



Characteristics of the commercialization of the Cavendish banana crop in the canton of Las Naves

Características de la comercialización del cultivo de banano variedad Cavendish, en el cantón Las Naves

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Abstract

Agricultural production is a necessary activity for the survival of mankind, bananas are one of the products consumed worldwide, and Ecuador is an important producer and marketer of this fruit. Within the exportable supply of the country, bananas represent an important item. This research analyzes the commercialization processes of the Cavendish banana variety in the canton of Las Naves, for which five banana producers of this canton were investigated. The methodology used was descriptive and analytical, applying interviews and surveys to these producers, as well as reviewing secondary information to know the global and specific context of the problem of study. The most important results obtained were: that the producers-traders, who have important volumes, have the possibility of committing their product to the large transnational companies such as Chiquita International Limited, Del Monte, etc., the large producers have integrated the entire marketing process, since they are also wholesalers, so they have warehouses that allow them to

Received 2022-01-06

Revised 2022-02-11

Accepted 2022-04-17

Published 2022-09-04

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Pages: 84-92

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sell large volumes produced or fruit from other companies that have been subject to a process of intermediation, in the case of small producers, In the case of small producers, their small volumes do not allow them to sell directly to the central supply center, not even via commission agents, so their sales are made through the local collector, who in turn will sell to the commission agent of the central supply center, who in turn will sell to the wholesaler.

Keywords: Banana; Distribution; Trade

Resumen

La producción agropecuaria es una actividad necesaria para la supervivencia de la humanidad, el banano es uno de los productos consumidos a nivel mundial, y Ecuador es un importante productor y comercializador de dicha fruta. Dentro de la oferta exportable del país el banano representa un importante rubro. La presente investigación analiza los procesos de comercialización del banano variedad Cavendish en el cantón las Naves, para lo cual se investigó a cinco, productores de banano de dicho cantón. La metodología utilizada fue descriptiva y analítica, aplicando entrevistas y encuestas a dichos productores, así como también revisando información secundaria para conocer el contexto global y específico de la problemática de estudio. Los resultados obtenidos más importantes fueron: que los productores-comerciantes, que cuentan con volúmenes importantes, tienen la posibilidad de comprometer su producto, a las grandes empresas transnacionales como son Chiquita International Limited, Del Monte, etc., los grandes productores tienen integrado, todo el proceso de comercialización, ya que, a su vez, son comerciantes mayoristas, por lo que cuentan con bodegas que les permite vender grandes volúmenes producidos o bien fruta de otras empresas que han estado sujeta a un proceso de intermediación, en el caso de los pequeños productores, sus escasos volúmenes producidos, no les permiten vender de manera directa a la central, ni siquiera vía comisionista, por lo que sus comercializaciones la hacen a través del acopiador

local, el cual a su vez lo venderá al comisionista de la central de abasto y este al comerciante mayorista.

Palabras clave: Banano; Distribución; Comercio

Introduction

This research work is relevant, considering that the commercialization of Cavendish bananas has an important preeminence in terms of national production and export volumes. The objective is to present the characteristics of banana marketing of the Cavendish variety in the canton of Las Naves, in the province of Los Ríos.

From a marketing point of view, marketing includes the planning and control of goods and services that favor the proper development of the product, to ensure that the product is in the right place, at the right time, at the right price and in the required quantities to guarantee profitable sales over time.

The exact origin of the banana plant is not entirely clear. Anthropologist Spiden wrote, "it is likely that the banana is native to the tropical humid regions of Southeast Asia "(The Agro, 2017).

Fernández (2013), considers that the edible banana originated through a series of mutations and genetic changes from wild species of small fruits, with numerous seeds and inedible.

Soto (2011) indicates that wild bananas have probably been used by man since the beginning of his existence.

El Agro (2017), states that the fruit known as "banana" or "banana", a word that is African and was supposedly invented by the Portuguese. It was they who, looking for the route to China, more than 500 years ago, landed on the coast of Guinea, and upon seeing the natives cultivating the fruit, were impressed with its delicious flavor and dedicated themselves to spreading its goodness throughout the territories under their dominion.

Fernández (2013), states that, according to statistics, Ecuador began exporting bananas in 1910, with the export of 71,617 bunches of more than 100 pounds.

Ecuador is currently the world's leading exporter of bananas and the second largest producer of this fruit in the world. Since the 1950s, banana activity has become an important source of foreign exchange (BCE, 2020), (Naranjo, 2017) also indicates that the contribution of bananas to the Gross Domestic Product (GDP) is of great benefit to the country's foreign exchange earnings.

Markets for Ecuadorian bananas are diversified as follows: Main markets; United States 21 % and European Union 34 %. Marginal markets; Eastern Europe 28 %, Middle East 7 %, Orient 2 %, Southern Cone 5 %, North Africa 2 %, and Oceania 1 % (AEBE, 2016).

From the 1950s to the new millennium, the banana industry continues to be a driving force for socioeconomic growth through the generation of foreign exchange, employment and the multiplier effect through which more than two million Ecuadorians benefit from the production and marketing of the fruit, equivalent to 12% of the national population. Díaz (2016).

Over the last 10 years, banana exports have generated an average of US\$1 billion per year in foreign exchange for the Ecuadorian economy (ECB, 2020).

