Market Contacts.....	49
Implications and Characteristics		THE NETHERLANDS	53
of Individual EC Markets.....	9	How the Market Works.....	53
Lomé Convention Protocol on Bananas...10		Market Requirements.....	53
COUNTRY BRIEFS	11	Packaging for the Market.....	54
UNITED KINGDOM	11	Promotion in the Market.....	54
How the Market Works.....	11	Key Market Contacts.....	55
Market Requirements.....	12	BELGIUM	58
Packaging for the Market.....	12	How the Market Works.....	58
Promotion in the Market.....	13	Market Requirements.....	58
Key Market Contacts.....	14	Packaging for the Market.....	59
FRANCE	21	Promotion in the Market.....	59
How the Market Works.....	21	Key Market Contacts.....	60
Market Requirements.....	22	APPENDIX 1: THE EC COMMON	
Packaging for the Market.....	22	MARKET FOR BANANA	62
Promotion in the Market.....	23	APPENDIX 2: EUROPEAN COUNCIL	
Key Market Contacts.....	24	AGREEMENT ON BANANAS	67
GERMANY	28	APPENDIX 3: PROTOCOL 5 FROM	
How the Market Works.....	28	THE FOURTH LOMÉ CONVENTION	
Market Requirements.....	29	68
Residue Levels.....	29	APPENDIX 4: POST HARVEST	
Packaging for the Market.....	30	HANDLING	69
Promotion in the Market.....	31	APPENDIX 5: SERVICING THE	
Key Market Contacts.....	32	MARKET	73
ITALY	36	APPENDIX 6: SETTLING CLAIMS ...	76
How the Market Works.....	36	APPENDIX 7: CO-OPERATIVE AND	
Market Requirements.....	36	OTHER PRODUCER	
Packaging for the Market.....	37	ORGANISATIONS	77
Promotion in the Market.....	38	APPENDIX 8: MAXIMUM RESIDUAL	
Key Market Contacts.....	39	LEVELS OF CHEMICALS	78
GREECE	42		
How the Market Works.....	42		
Market Requirements.....	42		
Packaging for the Market.....	43		
Promotion in the Market.....	43		
Key Market Contacts.....	44		

Introduction

These guidelines are designed to provide banana exporters with practical, market oriented information on how to place their product into selected markets in the European Community (EC). Eight principal European markets are detailed within these guidelines:

- The United Kingdom (UK)
- France
- Germany
- Italy
- Greece
- Denmark
- The Netherlands
- Belgium

The guidelines also provide banana producers considering entering export markets with sufficient information and references to enable them to determine whether it is feasible to pursue their plans. The information answers basic questions about **WHERE** the markets are, **WHAT** the markets want, **WHO** to contact in each market, and **HOW** to grow, present and export fruit which meets market needs profitably. Entrepreneurs should have answers to these questions before investing money in an enterprise which relies on selling in an export market. It is essential that exporters have detailed information and are sure that conditions on all aspects of market requirements are satisfied before shipping fruit to export markets.

The information presented in this booklet provides hard facts in an easy-reference format, to help anyone in the banana export business, or wishing to enter it, to research the markets and make contact with potential buyers. The changing nature of the EC markets and Europe as a whole means that existing and potential exporters must have access to hard facts to be competitive. The increasing importance placed on detailed produce specifications by large wholesalers and chain retailers (multiples and supermarkets) in most EC markets considered in this booklet means that exporters have to be prepared to meet these requirements if they are to succeed.

The Export and Industrial Development Division (EIDD) of the Commonwealth Secretariat decided to prepare these guidelines for a number of reasons. Requests from potential exporters, or existing exporting countries, for information on the changing European banana market are frequently received. EIDD provides market research or, in some cases, test marketing of new products in response to a number of enquiries. The information in this booklet should help exporters reach the stage where they are able to conclude a profitable contract with European buyers for the export of fresh bananas to selected European markets.

Bananas are an important export commodity for many Commonwealth countries and a significant source of livelihood for many Commonwealth smallholders. Banana consumption in several EC markets has expanded significantly in the last ten years and there are opportunities for Commonwealth banana producers to take advantage of this if they are able to meet the standards and supplies demanded by selected markets. The creation of a Single European Market presents Commonwealth banana exporters with opportunities and threats. This booklet aims to help them take advantage of the opportunities and overcome the threats.

Background

Importance of Bananas in EC Fruit Markets

Bananas are one of the most popular fruits in the world in terms of per capita consumption. More are consumed in the USA than any other fruit. In Germany they are second only to apples and in the UK they are now more popular than apples.

More than 90% of world imports go to the developed markets in the northern hemisphere. The biggest of these are the EC (38%) and the USA (33%). Within the EC, Germany is the largest single importer, accounting for 13% of total world imports. Japan is the other main market with 9% of imports.

World imports increased by 28% in the decade between 1980 and 1990, although per capita imports were only half this. The biggest increases have been in Europe and North America: EC up 39%, the rest of Europe up 66% and the USA increasing by 33%.

The NIMEX trade data shows total extra-EC trade in bananas increasing from 1,717,465 tonnes in 1983 to 4,152,271 tonnes in 1992. This is equivalent to an overall increase of 142%, or an average annual increase of 10.4%. The value of imports in ECU has increased by 124%, or an average annual increase of 9.7% over the same period. Data presented in this booklet specifically focuses on the EC markets in the UK, France, Germany, the Netherlands, Belgium, Luxembourg, Italy and Greece. A summary of this data is presented overleaf.

Individual member states' imports in tonnes show considerable variation with Germany, Italy and the UK showing growth of 198%, 165% and 52% respectively over the period 1983-92.

These import figures reflect increased per capita consumption growth in the same countries. Germany, Italy and the UK show increases of 55%, 39% and 43% respectively. The data is presented for each member state in the respective section.

BANANA IMPORTS IN '000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	% INCREASE 1983-1992
GREECE	na	na	na	na	na	13	34	45	38	39	198 a
NETHERLANDS	91	94	112	104	110	130	125	156	147	152	67
DENMARK	23	27	31	37	39	43	49	46	56	50	117
BEL & LUX	70	80	78	91	120	116	155	161	202	295	321
ITALY	282	302	333	294	314	501	381	364	455	746	165
FRANCE	319	386	376	396	392	407	388	414	411	445	39
GERMANY	459	548	587	650	693	703	863	1,169	1,345	1,369	198
UK	280	274	287	314	315	355	352	395	372	425	52

a 1988-1992

SOURCE: EC NIMEX

BANANA IMPORTS IN '000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	% INCREASE 1983-1992
GREECE	na	na	na	na	na	4,588	20,544	21,973	18,025	16,632	263 a
NETHERLANDS	42,414	46,458	55,348	45,756	46,135	51,239	47,054	39,090	30,619	13,108	-69
DENMARK	10,853	13,123	15,001	15,908	18,064	18,263	16,306	18,584	22,983	17,493	61
BEL & LUX	33,486	38,820	42,627	40,364	47,792	46,973	55,923	64,589	84,076	107,109	220
ITALY	132,494	148,826	184,258	150,601	153,684	227,302	152,031	162,863	224,824	315,623	138
FRANCE	246,008	255,706	267,259	287,908	283,137	279,638	258,336	302,088	340,424	313,825	28
GERMANY	246,316	305,647	343,281	347,585	376,438	372,408	323,614	562,034	682,644	598,907	143
UK	172,293	183,991	223,162	221,070	210,156	214,697	226,544	248,171	241,159	246,844	43

a 1988-1992

SOURCE: EC NIMEX

The markets in Belgium, Luxembourg and the Netherlands have shown growth in imports and per capita consumption, but at rates lower than Germany, for example. However, imports in these countries have increased significantly, reflecting the importance of these countries as distribution centres rather than end markets. A large proportion of bananas imported into these countries is re-exported to other EC countries and this is reflected in intra-EC trade statistics.

Per capita consumption of bananas in selected EC markets for the last six years is presented below.

Per capita consumption of bananas (kg)

Country	1985	1986	1987	1988	1989	1992
Denmark	6.2	6.8	6.6	6.7	9.7	7.0
France	7.7	8.2	8.0	8.1	8.2	8.5
Germany	9.6	10.0	11.0	12.0	13.0	14.9
Greece	6.1	6.8	6.6	na	na	7.0
Italy	5.4	5.9	6.3	6.6	7.0	7.5
UK	5.7	6.0	6.3	6.8	7.6	8.2
Netherlands	7.2	7.5	8.1	8.6	8.4	9.1
Belgium	7.5	7.5	9.2	8.4	8.3	9.2
EC average	7.0	7.5	7.8	8.2	8.5	9.3
Other Europe	7.5	7.7	7.9	8.3	9.4	9.2

SOURCE: FAO/UNCTAD

Reasons underlying the increases in per capita consumption include:

- Prices have been low in EC countries with access to Dollar bananas.
- Consumer tastes and trends. The move towards healthy eating habits and the decline in the traditional pattern of family meals (ie snacking) combine well with bananas.
- Advertising and promotion (generic and brand specific) have without doubt increased consumption.
- Improvements in the quality and consistency of fruit have stimulated demand.

Historically, there have been four main categories of EC banana importers:

- Member states with traditional arrangements in favour of ACP producers such as Somalia (Italy), Cameroon and Ivory Coast (France), and Windward Islands and Jamaica (the UK);

- Member states with some regional production of bananas such as Spain (Canary Islands), Greece (Crete), France (DOMs of Martinique and Guadeloupe) and Portugal (Madeira);
- Member states with no traditional arrangements such as the Benelux countries, Ireland and Denmark; and
- Germany with no traditional ties and the freedom to import bananas free of duty up to the level of demand from the world market.

Although these historical differences may still affect the nature of demand in the respective states; the over-riding changes will be the result of changes in EC banana policy.

ACP produced bananas have preferential access to the EC market under the terms of a new Council Regulation which came into effect on 1 July, 1993. About 45% of EC banana consumption is covered by domestic, or preferred, producers from France (Overseas Departments), Spain, Portugal, Greece and ACP producers. The remainder of the market is supplied from the South American "Dollar" producers.

The new Council Regulation controls the EC market in bananas in the following ways:

- Imports from the world market are allowed entry up to the level set by a 2 million tonne quota. All bananas entering EC markets within the framework of the quota from the world market are subject to a 100 ECU per tonne levy. Imports of "non-traditional ACP" bananas are to be exempt from this duty.
- Bananas from the world market entering the EC above this quantity will be subject to a levy of 850 ECU per tonne. Non-traditional ACP bananas not covered by the quota will be subject to a duty of 750 ECU per tonne.
- The quota is divided in the following proportions:
 - 65.5% to operators who market bananas from the world market (Dollar and non-traditional bananas).
 - 30% to the operators who market Community and traditional ACP bananas.
 - 3.5% operators who entered the market after 1991 marketing bananas from the world market.

Full details of the Council Regulation are included in Appendix 1.

Impact of the Single European Market on the EC Banana Market

The implications of the new EC regulation for bananas is uncertain as the present regime has only been in operation since July 1993. The EC has to honour previous commitments made under Lomé IV and also has to comply with the General Agreement on Tariffs and Trade (GATT). The Commission believes that these two conditions are met by the current regulation.

It is felt that the implications and effects of the new regime are:

- In total, suppliers of Dollar bananas will now have direct access to an EC quota of only 1.4 million tonnes. Compared to recent imports from these countries of 2.4 million tonnes, this represents a reduction of more than 40%. Major suppliers in Dollar countries are likely to be disadvantaged as a result of the re-distribution of the total quota to ACP importers.
- On the other hand, they will enjoy increased margins due to the restricted supplies, more stable markets, and access to the previously restricted markets. They are also guaranteed a share of an enlarged EC market, if and when this occurs. This could be of particular significance in the case of the EFTA and Scandinavian states where markets have shown considerable growth in the last seven years.
- Shippers of ACP/EC fruit will face lower prices and stiffer competition in their traditional markets. To offset this they will receive 30% of the quota licences for the importation of non-traditional ACP fruit free of duty.
- Provided there is some form of safeguard mechanism to prevent targeted dumping by Dollar shippers this practice is unlikely to occur.
- Consumers in the UK, France and Spain should benefit from lower prices resulting from the increased competition. Quality standards of ACP and EC fruit should benefit from the additional funding provided by the Commission.
- The reduced quota will generally reduce supplies and raise prices. Because the quota will be set (or increased) by the Council, which requires majority voting, increases are likely to be cautious and less rapid. Prices in Germany will be increased (due to the imposition of a Common External Tariff (CET) of 20%) and the limits required by the quota. From discussions with the trade, prices in Germany are now 30% above the level they were prior to the introduction of the new regime.

The GATT banana panel upheld a submission by “Dollar” banana producers that the EC Council Regulation (EC No. 404/93 of 13/2/1993 on the common organisation of the market in bananas) was not legal under GATT. Before final ratification of the Uruguay round of GATT negotiations, the EC agreed to make amendments to its regulation in order to gain acceptance by GATT.

The three main provisional regulation amendments made by the EC in December 1993 were:

- an increase in the tariff quota in two stages:
 - from 2 million tonnes to 2.1 million tonnes in 1994
 - from 2.1 million tonnes in 1994 to 2.2 million tonnes in 1995;
- introduction of country specific quotas; and
- introduction of export certification to cover 70% of exports.

These details were correct at the time of publication of this booklet. However, further negotiation of these agreements may have occurred since then and the reader is advised to verify the current status of the EC regulations.

The House of Commons Agriculture Committee (in the UK Parliament) has attempted to model the implications of the EC regulation. The assumptions used are listed in Appendix 2.

The implications that emerge from this can be summarised as:

- ACP/Commonwealth imports are expected to increase by 17%
- Total Dollar imports are expected to reduced by 6%
- Average market prices are expected to increase by 1.5%
- Average Dollar bananas are expected to increase in price by 7.2%

It should be noted that these figures are averages for the whole of the EC and hide significant changes in individual member states. As mentioned above, German prices have already increased by considerably more than the above estimates. Prices are also assumed to decrease across the board in the UK, France and Spain.

The committee assumes that Dollar producers remain profitable up to an internal EC price of 600 ECU per tonne. This implies that Dollar imports could be increased up to 500,000 tonnes above the quota before becoming unprofitable (due to the increased levels of duty payed on these quantities). Even at this level of imports, Dollar bananas are still cheaper than those from the ACP producers (requiring a price of 665 ECU per tonne to remain in profit). It is this argument that forms the basis for the inclusion of a safeguard mechanism to prevent dumping by Dollar shippers.

