

APPENDICES to BANANAS UNPEELED

1. Clinton: Support for Guatemala Was Wrong	2
2. INSIDE TRACK: The banana giant that found its gentle side	4
3. Evaluation of the Better Banana Program by Nepenthes	6
4. Goldfinger: Honduran Banana Breeder	12
5. INTERNATIONAL BANANA CHARTER	15
6. Worth-While Reading about Bananas	18

1. Clinton: Support for Guatemala Was Wrong

By Charles Babington

Washington Post Staff Writer

Thursday, March 11, 1999; Page A1

GUATEMALA CITY, March 10 – President Clinton expressed regret today for the U.S. role in Guatemala's 36-year civil war, saying that Washington "was wrong" to have supported Guatemalan security forces in a brutal counterinsurgency campaign that slaughtered thousands of civilians.

Clinton's statements marked the first substantive comment from the administration since an independent commission concluded last month that U.S.-backed security forces committed the vast majority of human rights abuses during the war, including torture, kidnapping and the murder of thousands of rural Mayans.

"It is important that I state clearly that support for military forces or intelligence units which engaged in violent and widespread repression of the kind described in the report was wrong," Clinton said, reading carefully from handwritten notes. "And the United States must not repeat that mistake. We must, and we will, instead continue to support the peace and reconciliation process in Guatemala."

Guatemalan President Alvaro Arzu sat next to Clinton when he made the remarks at a "peace round table" in the ornate National Palace of Culture, but had no immediate response. His press aides said they were unsure whether he would comment.

Clinton's aides said the president had thought for some time about how to word his near-apology. The Guatemalan military received training and other help from the U.S. military in an era when the United States supported several Latin American rightist governments fighting leftist insurgents.

The record of the Guatemalan security forces was laid bare in a report released Feb. 25 by the Historical Clarification Commission, which grew out of the U.N.-sponsored peace process that ended the war in 1996. The commission said the Guatemalan military had committed "acts of genocide" during the conflict, in which 200,000 people died.

Clinton's comments capped a busy, nation-hopping day that began in San Salvador, El Salvador's capital. There, he told Central American leaders that their recently democratized region deserves to be a more equal partner with the United States, and he pledged to make several trade and immigration changes they have sought.

In what aides billed in advance as the major address of his four-day Central American visit, Clinton praised the nations for ending their devastating civil wars and shifting to democratic systems of government. All Central American countries, he noted in a speech in San Salvador before the Salvadoran Legislative Assembly, now have freely elected leaders.

Winning applause from the legislature's 83 attending members, the president vowed to reduce tariffs on some Central American exports, press for nearly \$1 billion in new aid

for victims of Hurricane Mitch and give \$8 million to the region's schools. Tiptoeing around the sensitive issue of past U.S. support for rightist governments in the region, Clinton also acknowledged that the United States had undergone "bitter divisions about our role in your region," which included a "dark and painful period."

But he did not grant one key request from this region's leaders, who want the United States to cease or slow deportation of undocumented Central Americans, many of whom send money to relatives in their impoverished homelands.

"We must continue to discourage illegal immigration," he said. "We must enforce our laws."

Clinton did, however, say he will fight to put illegal immigrants from Guatemala and El Salvador on an equal footing with Nicaraguans, who enjoy easier rules in proving "hardship," a condition that can allow them to remain in the United States although they crossed the border illegally.

The Nicaraguan rules are a holdover from U.S. animosity toward the former Sandinista regime, the leftist government of the 1980s that some Nicaraguans had sought to escape by moving illegally to the United States.

"I will do everything I possibly can to overcome that different treatment," Clinton said, drawing a roar of approval from the Salvadoran lawmakers. Administration officials already are drafting plans to change the guidelines, which do not require congressional approval, presidential aides said. In Guatemala, Clinton said he would seek to change the guidelines by law and executive action.

In his speech in San Salvador, Clinton alluded to the brutal civil wars and insurrections that killed thousands of people in Guatemala, El Salvador, Nicaragua and, to a lesser degree, Honduras, in recent decades. He did not, however, apologize for U.S. support for the Salvadoran military in the 1980s, which totaled billions of dollars during a war that cost 70,000 lives.

"Just a few years ago, the people of Central America were suffering from a legion of man-made disasters far more cruel than anything nature can bestow on us," he said. Over the past several years, he said, "a battlefield of ideology has been transformed into a marketplace of ideas."

When Clinton traveled later in the day to Guatemala City, he ran into one of the few signs of protest during his trip. Several demonstrators held signs decrying U.S. support for the military during its counterinsurgency campaign. A few yelled, "Viva Monica," a reference to former White House intern Monica S. Lewinsky.

