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Producer country sheet

Banana in Dominican Republic

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Banana growing is very important in the economy of the Dominican Republic. In 2009, it accounted for 8% of the value of total exports from the country (USD 200 million) and 5.2% of agricultural GDP. The opening of the European market after the Marrakesh Agreements in 1995 resulted in a staggering increase in exports of bananas to Europe. The total increased from 1 500 t in 1990 to 63 000 t in 2000 and is now nearly 300 000 t (source: CEI-RD, Adobanano). Even if the situation is changing, especially as regards sanitary conditions, the country benefits from a climate that favours low pest pressure (Black Sigatoka, nematodes, etc.), giving it a distinct comparative advantage for the production of organic bananas and fair trade.

Organisation of production

Bananas were introduced from the Canary Islands in 1516 by Fray Tomás de Berlanga. The history of the export sector consists of a long list of companies, often transnationals, that invested, exported and then withdrew from the sector. In 1906, United Fruit Company became interested in the country and then left a few years later. It was followed by the Grenada Company, the Dominican and Steamship Company, Fyffes, United Brand Company, etc. Today, there are nearly 2000 growers, two thirds of whom are considered as small producers, 27% as medium-sized and only 8% as large. They are members of the national federation Adobanano (Asociación Dominicana de productores de Banano).

Two large production zones

According to FAO figures, dessert banana production is some 600 000 tonnes, to which should be added 450 000 tonnes of cooking bananas (mainly AAB plantains). Dessert bananas were planted on about 20 000 ha in 2011 and nearly 52% was organic. There are two main production zones. In the north, Mao, Montecristi and Santiago provinces account for nearly 80% of dessert banana production for export. The rest is grown mainly in the south-west near Azua where the particularly dry climate means that production can be almost entirely organic. Some 50% of total production is exported.

Small production structures

The 2000 growers belong to about thirty facilities (associations, cooperatives, etc.). In the north, production is centred on a few large-scale growers and several groups of small and medium-sized producers. About half of the plantations in this zone cover from 12 to 20 hectares. Farming systems thus vary strongly from one plantation to another. In the south there are only organised small growers. The average cultivated area in the country is thus small at an estimated 7 hectares. The general trend is towards an increase in average plantation area and a decrease in the number of small growers.

Dominican production features farming systems with low investment and extremely dependent on a large, cheap labour force, often Haitian. This totals 20 000 to 30 000 full-time and seasonal workers.

Flood irrigation is used on about 80% of the watered plantations. Subfoliar sprinkler systems that use considerably less water are much less used.

Yields are fairly small at less than 30 tonnes per hectares, much smaller than the 45 to 55 t/ha observed in Latin America (FAO Stat, 2009). Professional sources confirm this scale of yields of 1 600 to 1 700 export boxes per ha in conventional farming and 1 400 to 1 600 boxes per ha in organic farming.