Implications and Characteristics of Individual EC Markets

UK

- Increasingly competitive market with falling prices and increasing emphasis on branding and quality. Potential for increased market due to historically high prices and restricted market access. Concentrated market structure in importation, distribution and retail.

GERMANY

- Largest, most demanding market in the EC. Competition is keen, with Dollar producers well established in a sophisticated market dependant on very high quality led by brand promotion and advertising. The market in the east is developing but will initially be price rather than quality dependant. Germany and the Benelux countries are, and will increasingly be, important in the supply and development of markets in Scandinavia and Eastern Europe.

- FRANCE** • Similar market to the UK with potential for growth and market development in terms of quality, increased consumption and branding.
- ITALY** • Market has shown considerable growth in the latter half of the 1980's and continues to have large potential. Introduction of the Single European Market should reduce prices thereby increasing the competitiveness of bananas compared with other fruits. Dollar importers are well established so price and quality competition will be similarly keen.
- GREECE** • Still a developing market after severe restrictions in the early 1980's. Unification of EC tax status will reduce prices. This combined with increasing incomes and a rapidly evolving retail sector provide optimism for future growth.
- BENELUX** • Important import and distribution markets for the north of Europe. National consumption levels have remained below those of Germany despite only marginally higher prices and no quantitative restrictions to imports from the Dollar Zone.
- DENMARK** • Small but sophisticated market with high demands on quality and price. Dollar producers are well established so entry to the market will not be easy. ACP and Commonwealth producers could look to exploit Denmark's close trading links with the other Northern European/Scandinavian markets.

Lomé Convention Protocol on Bananas

The 12 countries of the EC have co-operation conventions with certain countries in Africa, the Caribbean and the Pacific (the ACP states) in order to promote and expedite the economic, cultural and social development of the ACP states.

The most recent convention (the Fourth Lomé Convention) was signed on 15 December 1989 and covers a ten year period. The Fourth Lomé Convention (Lomé IV) includes several protocols concerning various commodities and the preferential access of ACP produce to the EC market. Protocol 5 concerns bananas. In this protocol, the EC and the ACP states agreed to improve the conditions under which ACP bananas are produced and marketed.

The ultimate objective of the protocol is:

“to ensure that no ACP banana exporter shall be placed, as regards access to its traditional markets and its advantages on those markets, in a less favourable situation than in the past or at present”.

Protocol 5 on bananas of Lomé IV is presented in full in Appendix 3.

United Kingdom

How the Market Works

Along with France and Germany, the United Kingdom (UK) is a leading European market for bananas. Its population of more than 56 million has a high per capita income and demand for fresh bananas has been increasing in recent years.

Nevertheless, per capita consumption of bananas in the UK is amongst the lowest of the EC countries. Studies suggest that UK banana consumption could increase 10% per year to 1995 and so this market could offer good opportunities for banana producers in future. Price and quality competition will be strong for new market share.

In line with the new Council Regulation on bananas, licences to import Dollar and non-traditional ACP bananas are issued by the UK Intervention Board for Agricultural Produce (Lancaster House, Hampshire Court, Newcastle Upon Tyne, NE4 7YE, United Kingdom).

Bananas are shipped to UK ports and trucked to ripening rooms. From there bananas are either sent directly to wholesale markets in their original cartons, or pre-packed and labelled for supermarkets, in which case they are normally transported from the ripening rooms to point of sale in special plastic trays. More than 60% of the UK banana trade is based on palletised handling systems and this is expected to increase in the next five years.

In the last ten years the retail distribution system for fresh fruit in the UK, including bananas, has undergone significant changes. Before the changes, small independent retailers sold most of the fresh fruit consumed in the UK. More recently, this leading role has been taken over by supermarkets and other multiple outlets.

In 1991 47.6% of bananas exported to the UK were sold through supermarkets, 24% were sold through grocers, 12.2% through market stalls and 16.2% through other outlets. Supermarkets buy and retail large quantities of bananas and are able to dictate lower wholesale prices than independent fruit retailers. Most bananas sold in the UK are imported by three major banana marketing companies who control their own ships, ripening rooms and packaging lines. These are Fyffes, Geest and Jamaica Producers. Most of the supermarkets and wholesalers have marketing agreements with one or more of the marketing companies for the supply of bananas. Some supermarkets, such as Marks and Spencer and Tesco, contract the marketing companies to pre-pack and price code bananas to their exacting specifications. Fruit that does not meet their specifications is rejected and not paid for.

More than 90% of UK banana imports come from the Caribbean (Belize, Jamaica, Surinam and the Windward Islands). Producers in these countries have long term rolling contracts with one or more of the marketing companies for the whole of their exports. Under these contracts the marketing companies undertake to sell all the fruit produced by each country up to a certain level, subject to changes in the regulation of the UK banana market. For historical reasons, the cost of bananas supplied from the Caribbean includes transport to ripening depots in the UK and this is termed the Green Boat Price.

Market Requirements

Supermarkets place great importance on high standards and detailed specifications to maintain a quick turnover of perishable fruits such as bananas. This reduces their risk and helps increase their profitability. Because of their high standards and dominance in the fresh fruit trade, supermarkets have increased the fruit quality standards demanded by most banana importers in the UK. All major supermarkets have predetermined specifications for bananas and it is essential that growers know what these are in order to be sure of a long term market in the UK.

Because supermarkets and multiples now dominate the UK banana trade, banana producers and suppliers wishing to maintain or increase their UK market share will have to place increased emphasis on:

- regularity of supply,
- consistently meeting quality specifications,
- standardising packing and presentation, and
- maintaining a competitive price in the market.

Exporters willing to make efforts in these areas in conjunction with a UK banana importer are likely to increase their share of the UK banana market. The UK market wants long, clean skinned, well packed bananas presented in hands with no latex marks or stains on the skins. Ideal finger lengths are 13 to 23 cm.

Packaging for the Market

- Most bananas supplied to the UK are delivered as hands which should be packed with kraft paper or polyethylene film separating each hand.
- Crown pads treated with the fungicide thiabendazole are normally used to preserve fruit quality during shipment and ripening.
- Most importers use 13 kilogram telescopic, corrugated cardboard cartons of stapled construction to transport bananas to the UK market.

- 20 kilogram cartons are accepted by some supermarkets and repackers.
- Because nearly 50% of bananas are repacked for supermarkets and not presented for sale in their original carton, the carton is not the most important promotional tool in the UK market. However, an attractive carton which retains its shape and printing throughout shipment is preferred.

Promotion in the Market

The three major banana marketing companies in the UK, Fyffes, Geest and Jamaica Producers, were instrumental in establishing an association in 1984 to promote bananas in the UK called the Banana Group. The aims of the group are to:

- stimulate banana consumption by consumer promotion;
- encourage retailers to display more bananas and
- develop a long term strategy for an ongoing generic campaign to increase banana consumption.

The fund is maintained by a levy from the member companies on a per tonne basis. In addition to the generic campaign undertaken via the Banana Group, the three marketing companies also undertake a limited amount of promotion under their own names. Company promotion of bananas includes point of sale promotion, in-store merchandising, trade press advertising, and financial assistance to retailers', advertising involving the company's name. Brand labelling of fruit bunches is becoming increasingly common, particularly in supermarkets.

The UK banana market is sophisticated and demanding, requiring expensive promotional campaigns in order to be effective. The two main positive messages to promote about bananas in the UK market are the healthiness of bananas and their convenience as a snack food.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the UK banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

MAJOR BANANA IMPORTERS

FYFFES LTD,

12 York Gate
Regents Park
London NW1 4QJ

Phone: +44-71-4874472
Telex: 25392
Fax: +44-71-2240618

JAMAICA PRODUCERS

120 Main Road
Sidcup
Kent DA14 6NH

Phone: +44-81-3090056
Fax: +44-81-3090396

GEEST PLC

(BANANA MARKETING SECTOR)

White House Chambers
Spalding
Lincolnshire PE11 2AL

Phone: +44-775-761111
Telex: 329272
Fax: +44-775-712977

THE BANANA GROUP

c/o Beechy Morgan Ass.
Althorp Studios
5-6 Althorp Road
London SW17 7ED

Phone: +44-81-6822482
Fax: +44-81-6822488

MAJOR SUPERMARKETS

ARGYLL GROUP PLC

6 Millington Rd
Hayes, Middlesex UB3 4AY

Phone: 081 848 8744
Telex: 934888
Fax: 081573 1865

J SAINSBURY PLC

Stamford House
Stamford Street
London SE1 9LL

Phone: +44 71 921 6000
Telex: 264241
Fax: +44 71 9217610

SAFEGWAY STORES

6 Millington Road
Hayes, Middlesex UB3 4AY

Phone: 081 848 8744
Telex: 934888
Fax: 081573 1865

ASDA STORES LTD

Asda House
South Bank
Great Wilson Street
Leeds LS11 5AD

Phone: +44 532 435435
Fax: +44 532 418666

TESCO PLC
Tesco House
PO Box 18
Delamere Road
Cheshunt
Waltham Cross
Hertfordshire EN8 9SL

Phone: +44 992 632222
Telex: 24138
Fax: +44 992 637794

WAITROSE LTD
Doncastle Rd
Southern Industrial
Area
Bracknell

Phone: +44 344 424680
Fax: +44 344 488195

**LITTLEWOODS CHAIN
CHAIN STORES LTD.**
Atlantic Pavilion
Albert Dock
Liverpool
Merseyside L70 1AD

Phone: +44 51 242 6000
Fax: +44 51 242 6406

BUDGEN STORES LTD
PO Box 9
Stonefield Way
Ruislip
Middlesex HA4 0JR

Phone: +44 81 422 9511
Fax: +44 81 864 2800

GATEWAY FOODMARKETS LTD
Hawkfield Business Park
Whitchurch Lane
Bristol BS14 0TJ
Berkshire RG12 8YA

Phone: +44 272 359359
Fax: +44 272 780629

MARKS AND SPENCER PLC
Michael House
47-67 Baker Street
London W1A 1DN

Phone: +44 71 935 4422
Fax: +44 71 487 2679
Telex: 267141

WHOLESALE/IMPORTERS

**BLUEBELL
INTERNATIONAL LTD**
12 Sidmouth Road
Willesden Green
London NW2 4JX

Phone: +44 81 459 4466
Fax: +44 81 459 4000

CONDOR FRUIT LTD
Block B
29/33 Wholesale Fruit and
Vegetable Market
Prescot Road
Liverpool L13 2EB

Phone: +44 51 259 1301/2
Fax: +44 51 220 1361

**CONSOLIDATED FRUIT
COMPANY LTD**

25/26 Humber Street
Hull HU1 1TS

Phone: +44 482 24058
Fax: +44 482 211968

**DEL MONTE FRESH
PRODUCE (UK) LTD**

Paddock Wood Distribution Centre
Paddock Wood
Kent TN12 6UU

Phone: +44 89 283 6111
Fax: +44 89 283 6055

JANICE IMPORT EXPORT LTD

Orchard Court
4 Station Square
Balgores Lane
Gidea Park
Essex RM2 6AT

Phone: +44 708 766455
Fax: +44 708 732535

J O SIMS LTD

16 Winchester Walk
Borough Market
London SE1 9AQ

Phone: +44 71 407 0756
Telex: 885386
Fax: +44 71 4034889

LOUIS REECE LTD

D124/129 Fruit and Vegetable
Market
New Covent Garden
London SW8 5LS

Phone: +44 71 720 6931
Fax: +44 71 627 5845
Telex: 917595

EXOTIC FARM PRODUCE LTD

628 Spur Road
Feltham
Middlesex
TW14 0SX

Phone: +44 81 890 2222
Fax: +44 81 890 6216

FAGAN

Balmoral Road
Belfast
BT12 6QA

Phone: +44 232 663691
Telex: 747593
Fax: +44 232 661245

JOHN DENNIS FOOD GROUP LTD

Wholesale Market Presinct
Persnore Street
Birmingham
B5 6UN

Phone: +44 21 622 5473
Fax: +44 21 622 6686

JOSEPH LOWE & SONS

25-27 North East Fruit Market
Team Vally Trading Estate
Gateshead
Tyne & Wear NE11 0QY

Phone: +44 91 482 2551
Fax: +44 91 491 0056

M W MACK LTD

43 North Street
Chichester
West Sussex PO19 1NF

Phone: +44 243 787646
Fax: +44 243 775795

MINOR WIER & WILLIS
Smithfield Wholesale Market
Persnore Street
Birmingham B5 5BT

Phone: +44 21 622 4987
Fax: +44 21 622 4987

**PASCUAL
(FRUIT IMPORTERS) LTD**
Paddock Wood
Tonbridge
Kent
TN12 6UX

Phone: +44 892 832333
Fax: +44 892 834874

WEALMOOR LTD
Jetha House
Springfield Road
Hayes
Middlesex
UB4 0JT

Phone: +44 232 663581
Fax: +44 232 664324

MONTANA
A130-131 New Covent Garden
Market
London W58 5EE

Telex: 888040
Fax: +44 71622 0415

POUPART LTD
Station Approach
Waltham Cross
Hertfordshire
EN8 7LU

Phone: +44 992 700711
Telex: 266351
Fax: +44 992 768233

WILLIAM MCGRATTEN & SONS
Balmoral Fruit Market
Balmoral Road
Belfast
BT12 6QB

Phone: +44 81569 1760
Telex: 888725
Fax: +44 81 569 1755

PACKING SUPPLIERS

CONSOLIDATED BARTHURST INC.

PO Box 69
Montreal
Quebec H3C 2R5
Canada
Phone: +1 514 875 2160
Fax: +44 536 400132

CORLON CASES

Arnsley Rd
Weldon Industrial Estate
Corby
Northants NN17 1QW UK
Phone: +44 536 260848

DOMTAR PACKAGING

522 Molson Street
Montreal
Quebec
Canada H1Y 3R5
DN14 8SL
Phone: +1 514 5293800
Fax: +1 541 529 3810

LIN PAC CASES

Paper Mill Road
Rawcliffe Bridge
Goole
North Humberside
Phone: +44 405 839331
Fax: +44 405 839102

METAL BOX TECHNOLOGY PLC

Downveiw Road
Wantage
Oxon. OX12 9PB
Berkshire
Phone: +44 622 883715
Fax: +44 622 883060

REED CORRUGATED CASES

SCA Packing Ltd.
Aylesford
Kent ME20 7PF
Phone: +44 235 772929
Fax: +44 235 772020

MAJOR GREEN BANANA HANDLERS

BRADSHAW'S LTD.