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2. INSIDE TRACK: The banana giant that found its gentle side

By Sara Silver, The Financial Times - December 2, 2002

>View article:

>http://search.ft.com/search/article.html?id=021202000418&query=chiquita&vsc_appld=totalSearch&state=Form

Four years ago, Chiquita Brands was reeling from newspaper allegations of dangerous and illegal business practices throughout its Latin American operations. Although the Cincinnati Enquirer retracted the allegations and paid a \$14m (£9m) settlement - after discovering that the reporter had broken into the company's voicemail system - the exposure shocked the banana giant into examining how well its operations would stand up to public scrutiny. "Rather than simply respond to criticism, my hope was to define leading standards for our business and to prove to myself and others that we could indeed live up to them, everywhere we operate," said Steve Warshaw, then chief executive, introducing the company's first corporate responsibility report in June 2001. "This was not to be a public relations exercise but a management discipline."

As well as internal reforms, the process has involved embracing some of the company's most strident critics. Chiquita has obtained independent environmental certification for the 119 farms it owns, from Honduras to Colombia. So far, it has spent \$20m on upgrading its facilities to reduce the use of chemicals, promote natural weed inhibitors, protect water sources and recycle in line with standards from the Better Banana Program.

While other companies have formed partnerships with environmental lobby groups, what surprised observers was Chiquita's decision to sign a labour agreement with international and regional unions. It was the first multinational to sign an accord with southern hemisphere unions. Now, 15,000 employees - 70 per cent of its Latin American workforce - are unionized, more than Dole and Del Monte, the other large banana producers, combined. "We've gone through an evolution here and a revolution," says chief operating officer Bob Kisting. "We're much better off with an environment of dialogue instead of strikes."

In a further attempt to break with the past, the company admitted that its predecessor, the United Fruit Company, had supported the failed US Bay of Pigs invasion of Cuba, a 1954 coup in Guatemala and other interventions that helped create the notion of a "banana republic" throughout the region. "It's hard to change the image of a century-old corporation," Mr Kisting says. "But it's not something we belabour. It happened in the past."

As it has made these changes, the company has acknowledged a "debt of gratitude" to the Rainforest Alliance - the New York-based pressure group that developed the banana standards - for demonstrating that these groups could collaborate as well as confront. Chiquita "found a partner they could work with, which wouldn't leave a bad taste in their mouth, and then they learned to leverage their success in the environmental front and move ahead elsewhere in the company," says Daniel Katz, chairman of the Alliance, the world's largest certifier of environmental practices on farms and forests.

In its second annual corporate responsibility report, published this month, Chiquita admits there are on-going problems - the difficulty of raising suppliers' environmental standards, of choosing between safer pesticides and ones that are US-approved, and of improving working conditions amid a financial restructuring in which it wrote down \$713m in debt. Remarkably, the document includes the telephone numbers, e-mail addresses and photographs of more than a dozen executives. The company has won respect from many pressure groups for pushing ahead with its agenda, even during a bankruptcy from which it emerged in March. While cheaper banana exports from Ecuador - notorious for poor working and environmental standards - are lowering world prices, Chiquita is focusing on cutting product costs through sustainable agricultural practices and better logistics. Some pressure groups, however, have criticized the Rainforest Alliance, claiming it is in the pocket of Chiquita for accepting certification fees and challenging its expertise on monitoring labour conditions on plantations.

Banana Link, a European coalition, aggressively challenged Chiquita on its labour rights policies. With its US partner, the US/Labour Education in the Americas Project (US/Leap), Banana Link organised a 13-nation campaign to mark Chiquita's 100th birthday in 1999 which featured a 100-minute strike in Panama, radio and television programmes in Central America, a protest in Belgium's Place Monnaie, and a flurry of mail to European retailers.

Despite this initial hostility, Mr Kistingner now credits US/Leap director Stephen Coats with building a bridge between the company and two labour groups - the International Union of Foodworkers (IUF) and the regional union Colsiba - which developed a mechanism for dialogue and dispute resolution." Once [Mr Coats] found that he was dealing with real human beings who wanted to do the right thing, everything changed," Mr Kistingner says.

The 2001 accord has led to more unionized workers in Colombia and to company intervention with a supplier fighting a union drive in Honduras. But some unions, such as Guatemala's Unstragua, claim Chiquita's changes are cosmetic, designed to disguise a strategy of shifting production from the highly unionized Atlantic coast to the largely union-less southern coast. The company disputes this.

"There are managers that carry confrontational attitudes and unions that distrust the company," says Homero Fuentes, who monitors Chiquita plantations with the independent Guatemalan group Coverco. "Two years is nothing compared with a 100-year history of banana production." IUF director Ron Oswald agrees that it is too soon to see major changes: "The important measure of progress is whether the company has exercised good faith in implementing it, and it has."

