



The World Banana Forum (WBF)

Working together for sustainable banana production and trade

Report of the multistakeholder discussion session at Fruit Attraction 2024 (FA24)

8 October 2024

Fresh Food Logistic Summit – IFEMA (Madrid, Spain)

Title: *Expected Impacts of the EU's Corporate Sustainability Due Diligence Directive (CSDDD) on Global Fruit Trade and National Markets.*

Time: 13:00 - 14:30

Moderator:

- Mr. Victor Prada, Secretary, World Banana Forum (WBF) Secretariat, Food and Agriculture Organization of the United Nations (FAO)

Speakers:


- H.E. Danilo Palacios, Minister of Agriculture and Livestock, Ecuador
- Ms. Laura López Salazar, General Manager, Foreign Trade Promotion Agency of Costa Rica (PROCOMER)
- Ms. Marike de Peña, Chair, Latin American and Caribbean Network of Fairtrade Small Producers and Workers (CLAC)
- Mr. Emerson Aguirre, President, Association of Colombian Banana Growers (AUGURA)
- Mr. Omar Sánchez Rojas, Assistant Manager, National Banana Corporation (CORBANA)
- Mr. José Antonio Hidalgo, Executive Director, Association of Ecuador Banana Exporters (AEBE)
- Mr. Peter Stedman, Sustainability Director, Chiquita
- Mr. Xavier Roussel, Chief Marketing and Sustainability Officer, Dole Food Company

Food and Agriculture Organisation of the United Nations (FAO)

Mr Victor Prada, Secretary of the World Banana Forum (WBF), FAO, opened the session by thanking all participants for their involvement. He provided an overview of the day's agenda and the forthcoming sessions, underscoring the importance of collective efforts in attaining sustainability standards.

Ministry of Agriculture and Livestock, Ecuador

H.E. Danilo Palacios, Minister of Agriculture and Livestock of Ecuador, highlighted the critical role of agriculture in providing jobs and food globally, noting Ecuador's position as the world's largest banana exporter and the deep-rooted connection between agriculture and the nation's identity, particularly given the president's background in the banana sector. He then underscored Ecuador's pioneering role in achieving the EUREPGAP certification and adopting international standards, such as GlobalG.A.P, Rainforest Alliance, and Fairtrade, but stressed that corporate responsibility regulations need to be realistic and adapted to local conditions. H.E. Palacios reaffirmed Ecuador's commitment to fair labour practices, noting that workers in the banana industry earn significantly more than the minimum wage and benefit from profit-sharing schemes and social protections. He also discussed Ecuador's focus on sustainability, highlighting the provision of extensive technical assistance to farmers, and emphasized the need to foster a circular economy. In addressing global challenges, H.E. Palacios called for collective action and long-term planning to restore ecosystems. Moreover, he stressed the need to elevate the value of food, noting the persistent devaluation of bananas in supermarkets, where prices have not kept pace with rising production costs, and urged consumers to reflect on the broader impact of their purchasing decisions. Finally, he linked global insecurity to



corporate responsibility, advocating for international cooperation to ensure sustainability and a more responsible food system.

Foreign Trade Promotion Agency of Costa Rica (PROCOMER)

Ms Laura López Salazar, General Manager of PROCOMER, described Costa Rica's long-standing commitment to sustainability. She explained that the country's approach involves extensive reforestation and the protection productive areas, which has led to important changes in production standards. She specifically highlighted bananas as a major export product, as well as a catalyst for foreign investment and infrastructure development in the country. She stressed the need for collective and shared responsibility across the value chain and emphasized that sustainability measures should account for national realities to ensure fair and equitable benefits for all stakeholders. Ms López concluded by underscoring the importance of standardization and the role of international organizations in harmonizing sustainability measures, particularly regarding labour safety, emissions, and the use of agrochemicals.

Latin American and Caribbean Network of Fairtrade Small Producers and Workers (CLAC)

Ms Marike de Peña, Chair of the Latin American and Caribbean Network of Fairtrade Small Producers and Workers (CLAC), addressed the opportunity presented by the EU's CSDDD to strengthen social, environmental, and economic sustainability in the banana sector, which have been weakened by years of unsustainable practices. She noted that pricing remains a core and stagnant issue in the industry, despite rising costs and pressures on producers. Moreover, she stressed that while the directive focuses on social and environmental due diligence, economic viability must be a priority for producers to meet these standards. Ms De Peña pointed out that small producers, particularly in organic farming, face significant challenges, with many unable to meet upcoming regulations, and added that climate change further exacerbates these difficulties, threatening productivity and pushing many producers out of business. She also noted that CLAC, through Fairtrade, is working to educate producers about due diligence, human rights, and environmental risks, while also advocating for co-investment and shared responsibility across the supply chain. Lastly, she warned that that without fair pricing and sufficient investment, the directive could overwhelm producers, ultimately driving many out of the market.

Association of Colombian Banana Growers (AUGURA)

Mr Emerson Aguirre, President of AUGURA, raised concerns regarding the sustainability of the banana sector in Colombia, linking stagnant banana prices to the risk of farm closures and economic instability for workers. He noted that despite the high labour and environmental standards demanded by European markets, consumer prices for bananas have barely changed over the past decade. Mr Aguirre highlighted the importance of the CSDDD in ensuring fair wages, arguing that while banana workers in Colombia have seen significant wage increases due to collective bargaining, these costs are not reflected in supermarket prices. Moreover, he pointed out the environmental challenges of banana production in tropical regions, where disease management is costly, and called for international cooperation to ensure sustainability regulations consider these local realities. He warned that low prices threaten not only banana production but also food security in Europe, as producers increasingly turn to less labour-intensive crops like palm oil. He urged European consumers to consider the true cost of their purchases and advocated for more equitable pricing throughout the supply chain.