Unit 16, Wingates Industrial Park,
Great Bank Road
West Houghton
Bolton BL5 3XL
Phone: +44-942-814034
Fax: +44-942-814632

C E WILKINSON,

Fishponds Road,
Hitchin
Hertfordshire SG5 1NR
Phone: +44-462-452633
Fax: +44-462-421160

J K PETERS & CO LTD,

The Fruit Market
Bolchairn Road
Glasgow G21 2SW
Phone: +44-41-5521131
Telex: 779309
Fax: +44-41-5528974

S H PRATT & CO,

Riversend Road
Hemel Hempstead
Hertfordshire HP3 9AJ
Phone: +44-41-5521131
Fax: +44-442-62112

UNITED KINGDOM
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BELIZE	10	10	9	12	19	26	26	24	19	28
COLOMBIA	77	66	48	29	34	21	21	11	27	21
COSTA RICA	2	4	2	2	2	7	11	11	11	37
DOMINICA	27	30	33	48	61	61	46	46	48	45
GRENADA	9	8	8	8	8	9	8	8	7	6
HONDURAS	5	9	6	3	4	2	6	13	13	15
JAMAICA	24	11	13	22	34	32	39	63	70	75
PANAMA	18	14	11	5	5	3	1	1	3	1
ST. LUCIA	47	61	81	111	78	103	101	110	85	111
ST. VINCENT	31	30	41	39	36	58	63	80	61	56
SURINAM	30	31	35	35	34	33	30	28	28	30
Total	280	274	287	314	315	355	352	395	372	425

Source: EC NIMEX

UNITED KINGDOM
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BELIZE	4,942	6,146	6,051	6,840	9,596	12,933	14,959	11,183	9,829	15,604
COLOMBIA	40,617	36,375	25,945	14,673	18,056	9,212	8,755	5,228	13,455	8,828
COSTA RICA	857	2,381	907	895	1,018	2,849	5,382	5,521	4,846	15,770
DOMINICA	19,551	23,109	29,976	38,465	46,469	47,621	33,801	30,934	34,620	28,926
GRENADA	6,697	6,322	7,196	5,942	6,314	6,813	5,644	5,543	4,812	3,850
HONDURAS	2,680	4,974	3,319	1,517	2,204	900	3,634	5,372	5,016	5,340
JAMAICA	14,831	7,240	9,910	14,850	22,803	18,240	19,880	43,008	50,280	46,623
PANAMA	8,950	7,585	6,347	2,625	2,556	1,415	539	375	1,456	59
ST. LUCIA	33,658	46,893	71,655	85,957	58,851	64,756	72,866	73,850	60,351	70,810
ST. VINCENT	22,083	23,043	35,969	30,996	27,196	34,259	45,315	53,791	42,554	35,746
SURINAM	17,427	19,923	21,123	18,310	15,093	15,699	15,769	13,366	13,940	15,288
TOTAL	172,293	183,991	218,398	221,070	210,156	214,697	226,544	248,171	241,159	246,844

Source: EC NIMEX

UNITED KINGDOM
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
BELIZE	494	615	672	570	505	497	575	466	517	557
COLOMBIA	527	551	541	506	531	439	417	475	498	420
COSTA RICA	429	595	454	448	509	407	489	502	441	426
DOMINICA	724	770	908	801	762	781	735	672	721	643
GRENADA	744	790	900	743	789	757	706	693	687	642
HONDURAS	536	553	553	506	551	450	606	413	386	356
JAMAICA	618	658	762	675	671	570	510	683	718	622
PANAMA	497	542	577	525	511	472	539	375	485	59
ST. LUCIA	716	769	885	774	755	629	721	671	710	638
ST. VINCENT	712	768	877	795	755	591	719	672	698	638
SURINAM	581	643	604	523	444	476	526	477	498	510

Source: EC NIMEX

How the Market Works

France is a major European banana market, although per capita consumption of bananas is not as high as in Scandinavia or Germany. French consumers have high income levels and are increasingly health and fitness conscious, particularly younger people who are attracted to the easy peel, nutritious and convenient characteristics of bananas. Banana pulp has also become an important additive to dairy products, particularly yoghurt, in France.

Historically nearly all bananas sold in France originated from its overseas territories (DOM - Martinique and Guadeloupe), or former colonies, particularly Cameroon and Cote d'Ivoire. The issue of import licences aimed to preserve a balance of about a 65% market share for DOM suppliers and 35% for ACP suppliers. There were very limited supplies of Dollar bananas to this market, normally only when DOM or ACP production was unexpectedly reduced, after hurricanes for example.

The market was organised by the Comité Interprofessionnel Bananier (CIB), which is made up of representatives of preferential producers, shipping companies, agents, ripener/wholesalers, retailers and relevant government authorities. Import licences and the import quota system are monitored and administered by the Groupement D'Interet Economique Bananier (GIEB), which allocates import licences to commission agents, allowing them to import fruit from non-traditional suppliers when their suppliers cannot meet demand.

This system of administration is still largely in place and continues to administer the licences required for the importation of bananas. The main difference following the introduction of the new regulation is that Dollar bananas have access to the French market under the terms of the tariff quota.

Bananas from Martinique and Guadeloupe are generally shipped in vessels of the Compagnie Generale Maritime (CGM) which are fully containerised and carry about 9,500 tonnes of bananas each. The containerisation of DOM bananas has been very successful, involving much less handling and consequently better quality and lower farm to ship costs. This serves as an example for Commonwealth growers who may be able to fill vacant space on CGM ships and thus enter the French market when licences are available. Le Havre and Le Verdon are the most important ports for DOM fruit but Marseilles is the main port for fruit from Cote d'Ivoire and Dieppe is still used for shipments from Cameroon.

Bananas become the responsibility of importers/commission agents once they arrive in France. Agents represent growers' organisations and sell bananas on a commission basis which generally does not exceed 3% of the free on rail (FOR) selling price.

Non-DOM bananas are handled by agents on behalf of GIEB. The banana trade is dominated by three large importers (BANEXCO, POMONA and Compagnie Fruitiere).

Importers/commission agents distribute the bananas to ripeners, although it is actually the ripeners who purchase from growers, FOR, French ports. Most ripeners deal directly with the commission agent. Retailers buy directly from ripener/wholesalers or intermediary wholesalers. French retailers often buy by producer's mark. That is, some traders have come to know which growers can consistently produce and pack top quality fruit. These producers and their fruit receive a premium return.

Supermarkets are very important in the Paris region (Ile de France) and account for about 60% of banana sales in France. However, open air markets, which are actively encouraged in most of France, are an increasingly important outlet for bananas throughout the country and currently account for more than 30% of banana sales. Fruit shops and specialist "superettes" (small supermarkets with a limited product range) are starting to attract customers from supermarkets because of their convenient locations and account for over 10% of French banana sales.

Market Requirements

Bananas are marketed in France under three grades broadly described as follows:

- Red: **Extra (finest) Quality** with finger length 17-18 cm
- Green: **Middle Quality** with finger length 15-16 cm
- Yellow: **Average Quality** with finger length less than 14 cm

French consumers are extremely quality conscious and are willing to pay a premium for the best quality produce. Quality must always be high in France, the yellow grade being more an issue of finger length than fruit quality.

Despite this, the quality of DOM and ACP bananas exported to France is generally below that supplied by other Caribbean and Latin American producers to the EC market. Vacuum packing in plastic is not a major feature of the market, although DOM shipments have been made in this form in the past.

Packaging for the Market

- Most bananas supplied to the French market are shipped in corrugated, telescopic cartons of stapled construction.
- 18 kilogram carton sizes are preferred but "minipacks" of 13 kilograms are also used.
- Cluster packing is preferred for the French market but hands are accepted.
- Most importers supply supermarkets with pre-packed, graded and labelled fruit, as in the UK.

- Graphic design of most cartons from Africa and the French Caribbean in the French market is poor with weak branding compared to cartons used by Dollar banana producers.
- Fruit handling in French wholesale markets is generally rough so good packing and strong cartons are required.
- All wording on cartons and documentation must be French and metric weights and measures must be used.

Promotion in the Market

There is a widely held industry belief that banana consumption in France could be increased by about 11% on 1991 levels if the banana industry could organise itself to mount a consumer campaign promoting the benefits and uses of fresh bananas.

Banana marketing is very poorly developed in France and there are opportunities for large banana exporting group, such as those in the Caribbean, to enter the market with attractive cartons and simple merchandising to support sales of high quality fruit.

There are certainly opportunities for Commonwealth ACP producers to work with other ACP growers to secure an increased share of an expanding French banana market. It may be possible to do this with assistance from the EDF under the Banana Protocol of Lomé IV.

There is no banana branding in France and fruit labelling is extremely rare, especially for ACP fruit. However, well branded fruit with labels should sell at a premium over unbranded fruit once a reputation for supply consistency and high quality is established.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the French banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

COMPAGNIE FRUITIERE RUNGIS

Entrepot 101
1 rue des Antilles
F-94538 Rungis Cedex

Phone: +33-1-46869696

Telex: 260366

Fax: +33-1-45609951

POMONA IMPORT

21 rue de Pont Neuf,
F-75039 Paris Cedex

Phone: +33-1-40283000

Telex: 210920

Fax: +33-1-402858954

BANEXO S.A.

20 rue de Provence,
F-94154 Rungis Cedex

Phone: +33-1-46872431

Telex: 263314

Fax: +33-1-49780410

COMPANIES DES BANANES

10 rue Colonel Driant
F-75001 Paris Cedex

Phone: +33-1-42603338

Telex: 200038

Fax: +33-1-42603338

OTHER BANANA IMPORTERS

SODEPA

Bat D9, rue de Provance
F-94154 Rungis Cedex

Phone: +33-1-46869444

Telex: 200744

Fax: +33-1-45600129

SIIM

Bat E2, Fruileg 268
70 rue de Chateaurenard
F-94582 Rungis Cedex

Phone: +33-1-46872501

Telex: 265568

DUNAND ET COMPAGNIE,

10 rue Colonel Driant
F-75001 Paris Cedex

Phone: +33-1-40150060

Telex: 210038

Fax: +33-1-42606927

SOCODIME

3 rue de la Corderie
F-94596 Rungis Cedex

Phone: +33-1-45609111

Telex: 263478

Fax: +33-1-45609621

PASCUAL FRANCE

Cour d'Alsace
Batiment C6 A
F-94155 Rungis Cedex

Phone: +33-1-46872515

Telex: 270310

Fax: +33-1-45609510

AGRIOSOL S.A

90 rue Moulin des Pres
F-75013 Paris Cedex

Phone: +33-1-44169100

Telex: 202104

Fax: +33-1-45886882

FRANCE
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CAMEROON	49	52	47	50	46	35	54	75	89	79
COLOMBIA	19	10	6	6	15	12	3	4	0.2	1
COSTA RICA	10	11	4	3	2	12	4	6	0	1
ECUADOR	19	3	6	3	1	0.5	3	17	0	0.5
GUADELOUPE	103	124	102	116	115	125	91	74	116	115
GUATEMALA	2	2	3	0	8	0	4	1	0	0
IVORY COAST	76	78	92	81	77	74	85	94	115	130
MARTINIQUE	155	155	163	186	172	182	198	217	180	197
PANAMA	11	3	0.2	1	2	1	0.3	1	0	0
TOTAL	444	438	423.2	446	438	441.5	492.3	489	500.2	523.5

Source: EC NIMEX

FRANCE
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CAMEROON	27,423	28,231	28,319	27,564	24,669	18,857	29,205	47,137	62,479	52,172
COLOMBIA	9,862	5,409	3,976	3,014	8,984	6,659	1,420	2,343	155	637
COSTA RICA	4,725	6,169	3,165	1,791	1,520	5,689	1,755	3,227	0	0
ECUADOR	9,724	2,108	4,947	1,497	947	234	1,494	10,141	0	0
GUADELOUPE	55,217	73,513	65,491	76,085	74,674	80,348	52,671	40,863	75,978	65,424
GUATEMALA	1,017	1,207	2,305	0	4,870	0	1,939	774	0	0
IVORY COAST	48,591	44,493	56,442	52,142	51,220	46,385	55,236	60,209	80,597	83,956
MARTINIQUE	84,466	93,214	102,426	125,196	115,052	120,250	114,435	137,098	121,201	111,634
PANAMA	4,983	1,362	188	619	1,201	832	181	296	0	0
TOTAL	246,008	255,706	267,259	287,908	283,137	279,254	258,336	302,088	340,410	313,823

Source: EC NIMEX

FRANCE
IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
CAMEROON	560	543	603	551	536	539	541	628	702	660
COLOMBIA	519	541	663	502	599	555	473	586	775	637
COSTA RICA	473	561	791	597	760	474	439	538	na	na
ECUADOR	512	703	825	499	947	468	498	597	na	na
GUADELOUPE	536	593	642	656	649	643	579	552	655	569
GUATEMALA	509	604	768	na	609	na	485	774	na	na
IVORY COAST	639	570	614	644	665	627	650	641	701	646
MARTINIQUE	545	601	628	673	669	661	578	632	673	567
PANAMA	453	454	940	619	601	832	603	296	na	na

Source: EC NIMEX

How the Market Works

Under a 1957 protocol to the Treaty of Rome, Germany enjoyed duty free imports of non-ACP bananas up to a level effectively equal to annual consumption. This is no longer the case under the conditions of the new EC regulation whereby a 20% Common External Tariff (CET) is levied on all Dollar imports within the quota.

Because of strong promotion campaigns and reduced prices, there has been strong growth in banana consumption in Germany and, before unification, West Germany (FRG) had the highest per capita consumption of bananas of any EC country. This is despite stagnant population growth. The unified Germany is the most important banana market in the EC but it is very different from other major EC markets because it does not have traditional linkages with major ACP banana producers. Because of this, Germany sources its bananas from multinational plantation owners and banana traders such as United Brands (Chiquita), Castle and Cooke (Dole), Pacific Fruit Company (Bonita) and Del Monte. Most of this fruit comes from Latin America and is retailed at prices lower than most other EC markets. Several major importers supply the Austrian and Scandinavian markets, thus providing an important link into the Northern European and Scandinavian markets.