Looking at the bottom line, Chiquita says its social responsibility policies are bringing clear benefits by reducing risk and improving efficiency. The company says it spent \$4.8m less on agrochemicals last year than in 1997. It saved \$3.8m last year by using recycled materials. The impact on the top line is less clear. It has won new business from European chains, including the Co-Op in the UK and Kesko in Finland, but Chiquita has yet to see any benefit in the US, where price is still king. Wal-Mart, the largest US retailer, named Chiquita its Global Environmental Supplier of 2000 but says such awards do not affect purchasing decisions. While Chiquita says it is quietly promoting its labour and environmental standards to supermarket buyers, some are puzzled that a company emerging from bankruptcy would not shout about them in the hope of expanding market share. "Our general bias is to let our record speak for itself," says Jeff Zalla, corporate responsibility officer. "We have a policy not to denigrate our competitors since we want them to adopt the same standard."

The Rainforest Alliance says many of its 800 clients find it similarly difficult to market the progress they have made. "Sometimes, it's because they don't want to admit that something was wrong before and sometimes they don't have the expertise to talk about it," says director Tensie Whelan.

Mr Coats says some companies fear that claiming the moral high ground may increase their risk of being attacked. "It's like wearing a target on their back, waiting for people to call them hypocrites," he says. This begs the question whether pressure groups will promote the companies that respond to their campaigns. "In panels and to the press, we praise the steps they have taken and encourage them to do more, and complain about bananas grown in Ecuador," says Alistair Smith, international co-ordinator of Banana Link, "but it's not our job to do publicity for Chiquita."

Others think differently. US/Leap is discussing with Latin American unions the creation of a "union-grown" seal that would be displayed on bananas. This would clearly benefit Chiquita. Such corporations need "recognition by consumers and credit in the marketplace, otherwise what's their long-term incentive?" Mr Coats says. "They're companies, not do-good organisations." And in an industry characterised by worker-management strife, even unions are reconsidering their position. "It's a delicate issue but we have to recognise there are companies willing to go the extra mile on workers' rights and standards and we have to recognise that our workers benefit when those companies are successful," says Mr Oswald. "If a retail system squeezes companies on the basis of price alone, that closes the space for companies to do the right thing and that makes our task much harder."

3. Evaluation of the Better Banana Program by Nepenthes

with responses by Chris Wille and Carrie McCracken

(See also Appendix 2. for more information on the *Better Banana Program*)

Nepenthes is a Danish environmental organization. It was asked to do an independent evaluation of the *Better Banana Program* for Chiquita and the Rainforest Alliance. Below are excerpts from their final report, responses by the director of the program, Chris Wille and, further responses by Carrie McCracken, an American environmentalist who has been working closely with Foro Emaus to develop organic banana plantations in Costa Rica.

Chris Wille is the director of the Rainforest Alliance's Sustainable Agriculture Program. The Alliance, a non-profit, New York-based citizens' group, is the international secretariat of the Sustainable Agriculture Network or SAN. The SAN is a coalition of leading Latin American conservation groups. The coalition develops best management practices and measurable standards for environmentally and socially responsible cultivation of commodity crops, provides incentives to farmers to meet those standards, and encourages businesses and consumers to support farmers who are making on-farm improvements toward sustainability.

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Exerpts follow from Nepenthes report with responses from Chris Wille (underlined). (Questions and comments by the *author* are in *italics*.)

Total Evaluation of Chiquita compared to the Certification criteria:

1. Protection of ecosystems

The buffer zones along public roads seem to have been improved by planting of more trees and palms, however something is still left to be desired. The buffer zones around residential areas have been widened and now they fulfil the certification criterion of a distance of 30 m to the plantation. But since this distance is a minimum distance it is very important that the vegetative barrier between residential areas and plantation is at its best and this condition should be improved.

We agree.

3. Just treatment and good conditions for the workers

Some of the houses for workers especially the so-called bachelor houses are still too small and in a too poor condition. (*Chris, I've also read that Chiquita has agreed to let workers purchase their own homes. Is this really such a good idea? Are the farms so stable that they will continue operations for such a long period of time that it is a good investment for the workers to buy a home there?*)

Some homes and quarters still need work. Lots of progress, but it's a huge job.

Some banana growing areas have been producing for decades. They are quite stable. The houses are being transferred to the workers at super low rates and with lots of support to teach them what it means to own a home.

4.Reduced use of and strict control with chemicals

It is alarming that the use of pesticides in the Chiquita plantations has been going up in 2000 and 2001 because new scientific findings show that several of these pesticides can be found in the surface water of the rivers even in concentrations damaging for the aquatic organisms. (It can however not be proven that the pesticides derive from Chiquita's plantations). Chiquita has chosen not to use some of the most problematic pesticides, but some other very toxic agents are still used. These agents should be immediately replaced by less dangerous ones. However, these are not at hand on the market at present. Chiquita is at all times testing new environmental friendly agents on the market, however they do not seem to be working.