National Banana Corporation (CORBANA)

Mr Omar Sánchez Rojas, Assistant Manager at CORBANA, addressed the critical challenges facing banana producers in Costa Rica under the EU's CSDDD. While he acknowledged the directive's positive intent to enhance sustainability, he expressed concerns about potential imbalances in the value chain, particularly how the costs and compliance burdens disproportionately fall on producers. Mr Sánchez Rojas called for a paradigm shift in the approach to sustainability, emphasizing that fair prices for bananas must be part of the solution and pointing out the absence of supermarket representatives in the panel. He advocated for greater transparency across the value chain, including from retailers, to ensure that the costs associated with sustainability are equitably distributed, especially to producers. He concluded by highlighting Costa Rica's robust legal framework and institutional support in areas like labour rights and environmental protection, which could help meet the directive's requirements.

Association of Ecuador Banana Exporters (AEBE)

Mr José Antonio Hidalgo, Executive Director of AEBE, offered insight into Ecuador's collective efforts to comply with the CSDDD, involving a broad range of stakeholders, from small producers to large export associations. He underscored the importance of social dialogue and the recent agreement between banana producers and unions in Ecuador, aimed at ensuring labour rights and formalization with the industry. Mr Hidalgo highlighted Ecuador's ongoing campaign for shared responsibility in the banana trade, particularly the need for fair pricing. He cautioned against the downward pressure on prices by European supermarkets, noting that while producers face rising compliance costs, consumer demand for cheap bananas in Europe undermines sustainability. He expressed concerns over the 20% drop in banana prices over the past 15 years and the administrative burden and over-certification that producers face. Lastly, he mentioned that part of the solution lies in educating consumers about the true cost of sustainable bananas and breaking the cycle of low prices, which ultimately harms producers and threatens the long-term viability of the banana industry in Latin America.

Chiquita


Mr Peter Stedman, Sustainability Director at Chiquita, addressed the opportunities presented by the EU's CSDDD, particularly its potential to drive positive change in global fruit trade. He pointed out that the directive establishes a legal framework where each EU Member State is responsible for overseeing corporate compliance, providing businesses with a clearer regulatory environment. He noted that this framework offers an opportunity to bring more attention to the key issues affecting the banana industry. He emphasized that the law enables regulators to assess whether businesses are operating in a way that truly benefits the entire industry and stressed that sustainability efforts in the banana sector should include the perspectives of small producers, workers, and regional governments, alongside supermarkets. Mr Stedman cautioned against over-reliance on certification schemes, which can fragment efforts across multiple standards and add unnecessary complexity. Instead, he advocated for a shared framework that promotes transparency while avoiding the pitfalls of excessive certification. He concluded by calling for a more collaborative industry-wide effort to reduce costs and ensure that all voices, particularly those of smaller players, are heard and included in the sustainability conversation.

Dole Food Company

Mr Xavier Roussel, Chief Marketing and Sustainability Officer at Dole Food Company, concluded the panel by offering a more technical analysis of the CSDDD's implications for the banana industry. He highlighted the importance for companies to review and strengthen their corporate policies to ensure that they align with the heightened expectations of regulators, particularly in terms of corporate responsibility. He noted that one of the main challenges for companies is to bridge the gap between their public commitments and the reality of their actions, which requires a deeper focus on internal practices, particularly in areas such as risk management. He emphasized that the directive demands a more thorough and nuanced approach to risk assessment, as risks differ significantly across countries and regions. Mr Roussel also discussed the importance of ensuring that certification efforts contribute to meeting the directive's requirements, particularly in relation to living wage standards throughout the entire supply chain. Lastly, he stressed the need for industry-wide collaboration and partnerships to successfully meet the directive's objectives.

Questions and Answers (Q&A)

Mr Alistair Smith from Bananalink raised concerns about the long-standing power imbalance between producers and buyers, calling for greater transparency and more equitable power distribution in the industry. Mr Smith also shared positive insights into a recent successful negotiation in Côte d'Ivoire, where workers and companies agreed on a roadmap for negotiating living wages in the banana industry. A participant inquired about the methodologies and techniques used to promote social dialogue, seeking feedback on how these efforts are being implemented on the ground. Another question was directed to the companies represented in the panel, asking how they were working to enhance transparency, particularly with regard to traceability in the supply chain. Mr Xavier Roussel addressed the topic of traceability, noting that in the banana industry, it is relatively straightforward since the product moves directly from the farm to the consumer without alteration. He pointed to past initiatives like "Visit My Farm", where consumers could track their banana's journey using a code on the packaging code. While emphasizing the industry's transparency, he acknowledged it may not always be apparent to consumers. Mr Emerson Aguirre echoed this

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concern, emphasizing the challenge of effectively communicating this transparency to consumers. He pointed out that labels and certifications often fail to convey the full story behind production, stressing the need for better education on the realities of banana farming. Finally, H.E. Danilo Palacios called for increased investment in communication, urging certification schemes to improve outreach efforts and better connect consumers with producers, ensuring the social and environmental efforts behind the product are fully understood and appreciated.