

Beyond Unfair Trade

Renwick Rose

Renwick Rose is Coordinator of the Windward Islands Farmers Association (WINFA), a sub-regional grouping of national farmers organizations of five Caribbean countries - Dominica, St. Lucia, Grenada, Martinique and St. Vincent and the Grenadines. He comes from a background of journalism and political activism. Rose has been actively involved in advocacy work in defense of small farmers in the Caribbean especially in relation to the banana industry.

Small banana producers in the Caribbean are facing a very uncertain future as threats to their livelihood mount up in the form of international trade disputes and difficulties in the market place. Much of this is related to the nature of banana production in the Caribbean, the structure of international trading arrangements and to the marketing strategies of the giants who control the banana trade at the wholesale and retail level.

Caribbean banana production, particularly in the Eastern Caribbean (the Windward Islands of Dominica, Grenada, St. Lucia and St. Vincent) is fundamentally small farmer production. In the Windward Islands about 10,000 farmers cultivate scattered plots, most of them less than 5 acres in size, on steep, hilly terrain. This has great bearing on productivity and quality. By contrast the major competitors of the islands are based in Latin America where production on extensive acreage is highly mechanized, intensive and integrated. Yields from the Latin American plantations, the so-called 'dollar' bananas, are, not surprisingly, twice those from the Windward Islands.

Another inherent problem facing the islands concerns their relatively 'protected' status. Banana export from this region, primarily to the United Kingdom, was born, encouraged and developed under preferential circumstances. However, the establishment of the Single European Market in 1993 required harmonisation of European import regulations. After much bickering, trade-offs and lobbying, the Common Organisation of the Marketing of Bananas (COMB) was arrived at, both respecting the EU's commitment to the Caribbean (under the provisions of the Lome IV Convention), as well as taking initial steps towards the eventual liberalisation of the market.

This arrangement has never been accepted by the giant US banana multinationals, which control Latin America's exports. It became the subject of successful challenges before the World Trade Organization (WTO).

Uncertainty over the future of the industry has a negative impact on production in the islands. The number of farmers now producing bananas for export is declining in all the islands. Whereas 24,100 growers were producing bananas in 1993 only 10,200 were still producing in the year 2000.

This, together with prices, more often falling than rising, destabilized as the big marketers pursue cut throat competition, has naturally also affected production. To complicate matters, hurricanes and tropical storms have successively battered the islands (Dominica and St. Lucia in particular) over the past years. Compensation is not comprehensive and is, in any case, based on a grower's production averaged over the previous 2-3 years. Any losses or shortfalls in those years, followed by storm damage after heavy replanting, but before reaping, means little compensation for farmers.

But amidst all this gloom and frustration, the farmers have been trying to find their own way out.

WINFA has been active in seeking alternatives. Among these is the Fair Trade concept for a more direct link between producers and consumers (in Europe), which brings more direct benefits to small farmers. Useful contact and co-operation has been developed between WINFA and the European Banana Network, EUROBAN. The first Fair Trade bananas have been shipped to the UK in July 2000. Starting with 2000 boxes per week from 3 Windward Islands it developed successfully to 5500 boxes of Fair Trade bananas per week shipped from all 4 Windward Islands.

But above all the issue of diversification is the critical one for WINFA, diversification of markets and to other produce. In this, the issues of 'food security and food sovereignty' are of critical importance. The banana trade, diversion of agricultural land for non-agricultural uses, the promotion of a form of tourism not integrally linked to agriculture and rural development, foreign influences on life-styles and consumption practices, have all undermined 'food security and sovereignty' in the Caribbean. In the entire English speaking Caribbean, food imports rose from US \$559 million in 1988 to US \$ 695.8 million in 1992.

In the Windward Islands the effects of the growth in food imports is worsened by reduced export earnings. Thus, whereas total agricultural export earnings fell by 13% between 1988 and 1991, food imports skyrocketed by almost 50% in the same period. Included among major food imports are not only meat and fish products, but also fruits and vegetables!

These issues make it imperative that farmers in the islands organize; for food security; a diversified agricultural industry (including agro-processing); and sustainable production to preserve the environment as well as a greater role for farmers and farmers' organisations in the development process.