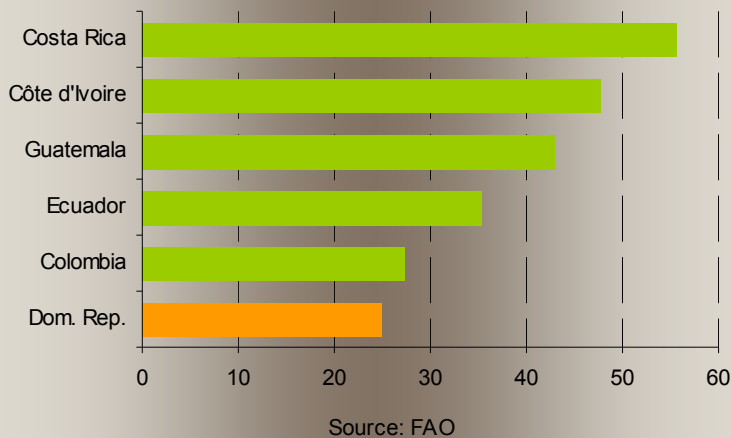


Cost structure

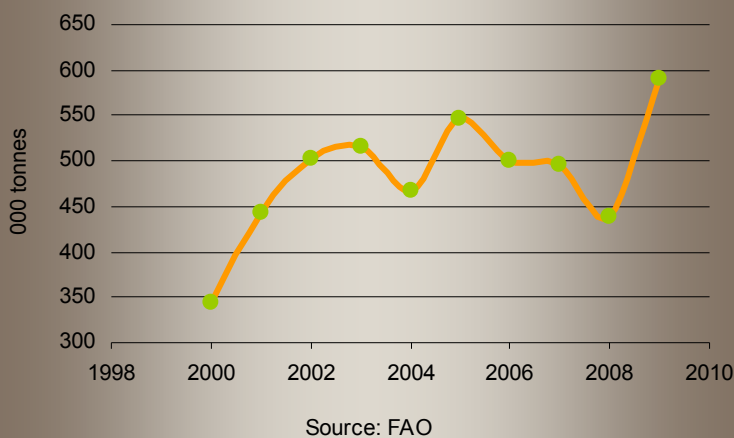
The cost structure (not counting depreciation and land) varies considerably from one plantation to another. However, cost price levels seem fairly competitive. Mention is made of some USD 5.40 per box ex packing station, to which must be added about USD 1.60 for the box and the polybag, giving a total of USD 7.00 per box. Labour accounts for less than a third of total cost price. The labour:land ratio is about 2 workers per hectare. The rest of the cost covers fertilisation, bunch care and crop protection.

It is difficult to calculate the additional cost per box of organic and fair trade certification as the rate vary according to the certification bodies and there are many practices. The producers' group sometimes handles this service and sometimes the development grant is used to finance the label. Costs may also be shared at production area level, etc. The scales of certifications are as follows: USD 70 to USD 135 per hectare for organic produce and around USD 200 USD/ha for fair trade.

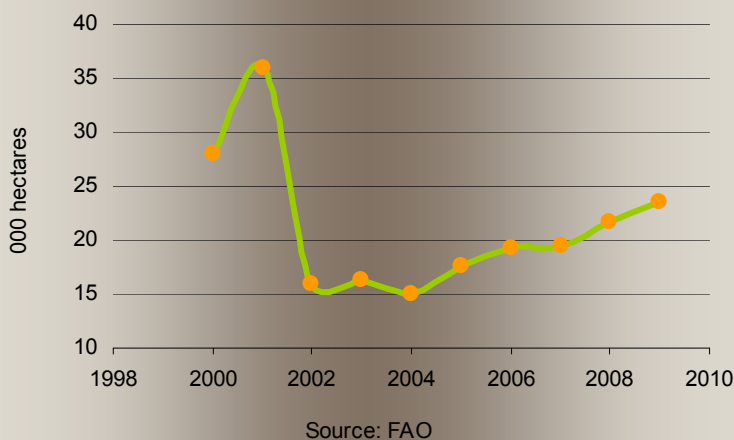
Banana - Dominican Republic - Yield comparison (t/ha)



Banana - Dominican Republic - Evolution of production



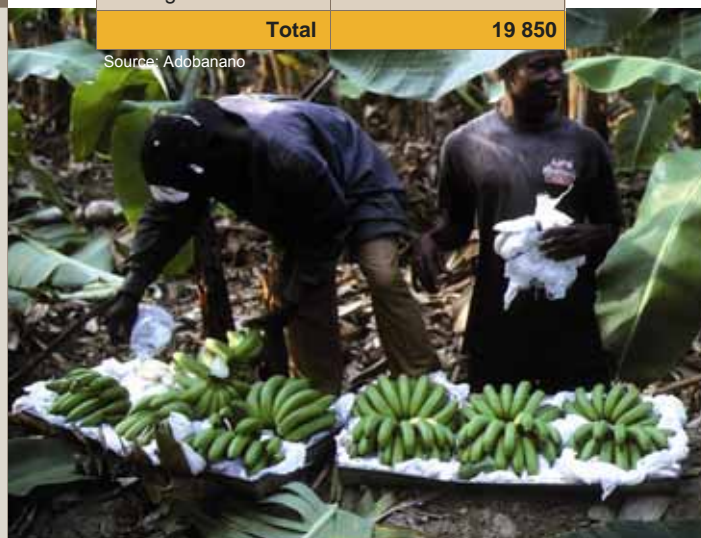
Banana - Dominican Republic - Evolution of cultivated areas



