



THE IMPACT OF THE CORONA PANDEMIC ON THE BANANA SECTOR

The impact of the Covid 19 pandemic is affecting the fabric of the global economy. Production is being restricted, international trade is being disrupted and further consumer behaviour is currently unpredictable. The whole banana industry is currently responding to this challenge to ensure adequate supply. However, it is currently unclear how the situation in the sector will develop.

The initial restrictions are much more far-reaching in many Latin American countries than in Germany. In some cases they are enforced by the military. Many of these countries are dependent on agricultural production and thus on the export of bananas. Thousands of workers as well as small farmers are directly dependent on the income.

However, due to the lack of social safety nets, inadequate health insurance and the poor state of the health systems, all workers and small farmers are dependent on continued employment. Otherwise they would be left without any income at all and would fall into poverty without state support.

In order to continue to meet the demand for bananas globally, most governments in banana-producing countries are trying to do the splits: contain Covid-19 while continuing production. To avoid transmission of the virus at workplaces, distances must be maintained and production processes must be changed. For example, distances in the field and in the packing houses have to be increased so that fewer workers can harvest or pack at the same time. In order to ensure continued production, producers and importers are thus investing large sums of money.

However, the measures also have the effect that products important for banana exports, such as pesticides and fertilisers, packaging and other materials as well as shipping containers are less and less available. The processing time has become considerably longer due to a lack of personnel at export and import ports, which has caused global logistics to come to significantly slow down or stop in some cases. This, as well as the currently erratic buyer behaviour, is leading to effects that are visible to consumers. As a result of the bottlenecks, bananas in supermarkets currently have to be sold more often in the unripe green stage or in an overripe stage.

There is no doubt that the health and safety of workers, producers and consumers is paramount. It should be clear to all players in the banana supply chain, as well as to all consumers, that the fruit consumed in Germany is produced in regions that are much less prepared for the Covid 19 pandemic than we are in Germany.

Flexibility on the part of all players along the supply chain is necessary to prevent the economic crisis from fanning the flames of the health crisis as well as the economic crisis. Understanding and willingness to consume even overripe bananas is the least that can be expected of retailers and consumers in times of global solidarity and should continue beyond the acute crisis.

The Action Alliance for Sustainable Bananas (ABNB) calls for solidarity with all partners in the supply chain. The ABNB calls for solutions to be sought with partners in the supply chain in the short, medium and long term to contain and counter the effects of the pandemic. The ABNB notes that it is now even more important to assume responsibility in the supply chains in order to meet the challenges that have been unknown so far. In times of crisis, it is all the more necessary to suspend the price war on bananas and to support producers through fair prices to keep their production "running" in the long term and sustainably. This is the only way we can counter the effects of the pandemic.