


**Producer country file**

# The banana in Colombia

*by Carolina Dawson and Denis Loeillet*



Colombia is one of the major players in the international banana market, as the world no. 5 exporter and the no. 2 supplier to the European market. Despite pedoclimatic assets and great experience with the crop, the country began losing momentum from the mid-2000s, in particular because of a chronic lack of investment. However, the long-awaited return of a stabilised political climate and of a more favourable peso/dollar exchange rate has revitalised investment, from both the public authorities and private operators. Official confirmation, in August 2019, of the presence of Panama disease in its TR4 form has focused international attention on Colombia, the first country in the Americas to be affected by this disease.

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# Banana Colombia

## Location

The banana cultivation area, extending over 50 000 ha, is concentrated in two zones on the Caribbean coastline. The Urabá region, situated in the westernmost part of this coast, on the border with Panama, is the country's main production area (north-west tip of Antioquia Department). It can count on nearly 35 000 ha of plantations, concentrated in four districts: from Turbo in the north to Chigorodó in the south, by way of Apartadó and Carepa. The mean rainfall is 2 650 mm, increasing from north to south (from 2 000 mm on the coast to 4 000 mm from the south of Apartadó). It is unevenly distributed over time, with a distinct shortage from January to March and a very wet period from September to November (peak in October). The mean temperature is 24°C. The production facilities are medium to large in size, with 90 % of plantations extending over more than 50 ha. The other main centre is also situated on the coast, but further east. This zone's 15 000 ha are distributed either side of the Sierra Nevada de Santa Marta, primarily in its western part (Magdalena Department, from Fundación to Ciénaga), and

also in the East (La Guajira Department, developed more recently, dating from 2005). The climate differs from that of the Urabá region in terms of higher temperatures (mean level 28 to 30°C, with minima dropping to 21°C), and a distinctly less plentiful rainfall (1 400 mm, received mainly from August to early December, and to a lesser degree from mid-April to late June). Furthermore, the production facilities are more heterogeneous in size, ranging from very small (approximately 500 plantations of less than 5 ha) to large (plantations of more than 50 ha, representing 60 % of surface areas). Approximately 75 % of producers have surface areas of less than 20 ha, and are organised in cooperatives and associations. Both these zones have a flat topography which facilitates cultivating and harvesting the clusters. They also enjoy good-quality soils, although generally a bit clayey, with loams a bit more common in the Magdalena region. The effects of erosion are limited, but problems of compaction are not uncommon in the Urabá zone, a region characterised by intensive and very high-tech production systems.



## History

Banana production for the export sector goes back more than a century, with a major centre in Magdalena Department dating back to 1885. Its development was greatly boosted under the United Fruit Company (UFC, later Chiquita), until a serious social crisis in the early 1930s, which was followed by a period of dormancy. The Colombian banana industry was given a new lease of life in the early 1960s with UFC moving its operations to the Urabá zone, sought-after for the availability of unfarmed, fertile land, and a geographic location protecting it from hurricanes and quickly able to reach the US market. The industrial sector, which converted to Cavendish in the early 1970s because of the fusarium wilt, made great strides forward until the early 2000s, despite an extremely unstable political climate in the

country from the mid-1980s. This dynamic was driven firstly by Frutera de Sevilla (a local subsidiary of UFC), and then by local groups (Uniban in the early 1970s, and then Banacol and Proban in the early 1980s), which became autonomous in terms of both production and export from 1983. After a planting dynamic of practically zero since the mid-2000s, a slight recovery has been observed since 2016, in particular in the Magdalena zone. The sector is one of the country's biggest currency earners (861 million USD in 2018), though it remains far behind flowers (1.6 billion USD) and even further behind coffee (2.6 billion USD). Representing 40 to 50 % of the agricultural GDP of the Departments of Antioquia and Magdalena, it now generates approximately 41 000 direct jobs and 124 000 indirect jobs.

