



Banana and Cocoa Export Commodities: Certification Schemes as Drivers of Change

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Introduction

Food systems analysis is increasingly being applied to understand relations between production, distribution, and consumption of food products, the drivers that influence the system, and the outcomes that show how well the food system performs on health and nutrition, on environmental sustainability, and on income and inclusiveness. Little attention has gone to the position of global export commodities, where production and consumption are far apart. Banana in Costa Rica and cocoa in Cote d'Ivoire were the subject of this study (Fig. 1) to find out what major drivers determine the functioning of these systems. Next to identifying drivers such as population growth and increased plant disease pressure, it was found that the typical far-away setting and different living conditions between producer and consumer countries required a special eye on governance as a tripartite arena (government, private sector, civil society) with their power relations, and on certification schemes as a driver that follows from corporate social responsibility (Fig. 2 and Fig 3).

EXPORT BANANA	EXPORT COCOA
<ul style="list-style-type: none"> • Most traded fruit globally and most eaten fresh fruit in the United States and European Union. • Only grown in the tropics, with only 20% of global production being exported, of which 80% comes from Latin America and the Caribbean. Global exports (in 2018) = USD 12 billion. • Export sector is characterized by large monocropping systems (Cavendish variety), which has been linked with large input of agrochemicals (environmental trade-off). • Most countries are not commodity-dependent and most are classified as upper-middle income countries. • Over 80% of the global workforce in the banana export industry are men. Especially in areas where working on banana plantations involves migration, the plantations are dominated by male workers. Production tasks differ globally from equal tasks in the Philippines to less physically demanding work in the Caribbean. The wages of woman employees and casual workers are in general lower compared to their male co-workers. • Straightforward value chain from producers to consumers (unprocessed product). Trade is done by just a handful companies (market concentration). • Price is not set in international stock markets. Price is marginally volatile (less financial insecurity). • Increased health awareness = Increased demand for fresh fruit. Increased environmental awareness and social responsibility = Increased demand for sustainable production and fair trade (i.e. certified bananas). Currently, 6-9% of global production is certified. 	<ul style="list-style-type: none"> • Main ingredient for chocolate production, which is highly consumed in the United States and European Union, with potential to expand to Asian markets. • Only grown in the tropics, with over 70% of global production being exported, of which 70% comes from West Africa. Global exports (in 2018) = USD 9 billion. • Export sector is characterized by smallholder farming systems which has historically been linked with deforestation (environmental trade-off). • Most countries are commodity-dependent and most are classified as lower-middle income countries. • Agricultural land is dominantly owned by men. This makes women often have a relegated position as unpaid family or casual worker in the cocoa field. Therefore, they have unequal access to training, inputs and education. Women play an important role in the early plant care, fermentation and drying of the cocoa beans, which is crucial for sustainable cocoa yield of high quality. The role of women on in the cocoa fields is increasingly being recognized by international trade companies • Complex value chain from producers to consumers (highly processed products). Trade and processing are done by just a handful of companies (market concentration). • Price is set in international stock markets. Price is largely volatile (more financial insecurity). • Increased health awareness = Increased demand for 'dark' chocolate (higher percentage of cocoa). Increased environmental awareness and social responsibility = Increased demand for sustainable production and fair trade (i.e. certified cocoa). Currently, 23-40% of global production is certified.
<p>EXPORT BANANAS in COSTA RICA</p> <ul style="list-style-type: none"> • 10% of global share in export quantity (3rd exporter). • 99% of production is exported. • Over USD 1 billion in exports. • 2% of GDP and 37% of agricultural GDP. • 40,000 direct and 100,000 indirect jobs. • In Costa Rica, the ratio of men and women working in the banana export industry is much more equal compared to the rest of the world. However, the production tasks are clear: woman are dominantly working in the packing stations, whereas men do most physically demanding work. Men from surrounding countries migrate to Costa Rica, because they offer better working conditions and wages. • Living wage benchmark = USD 6.09 per capita per day. Over 50% of banana workers receive wages above living wage benchmarks, while the remaining receive wages that are 10% lower than the living wage benchmark. 	<p>EXPORT COCOA in CÔTE D'IVOIRE</p> <ul style="list-style-type: none"> • 37% of global share in export quantity (1st exporter). • 78% of production is exported (as cocoa beans). • Over USD 3 billion in exports. • 7% of GDP and 43% of agricultural GDP. • 5 million smallholders. • In Côte d'Ivoire, only 20% of the women own an agricultural field and only 4% of cocoa farmers are woman. The role of women in the cocoa field is not always clear, because reproductive and productive activities run together. • Living income benchmark (daily) = USD 2.52 per capita per day. Over 90% of cocoa smallholders are incapable of achieving the living income benchmark.