Germany is the most competitive banana market in the EC and is a market suitable for larger suppliers only. More than any other EC market, Germany is an extremely brand conscious market and banana promotion, at all levels of the trade, is actively pursued through posters, point of sale material, fruit labels and branded hooks to hang clusters on.

Several Caribbean banana producer groups have sufficiently large production to consider targeting the German market but the market is priced at a level which demands considerable efficiency throughout the production and supply chain in order to remain competitive and profitable. It is an expensive market in which to become established because of the need for strong promotion and rigorous quality control, but once established the market can be lucrative because of its size and wealth. An alternative strategy, at least whilst getting to know the market, would be to sell fruit to importers for retailing under an organisation of Commonwealth banana producers. However, this market will have to be accessed through large German importers and wholesalers such as those listed in the key contacts section.

The East German market is developing quickly, with ripening rooms and distribution networks in place.

Bananas are shipped to Hamburg, Bremerhaven as well as Antwerp, from where they are either taken over by large wholesaler or supermarket groups such as EDEKA, REWE, COBANA or GEDELF, or trucked to ripeners and pre-packers who supply retailers. Major wholesalers supply supermarkets with pre-packed bananas

priced and labelled with brands and other relevant information. The Atlanta/Scipio Group (1x1 and Chiquita brands) has always ripened their own fruit but most other importers are integrated with separate ripening firms. Most bananas are shipped and transported as cartons on standard pallets (1,200 mm x 1,000 mm).

Supermarkets retail more than 80% of bananas sold in western Germany and usually display branded fruit which is sometimes cello wrapped or vacuum packed with bar coded prices. Open air markets account for over 10% of banana retail sales and about 5% are sold through specialist fruit shops. Bananas are the cheapest major fruit in Germany, significantly cheaper than apples and pears for example, and are thus likely to remain in high demand.

In the last five years, major banana importers in Germany have cut prices and heavily promoted their brands in order to secure market share in preparation for the Single European Market. This has led to increased consumption but the prices paid for imports are generally not attractive for Commonwealth producers.

Market Requirements

Germany consists of the wealthy and discerning market in the west and the less wealthy eastern market which has only recently had access to a reasonable supply of bananas. The western market is very brand and quality conscious and prefers clusters of bananas with brand labels to bananas in hands.

- Most importers insist on top quality fruit packed in clusters of 4 to 5 bananas.
- Minimum finger length is 20 cm and most bananas sold are in the 23-26 cm finger length range.

Bananas smaller than this will generally not be accepted or, at best, will be sold as second quality on the discount market as specials. In East Germany, lower income levels and concern about regional balance of payments means that price competition is more important than brand or quality competition. However, in all German markets, quality must be above average and fruit should at least be labelled with a brand backed by promotional support.

Residue Levels

Western Germany has always been concerned with food purity and there are strict regulations regarding pesticide use and maximum residue levels (MRL) in food including bananas. The Plant Protection Law and the Food Law are the two basic instruments which govern chemicals used in agriculture. MRL tolerances are published in the Residue Tolerance Ordinance for Plant Protection Materials. Extracts from this relevant to bananas are included in Appendix 8. Bananas to be exported to Germany must comply with the MRL ordinance or they will be rejected at the port. The onus is normally on the grower and exporter to ensure that MRLs are not exceeded. Thiabendazole is one of the most important chemicals which causes problems for some growers in the German market.

Growers must develop a relationship with a strong importer by proving that reliable supplies of consistently high quality fruit can be provided at competitive prices.

In return, growers must demand effective brand promotion and strong support to retailers selling their product in the market. The cheaper alternative is to sell fruit to a major importer for inclusion in an existing brand. Although this provides access to the market, it is not a secure strategy and will be very dependent on maintaining a price advantage over competing fruit of the same quality.

Packaging for the Market

- An 18 kilogram telescopic, corrugated carton of stapled construction with single corrugated base and lid with a single corrugated base insert (fitting) is used by most producers exporting bananas to Germany. This carton size is preferred in the German market because of its handling efficiency, but presents problems for field packed fruit because of its weight.
- Proposed worker safety legislation may mean that a lighter banana carton weight will become mandatory, in which case a 12 kilogram carton will probably become standard, and this will present opportunities for Commonwealth producers who are generally used to using them and have a cost structure associated with such cartons. This is not yet certain and growers wishing to enter the German and northern European markets should plan to supply fruit in 18 kilogram cartons.
- At the moment only one major supplier to the market packs in 13 kilogram cartons and these have a price premium to account for extra handling and packaging disposal/recycling costs.
- Labelling statements in English are acceptable.

The German fruit trade is trying to standardise carton and pallet sizes to improve fruit handling efficiency throughout the marketing chain between the ship and the consumer, and this work is led by the ISB working group on Fruit and Vegetables or Eurofruit, whose address is included in the key market contacts.

- Maximum horizontal dimensions of 600 mm x 400 mm have been proposed to fit a standard 1,000 x 1,200 mm pallet and it is important that any exporters considering sending fruit to Germany should ensure that their cartons meet German requirements.
- Graphic design on cartons is less important in western Germany because of the dominance of supermarket sales of pre-packed bananas, but may be important in East Germany where open air markets and small shops dominate fresh fruit sales.

Promotion in the Market

The German market is very brand conscious and prefers bananas with brand labels. Brands with a reputation for consistent quality and backed with strong advertising and promotional activity normally attract a premium in the market. For example, the undisputed brand leader in Germany has a more than 20% price premium over its nearest competitor because of strong promotional activity at the wholesale and retail levels. Promotional material in the following forms is widely used:

- brand labels
- branded hooks for displaying clusters of fruit
- point of sale posters and decals are essential if fruit is to gain a secure place in the German banana market.

However, it is possible to supply fruit to importers with established brands and sell fruit under existing brands so long as fruit consistently meets that brand's quality standards.

Generic promotion in the market, promoting bananas as a fruit rather than specific brands, is undertaken by the recently formed Banana Information Group which represents most of the large banana importers in Germany. The work of this group has helped to increase banana consumption significantly.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the German banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

CHIQUITA DEUTSCHLAND

Emil Hoffman Strasse
1A D50996 Koln

Phone: +49-2236-962140

Fax: +49-2236-67879

SCIPIO FRUCHTVERTRIEB KG

Breitenweg 29/33
D-28195 Bremen 1

Phone: +49-421-30921

Fax: +49-421-13617

ATLANTA

Breitenweg 29/33
D-28195 Bremen 1

Phone: +49-421-3092-353

Telex: 244512

Fax: +49-421-13695

AFC GMBH AND CO

Trostbrücke 1
D-20457 Hamburg

Phone: +49-40-3688312

Telex: 211417

Fax: +49-40-366450

DOLE FRESH FRUIT EUROPE LTD & CO

D-2097 Hamburg 1

Phone: +49-40-329060

Fax: +49-40-32906269

INT'LFRUCHTIMPORT,

1 Stadtdeich 5-7
(Weichert/Del Monte)
Fruchthofstrasse
D-2000 Hamburg 1

Phone: +49-40-331241

Fax: +49-40-336083

MAJOR SUPERMARKETS AND WHOLESALERS

EDEKA FRUCHTKONTOR GMBH

Grossmarkt
D-20097 Hamburg 1

Phone: +49-40-30209279
Telex: 2162808
Fax: +49-221-1499000

REWE ZENTRAL AG

Domstrasse 20,
D-500 Koln 1

Phone: +49-221-1490
Fax: +49-40-30209288

EUROSPAR- WARENHANDELS GMBH

Osterbrooksweg 35-45,
D-22867 Schenefeld, Hamburg

Phone: +49-40-830310
Fax: +49-40-83031582

ISB-EUROFRUIT STANDARDS

Spichernstrasse 55
D-50672 Koln 1

Phone: +49-221-579930
Fax: +49-221-5799346

COBANA BANANEN GMBH

Lippelstrasse 1,
D-20097 Hamburg 1

Phone: +49-40-321371
Telex: 2161727
Fax: +49-40-303099

T. PORT GMBH AND CO.

Lippelstrasse 1,
D-20097 Hamburg 1

Phone: +49-40-3010000
Telex: 2161688
Fax: +49-40-336064

GERMANY
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	59	116	80	120	116	115	129	210	249	271
COSTA RICA	119	126	110	125	147	152	214	351	341	254
ECUADOR	66	68	113	152	137	117	154	160	355	434
GUATEMALA	6	4	0.9	3	9	3	19	2	0.1	10
HONDURAS	41	67	91	58	79	78	69	63	65	102
NICARAGUA	0	0.02	11	11	14	14	10	32	38	17
PANAMA	168	167	181	181	191	224	268	351	297	281
TOTAL	459	548.02	586.9	650	693	703	863	1,169	1,345.1	1,369

Source: EC NIMEX

GERMANY
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	30,391	63,511	44,401	63,962	60,099	50,410	-	102,532	124,199	116,538
COSTA RICA	57,205	64,960	61,250	59,544	71,323	68,162	84,216	148,046	165,021	111,252
ECUADOR	38,558	38,736	66,855	81,816	76,528	84,713	66,668	67,230	178,133	190,741
GUATEMALA	2,466	1,704	579	1,417	4,536	1,178	8,224	722	68	3,870
HONDURAS	23,165	38,578	55,744	29,824	44,786	41,039	33,505	33,320	35,595	44,057
NICARAGUA	0	13	5,928	8,530	6,903	6,047	4,101	13,707	18,499	7,707
PANAMA	94,531	98,145	108,524	102,492	112,263	120,859	126,900	196,477	161,129	124,742
TOTAL	246,316	305,647	343,281	347,585	376,438	372,408	323,614	562,034	682,644	598,907

Source: EC NIMEX

GERMANY
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	515	548	555	533	518	438	na	488	499	430
COSTA RICA	481	516	557	476	485	448	394	422	484	438
ECUADOR	584	570	592	538	559	724	433	420	502	439
GUATEMALA	411	426	643	472	504	393	433	361	680	387
HONDURAS	565	576	613	514	567	526	486	529	548	432
NICARAGUA	na	650	539	775	493	432	410	428	487	453
PANAMA	563	588	600	566	588	540	474	560	543	444

Source: EC NIMEX

How the Market Works

Prior to the introduction of the new Council Regulation the Italian market was restricted, with preferential access for ACP suppliers and quotas for the importation of Dollar fruit. Despite their former quota access the Dollar importers are well established and have increased their market share over the last seven years.

Bananas are shipped to Italian ports such as Livorno, Savona, Genoa, Salerno and Civitavecchia where they are sold by importers directly to ripeners, normally as break bulk cargo. Dock worker unions are very strong in Italy and oppose moves towards palletisation and containerisation of banana cargoes.

Some small shop owners, minor wholesalers and street vendors buy bananas at the portside but most buy ripened bananas directly from the ripeners. More than 80% of bananas in Italy are sold by retail markets, small stores and street vendors. Supermarkets are important only in Rome and Milan.

There are four major banana importers in Italy: Chiquita Italia SpA, Pacific Fruit Company/NOBOA (Bonita), De Nadai Trading CAMAR-SOMALITA) and SIMBA (Del Monte). Other important banana importers are COFRUTTA (Turbana) and COMAFRICA SpA (Dole).

Market Requirements

The Italian market is split between the north of the country, where supermarkets have a significant proportion of the banana retail trade and where consumers prefer large bananas, and the regions south of Rome, where street vendors and small shops retail most bananas.

The banana market is very price sensitive because of competition from the large quantities of quality stone and pome fruits grown in Italy. However, due to the removal of taxes, bananas are now competitively priced compared to locally produced fruits. Fruit imported from Central America is generally sold in the more affluent Rome and northern Italian markets.

The current problems of ACP bananas recognised by the Italian trade involve fruit quality, delivery systems and branding.

Most importers want:

- Top quality fruit packed in clusters or hands.
- Minimum finger length of 18 cm and most bananas sold are in the 23-26 cm finger length range. Bananas smaller than this will be sold in southern Italian markets at a discount.

- Because bananas are often sold in open air markets, it is important that bananas for the Italian market are supplied firm and in good condition to extend their shelf life.
- Supermarkets prefer bananas to be vacuum packed in plastic to extend shelf life.

Fruit that ripens too quickly during periods of slow fruit sales, which often happen during hot weather, must be discounted by retailers who may then make a loss on their trade. Fruit with consistent quality and shelf life advantages is preferred by the Italian trade.

Growers must develop a strong relationship with an importer/marketeer by proving that reliable supplies of consistently high quality fruit can be provided at competitive prices.

In return, growers must demand effective brand promotion and strong support to retailers selling their product in the market. The cheaper alternative is to sell fruit to a major importer for inclusion in an existing brand. Although this provides access to the market, it is not a secure strategy and will be very dependent on maintaining a price advantage over competing fruit of the same quality. Working with an established importer/marketeer makes it much easier for growers to deal with large retailers who are more likely to support a new source of bananas if it is backed by a respected importer/marketeer.

Target market niches should be selected with the importer and a strategy jointly developed for entering the market. Tasks for implementing the plan should be assigned to producers, importers/marketeers and retailers with clear terms of reference, deadlines and budgets. In this way, growers can meet their commitments to a new marketing programme and demonstrate their reliability.

Packaging for the Market

- Fruit should be packaged in telescopic, corrugated cardboard cartons of stapled construction.
- The ideal Italian market fill weight for a banana carton is about 13 kilograms.
- Both hands and cluster are acceptable in the Italian market, although in supermarkets cluster packed bananas are preferred.
- Because fruit is frequently sold from the carton in a warm climate, it is important that bananas are carefully packed in cartons with kraft paper or polyethylene plastic inserts to prevent mechanical damage to the fruit.
- The carton should include attractive graphics which are particularly important in Italy, where visual impressions are very influential.

Promotion in the Market

Because most fruit is sold by small fruit shops and street vendors, attractive cartons which help promote the fruit are important. Well designed, attractive cartons are considered by the trade to assist in building customer confidence at the wholesale level.