## Production

The stagnation of surface areas and the downward trend in productivity, going from more than 2 200 boxes/ha in the late 2000s to 1 850 boxes/ha in 2015, express the difficulties that the sector had to face. Firstly, the industry suffered from a lack of investment and technical support over the long term, due to an extremely unstable political climate until 2006, followed by a decade of low profitability (difficult world market and peso/dollar exchange rate highly unfavourable until 2014). In addition, production costs were on the increase, especially because of the resurgence of black sigatoka, especially in the Urabá zone. Finally, climate conditions are increasingly unstable and restrictive, with increasingly intense periods of drought, excessive rain or string winds. In 2019, the extreme drought due to the El Niño phenomenon hit the Urabá zone in particular, leading to big production losses. These climate events highlight the country's shortfalls, especially in terms of irrigation and drainage in the Urabá region (just 25 to 30 % of plantations irrigated). The sector seems to be starting to bounce back, as is demonstrated by the improvement in mean national productivity since early 2016: it climbed to 2 000 boxes/ha in 2018, especially thanks to yields stabilising at around 1 900 boxes/ha in the Urabá region and an improvement in the Magdalena zone (2 200 boxes/ha), less affected by black sigatoka (drier zone), and where plantations with higher-tech production systems have been established. The economic context is now brighter, with a favourable exchange rate since 2015 (or even very favourable since 2018), and inflation more limited, not to mention the political and social

stabilisation, which now seems set to last. Investment programmes are underway, mainly driven by the profession and with more of a focus on organic and Fairtrade. The country plays an important role on the organic banana market, with approximately 3 100 ha dedicated to this segment, i.e. all of the surface areas in La Guajira, in the zones of Riohacha and Dibulla, and some in Magdalena.

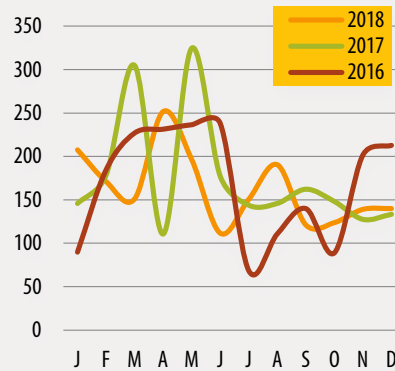
Colombia is also the world's biggest plantain producer (production estimated in 2016 at 1.7 million tonnes), and the world number 3 exporter, after Ecuador and Guatemala, with shipments in 2016 estimated at 120 000 t, primarily to the USA and the European Union, to which it is the main supplier. The plantain is produced across much of the territory, with some concentration in the central coffee growing zone (altitude 1 100 to 1 600 m). However, the main zone for exports (mainly small producers) can be found near the Cavendish banana plantations in the Urabá zone.

The Colombian production sector is currently in the spotlight following the official confirmation, on 8 August 2019, of the presence of fusarium wilt in its TR4 form, on two plantations in the La Guajira zone, in the municipios of Dibulla and Riohacha. Hence 185 ha were quarantined, and then destroyed. If the containment protocols implemented and the sanitary measures recommended by the authorities are correctly observed, the propagation of the disease to other production zones should be contained. Hence in the short term, production levels should not be significantly affected by this disease.