Fig. 1. Key indicators of the banana and cocoa export sectors, including the cases of export bananas in Costa Rica and export cocoa in Côte d'Ivoire

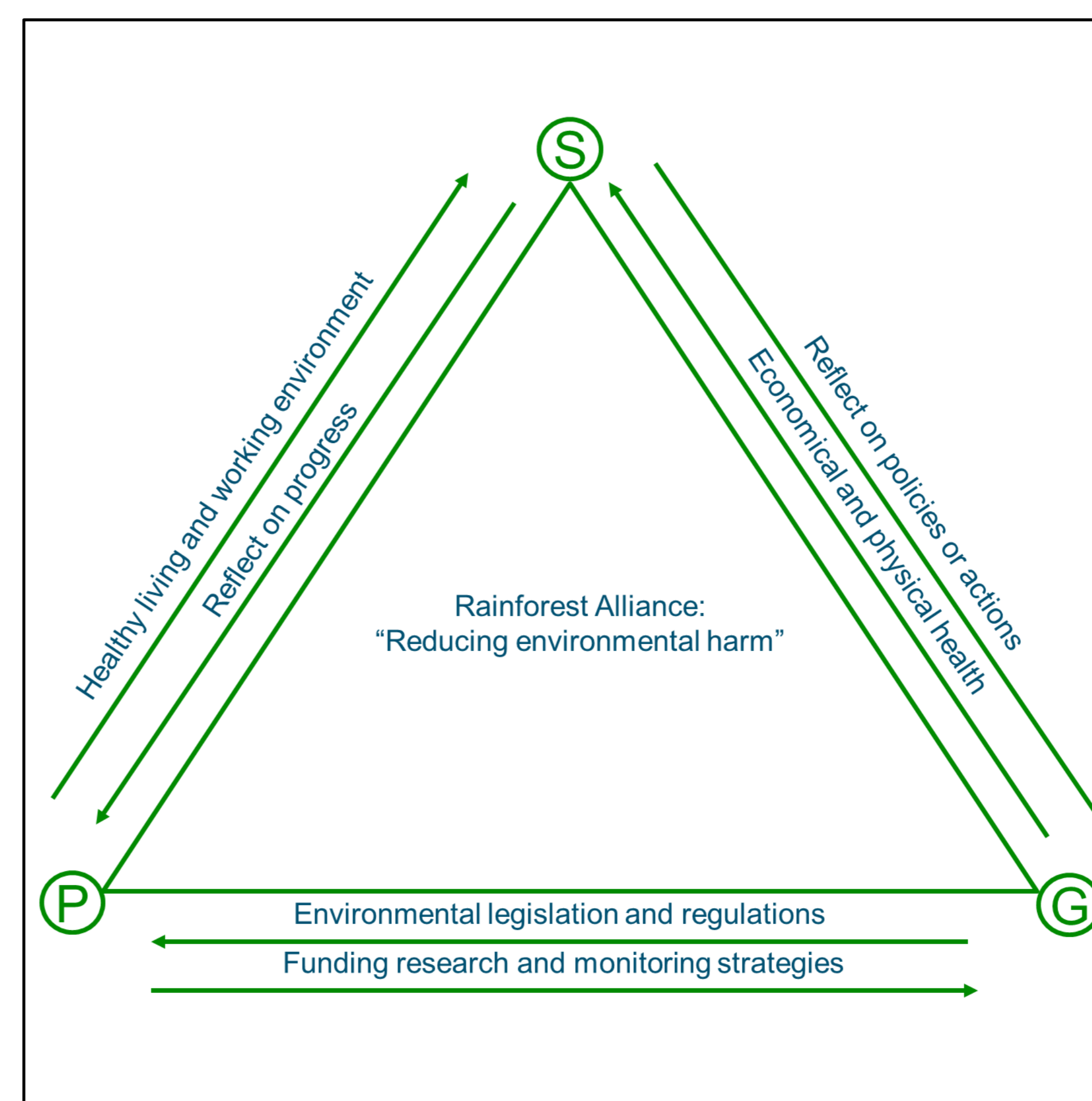


Fig. 2. The societal triangle regarding the environmental impact of the banana sector in Costa Rica. All actors, civil society (S), the private sector (P) and the government (G), have a responsibility to meet the goal of reducing environmental harm.