The Italian market is brand conscious and the use of a well designed, attractive brand image will boost sales. Promotion at the wholesale level with merchandising and posters as well as attractive point of sale material is useful for promotion and establishment of a brand image in the Italian market.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the Italian banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

CHIQUITA ITALIA SPA (CAMAR)

Via Tempio del Cielo, 3
I-00144 Rome

Phone: +39-6-5298801
Telex: 520831
Fax: +39-6-5295499

DE NADAI TRADING

Piazza de Gasperi 32/33
I-35100 Padova

Phone: +39-49-656800
Telex: 430007
Fax: +39-49-779063

PACIFIC FRUIT CO (ITALY) SPA

(NOBOA/Bonita)
Via Benedetto Croce 40
Rome

Phone: +39-6-5943459
Telex: 613535

CAMAR SRL

Via Circondaria 56
I-50127 Florence

Phone: +39-55-367551
Telex: 571336
Fax: +39-55-367910

COFRUTTA SPA, (TURBANA)

Passaggio Corner Piscopia 10
I-35100 Padova

Phone: +39-49-8702330
Fax: +39-49-8707777

ITALY
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	63	62	80	35	36	86	51	45	91	149
COSTA RICA	65	69	35	65	56	127	124	105	138	190
ECUADOR	41	48	62	45	39	86	52	66	102	196
GUATEMALA	27	33	38	24	38	28	23	0	0	36
HONDURAS	28	32	72	78	86	54	34	21	14	38
PANAMA	45	35	14	14	10	44	50	82	104	137
PHILIPPINES	3	12	0.5	3	0.3	28	10	1	0	0
SOMALIA	10	11	31	30	49	48	37	44	6	0
TOTAL	282	302	332.5	294	314.3	501	381	364	455	746

Source: EC NIMEX

ITALY
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	31,644	30,371	43,691	18,060	17,800	37,482	20,195	20,126	43,222	60,824
COSTA RICA	33,293	35,129	19,875	39,330	29,145	55,960	49,300	47,200	67,469	82,699
ECUADOR	16,364	22,022	31,130	20,142	18,135	38,506	20,899	30,109	51,717	81,764
GUATEMALA	10,845	16,754	21,670	11,934	18,722	13,028	8,956	0	0	15,383
HONDURAS	12,098	15,827	41,998	38,559	41,677	27,437	13,357	9,471	7,754	16,121
PANAMA	20,982	17,163	7,806	6,693	5,034	20,455	20,540	36,370	52,699	58,832
PHILIPPINES	1,945	6,062	269	1,656	111	12,000	4,078	278	0	0
SOMALIA	5,323	5,498	17,819	14,227	23,060	22,434	14,706	19,309	1,963	0
TOTAL	132,494	148,826	184,258	150,601	153,684	227,302	152,031	162,863	224,824	315,623

Source: EC NIMEX

ITALY
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	502	490	546	516	494	436	396	447	475	408
COSTA RICA	512	509	568	605	520	441	398	450	489	435
ECUADOR	399	459	502	448	465	448	402	456	507	417
GUATEMALA	402	508	570	497	493	465	389	na	na	427
HONDURAS	432	495	583	494	485	508	393	451	554	424
PANAMA	466	490	558	478	503	465	411	444	507	429
PHILIPPINES	648	505	538	552	370	429	408	278	na	na
SOMALIA	532	500	575	474	471	467	397	439	327	na

Source: EC NIMEX

How the Market Works

Following nine years of market closure (designed to conserve foreign exchange and protect the domestic banana growing industry on Crete) the importation of bananas into Greece resumed in 1988.

However, even after the resumption of imports, Greece remained a restricted market sourcing supplies almost exclusively from Somalia and the Windward Isles. In addition to this there were also Value Added and Consumption Taxes which had the effect of raising domestic prices. As a result consumption remained low in the mid 1980's. In order to unify EC taxation policies in preparation for the Single European Market, Greece has removed or reduced taxes on bananas to the point where the only remaining tax is an 8% VAT levy.

As a result of the collapse in production from Somalia, an increase in demand and a general freeing of the market, imports to Greece have increased in the late 1980's and early 1990's. This increase has been met from both EC/ACP producers and Dollar importers who are now well established in the market.

Bananas are shipped to Piraeus, Aigio and, occasionally, Thessaloniki ports where they are generally sold at the portside by the importing company. Buyers include ripeners, small fruit merchants and street vendors who account for more than 90% of imported banana retail sales in Greece. Banana cartons are handled as break bulk cargo and palletised handling systems are not expected in the near future. Most imported bananas are sold in Athens and Thessaloniki where the market can afford the relatively high price of bananas compared to a general abundance of good quality, cheap fresh fruit.

Market Requirements

The Greek market demands bananas of:

- consistent quality,
- proven keeping ability,
- consistent size and weight, and
- long shelf life under street vendor conditions.

Although the taxes on imported bananas have been reduced, it is likely that Greek banana importers, wholesalers and retailers will continue to be very selective about the bananas they import. Suppliers who can gain the trust of importers, as Somalita have done for example, should be able to take advantage of the increased banana consumption expected to result from the liberalisation of the Greek banana market in 1993.

The market wants price competitive, good quality bananas which have a long shelf life, even under street vendor conditions in a hot climate. The significant tourist industry in Greece is a special market for bananas which has not been properly developed yet and offers opportunities to Commonwealth banana exporters, particularly those in East Africa.

Packaging for the Market

- Fruit should be packaged in telescopic, corrugated cardboard cartons of stapled construction.
- The ideal Greek market fill weight for a banana carton is about 13 kilograms.
- Because most fruit is sold by small fruit shops and street vendors, attractive cartons which help promote the fruit are preferred.

Promotion in the Market

- Point of sale promotional material and attractive cartons are important for increasing banana sales and attracting retailers at wholesale markets.
- Merchandising materials, particularly small branded gifts for retailers, are very important in the Greek market because they help to build up loyalty to particular suppliers but this should ideally be associated with a brand image.
- The Greek banana market is not brand conscious at the retail level but branding appears to help at the wholesale level and should be considered as part of a strategy to establish market share as the market becomes increasingly competitive in 1993.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the Greek banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

UNIFRUIT HELLAS LTD

7 Themidos Street
Athens

Phone: +30-1-4820425

Telex: 212415

Fax: +30-1-4827147

AGRIMPEX S.A

49A Stournara St
10682 Athens

Phone: +30-1-3633157

Telex: 215347

Fax: +30-1-3607345

ALEX COSTIS AND CO

39 Sygrou Avenue
117-43 Athens

Phone: +30-1-9216482

Telex: 216103

Fax: +30-1-9217775

PAMONA S.A

21A Amerikis St
10672 Athens

Phone: +30-1-3639915

Telex: 215189

Fax: +30-1-3607038

PAPADIMITRIOU-HAVEN

24100 Calamata

Phone: +30-721-329603

Telex: 252126

GREECE
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1988	1989	1990	1991	1992
COLOMBIA	1	1	3	8	3
COSTA RICA	2	1	5	5	8
DOMINICA	1	2	0.3	0	0
ECUADOR	0.2	0.1	16	13	15
PANAMA	1	0.3	5	9	13
SOMALIA	3	22	14	3	0.2
ST LUCIA	4	6	1	0.1	0.1
ST VINCENT	1	2	0.2	0	0
TOTAL	13.2	34.4	44.5	38.1	39.3

SOURCE: EC NIMEX

GREECE
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1988	1989	1990	1991	1992
COLOMBIA	418	211	1,168	4,001	1,018
COSTA RICA	734	413	1,832	2,069	3,064
DOMINICA	555	963	204	0	0
ECUADOR	150	7	8,426	6,367	6,842
PANAMA	568	138	1,794	3,860	5,577
SOMALIA	2,163	13,429	7,818	1,665	60
ST LUCIA	na	4,015	620	58	49
ST VINCENT	na	1,368	111	0	0
TOTAL	4,588	20,544	21,973	18,020	16,610

SOURCE: EC NIMEX

GREECE
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1988	1989	1990	1991	1992
COLOMBIA	418	211	389	500	339
COSTA RICA	367	413	366	414	383
DOMINICA	555	482	680	na	na
ECUADOR	750	70	527	490	456
PANAMA	568	460	359	429	429
SOMALIA	721	610	558	555	300
ST LUCIA	na	669	620	580	490
ST VINCENT	na	684	555	na	na

SOURCE: EC NIMEX

How the Market Works

Denmark is an important EC banana market for Commonwealth producers because it provides access to the Scandinavian market which, including Denmark, is the fastest growing banana market in Europe. Through Denmark, producers can access the Swedish, Norwegian and Finnish markets which have the highest per capita consumption of bananas in Western Europe, significantly higher than in Southern Europe and higher than in Germany. The significant increase in consumption of bananas in these countries, including Denmark, is mainly because of a major shift towards foods which are perceived to be healthy.

Bananas are competitively priced compared with other major fruit imports such as oranges and apples. Denmark, as a member of the EC, operates the same council regulation for bananas as the other states. Sweden and Norway are both free markets but Finland charges a 22% VAT levy on bananas.

Supermarkets in Denmark account for about 50% of banana retail sales but this proportion is increasing quickly at the expense of small shops and open air markets.

Most fruit is imported via the German ports of Hamburg or Bremerhaven where palletised handling systems are the norm. The Swedish port of Gothenburg is also becoming increasingly important for Scandinavian imports because of its proximity to Oslo, Copenhagen and Stockholm.

A group of Scandinavian banana importers have formed a consortium called Viking Fruits which supplies supermarkets in Denmark and other Scandinavian countries through the port of Gothenburg. This group imports palletised cartons of bananas from several sources including the Caribbean.

Market Requirements

- Danish banana importers and consumers place high priority on fruit quality and are prepared to pay a premium to producers who consistently supply high quality bananas.
- Most importers insist on top quality fruit packed in clusters of 4 to 5 bananas.
- Minimum finger length of 20 cm and most bananas sold are in the 23-26 cm finger length range.
- The trade prefers cluster packed and brand labelled fruit. The market is brand conscious and a positive brand image is an important component of a market entry strategy for the Danish and other Scandinavian markets.

Growers should develop a relationship with a strong importer and marketer by proving that reliable supplies of consistently high quality fruit can be provided at competitive prices. In return, growers must demand effective brand promotion and strong support to retailers selling their product in the market. The cheaper alternative is to sell fruit to a major importer for inclusion in an existing brand. Although this provides access to the market, it is not a secure strategy and will be very dependent on maintaining a price advantage over competing fruit of the same quality. Working with an established importer/marketeer makes it much easier for growers to deal with large retailers who are more likely to support a new source of bananas if it is backed by a respected importer/marketeer.

In the Danish and other Scandinavian markets, it would be feasible to launch a new brand provided that there is sufficient produce to back it up and that the brand was aimed at a small niche in the market rather than trying to compete directly with the major banana producers which would be futile.

Target market niches should be selected with the importer and a strategy jointly developed for entering the market. Tasks for implementing the plan should be assigned to producers, importers/marketeers and retailers with clear terms of reference, deadlines and budgets. In this way, growers can meet their commitments to a new marketing programme and demonstrate their reliability.

Packaging for the Market

- The Danish trade stated that the standard 18 kilogram telescopic, corrugated cardboard banana carton was the preferred package although they will conform with German proposals for standard carton and pallet dimensions once they have been formally adopted in Germany. This standardisation will increase fruit handling efficiency in Germany and Denmark but may mean that some exporters will have to use different cartons for different markets which reduces flexibility of supply.
- English labelling statements are acceptable, and EC labelling standards apply.

Major ripeners and importers are introducing forced air ("pressurised") ripening methods which require modifications to the design of ventilation holes at the ends of each carton. By dealing with importers who utilise this technique, significant cost savings can be passed on to growers.

Promotion in the Market

The brand leader in the Danish banana market has used merchandising and strong promotional activity in the wholesale and retail markets to increase market share and secure a price premium over competing brands and unbranded fruit.

Bananas are commonly displayed in open air markets and supermarkets in conventional fashion in the fresh produce section but there is increasing use of pyramid displays constructed from banana cartons. Thus graphic design and other presentation characteristics of banana cartons is important if premium prices

are to be achieved but these promotional aids must always be accompanied by quality fruit to sustain importers' interest.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the Danish and Scandinavian banana markets. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

H. LEMBRECKE AS

Gronttorvet 226-230
DK-2500 Valby

Phone: +45-31303822
Telex: 22379
Fax: +45-36440989

INTERFRUGT AS

Gronttorvet 6
DK-2500 Valby

Phone: +45-36303322
telex: 19858
Fax: +45-31169016

LEMBANA KOBENHAVN AS,

Gronttorvet 222-224
DK2500 Valby

Phone: +45-36304822
Telex: 22379
Fax: +45-36440195

FRUGT CENTRALEN APS

Gronttorvet 98
DK-2500 Valby

Phone: +45-31170688
Fax: +45-31178917

VIKING FRUIT

P.O. Box 36006
S-40013 Gothenburg,
SWEDEN

Phone: +46-31-840275
Telex: 72245
Fax: +46-31-841073

BANAN KOMPANIET AB

P.O. Box 27294
S-10253 Stockholm,
SWEDEN

Phone: +46-8-6679160
Telex: 19112
Fax: +46-8-6613607

FRANS SANDEN AB,

P.O. Box 36051
S-40013 Gothenburg
SWEDEN

Phone: +46-31-840840
Telex: 20769
Fax: +46-31-841563

ASK CENTRALEN

Torbornavagen 13
S-25368 Helsingborg
SWEDEN

Phone: +46-42-249500
Telex: 72262
Fax: +46-42-290723

ICA BANANA AB

P.O. Box 9020,
S-12004 Stockholm
SWEDEN

Phone: +46-8-7221000

Telex: 10341

Fax: +46-8-7229336

BAMA TRADING AS

P.O. Box 65 Okern
N-0508 Oslo 5
NORWAY

Phone: +47-22-644290

Telex: 71382

Fax: +47-22-651779

GARTNERHALLEN IMPORT AS

Okern
Oslo 0580, NORWAY

Phone: +47-22-641390

Telex: 71263

Fax: +47-22-727000

NORGEFRUKT AS

Okern torgvei 5
Oslo 0580, NORWAY

Phone: +47-22-649090

Fax: +47-22-643267

KESKO OY

(Integrated import
and retail chain)
Satamakatu 3,
00160 Helsinki 16,
FINLAND

Phone: +358-0-1981

Telex: 121635

Fax: +358-0-655473

TUKKUKAUPPOJEN OY

(Trade Association)