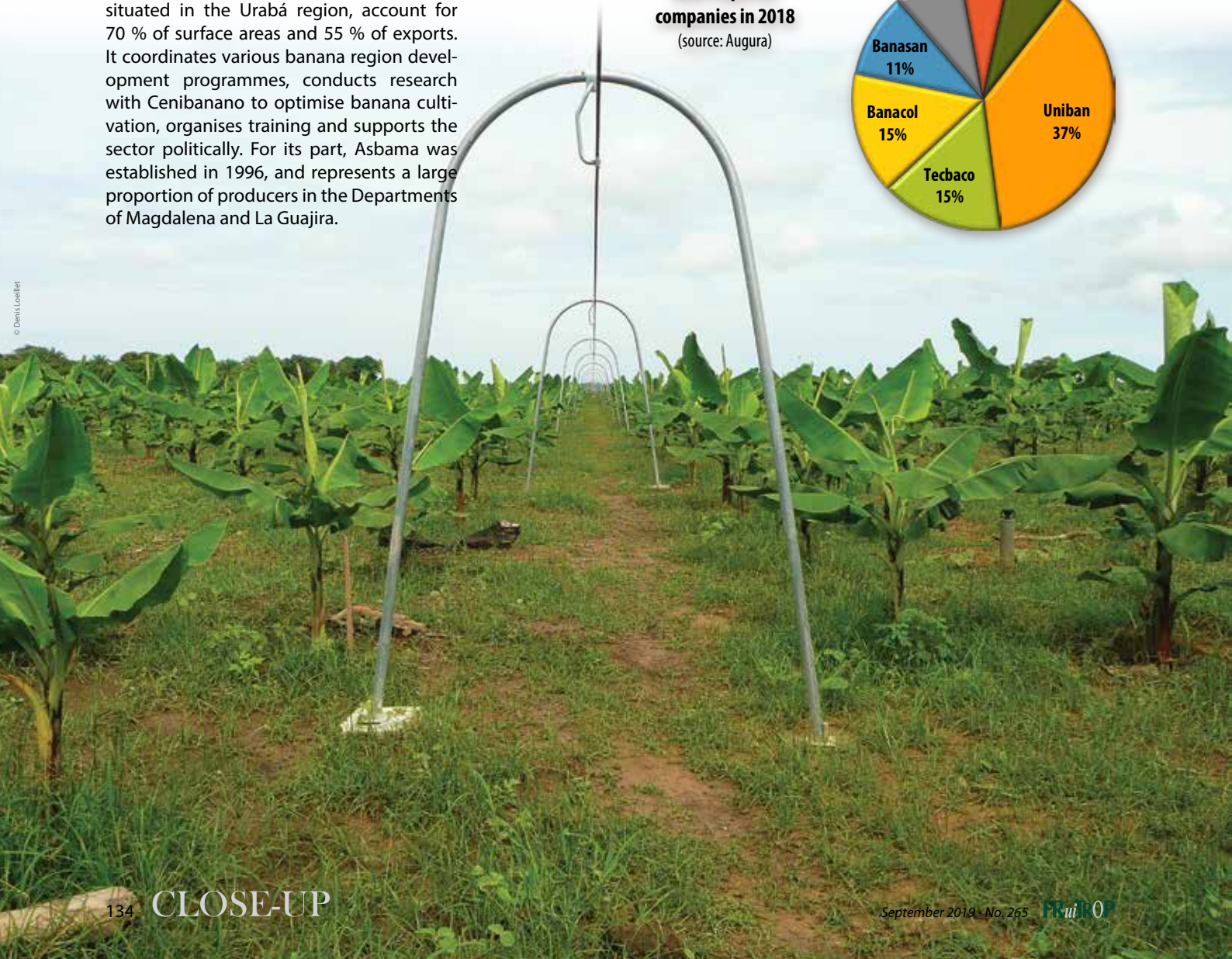
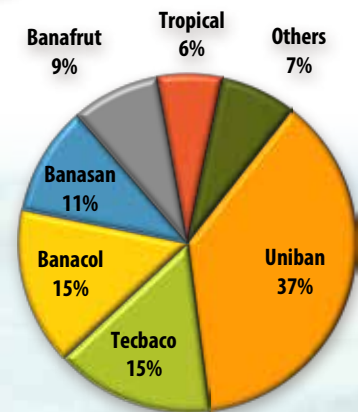
## Organisation

The production system is based on approximately 1 100 farms, varying greatly in size according to the region: most of them extend over more than 50 ha in the Urabá zone, yet range from 1 to 5 ha in the Magdalena and La Guajira zones. The export sector is highly concentrated, and mainly comprises local players, with more than 90 % of volumes in the hands of the six leading marketing companies. Uniban is by far the number one operator (37 % of volumes). It is followed by five facilities with a market share ranging from 6 to 15 % (Banacol, Tecbaco, Banasan, Banafruit, Tropical). These exports are generally speaking governed by contracts, sometimes over many years, with the downstream segment and in particular the big multinational groups. The sector is represented by two associations: Augura and Asbama. Augura was established in 1963, and is the main one. Its affiliates, primarily situated in the Urabá region, account for 70 % of surface areas and 55 % of exports. It coordinates various banana region development programmes, conducts research with Cenibanano to optimise banana cultivation, organises training and supports the sector politically. For its part, Asbama was established in 1996, and represents a large proportion of producers in the Departments of Magdalena and La Guajira.