**Banana — Dominican Republic
Planted areas by province (ha)**

Mao	11 910
Montecristi	6 550
Azua	794
Santiago	596
Total	19 850

Source: Adobanano



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Exports

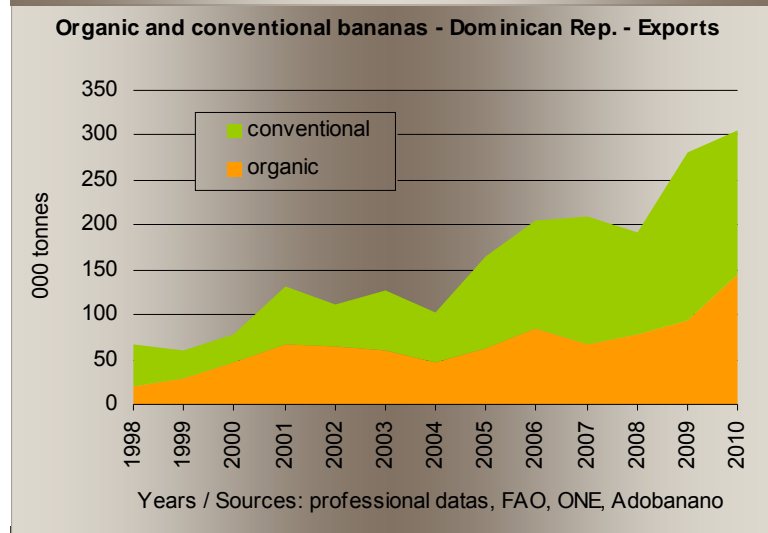
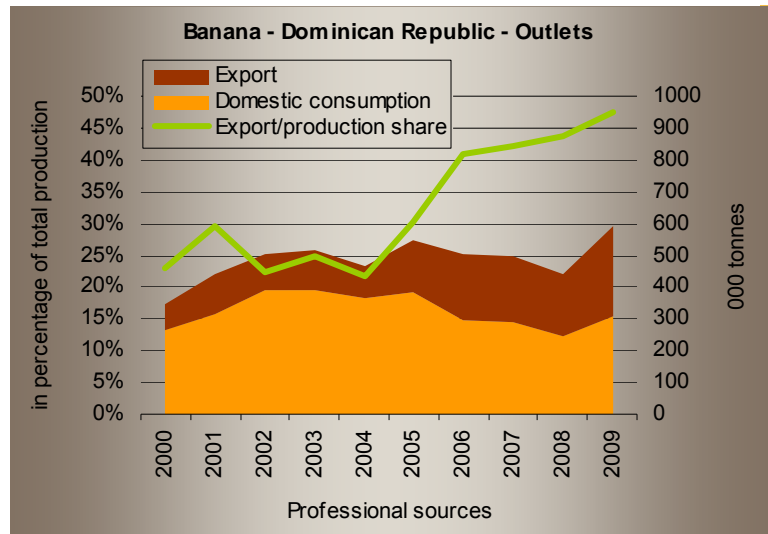
Strong positioning in labels

There are some ten dessert banana exporters. Produce with organic and fair trade labels forms the greater proportion of Dominican banana exports (sources: FAO Stat and Adobanano, 2010). Organic bananas thus have considerable importance for the economy as they form more than 80% of organic exports. Market leader until 2006, the Dominican Republic is now the second-largest exporter of organic bananas after Ecuador. It is practically on a level with Peru (source: FAO, 2008).

Several certification bodies operate in the Dominican Republic: BCS Öko Garantie (Germany) with nearly 70% of certifications, and also Imo Control (Germany, Switzerland), Suolo Italia (Italy), Skal (the Netherlands) and Demeter (Germany). In addition to organic certification (EU, US and Japanese standards), Control Union also handles inspection and GlobalGap Tesco Nature's Choice certification.