Panimokatu 1,
0500 Helsinki 50,
FINLAND

Phone: +358-0-6191

Telex: 122469

Fax: +358-0-6196157

DENMARK
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	1	2	1	3	3	3	5	4	8	10
COSTA RICA	11	13	11	12	14	15	16	20	23	16
ECUADOR	1	0.5	2	5	3	4	3	2	10	11
HONDURAS	2	4	3	2	5	5	7	6	4	5
NICARAGUA	0	0	5	5	4	3	4	2	6	2
PANAMA	8	7	9	10	10	13	14	12	5	6
TOTAL	23	26.5	31	37	39	43	49	46	56	50

SOURCE: EC NIMEX

DENMARK
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	658	892	771	1,307	1,446	1,438	1,597	1,549	1,413	3,216
COSTA RICA	5,089	6,588	5,671	5,215	6,688	6,138	5,505	8,089	9,637	5,510
ECUADOR	425	267	1,202	2,032	1,255	1,452		694	4,038	3,905
HONDURAS	1,066	1,782	1,487	970	2,311	2,400	2,695	2,684	1,914	2,059
NICARAGUA	0	0	1,312	1,685	1,593	1,087	1,294	754	1,943	538
PANAMA	3,615	3,594	4,558	4,699	4,771	5,748	5,215	4,814	4,038	2,265
TOTAL	10,853	13,123	15,001	15,908	18,064	18,263	16,306	18,584	22,983	17,493

SOURCE: EC NIMEX

DENMARK
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	658	446	771	436	482	479	319	387	177	322
COSTA RICA	463	507	516	435	478	409	344	404	419	344
ECUADOR	425	534	601	406	418	363	na	347	404	355
HONDURAS	533	446	496	485	462	480	385	447	479	412
NICARAGUA	na	na	262	337	398	362	324	377	324	269
PANAMA	452	513	506	470	477	442	373	401	808	378

Source: EC NIMEX

How the Market Works

The Netherlands is a major importer of fresh fruits and vegetables and has a sophisticated fresh produce handling system based around Rotterdam. Much of the imported produce is re-exported to other countries, especially EC countries. This certainly happens with bananas, especially for the Northern European markets of Germany, Denmark, Austria and increasingly Eastern Europe. Rotterdam is used as a central control port by some of the major importers, with final destination of fruit on ships often decided just before unloading, to ensure the maximum responsiveness to market needs. This flexibility maintains the best prices for growers and importers alike but relies on very efficient transport and distribution systems which only the large importers have. Because of the importance of Rotterdam port, many major banana importers are based there and these are important contacts for Commonwealth banana growers, even if the Netherlands itself is not the most promising market.

The Netherlands imports almost all of its bananas from Latin America and most fresh fruit is sold in supermarkets.

Market Requirements

- The Netherlands is a wealthy and discerning market which is very price and quality conscious.
- Clusters of bananas with brand labels are preferred to bananas in hands.
- Quality must be above average.
- Fruit should at least be labelled with a brand backed by promotional work.

Dutch banana importers place high priority on fruit quality and are prepared to pay a premium to producers who consistently supply high quality bananas.

- Most importers insist that fruit is packed in clusters of 4 to 5 bananas.
- Minimum finger length of 20 cm and most bananas sold are in the 23-26 cm finger length range.
- The use of cello wrapped or vacuum packed bananas is not common in the Netherlands but the trade prefers cluster packed and brand labelled fruit.

Growers must develop a relationship with a strong importer and marketeer by proving that reliable supplies of consistently high quality fruit can be provided at competitive prices. In return, growers must demand effective brand promotion and strong support to retailers selling their product in the market. The cheaper alternative is to sell fruit to a major importer for inclusion in an existing brand.

Although this provides access to the market, it is not a secure strategy and will be very dependent on maintaining a price advantage over competing fruit of the same quality.

Working with an established importer/marketeer makes it much easier for growers to deal with large retailers who are more likely to support a new source of bananas if it is backed by a respected importer/marketeer.

Target market niches should be selected with the importer and a strategy jointly developed for entering the market. Tasks for implementing the plan should be assigned to producers, importers/marketeers and retailers with clear terms of reference, deadlines and budgets. In this way, growers can meet their commitments to a new marketing programme and demonstrate their reliability.

Packaging for the Market

- 18 kilogram telescopic, corrugated carton of stapled construction with single corrugated base and lid with a single corrugated base insert (fitting) is used by most producers exporting bananas to the Netherlands. This carton size is preferred in the Dutch market because of handling efficiency, but presents problems for field packed fruit because of its weight.
- Labelling statements in English are acceptable.
- Like the German fruit trade, Dutch importers and wholesalers are participating in the move towards standardised Eurofruit handling systems. This includes trying to standardise carton and pallet sizes to improve fruit handling efficiency throughout the market chain between the ship and the consumer.
- Maximum horizontal dimensions of 600mm x 400mm have been proposed to fit a standard 1000 x 1200mm pallet and it is important that any exporter considering sending fruit to the Netherlands should ensure that their carton meets packaging requirements.
- Graphic design cartons is less important in the Netherlands because of the dominance of supermarket sales of prepacked bananas.

Promotion in the Market

The Dutch market is very price and quality conscious and prefers fruit of good quality which is highly competitive in terms of price relative to other fruits. Brands with a reputation for consistent quality that are competitively priced will normally attract a premium in the wholesale market. The use of brand labels, branded hooks for displaying clusters of fruit, and point of sale posters and decals helps establish a desirable product image in the Netherlands but is less important than in, say, the German banana market.

As with other mature markets, it is also possible to supply fruit to importers with established brands and sell fruit under existing brands so long as fruit consistently meets that brand's quality standards.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the Dutch banana market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

VELLEMAN AND TAS BV
Marconistratt 19
N-3002AC Rotterdam

Phone: +31-10-4768644
telex: 22189
Fax: +31-10-4766534

CHIQUITA BANANA COMPANY BV
Stationweg 41
N-3331 LR Zwijndrecht

Phone: +31-78-253333
Telex: 28934
Fax: +31-78-191644

WEICHERT AND CO. BV,
Marconistraat 13, (P.O. Box 6742)
-3029AR Rotterdam

Phone: +31-10-4765488
Telex: 25788
Fax: +31-10-4258683

S.C. VAN RAVENSWAAIJ BV
De Doelen 2, (P.O. Box 680)
N-3900 AR Veenendaal

Telex: 37158
Fax: +31-8385-40618

NETHERLANDS
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	19	32	22	32	38	55	52	22	11	14
COSTA RICA	20	18	14	11	11	12	17	18	8	6
ECUADOR	13	11	31	21	19	20	15	12	24	17
GUATEMALA	1	0.7	0.3	0.4	0.2	0.2	4	1	0.5	0.2
HONDURAS	9	8	16	12	13	16	10	4	2	0.7
NICARAGUA	0.1	0.3	10	5	7	6	1	2	3	2
PANAMA	29	24	19	23	22	21	26	33	22	1
TOTAL	91.1	94	112.3	104.4	110.2	130.2	125	92	70.5	40.9

SOURCE: EC NIMEX

NETHERLANDS
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	7,754	15,055	9,998	12,303	13,255	18,603	18,603	8,884	4,486	3,904
COSTA RICA	9,533	9,013	7,528	5,236	5,222	5,227	6,866	8,063	3,596	2,307
ECUADOR	6,175	5,655	15,451	9,556	7,780	8,366	5,430	4,930	10,187	5,694
GUATEMALA	582	308	184	154	91	93	1,455	507	204	65
HONDURAS	4,280	4,283	8,820	5,495	6,118	6,854	4,316	2,092	1,240	206
NICARAGUA	50	170	3,050	1,883	3,082	2,816	445	279	969	521
PANAMA	14,040	11,974	10,317	11,129	10,587	9,280	9,939	14,335	9,937	411
TOTAL	42,414	46,458	55,348	45,756	46,135	51,239	47,054	39,090	30,619	13,108

SOURCE: EC NIMEX

NETHERLANDS
PRICES OF BANANAS IMPORTED FROM NON-EC SOURCES
ECU/TONNE

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	408	470	454	384	349	338	358	404	408	279
COSTA RICA	477	501	538	476	475	436	404	448	450	385
ECUADOR	475	514	498	455	409	418	362	411	424	335
GUATEMALA	582	440	613	385	455	465	364	507	408	325
HONDURAS	476	535	551	458	471	428	432	523	620	294
NICARAGUA	500	567	305	377	440	469	445	140	323	261
PANAMA	484	499	543	484	481	442	382	434	452	411

SOURCE: EC NIMEX

How the Market Works

Belgium is a small banana market but per capita consumption is equal to the EC average. The market is characterised by close relations between Belgian and French importers, and France is a major supplier of most of the imported fresh produce. Many Belgian traders purchase their daily requirements in the wholesale market of Rungis, Paris, which is well connected by road.

However, most bananas consumed in Belgium are imported through Antwerp or Rotterdam. Antwerp is a major fresh produce port and received bananas from Latin America which are re-exported to other northern European markets, although as road transport costs increase the ports of Rotterdam, Bremerhaven and Hamburg become increasingly attractive because of their proximity to centres of consumption.

Because the European Commission is headquartered in Brussels and Antwerp is a major fresh produce port, second only to Rotterdam in importance in the EC, many major importers have their European headquarters in Belgium. Where major importers do not use Rotterdam as their central control port, they normally use Antwerp. For instance, Chiquita Brands International has its International Co-ordination Centre in Antwerp. Thus, even though Belgium is not a major banana market with opportunities for Commonwealth banana producers the key importers in Antwerp and Brussels are important contacts in the European banana trade.

The market is supplied almost exclusively by Dollar bananas from Latin America. Similar trading arrangements to those used to Dollar bananas in other northern European countries apply, with most bananas being imported on a free on rail (FOR) or free on truck (FOT) basis.

Market Requirements

Belgium is a wealthy market which is less quality conscious than Germany or France but still demands quality fruit in clusters, preferably with some form of fruit label to distinguish the fruit from other brands.

Like other northern European markets, Belgian banana importers place a high priority on fruit quality and are prepared to pay a premium to producers who consistently supply high quality bananas.

- Most importers insist that fruit is packed in clusters of 4 to 5 bananas.
- Minimum finger length of 20 cm and most bananas sold are in the 23-26 cm finger length range.

Small fruit shops and open air markets are more common in Belgium than other northern European countries and thus carton graphics can be important in

developing a marketing strategy. Growers should develop a relationship with a strong importer by proving that reliable supplies of consistently high quality fruit can be provided at competitive prices. Working with an established importer/marketeer makes it much easier for growers to deal with large retailers who are more likely to support a new source of bananas if it is backed by a respected importer/marketeer.

Target market niches should be selected with the importer and a strategy jointly developed for entering the market. Tasks for implementing the plan should be assigned to producers, importers/marketeers and retailers with clear terms of reference, deadlines and budgets. In this way, growers can meet their commitments to a new marketing programme and demonstrate their reliability.

Packaging for the Market

- 18 kilogram telescopic, corrugated carton of stapled construction with single corrugated base and lid with a single corrugated base insert (fitting) is used by most producers exporting bananas to Belgium. This carton size is preferred in the market because of handling efficiency, but presents problems for field packed fruit because of its weight.
- Labelling statements in French are preferred but English is acceptable. Palletised and containerised fruit handling systems are increasingly common in Antwerp and producers considering sending fruit to Antwerp should ensure that their cartons meet packaging requirements.
- Graphic design on cartons is important in Belgium because of the dominance of smaller fruit shops and open air markets.

Promotion in the Market

The Belgian banana market is price and quality conscious and prefers fruit of good quality which is highly competitive in terms of price relative to other fruits. Brands with a reputation for consistent quality that are competitively priced will normally attract a premium in the wholesale market. The use of brand labels, branded hooks for displaying clusters of fruit, and point of sale posters and decals helps establish a desirable product image in Belgium but is less important than in, say, the German banana market.

As with other mature markets, it is also possible to supply fruit to importers with established brands and sell fruit under existing brands so long as fruit consistently meets that brand's standards.

Key Market Contacts

The enterprises included in this list, which is not exhaustive, are key traders in the Belgian market. However, it should be noted that all exporters should carefully assess the capability of any company with whom they hope to trade, since the Commonwealth Secretariat takes no responsibility for the financial standing of these enterprises.

PACIFIC FRUIT COMPANY NV

Zeevaartstraat 3
B-2000 Antwerp

Phone: +32-3-2340444

Telex: 31572

Fax: +32-3-2334831

VAN DAMME SA

Industrielaan 3
B-1740 Ternat

Phone: +32-2-5823131

Fax: +32-2-5824144

IFG WEICHERT AND CO BVBA

Albertdok 190, (P.O. Box 59)
B-2000 Antwerp

Phone: +32-3-5417452

Fax: +32-3-5425999

DOLE EUROPE

rue de Moulin Papier
511160 Brussels

Phone: +32-2-6722346

Telex: 26745

Fax: +32-2-6608283

BELGIUM & LUXEMBOURG
BANANA IMPORTS FROM NON-EC SOURCES
'000 TONNES

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	9	20	10	17	24	27	47	71	85	83
COSTA RICA	6	18	12	15	17	13	24	20	36	49
ECUADOR	13	10	14	14	14	16	24	15	27	36
GUATEMALA	0.3	0.2	0	0.1	2	0.4	7	3	2	3
HONDURAS	10	8	17	11	16	21	11	7	11	23
IVORY COAST	0	0	0	0	0.1	0	0	0.1	0.1	4
NICARAGUA	0	0	2	13	21	10	10	5	3	1
PANAMA	32	24	23	21	26	29	32	40	38	96
TOTAL	70.3	80.2	78	91.1	120.1	116.4	155	161.1	202.1	295

Source: EC NIMEX

BELGIUM & LUXEMBOURG
VALUE OF BANANA IMPORTS FROM NON-EC SOURCES
'000 ECU

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
COLOMBIA	3,946	9,478	4,891	6,646	9,679	9,675	16,898	23,819	34,432	31,160
COSTA RICA	2,958	4,474	6,356	6,659	7,582	5,084	8,584	11,520	12,501	18,742
ECUADOR	5,970	5,095	8,142	6,561	6,293	6,527	8,152	6,029	11,435	12,873
GUATEMALA	115	65	0	7	819	108	2,550	1,038	646	807
HONDURAS	4,642	4,351	9,689	5,244	7,864	9,828	4,615	3,140	5,785	10,025
IVORY COAST	0	0	0	0	37	0	0	18	69	1,824
NICARAGUA	0	0	851	5,103	3,139	2,962	2,915	1,849	1,427	256
PANAMA	15,837	15,357	12,698	10,144	12,379	12,789	12,209	17,176	17,781	31,422
TOTAL	33,468	38,820	42,627	40,364	47,792	46,973	55,923	64,589	84,076	107,109

Source: EC NIMEX

Appendix 1

The EC Common Market for Bananas

Council regulation (EC) No. 404/93 dated 13 February 1993 on the common organisation of the banana market was introduced to harmonise the previously diverse marketing of bananas in the EC in accordance with the Single European Market which came into effect in 1993.