**Banana - Colombia - Monthly exports**  
(in million tonnes | sources: Customs, Comtrade)

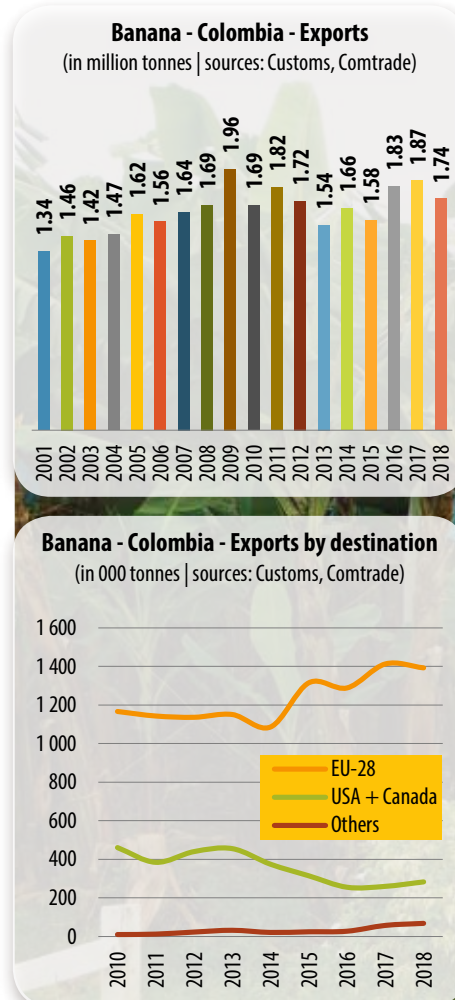


**Banana - Colombia  
Main exporter  
companies in 2018**  
(source: Augura)



## Exports

Cavendish exports have alternated between 1.5 and 1.7 million tonnes for nearly fifteen years. An increasing proportion of volumes is bound for the EU-28, which has long been the number one market for the Colombian banana (market share of around 80 % in 2018, as opposed to approximately 60 % in the early 2000s). The main entry points are the northern ports (Belgium, Germany and the Netherlands), Italy and the United Kingdom. Conversely, while the USA remains the number two outlet, the proportion of volumes it is receiving is on a downward trend (from 40 % in the early 2000s to nearly 15 % in 2018), because of increased competition from Guatemala. Shipments to the rest of the globe are marginal, accounting for barely 1 to 4 % of total exports. Approximately 70 % of outgoing volumes come from the Urabá zone, and the remainder (30 %) from Magdalena-La Guajira. Colombia, along with other Latin American countries, is a signatory to an Association Agreement with the European Union, stipulating accelerated lowering of import customs duty. The customs duty reduction process, which started in 2010, has seen duty fall from 176 euros/tonne before the implementation of the system to 82 euros/tonne in 2019. The final step, to 75 euros/tonne, should be attained in 2020, with a rendez-vous clause which allows for reopening discussions with the EU on the subject of the future of this system.



## Logistics

Volumes from the Magdalena and La Guajira zones are shipped by road-freight to the port of Santa Marta, situated less than 100 km from the plantations. Approximately 30 to 40 % of exports leave via this port, served both by dedicated ships and regular lines belonging to big shipping companies. The logistics are more complex for the Urabá region, from which the majority of export volumes originate. The fruit, palletised or containerised, is shipped by road-freight to the Turbo sea terminal, situated in the Gulf of Urabá, and fairly close to the plantations. They are then loaded onto barges, which must follow a long canal to the sea (15 km), and are then transferred to conventional ships moored near the coast where the wind conditions are often changeable. A new port for docking commercial ships is at the planning stage (Puerto Antioquia, in the South-East near the city of Nueva Colonia), under the national infrastructures improvement programme. The work should be completed within four years' time (2023). Meanwhile the port, which will be able to route 6.6 million tonnes of merchandise per year, will be connected to a modern motorway circuit "Autopista Mar 1" and "Autopista Mar 2". The Colombian banana industry has a major asset in terms of logistics, since it can serve the US East Coast and Europe without having to cross the Panama Canal.

**Banana – Colombia – Sea freight**

	Ports of arrival	Transit time
USA	Baltimore	10 days
	Charleston	8-16 days
	Houston	10 days
	Miami	6 days (direct)
	New York	10-14 days
	Port Everglades	5 days (direct)
	Savannah	10 days
EU	Antwerp	13-21 days
	Hamburg	15-22 days