A market strongly dependent on European imports

The Dominican Republic benefits from ACP status as regards European customs policy. Banana imports enter EU-27 tax-free. Exports to the United States are also tax-free. More than 90% of dessert banana exports are shipped to the European Union (source: Oficina Nacional de Estadísticas de Rep. Dominicana, 2010). The United Kingdom is the main destination, mainly because the organic market is very large (more than 75% of organic bananas, source: CEI-RD). At the regional level, Haiti is the main trading partner, accounting for 4.5% of exports, that is to say nearly 12 000 tonnes per year. But the Dominican Republic also has a very large domestic market that takes more than 40% of production.



Banana — Dominican Republic Exports and planted areas in 2010				
	Volume exported		Planted areas	
	tonnes	%	hectares	%
Organic, of which	144 856	48%	9 501	52%
Organic	92 069	30%		
Fairtrade organic	52 787	17%		
Conventional, of which	159 656	52%	8 633	48%
Conventional	85 254	28%		
Fairtrade conventional	74 402	24%		
Total	304 512	100%	18 134	100%



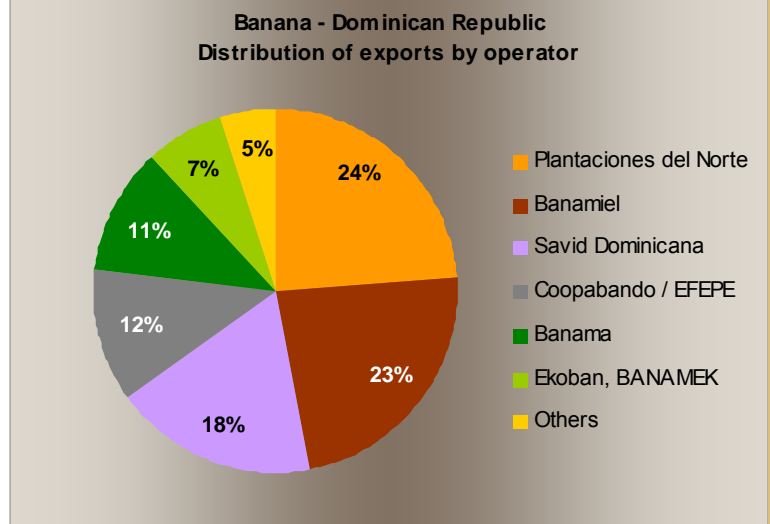
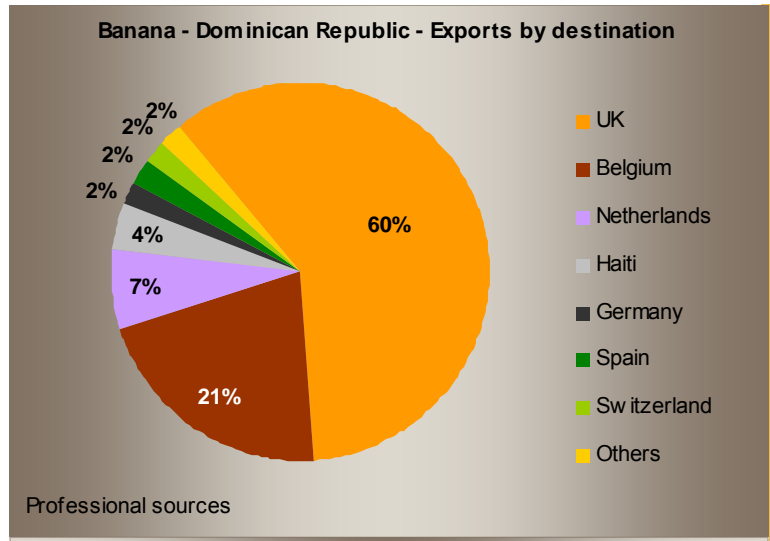
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Main operators

The banana sector features a host of stakeholders. The banana producers' association Adobanano groups 18 associations: producers and/or exporters, cooperatives and groups of associations. Most export both conventional and certified fruits. The two largest exporters are in the north of the country. These are Plantaciones del Norte and Banamiel and account for nearly 50% of the Dominican Republic's export potential.



Logistics

The produce is transported to the various ports in refrigerated containers. More than 80% is shipped from Manzanillo in the north-west of the island. The rest leaves from the south, mainly from Haina Oriental (20%), east of Santo Domingo.

European ports are reached in 11 days and the closest US ports in 3 to 4 days.



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