However, it is important to recognize that, in Ecuador, there is a high concentration of banana production based on certain geographical locations. By 2012, of the 180 thousand hectares existing, 85% was concentrated in three provinces: Los Ríos (30.55 %), El Guayas (27.78%) and El Oro (26.67 %). Cañar and Cotopaxi together owned 6.65%, while the remaining 8.35% were located in provinces with lower production (SICA, 2010).

Methodology

In order to achieve the objectives proposed in this study, descriptive-analytical research was used. The study began with the collection of bibliographic information from brochures, magazines, texts and books to understand the general context of banana production and marketing in Ecuador and in the province of Los Ríos. Observation, interviews and surveys were used as research instruments. The study sample consisted of 5 banana producers in the canton of Las Naves, to whom research instruments such as interviews and surveys were applied.

Results

The following are the results of the research carried out with the producers of the canton of Las Naves:

In the case of marketing for the domestic market, it is possible to distinguish three channels, which are identified as the most common in the region and whose difference lies in the type of producer.

The large producers have integrated the entire marketing process, since they are also wholesalers and therefore have warehouses that allow them to sell their large volumes produced or fruit from other companies that have been subject to an intermediation process. This is the most representative channel, since it is estimated that close to 80% of the region's volumes destined for the domestic market are sold through this mechanism.

In the case of medium-sized producers, since they do not have the possibility of having warehouses, they sell their product through commission agents to wholesalers who compete with large producers in the central supply center. In this case, it may be through two modalities:

Delivering the product to a previously established warehouse.

Entering the auction market.

In both cases, the price is established and negotiated with the product already placed in the plant, and the cost of transportation and packaging is paid by them.

3) In the case of small producers, the small volumes produced do not allow them to sell directly to the central, not even via commission agents, so their sales are made through the local collector, who in turn will sell to the commission agent of the central supply center, who will sell to the wholesaler.

For marketing in the international market, basically two channels were distinguished and, curiously, they are also distinguished by the type of producer:

1) The producer-trader, who has important volumes, has the possibility of committing his product to the large transnational companies such as Chiquita International Limited, Del Monte, etc.

For which you can use two modalities:

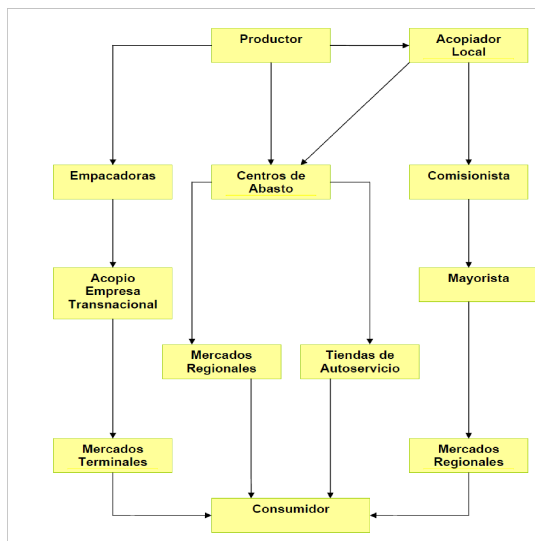
The product is delivered from the packing plant to the transnationals' refrigerated transport to Guatemalan shores, from where it will be shipped in temperature- and humidity-controlled containers to terminal markets in the United States.

Or, the producer places the banana on the border line. In both cases the price is established for every six months.

2) In the case of medium-sized producers, who also have the possibility of selling in the international market, they do so through transnational companies, with the difference that they cannot commit their product, due to the lower volumes they handle, so the purchase made by these companies is according to their needs, so they can stop buying when they wish or pay a lower price.

What is important to highlight is that, in the case of international marketing, transnational companies play a fundamental role, since it is the most common way in which our product and that of many other countries have entered the international market, as Chiquita International, Dolé and Del Monte alone market a little more than 70% of the world's bananas.

Figure 1. Banana Marketing Channels.



Diaz (2016), cites that since the decade of the 50s of the last century, the banana activity continues to remain as a driving source of socioeconomic growth, through the generation of foreign exchange, employment and through the multiplier effect by which more than two million Ecuadorians receive the benefit of the production and marketing of the fruit, equivalent to 12% of the national population, coinciding with what indicates (BCE, 2020), stating that during the last 10 years, banana exports have generated to the Ecuadorian economy an average of 1.1 billion dollars per year in foreign exchange.

(Naranjo, 2017) indicates that the contribution of bananas to the Gross Domestic Product (GDP), turns out to be the one with the best results, as also outlined by SICA, 2010), when it indicates that, in Ecuador, there is a high concentration of banana production. By 2012, of the 180 thousand hectares existing, 85% was concentrated in three provinces: Los Ríos (30.55 %), El Guayas (27.78%) and El Oro (26.67 %). Cañar and Cotopaxi together owned 6.65%, while the remaining 8.35% were located in provinces with lower production.

Conclusions

Large producers have greater and better opportunities, given that their infrastructure and logistical structure allows them to adopt more

competitive practices, especially by virtue of large production and marketing volumes.

The medium-sized producers, not having the possibility of having warehouses, sell their product through commission agents to wholesalers who compete with the large producers in the central supply center.

Small producers, due to their low production and marketing volumes, have greater difficulties, which does not allow them to sell directly to the central, not even via commission agents, so their sales are made through the local stockpiler, who in turn will sell to the commission agent of the central supply center and the latter to the wholesaler.

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