The quantities of some agrochemicals have increased on some farms reviewed by Nepenthes in Costa Rica and Panama. This was due to weed and nematode problems getting out of hand, in part because BBP pushed too fast on driving down pesticide use. It is important to note that "quantities" of pesticides are just one measure of risk. The toxicity of the chemicals used and the practices used to transport, store and apply them are as important as "quantity." We carefully reviewed – through repeated surprise inspections – the practices used to manage agro-chems and the training that the workers are getting.

Overall, the long-term trend – required by the program – is reductions in quantities and toxicities. Some of the new, safer, bio-chems show great promise. Others are busts. We require continued experimentation.

7. Protection of water resources

Nepenthes finds that the certification criteria should be changed and the buffer zones along big rivers widened from 10 to 20 m. Tests will be initiated to establish the kind of vegetation in the buffer zones that neutralizes the wash out and drift of pesticides most efficiently.

There is no evidence that a 20-meter buffer is twice as good – or any better – than a 10 meter buffer. We continually push for wider buffers. Some small farmers cannot widen their buffers any more or they will have no planting area left.

8. Conservation of the soil

Apparently the planting of ground covers has more or less come to a stand still, which is rather problematic especially with a view to the use of pesticides going up. Total ground covers in the plantations prevent the wash out of nutritious matters and pesticides therefore it is absolutely unacceptable that some plantations only have 5 percent of the ground covered. According to the certification the banana stalks should be returned to the plantations. It is rather haphazard whether this is done or not. A strategy ought to be worked out immediately for each farm to secure that the banana stalks are returned to the plantations.

Some farms reviewed by Nepenthes are not investing enough in ground cover planting programs. We are applying more pressure. Some farms, especially in countries like

Colombia, have excellent, 100%, groundcover. It is expensive and slow, but important. Most banana stalks are returned to the farms. Sometimes this brings disease problems.

9. Planning and monitoring

In Costa Rica the monitoring in relation to the BBP is too poor on the farms and should be improved. An improvement will also secure that the managers and workers get a better knowledge of the BBP certification.

Agreed. Improvements are underway with new management.

CONCLUSION *(Chris responds to Nepenthes' concern that some of these farms are still certified)*

Environmental set backs on some of Chiquita's plantations have also been seen. It is problematic that Chiquita's use of pesticides as a total in Panama and Costa Rica has been going up during the last 2 years. Reduction of the use of pesticides is a hard problem to solve for the whole banana industry. However it is **astonishing** that the fact that a farm increases its use of pesticides considerably does not count more negatively in the certification process, since wash out of pesticides must be considered one of the biggest problems in connection with banana production.

Simultaneously with the increase of the use of pesticides, Chiquita has almost stopped the planting of ground covers in 2001. This is very problematic because ground covers in the plantations neutralize the wash out of pesticides. It is very expensive to plant ground covers, but nevertheless a task possible to carry out if the priority is high enough.

Sustainable agriculture certification is a process of continual improvements. It is not measured by a single achievement nor denied by a single failure.

We certify farms when

- (a) they have eliminated all "fatal flaws.
- (b) they comply with enough of the standards to reach an 80% score,
- (c) they demonstrate an attitude and evidence of continual improvements, progress and experimentation, and
- (d) they have an approved farm management plan to fix weak areas or problems.

The problem with the temporary increase in agro-chem use on some farms in Costa Rica and Panama demonstrates how the certification process works to keep farms engaged in the struggle toward sustainability. The increase in agchem use put these farm managers on the hot-seat, doubling their commitment to fix the problem. If there were no certification program managed by an outside, independent, third party, this problem would have never come to light, nor would we have had any leverage to correct it.

Remember that these observations only apply to a few of Chiquita's farms.

Since the certification is to be considered a process and not a goal in itself, it is also a problem that 7 farms in Cobal, Costa Rica in the year 2000 only obtained the same amount of points as in the year before. Since more of these farms have very poor ground covers and at the same time have increased the use of the most problematic pesticides, nematicides, **it is surprising that they still are certified.**

The bananas from Panama sold by Chiquita are all from certified plantations. This is not the case in Costa Rica. 60 per cent of the Costa Rican bananas sold by Chiquita in

2001 had been produced by independent producers. Only 21 per cent of these farms are BBP certified whereas the remaining 79 per cent of the farms have not been BBP certified. This is a problem because the production and working conditions at these producers' are unknown. Chiquita ought to demand that the independent banana producers be BBP certified when they buy their bananas. The consumer buying a banana from Chiquita shall rest assured that the banana comes from a BBP certified plantation.