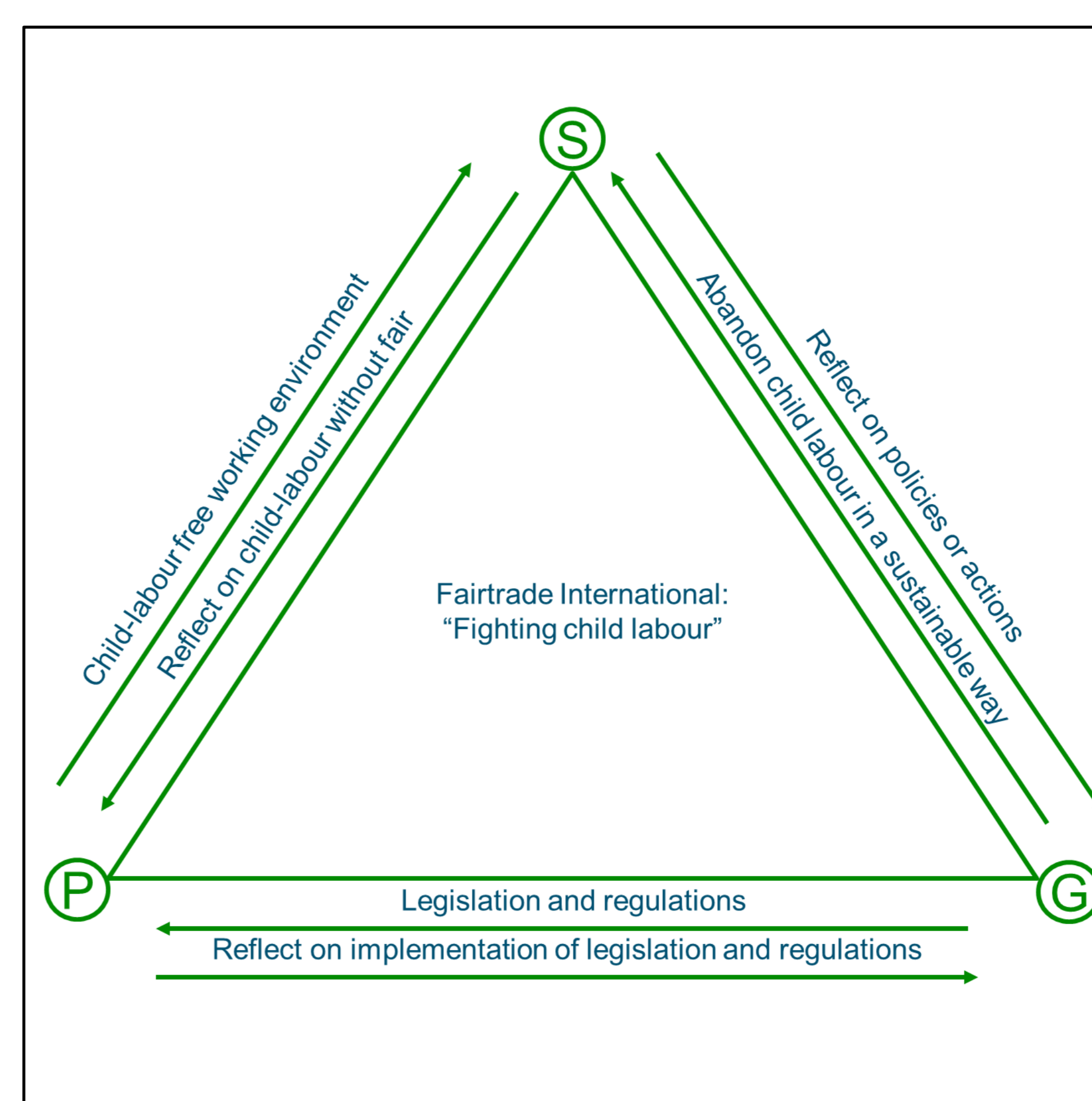


Fig. 3. The societal triangle regarding child labour in the cacao export sector in Côte d'Ivoire. All actors, civil society (S), the private sector (P) and the government (G), have a responsibility to meet the goal of fighting child labour.

Conclusions

The certification schemes addressed cover all food system outcomes, although health and nutrition in a less conspicuous way. The descriptions of the functioning of the schemes were also linked to living wages and incomes for banana plantation workers in Costa Rica and cocoa smallholder farmers in Côte d'Ivoire. Although very meaningful, certification schemes so far do not prove to be a silver bullet, but they do have the potential, in combination with other measures, to help positive food system transformations.