The market in 1992, totalling 3.7 million tonnes, was divided between ACP producers (600,000 tonnes), EC producers (700,000 tonnes) and the Dollar producers (2.4 million tonnes). How this will change under the new regulation is not yet clear.

Reference is made to bananas traded in the following forms:

Traditional ACP exports:

quantities of bananas exported from ACP countries to the EC. Levels are based on a country's highest exports in the years up to and including 1990. (See Table 1.)

Non-traditional ACP exports:

quantities of bananas exported over and above those included in the above.

Third country bananas:

bananas imported from countries other than the ACP and the Community states (so called "Dollar bananas").

Community bananas:

bananas imported from Community states and the overseas territories. See Table 2.

Under article 17 of the above agreement a tariff quota will be opened each year and have the following conditions:

- annual tariff quota of 2 million tonnes for third country bananas and non-traditional ACP bananas.
- for the second half of 1993 the tariff quota will equal 1 million tonnes.
- imports shall be subject to a levy of 100 ECU per tonne with non-traditional ACP imports admitted at zero duty.
- this quota may be changed subject to a majority voting decision in the council based on a supply/demand balance forecast for the Community as a whole.

On imports above this the following levies will be charged:

- non-traditional ACP imports; 750 ECU per tonne.
- third country imports; 850 ECU per tonne.

- quantities of third country and non-traditional imports re-exported out of the Community will not be charged to the above quota.

Under article 19, the above tariff quota of 2 million tonnes is to be distributed in the following way:

- 66.5 % to operators who market third country and/or traditional ACP bananas.
- 30 % to operators who market traditional and non-traditional ACP bananas.
- 3.5 % to operators who started marketing bananas after 1992.

Also included in article 10 of the above regulation is a package of assistance to complement the transition from the old banana regime. This included:

- income support in the form of a deficiency payment should prices fall below a historical average;
- technical and financial assistance in the form of marketing, organisation, quality improvement and distribution initiatives.

The value of aid is provisionally set at 10,000,000 ECU per year for three years to be divided between the 12 ACP states.

Table 1. Community Production of Bananas

Country	Tonnes
Canary islands	420,000
Guadeloupe	150,000
Martinique	219,000
Madeira, Azores & Algarve	50,000
Crete & Lakanía	15,000
Total	854,000

Table 2. Traditional ACP Quantities for Export to the EC

Country	Tonnes
Côte d'Ivoire	155,000
Cameroon	155,000
Surinam	38,000
Somalia	60,000
Jamaica	105,000
St Lucia	127,000
St Vincent	82,000
Dominica	71,000
Belize	40,000
Cape Verde	4,800
Grenada	14,000
Madagascar	5,900
Total	857,700

The above regulation was passed by the council and came into effect as of 1 July 1993.

Representations to GATT

The governments of Colombia, Costa Rica, Guatemala, Nicaragua and Venezuela have made two representations to GATT stating that EC Banana Trade Policy is in contravention to various articles of the GATT agreement. In the first case, the committee found in favour of the South American Group, agreeing with them that EC policy was detrimental to their exports. However, the ruling was not implemented. The second case, referring to the above Council Regulation, is still under consideration with an announcement expected in March 1994. The Dollar producers maintain that the present regime is equally if not more restrictive in that their imports have been reduced from 2.4 million tonnes in 1991 to the present 2.0 million tonnes under the new tariff quota. In addition to this, 30% of

the quota has been allocated to importers of traditional ACP fruit. The Dollar producers also requested that a clause be included in the Uruguay round of the GATT but due to late submission this looks unlikely to be considered.

The EC Position

The EC maintains that the new regulation complies with GATT by honouring commitments to its development partners (under Lomé) and by moving to a form of protection (tariffication) which is acceptable to GATT, provided it is reduced in line with the general agreement. This will require reductions of 15% for the full tariff rate and reductions of tariffs across the board averaging 35% by 1999. By moving to a system of transparent tariffication which would be progressively reduced in line with the general agreement, the EC would unarguably be encouraging freer trade in bananas.

The EC may also maintain that it will be necessary to build in additional safeguards during the transition period to prevent unfair practices from the largest Dollar shippers. One suggested scenario is that large quantities of Dollar bananas could be shipped over and above the tariff quota to selected markets. This would lower prices and eliminate traditional ACP suppliers. A suggested method to prevent this would be to introduce a minimum (reference) price of, for example 680 ECU per tonne. If prices were to fall below this, an incremental levy could be charged against imports to bring them to parity with the reference price. There would still be no upper limit to Dollar imports, simply the disincentive of the incremental levy.

The EC and operators in the European market also argue that by increasing production rapidly from 1.7 million tonnes in 1989 to 2.4 million tonnes in 1991 in anticipation of expanded markets in Eastern Europe and a totally free market within the EC (neither of which materialised in the expected way), the Dollar producers have brought the problems of over-supply upon themselves. This, it is argued, weakens their case with the GATT Committee.

Summary

Implications for ACP/Commonwealth producers:

- face lower prices and stiffer competition.
- gain from the receipt of 30% of the tariff quota licences.
- provided there is some form of safeguard (minimum/reference price) to prevent aggressive "dumping" from the largest producers, market share should be maintained.

For Dollar shippers:

- effective reduction in total quantities shipped from 2.4 million tonnes in 1991 to 2.0 million tonnes (levied at 100 ECU per tonne) under the new regulation.
- effective loss of control over 30% of the quota tariff to traditional ACP operators.
- gain from higher prices due to the reduced markets and from greater stability.
- gain access to the formerly restricted markets of the UK, France, Spain and Italy.

For consumers:

- most (apart from the Germans) should benefit from lower prices and greater choice that result from increased competition.
- as a result of further EC assistance the quality and distribution of ACP fruit should improve.

Appendix 2

**European Council Agreement on Bananas
reached on 17 December 1992
The implications for ACP and dollar banana prices
after the introduction of the tariff quota**

1991 Actual

ACP Imports	0.603 million tonnes
EC Supplies	0.723 million tonnes
Total Preferential Supplies	1.326 million tonnes
Average CIF Price of ACP Imports	Ecu665/tonne
Average CIF Price of EC Supplies	Ecu746/tonne
Average CIF Price of Preferential Supplies	Ecu709/tonne
Total EC Market Demand	3.860 million tonnes
Average CIF Price of All Supplies	Ecu560/tonne
Total Dollar Imports	2.534 million tonnes
CIF Cost of Dollar Imports	Ecu350/tonne
Average CIF Price of Dollar Bananas	Ecu486/tonne
Average Price (after duty) of Dollar Bananas	Ecu530/tonne
Average Price (after duty) of All Supplies	Ecu591/tonne

1993 Estimates

ACP Imports	
0.750 million tonnes	
EC Supplies	
0.752 million tonnes	
Total Preferential Supplies	1.475 million tonnes
Average CIF Price required by ACP Suppliers	Ecu665/tonne
Average CIF Price required by EC Suppliers	Ecu746/tonne
Average CIF Price required by Preferential Suppliers	Ecu705/tonne
Total EC Market Demand	3.86 million tonnes
Average Market Price (after duty)	Ecu600/tonne
Total Dollar Imports	
2.385 million tonnes	
Derived over Dollar Quota	0.385 million tonnes
CIF Cost of Dollar Bananas	Ecu350/tonne
Cost of Tariff Quota Dollar Bananas (after duty)	Ecu450/tonne
Cost of Over Quota Dollar Bananas (after duty)	Ecu1200/tonne
Average Price (after duty) of all Dollar Bananas	Ecu571/tonne

* Source: House of Commons Agriculture Committee Report, Feb.1993

Appendix 3

Protocol 5 from the Fourth Lomé Convention

The Community and the ACP states agree to the objectives of improving the conditions under which the ACP states' bananas are produced and marketed and of continuing the advantages enjoyed by traditional suppliers in accordance with the undertakings of Article 1 of this Protocol and agree that appropriate measures shall be taken for their implementation.

Article 1

In respect of its banana exports to the Community markets, no ACP state shall be placed, as regards access to its traditional markets and its advantages on those markets, in a less favourable situation than in the past or at present.

Article 2

Each of the ACP states concerned and the Community shall confer in order to determine the measures to be implemented so as to improve the conditions for the production and marketing of bananas. This aim shall be pursued through all means available under the arrangements of the Convention for financial, technical, agricultural, industrial and regional co-operation. The measures in question shall be designed to enable the ACP states, particularly Somalia, account being taken of their individual circumstances, to become more competitive both on their traditional markets and on the markets of the Community. Measures will be implemented at all stages from production to consumption and will cover the following fields in particular:-

- improvement of conditions of production and enhancement of quality through action in the areas of research, harvesting, packaging and handling;
- internal transport and storage;
- marketing and trade promotion.

Article 3

For the purpose of attaining these objectives, the two parties hereby agree to confer in a permanent joint group, assisted by a group of experts, whose task shall be to keep under continuous review any specific problems arising from application of this Protocol in order to suggest solutions.

Article 4

Should the banana-producing ACP states decide to set up a joint organisation for the purpose of attaining the objectives of this Protocol, the Community shall support such an organisation and shall give consideration to any requests it may receive for support for the organisation's activities which fall within the scope of regional schemes under the heading of development finance co-operation.

Post Harvest Handling

It takes between six and nine months for a banana sucker planted in a banana grove to start flowering, and a further three months from flowering until the mature bunch is ready for cutting and packing before transport from the farm to the wharf. Once loaded on the ship the bananas are kept in a controlled atmosphere for the journey to the port of destination, which might take nine to 15 days. The time from arrival at the port, through ripening and pre-packing to sale by a retailer will take between seven and 14 days. From this it can be seen that bananas must withstand up to 30 days post harvest (cutting) handling before being eaten by the consumer. In this period the bananas are handled many times by people who may not understand the delicate nature of the fruit or be concerned with how the fruit looks at the retailer's fruit stand. Thus it is the grower's responsibility to ensure that the fruit is in perfect condition and packed in strong cartons. This section looks at how growers should handle their fruit after harvesting to ensure that top quality fruit arrives at the importer's depot.

Fruit Treatments and Maximum Residue Levels

Prior to harvesting the fruit bunch should be protected from wind and insect damage with a thin plastic sleeve, usually made of biodegradable diothene or polyethylene. These sleeves can be colour coded to identify bunches which form at about the same time. In some areas a 13 week cycle is used with a different colour for each week. This system facilitates quick harvesting and planting in the banana grove. At the time of flowering, the dead flowers should be removed from the ends of the young bananas and, once the main stem of bananas has formed, the male flowers at the tip of the stem should be broken off. These actions prevent bacterial diseases (especially Moko-Pseudomonas solanaceraum) from occurring.

Care is required at harvesting to prevent damage to the bananas. The banana plant is partially cut and the bunch carefully lowered onto the ground or the harvesting trolley to prevent bruising. Hands must be removed from the stem, either in the field or in a packing shed. Most Commonwealth growers use field packing, where the sleeve is removed, and the hands are cut from the bunch starting with the lowest hand. A sharp curved knife is used and care taken to ensure that sufficient crown is left on each hand. The cutter works up the bunch until all hands are removed. Immediately after cutting from the bunch, the hands are placed crown down on a clean surface, often a banana leaf, to let the latex drain from the cut surface without staining the banana fingers. After three or four minutes, the latex fungicide (usually thiabendazole) is placed over the cut surface of the crown to prevent fungal attack. Crown pads should be applied within five minutes of cutting to ensure that they adhere well to the wound. Crown pads are preferable to spraying or dipping since they leave less fungicide residues on the fruit and thus improve the marketability of the fruit in countries concerned about chemical residues, such as Germany.

Where centralised or shed packing is used, bunches are cut and carefully transported to a holding area where they are hung in the shade before being taken to a dehandling area. Hands are cut from the bunch, as in field packing, but placed in clean, flowing water contained in a dehandling tank. Here the hands are separated into clusters (four to five bananas per cluster) and inspected for quality. The clusters or hands are then passed to another tank of clean, flowing water to remove the latex flowing from the cut surfaces on the crown. Clean clusters are then sent to a collating and weighing area where trays are used to collate fruit of uniform size, quality and weight (usually 28 pounds or 40 pounds) prior to packing. Trays of fruit then pass through a fungicide dip or spray. Thiabendazole is the chemical most commonly used and care must be taken to ensure that the dipping or spraying solution does not leave a residue above the allowed Maximum Residue Levels (MRL) for the target market. A figure of 3 mg/kg for whole bananas and 0.10 mg/kg for bananas with skin removed are useful MRL rules of thumb for thiabendazole on bananas sold in the EC. Treated fruit is then packed into corrugated cardboard cartons.

Post harvest treatment of fruit must aim at one simple goal: attractive fruit of the highest quality leaving the farm in a condition which will arrive at the importers warehouse ready for sale to ripeners and wholesalers.

Packing Systems

The choice of packing system, including the post harvest treatments described above, will depend on local conditions and the size of local operations. Economies of scale are critical to success in these operations in order to remain price competitive. Labour costs in most Commonwealth banana exporting countries are higher than in Latin America but lower than in Guadeloupe, Martinique or EC producers such as the Canary Islands. There is therefore an opportunity for Commonwealth producers to increase efficiency in packing systems to increase competitiveness.

With the increasing use of pressurised ripening systems, which require larger ventilation holes in banana cartons, it is advisable to include ventilation holes suited for this method of ripening as standard. Growers and their representative organisations must agree on carton dimensions and packing systems with importers before finalising price and other agreements.

There are a number of packing systems used for bananas, but the Paco-Pack system, first developed in Central America and adopted by some Caribbean producers, is a proven method of reducing mechanical damage, where bananas bruise adjacent fruit in the carton. The Paco-Pack system uses a kraft paper liner and a diothene plastic bag to separate hands or clusters in each carton. The system works best when fruit of similar finger length and size are packed in the same carton, but this is essential for competitive marketing in the EC in any case.