Chiquita is demanding that independent supplier farms get certified. I think we are up to 30% now. It took Chiquita eight years to get their own farms certified; it will take some time to get all the independents certified. It is not an easy or simple process.

Proposals for change of the certification criteria for BBP

(Chris identifies the areas below that Chiquita plans to work on and specifies what they plan to do to meet these recommendations.)

- 1) The buffer zones along big rivers shall be widened from 10 to 20 m. Tests shall be carried out to determine the kind of vegetation in the buffer zone that yield the best protection against wash out and drift of pesticides.
Some experiments on-going. BBP will maintain the 10meter minimum.
- 2) In order to increase the biological diversity different varieties of local trees should be planted in the buffer zones and thus attract more birds and animals.
In progress. The obstacle is that only a few species are available from nurseries.
- 3) Rivers shall be marked on the computer maps so that they will not be exposed to sprayings of fungicides.
Done years ago.
- 4) A firm time-scale should be made for full plantings of ground covers in the plantations.
Done.
- 5) The problem that it is difficult to continuously reduce the use of pesticides without harming the productivity should be evaluated – economic conditions shall be balanced and evaluated with the ecological conditions. Chiquita shall as soon as possible work out a strategy as to how to solve the problem with the increased use of pesticides. In 2001 a working group consisting of agronomists, researchers and environmental people should be formed to work out recommendations as to how certified plantations in the long run can reduce the use of pesticides considerably.
Done. The company scientists and our scientists are always working on this question.
- 5) The use of pesticides should count more in the certification so that a considerable increase of the use of pesticides may result in loss of the certification.
Agchem management is one of nine principles, so it counts for a lot. The program measures more than quantity used; it also verifies that best management and IPM practices are in place, that every effort is made to use the least toxic option, that the long term trend is toward less quantity and less toxicity.

- 6) Residential areas shall be placed minimum 100 m from the plantation in order that they are kept free of pesticides.
Now policy on new farms.
- 7) Bananas ought to be labeled prior to fungicides being added in order to avoid that the workers come in direct contact with the fungicides.
Workers are already protected from the fungicides.
- 8) The term 'worthy housing conditions' shall be stipulated in detail so that small poorly kept houses for the workers are no longer acceptable.
We are working with fair-trade, organic and Social Accountability International on this. See the SASA project at: www.isealalliance.org
- 9) Workers/unions or their representatives shall be involved in the certification process. This will further the understanding for the certification and good ideas and increase the value of the certification.
Already happening, need to push it more.

(Chris, The following are comments from Carrie McCracken, an American environmentalist working with Foro Emaus in Costa Rica in response to the Better Banana certification program. Could you please respond to her comments as well?)

Carrie McCracken: Yes, it is true that all Chiquita owned farms in Costa Rica are BB certified. But, none of the independent farms are....

Chris Wille: There are independent farms certified here, including all four of those owned by an Italian based company, Turquesa, which is selling the certified fruit in Italy. See our website for the company profile.

CMcC: ... and I would say that about half of Chiquita bananas in Costa Rica are grown by independent producers. This is not the case outside of Costa Rica, where it has not been a priority to get BB certification.

CW: All of Chiquita's farms in 6 countries are BBP certified, and the company is pressuring its independent suppliers everywhere to get certified.

CMcC: Why? I think it is because of the international attention that Costa Rica gets....and it looks good to have Costa Rican farms certified. Yes, the standards have helped make improvements on the farms, primarily in terms of waste management. Now Chiquita farms at least make an attempt to collect and recycle the blue plastic bags.

CW: 100% collection, most of the plastic is recycled.

CMcC: And there is better storage of chemicals. But, chemicals are still used with the same frequencies. And, the standards have not done anything to protect working and social conditions.

CW: The agrochem use is much better controlled, and the working conditions are demonstrably improved.

CMcC: In fact, these have been deteriorating in Costa Rica since the "crisis" in the banana industry. My opinion is that yes, environmental conditions have improved on some farms. Of course, Chiquita's reason for participating in the program was part of a green-washing campaign based on international concerns surrounding environmental conditions on Costa Rica plantations.

Dole and Del Monte owned farms are ISO 14000/1 certified. Their certification has basically achieved the same things that Better Banana has done, although not with the same market impacts as BB. I mean, it just sounds better to consumers to have this Rainforest Alliance BB certification. The ISO program has motivated Dole and DM to implement waste management , as well as pesticide storage and use standards. Again, without labor or social standards. (November, 2002)

CW: The ISO program ensures that a company has an environmental management system in place. It does not ensure improvements, and the company itself sets its targets. To avoid green-washing, most NGOs agree that third-party certification, especially done by nonprofit NGOs critical of the industry, is the most credible verification. Especially when the standards are also set by critical NGOs with full stakeholder participation.

The BBP labor and workplace health and safety standards are based on ILO and local laws and very advanced. See the FAO comparative study. The SA8000 standard is even more sophisticated, and Chiquita is applying that everywhere. See their new corporate responsibility report.

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4. Goldfinger: Honduran Banana Breeder

by Maria Antonia Martinez

The career of the agricultural researcher can at times be stimulating and rewarding, but years of dedication, effort and hope can also lead to failure if the research takes a wrong turn along the way. Franklin Rosales knows he is one of the fortunate ones among scientists.

Rosales, a plant breeding specialist in Honduras, has dedicated 17 years to agricultural research, most recently in the area of genetically improved bananas. He shares a recent breakthrough with colleague Philip Rowe, both of whom are now known worldwide because they have been able to breed a banana that is nutritious, good tasting, environmentally friendly and disease-resistant.

After decades of painstaking breeding, FHIA-01 or Goldfinger as the world will come to know it is the first banana variety ever bred that could replace the standard Cavendish banana. It may well save the world's banana export industry from collapse as diseases take an unsurmountable toll. More important yet, it could ensure reliable food supplies for the millions of people in Africa, Asia and Latin America for whom bananas and plantains are staple foods.

Rosales, 46, comes from a large lower middle-class family that moved from southern Honduras to La Lima, near the northern city of San Pedro Sula, the country's second largest city, when he was a young boy. Shortly thereafter, in 1954, workers at the American-owned United Fruit Company today United Brands began an historic strike in La Lima that led to major changes in the labour laws of the country. Violence associated with the strike caused many families to leave the area, including the Rosales family, who moved into San Pedro Sula. Many years later, Franklin Rosales choice of profession would lead him back to La Lima and a research position with the Honduran Foundation for Agricultural Research (FHIA).

Rosales career in agricultural science began almost by accident. As an adolescent, Rosales was inclined toward mathematics a skill he inherited from his father who taught math in school and planned to pursue engineering or architecture. But on a whim he decided to write the entrance exam to the Panamerican Agricultural School. A month later the school informed him that he had won a scholarship for agronomy studies. He graduated as an agricultural engineer in 1968.

After further studies in Switzerland, Rosales worked for the Honduran Natural Resources Ministry as an agricultural extension officer. His work took him for two years to Puerto Cortes on the Atlantic coast. There, Rosales met his wife of 22 years, Pacita Williams. They have a son, 19, and two daughters aged 18 and 12.

Rosales spent much of the 1970s studying in the United States, gaining Bachelor's and Master's degrees in agronomy from New Mexico State University and a doctorate in plant breeding from Oklahoma State University. His studies were followed by research postings in Honduras, Costa Rica and Jamaica.

In 1986, Rosales signed on with the Honduran Foundation for Agricultural Research as a plant breeder in the banana and plantain improvement program. The program, supported by IDRC and other donors, continues an initiative begun by the United Fruit Company as early as 1959 to find new banana varieties resistant to diseases. Rosales' American colleague, Dr. Philip Rowe, is the program coordinator.

Rosales spends a few hours each day at his office at the FHIA headquarters in La Lima, but most of his work is done inspecting leaves in the banana groves nearby or at the Guarama Uno laboratories, monitoring the progress of new hybrids and implants.

The development of the new Goldfinger banana was a lengthy process for Rosales and his colleagues, requiring years of patient, careful experimentation and observation. Although bananas and plantains are easily multiplied by replanting sprouts from mature plants, the biggest difficulty in breeding new varieties is that commercial varieties lack seeds. Therefore, breeders must rely on wild or other varieties that may be poor for eating but do produce viable pollen or seeds. The wild varieties may also have other desired qualities such as disease resistance that can be crossed with standard varieties having good eating qualities. FHIA's program drew on a gene pool of over 800 cultivars collected in Southeast Asia, from where bananas originated.

Pollinating the flowers is a difficult, painstaking process that requires workers to pollinate each flower by hand at first light of day before the sun dries out the pollen. When the bananas are harvested three months later, they are peeled by hand, mashed in a press developed by Dr Rowe, and passed through a sieve. This messy, laborious process eventually yields one or two seeds per bunch, about half of which are successfully germinated to produce young plants.