All bananas sold in the EC are packed in telescopic, corrugated cardboard cartons of stapled construction which conform to International Fibreboard Case Code 0320. Cartons need to be strong enough to withstand field packing conditions,

shipping, ripening and distribution to retail centres. Except for direct sales to supermarkets and retailer chains, the cartons should also have graphics which attract buyers to the fruit on the wholesale market floor.

Cartons for the EEC market must be labelled with COUNTRY OF ORIGIN; NAME OF BRAND, PRODUCERS GROUP, or EXPORTER; NET WEIGHT OF FRUIT; WARNING CONCERNING SPECIAL CHEMICALS USED - particularly Thiabendazole in the case of bananas; and should also be marked with FRAGILE and TEMPERATURE CONTROL INSTRUCTIONS.

Storage

Packed cartons should be held in a shaded area to remove some field heat before transport to the wharf. Ideally cartons would be stored in refrigerated (reefer) containers or on pallets, but if this is not feasible then pallets or reefer containers should be used at the wharf to facilitate efficient loading onto ships.

Shipment

Once in the ship's hold, it is essential that all field heat is removed and that fruit is kept at a constant temperature of about 13.3°C. This temperature helps stop the natural ripening process.

The temperature should not be allowed to drop below 12°C since bananas are susceptible to chilling injury which is characterised by a grey discolouration of the skin. On arrival at the destination port, fruit should be unloaded quickly and maintained at a constant temperature of 12.5 to 13.5°C before being ripened. In Northern Europe this means that insulated, temperature controlled vehicles are needed during winter and in Southern Europe refrigerated vehicles are needed in summer. These arrangements are the responsibility of the importer and ripener/wholesaler, but growers or their marketing organisations need to ensure that the importers have correct facilities in order to ensure that their fruit arrives at the retailer's shop in good condition. Palletisation and containerisation increase the efficiency of fruit unloading and handling between the ship and the ripening rooms. This contributes to the competitiveness of bananas in each EC market. Shipping takes nine to 15 days, depending on port of origin and port of destination. For example, a typical voyage from Castries, St Lucia, to Barry Docks, UK, takes nine days and a typical voyage from Kingston, Jamaica, to Hamburg, Germany, takes 13 days.

Ripening

Ideally fruit should be ripened within a range of 14-18°C over five to eight days. However, quick ripening over four days using pressure ripening techniques with temperatures up to 21°C are also used by some ripeners. During ripening, heat should be gradually removed from the fruit prior to packing for retailers to give a maximum packing temperature of 15°C. Ethylene is required to trigger ripening

and is supplied to ripening rooms with an ethylene generator giving 125 to 150 ppm ethylene over a period of 4 hours.

Ripening used to be a separate trade in the EC but now most major importers and wholesalers either ripen their own fruit or have financial links with ripening firms. The EC banana industry is becoming increasingly integrated in an effort to increase efficiency and maintain price competitiveness in the market. Growers should deal with importers and wholesalers/commission agents in the EC markets selected for this booklet. However, they should check that the ripening facilities available to the traders they are dealing with meet the specifications of retailers who ultimately create demand for their fruit. Most retailers appreciate contact with producer's organisation which show concern for the full market chain that their produce goes through before it reaches the retailer.

Servicing the Market

Merchandising and Promotion

Merchandising and promotion of bananas is normally in the hands of the importer/marketee and retailers in each market. However, it is important for growers or their exporting organisations to understand the types of marketing tools available so that they can contribute to the planning of this part of banana marketing work. The most important promotional asset for fresh fruit is consistent quality that is recognisable by retailers and their customers - the ultimate banana consumers. Consistently high quality fruit is the best contribution to banana exporting that a grower can make.

Once quality fruit arrives in a market the importer/marketee and the retailer work quickly to ensure that the fruit is sold at the best price. Generic promotion, of bananas as a desirable fruit compared to other foods, and brand specific promotion help maintain buying interest and thus retail prices. Merchandising is used to keep wholesaler and retailer loyalty and to facilitate special banana sales or other banana related marketing activities in specific retail outlets. Common merchandising and promotion activities used in the EC banana markets include:

Point of Sale Material

- Posters, banners, recipe booklets, nutrition advice fliers, decals and shelf labels as well as branded fruit hooks, calendars and lighters.

Trade Incentives

- Competitions, holidays, etc. to encourage wholesale traders and major retailers to increase their volume sold.

Children Promotions

- Use of cartoon characters to promote a desirable image for banana consumption.

Education

- Education packs for teachers to use in schools for project and nutritional work concerning the benefits of bananas.

Sport

- Sponsorship of prestige sports teams and events such as the Tour de France cycle race.

Nutrition

- Publishing information about the nutritional benefits of bananas in a healthy, active diet.

Environment

- Some major importers have become involved in environmental projects in producing countries and this is used in their promotional strategies.

Bananas are one of the best advertised, marketed and supported fruits in the EC. There is an established marketing infrastructure in each of the EC markets examined in this booklet. All producers can benefit from these activities so long as they make their contribution by exporting to the market fruit of consistently high quality. Quality is usually defined in fruit specifications set out by the retailer and importer.

Specifications

Most major importers have minimum specification which have to be consistently met in order to receive agreed prices. All supermarkets issue a buying specification to their suppliers which contains all their requirements for the raw material, packaging and labelling that they want on the final product which is presented to the customer. Growers are responsible for some parts of these specifications and these are usually included by the importer in any supply contract or agreement. The following specification is typical of what growers should expect for the EC banana market.

- **Country of Origin**

All fruit exported to the EC must have an indication of the country of origin on the outer packaging.

- **Variety**

Major importers and retailers want to know which variety is being supplied.

- **Visual Standards**

Bananas must be clean and free of latex stains, thrip marks and rust. Minor marks should be light and confined to the back and sides of the clusters of hands. Bruises and large areas of heavy blemish are not acceptable and fruit in this condition will not be paid for.

- **Finger Length** Fruit should ideally be split into two sizes: LARGE and SMALL:

LARGE:	minimum length 20 cm
	maximum length 36 cm
SMALL:	minimum length 11 cm
	maximum length 20 cm

Finger length is measured along the outer length of the middle finger of a hand or cluster of bananas. (Division of fruit into different sizes is not essential if fruit is reasonably consistent but is advantageous from a marketing point of view.)

- **Size of Clusters**

Large fruit should be packed in clusters of three to five fingers. Small fruit should be packed in clusters of four to nine fingers.

- **Weight**

Each banana carton must bear the minimum net weight of fruit packed. Either 18 kilogram or 12 kilogram carton weights will be specified. Normally it is best to pack small fruit in 12 kilogram cartons and large fruit in 18 kilogram cartons.

- **Labelling**

Fruit labels may need to be applied at packing, in which case the correct brand and label type need to be used to suit the needs of each particular importer.

- **Chemical Residues**

Chemicals used during the production of the fruit should be made known to the importer. The package in which the fruit is exported must state what post harvest chemical treatments have been applied to the fruit. EC legislation defines what must be declared. Thiabendazole is the most important chemical to declare for bananas.

- **Carton Labels**

The carton should have statements in the correct language for each market. Labels will include brand, name of exporter, country of origin, net weight in that carton and should also be clearly labelled as bananas.

Where fruit is exported which does not meet the specifications set out by the importer, there may be a claim made against the exporter.

Settling Claims

The rules relating to claims in the EC are simple but must be followed very carefully. Details of the guidelines can be found in the COFREUROPE Code of Practice but the basic principles are as follows:

1. Claims must always be lodged at the first place of destination of the goods.
2. If a claim is filed, unloading must be suspended immediately except in the case of group shipments.
3. A claim must be made by fax or telex direct to the vendor. It is not sufficient to inform the broker or agent.
4. The time limit for submission of claims is six hours after arrival of good in Class 1 and 2 (which covers fresh bananas).
5. Once a claim has been made, the vendor and the purchaser are free to come to an amicable agreement, in which case the claims procedure is concluded.
6. If an amicable agreement is not reached, then it is up to the purchaser to call in an appropriate expert to make a survey and report. The purchaser is not obliged to request the prior opinion or approval of the vendor or broker/agent before lodging a claim.
7. For an expert survey and report to be valid, the purchaser must send a fax or telex to the vendor indicating the date, time and place of the survey, and the name of the expert, if known. The vendor or his representative has the right to be present at the survey.

This notification must allow the vendor sufficient time to make travel arrangements etc in order to be present.

8. In the case of grouped shipments (i.e. deliveries composed of loads from one or more vendors), addressed to several consignees, each partial load is to be considered as an individual load, and if a claim arises, unloading does not have to be suspended.

It is important that growers and exporters are aware of these claim procedures, particularly in the early stages of a new market development, before a trusting relationship has evolved between exporter and importer. It is more common practice, however, that once an established business relationship has been developed between the importer and the exporter/packer, then a mutually acceptable trading agreement is drawn up between the two parties. In addition to dealing with procedures for settling claims, such an agreement should also include details of payment and credit terms.

Co-operative and Other Producer Organisations

The international banana trade is largely controlled by a number of large, vertically integration companies with large resource bases and considerable marketing, distribution and ripening resources in most EC markets. Commonwealth banana producers need to organise themselves so that they can take advantage of economies of scale for transporting, packing and trading their export bananas. It is impossible for individual growers to export bananas directly to the EC at competitive prices. Growers need to be organised into regional and national growers' associations or co-operatives with the aim of assisting with crop production technology and providing transport and packing infrastructure. This has already been done in the major Commonwealth producing areas such as Jamaica (Jamaican Banana Board and JAMCO) and the Windward Islands (WINBAN and its constituent associations). However, even those organisations are very small when compared with the large multinational fruit traders. Commonwealth producers will never be able to be bigger than the multinational banana companies but there are a number of strategies which could allow Commonwealth banana producers to increase their market share in the EC. The two areas concern production and packaging on the one hand and marketing on the other.

By organising a group that is large enough to take advantage of economies of scale in inter-island transport, packaging and loading, it would be possible for Commonwealth growers and their associations to reduce costs between the farm gate and the ship's hold. By joining forces with importers/marketeers with existing EC-wide infrastructure and established market arrangements, such as the multinational banana traders, it is possible for Commonwealth producers to take advantage of the resources available to multinational groups, and thus reduce the costs between the ship's hold and the retailer's shelf. Arrangements similar to those suggested here already exist in a small way but they need to be consolidated and expanded if Commonwealth banana producers are to be able to take full advantage of the opportunities and meet the threats which will arise on completion of the Single European Market.

For these organisations and associations to be successful there are only two essential rules which need to be applied. Firstly, the whole thrust of the association needs to be:

MARKET LED, SUSTAINABLE EXPORT DEVELOPMENT TO INCREASE THE PROSPERITY OF GROWERS AND THEIR COMMUNITIES.

Secondly, the association needs to be committed to:

PRODUCTION OF EXPORT QUALITY FRUIT.

Both rules require incentives to be paid for quality fruit so that importers are assured of a consistent supply of quality fruit which meets their specifications. There are opportunities for regional associations to be formed to reduce packaging and shipping costs, especially in the Caribbean. A Commonwealth Caribbean Banana Export Packing Company could be formed, to reduce the duplication which exists between existing growers' associations in the region, for example.

Appendix 8

Maximum Residual Levels of Chemicals

Maximum Residue Levels (MRLs) for Bananas (mg/KG)
Relating to Chemicals used by WINBAN Growers

CHEMICAL	TYPE 1	CA MRL	UK MRL	EEC MRL	FRG MRL	SDN MRL
Ametryne	H	nl 2/	nl	nl	0.20	nl
Benomyl	F	nl	nl	nl	1.00	0.10
Butylfos	N/I	nl	nl	nl	nl	nl
Carbofuran	N/I	0.10	nl	nl	0.10	0.10
Chlorbromuron	H	nl	nl	nl	0.05	nl
Chlorothalonil	F	ns 3/	nl	nl	nl	0.05
Chlorpyrifos	I	ns	ns	nl	ns	0.50
Cyhalothrin	I	nl	nl	nl	ns	nl
Dalapan	H	nl	nl	nl	ns	nl
Diamyl	N/I	nl	nl	nl	nl	nl
Dichlorvos	I	0.10	0.10	nl	0.10	0.10
Diquat	H	ns	nl	nl	nl	0.10
Diuron	H	nl	nl	nl	0.05	ns
Ethoprophos	N/I	nl	nl	nl	0.02	nl
Fluozippbutyl	H	nl	nl	nl	nl	0.05
Fluzilazolf	F	nl	nl	nl	0.10	nl
Fungaflor	F	nl	nl	nl	nl	nl
Glyphosate	H	nl	nl	nl	0.10	nl
Maneb	F	nl	nl	nl	0.20	1.00
MSMA	H	nl	nl	nl	nl	nl
Paraquat	H	nl	nl	nl	nl	0.05
Petroleum Oils	F	nl	nl	nl	nl	nl
Phenamiphos	N	nl	nl	nl	nl	nl
Pirimiphos	N	0.50	ns	nl	0.02	1.00
Propiconazole	F	nl	nl	nl	0.10	nl
Simazine	H	nl	nl	nl	ns	nl
Terbufos	N/I	nl	nl	nl	ns	nl
Terbutilazina	H	nl	nl	nl	0.05	ns
Thiabendazole	F	3.00	ns	nl	0.10	0.40 4/
Thiophanate	F	1.00	nl	nl	1.00	ns
Tridemorph	F	nl	nl	nl	0.10	nl
Triziman D	F	nl	nl	nl	nl	nl

CA = Codex Alimentarius, UK = United Kingdom,

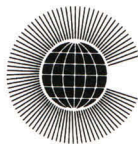
FRG = West Germany, SWD = Sweden

1/ F = Fungicide, H = Herbicide, I = Insecticide, N = Nematicide

2/ nl = not listed (i.e. this chemical has no MRL regulations)

3/ ns - not specific (i.e. this chemical has MRL regulations but they do not mention bananas specifically)

4/ MRL for banana without skin.



ISBN 978-1-84859-519-4



Commonwealth Secretariat
Marlborough House, Pall Mall, London SW1Y 5HX
Phone: 071 839 3411 Fax: 071 930 0827 Telex: 27678
ISBN 0 85092 412 X