During the years leading up to Goldfinger's development, thousands of hybrid plants were cultivated. Only a few survived the rigorous selection process that weeded out any plants susceptible to disease. The first big breakthrough came in 1977 with the development of a hybrid that had good bunch size and was resistant to burrowing nematodes - a widespread pest controlled by potent, expensive pesticides - and to Race 4 of Panama disease. The latter is a deadly soilborne fungus that wipes out crops and cannot be controlled by existing fungicides. Crossed with a female Brazilian apple-flavoured Dwarf Prata clone, the new hybrid showed good resistance to Black Sigatoka, a fungal leaf spot disease that can cut fruit production by half and causes premature ripening. This resistance to Black Sigatoka was an especially important feature, because the disease has spread through plantations around the world. It can be controlled only by environmentally damaging applications of fungicides. And the cost of the fungicides is a financial burden that has forced many small farmers to withdraw from production.

Other qualities that made the Goldfinger banana stand out for the FHIA team are its productivity and suitability for smallholder production in areas where traditional varieties do not grow. To top things off, Goldfinger has a flavour that is proving popular with consumers, it ships well, and the fruit ripens slowly.

As rewarding as scientific research has been for Rosales, it is not the most important aspect of his life. "For me religion comes first, then my family and then my work", says Rosales. He and his wife travel every two weeks to the town of Santa Barbara in the western part of Honduras, where they visit a friend, Spanish priest Enrique Silvestre, who came to the country 25 years ago as a missionary. Over the past five years,

Rosales has established a community agricultural program there aimed especially at women and children that has drawn praise from residents and visitors alike. "It is our way of contributing. We teach people in the villages how to grow food so they can help themselves survive, but at the same time we are helping Father Enrique in his mission."

While he maintains his strong devotion to church and family, Rosales also continues his own scientific mission. Apart from Goldfinger, Rosales and his colleagues have developed two other promising banana hybrids and are pursuing new high-yielding, disease-resistant plantains. In the words of Rosales: "The work of the researcher never ends. We must go forward, what we have is not sufficient. We have to look for new and better varieties."

<http://www.idrc.ca/books/reports/V224/banana.html>

IDRC: Resources: Books: Reports: Vol.22, No.4 , 1995

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5. INTERNATIONAL BANANA CHARTER

I. PREAMBLE

The history of the international banana trade is one of which few can be proud. Developed countries get cheap fruit, but others--workers, small farmers and the environment in producing countries--pay the price. All involved--consumers, producers, importers, governments, trade unions, farmers' organisations, development organisations, etc.--have a common interest in solving these problems.

In the international banana trade, one hundred years of solitude are coming to an end, and signs of hope are emerging:

* Consumers in developed countries are increasingly concerned, not just about food safety standards, but about the social and environmental conditions under which the food they buy is produced. And they are increasingly willing to pay for this concern. This concern extends to bananas--the world's favourite tropical fruit--as recent fair trade banana launches have shown and surveys have confirmed.

* There is increasing discussion of the need for minimum social and environmental standards in international trade within the World Trade Organisation and International Labour Organisation. The WTO is formally committed to sustainable development.

* In the banana producing countries, where income from the export of bananas is of great importance, governments, trade unions, farmers' organisations, and development organisations, are increasingly concerned by the effects of the dramatic restructuring of the trade, and are seeking a way forward which provides stability.

* The major banana companies are increasingly aware that the road of cut-throat price competition has little to offer, even for these companies themselves. There are signs that they are willing to begin discussions with trade unions and to discuss corporate codes of conduct.

* The European Union, the largest and most profitable banana market in the world, is planning major changes in banana import policy to comply with WTO requirements. Because of an import quota, EU consumers pay an estimated \$2 billion a year above world market prices. If properly allocated, this would enable the internalisation of social and environmental costs. In practice, however, the producer countries which the regime is supposed to protect receive only a tiny fraction of this; it has not prevented prices paid to producers from falling below the cost of production.

II. TOWARDS A SUSTAINABLE BANANA ECONOMY

Social, environmental and economic concerns are brought together in the concept of sustainable development, which holds that social costs must be fairly distributed and environmental costs cannot be passed on to future generations. As currently structured, the international banana trade is unsustainable. It provides cheap fruit at the cost of poor

social and labour conditions and environmental damage, passing on the costs of these practices to current and future generations.

In a sustainable banana economy prices have to reflect real costs at every stage of production.

Governments and companies will have to respect minimum social and environmental conditions. Consumers will have to pay a sustainable price, one which includes social and environmental costs and permits the necessary investment in acceptable social conditions and environmental care.

This Charter seeks to build on the opportunities provided by the circumstances outlined in the preamble above to set the banana economy on a course towards sustainability.

III. INSTRUMENTS FOR CHANGE

A number of instruments can be used to achieve sustainability.

GOVERNMENT AND INTER-GOVERNMENTAL INITIATIVES

If the goal of sustainable development is to become a reality, clauses must be included in the WTO agreements to guarantee basic social and environmental standards, along the following lines:

Social Clause

The social clause should require WTO members to take steps to ensure the observance of the minimum labour standards specified by an advisory committee to be established by the WTO and the ILO, including those on freedom of association and the right to collective bargaining, minimum age for employment, non-discrimination, equal remuneration and forced labour [1].

Environmental Clause

The environmental clause should be based on a new agreement on trade and the environment within the WTO. This should establish the minimum standards necessary from the viewpoint of sustainability, based on the environmental effects of the way in which a product is produced, and should specify the conditions and procedures under which trade measures would be allowed.

PRIVATE SECTOR INITIATIVES

Collective labour agreements, codes of conduct and fair trade can play an important role in moving towards sustainable banana production and trade.

Freedom of Association and Collective Agreements

For plantation workers, the rights to freedom of association and free collective bargaining are of fundamental importance. Collective labour agreements between banana companies and trade unions--both nationally and internationally--would be an important step towards better working conditions.

Corporate Codes of Conduct with Independent Verification

Corporate codes of conduct which establish minimum social and environmental corporate policies and standards can contribute to a more sustainable banana trade. They should

- (a) cover all buying and subcontracting relationships;
- (b) be based on ILO conventions, including those relating to the right to organise and to collective bargaining, the right to a living wage and to safe and healthy working circumstances, maximum hours of work, prohibition of child labour and non-discrimination;
- (c) incorporate internationally agreed standards which address health and environmental problems, such as those set out in Agenda 21 [2], in the FAO's International Code of Conduct on the Distribution and Use of Pesticides [3], the Prior Informed Consent Convention of FAO and UNEP [4] and the ILO Convention concerning Safety in the Use of Chemicals at work [5].

If they are to have credibility, they must provide for effective independent verification.

Fair Trade

Fair trade labelling (based on social and environmental standards established and guaranteed by FLO-FairTrade Labelling Organizations International), alternative trade, and organic production (based on IFOAM standards) are important. They are instruments which enable producers, especially disadvantaged producers, to increase their control over their own future, have a fair and just return for their work, continuity of income and decent working and living conditions through sustainable development.

IV. REFORM OF THE EUROPEAN UNION BANANA REGIME

Any reform of the European Union banana import regulations should favour the continuation of a tariff quota regime (which ensures a higher price for bananas sold in the EU), with individual country quotas. But the continuation of a quota is justified only if the resulting extra price is used for investment in sustainability. Preferential access for ACP countries should continue, in accordance with the provisions of Protocol 5 of the Lomé Convention.

The licensing system must be replaced by one which permits market access to operators (including fair trade operators) on an equal basis.

In any reform there should be formal consultations with the representatives of small producers and workers directly affected by the regime.

Brussels, May 1998

[1] ILO Convention 87 (Freedom of Association); ILO Convention 98 (Right to Collective Bargaining); ILO Convention 138 and Recommendation 146 (Minimum Age); ILO Convention 111 (Discrimination); ILO Convention 100 (Equal Remuneration); ILO Conventions 29 and 105 (Forced and Bonded Labour);

[2] See Agenda 21 (especially points 6.41.d, 6.41.i.111, 9.24.3, 14.27.a, 14.41.c, 14.74-14.82, 16.3.c, 16.23.b, 17.32, 17.28.i, 18.40.b.vii, 18.40.d.iii, 18.40.g.iv, 18.59.a.vii, 18.76.d.i.v, 19.45, 19.49.g, 19.49.i, 24.6, 32.5.c);

[3] International Code of Conduct on the Distribution and Use of Pesticides, adopted November 28, 1985 (Amended to include Prior Informed Consent in Article 9 as adopted by the 25th Session of the FAO Conference in November 1989);

[4] This convention deals with information exchange in the export of dangerous pesticides and industrial chemicals and was agreed on March 14, 1998 in Brussels;

[5] ILO Convention 170 adopted June 25, 1990.

6. Worth-While Reading about Bananas

Hungry for Power from the UK Food Group (PO Box 100, London SE1 7RT, +44 171 523 2369, <http://www.ukfg.org.uk>) contains an authoritative chapter on bananas and equally informative analyses on baby food and transnationals such as the food giant Cargill, Monsanto, Zeneca (pesticides) and British American Tobacco.
- puts the Big Three banana companies in the context of 'agribusiness'.

The Political Ecology of Bananas – contract farming, peasants, and agrarian change in the Eastern Caribbean by Lawrence S Grossman (The University of North Carolina Press, Chapel Hill and London, 1998), is particularly strong on the lives of banana growers in St Vincent, the background to the Banana War and the way the environment interacts with agricultural practices.

Bitter Fruit – the untold story of the American coup in Guatemala by Stephen Schlesinger and Stephen Kinzer (Sinclair Brown, London, 1982), is a meticulous, spellbinding account of United Fruit and the politics of the business.