

The Commercialization Experience of the Macenta Banana Producers Union (MBPU)

AUDIO TRACK SCRIPT (17 minutes)

Foreword

The current script contains the spoken dialogue from a 17 minute clip about the various experiences of different actors in a banana commercialization project by the MBPU.

The MBPU is an interesting example of the effective organization of producers, with a well-planned commercialization strategy to address the difficulties of marketing and intensifying the production of banana in a new market. It is a dynamic economic force, which has established its own rules, along with a trade agreement between associated local merchants. The producers set sales dates and come to an agreement on the price and the amount of tons with buyers in Macenta. Today, this has evolved into a kind of miniature commodities market for Macenta bananas, with regular negotiation of prices and planning of commercialization between producers and merchants from Conakry.

The soundtrack and script can be used alongside the summary sheet:

The Commercialization System of the Macenta Banana Producers Union: Negotiation of prices and the planning of interactions between producers and merchants. / A. Lothoré, P. Delmas. - Inter-Réseaux. – Guinea Forest: INADER, MBPU, 2006. 12 p. + 1p. Summary.

Documents and the full soundtrack can be found online at the Iner-Réseaux rural development website :

http://www.inter-reseaux.org/article.php3?id_article=1078

INTRODUCTION

Journalist

Our story today is about the experience of the Macenta Banana Producers Union, who have attempted to commercialize their product.

Oftentimes, we hear that relations between growers and merchants are delicate, not very transparent, and prone to conflict. Each party is involved in a sort of tug-of-war with the other.

HISTORICAL CONTEXT

Journalist / Official

However, there are some cases where producers and merchants are able to work together in a true, collaborative sense, in which each side benefits.

This is the story of the Macenta Banana Producers Union, from the forest region of Guinea, which was able to build, little by little, a partnership with an association of banana merchants. Thanks to the judicious initiative of certain producers, these two organizations were able to set up a system of commercialization that is profitable for all. We want to show you the development, the inner workings, and the difficulties encountered by this interesting project.

Macenta is located in the forest region of Guinea, a potentially rich agricultural location, where the climatic conditions are very favorable to the cultivation of banana. Nearly all of the farmers in the area grow at least a few banana trees; many producers have several hectares and earn their revenue almost exclusively from this crop.

That is why today the production of bananas is strategically central to the future economic development of the region. Unfortunately, it is still poorly structured and poorly organized. Most growers produce their bananas in isolation, selling to collectors with more or less regularity, who only buy small quantities at low and highly variable prices, with bananas sold by the heap. The profit received by these producers is therefore minimal compared to the economic potential represented by this crop.

Faced with this situation, the producers in the Macenta Prefecture decided to take action ten years ago.

Journalist

Mister Moussa Camara, you are the Vice President of the Macenta Banana Producers Union. Can you tell us about the first initiatives that were launched to bring the group together?

Moussa CAMARA, Vice-President of the MBPU

The first groups were set up in 1995 and 1996 in the villages of Siédou, Zimodou, Sengbendou, Manidou, Fraouendou, N'Zoyaro, Makabradou and Sékemai.

For more than ten years, the union (although informal) had started to look for ways to create and manage its own system of commercialization, to facilitate the flow of products to the market.

After some experiments that circumvented local merchants, it was apparent that the development of the system would have to be done in partnership with regular local buyers.

At the end of 2001, the Macenta Banana Producers Union was officially created, and shortly afterward came the Macenta Banana Merchants Association, with support and encouragement from the MBPU. The commercialization system was slowly improved and extended with fees placed on sales in order to help finance the union and its groups, the creation of an oversight commission by the president to promote transparency in management of the union, as well as research into new markets, particularly in Mali.

OPERATION

Journalist

Today it appears that your system of commercialization has fully taken root. Mister Taly Sidiki CONDE, you are the president of the oversight commission. Can you explain how it operates?

Mr. Taly Sidiki CONDE, president of the oversight commission

In the current system, we have set up a partnership with the association of banana merchants on the ground, and we have taken the initiative of meeting to discuss prices three times per year. When the dry season approaches, we talk about pricing in realistic terms, because at that time there is a lack of transportation, due to the need for vehicles to help with the coffee and cacao harvest. Also, in the rainy season, we discuss prices between the Banana Merchants Association and the MBPU. Between ourselves we are able to come to an agreement in the common interest. We have taken steps to avoid the surplus of bananas at Conakry, because when there is too much product, the prices go down. So, we have organized with our partners, the Banana Merchants Association, to reach a consensus about the amount of stock or the amount of tons that can go to Conakry or to Bamako. Every Thursday, the Banana Merchants Association, with 2 or 3 representatives, meets at the office of the MBPU to discuss the quantity that will be delivered to Bamako, Dakar, and Conakry.

We often need banana buyers because the price of our banana is too low. Often we take advance money from them, anywhere from 500 to 700 000 FG per ton. When the money there is collected by the weighing stations, the leaders distribute the money among the members of the organization who are from that group where the weighing station is located. So when the banana is ready, we give it to the merchants, whose advance payment is used not only for the transportation of the product from the fields to the point of sale, but also for schooling and various other needs of families.

We work on a system of weight. Once the advance is paid and the banana is ready, the producers weigh them in front of the merchants and collect the remaining balance from the buyers; once the balance is paid the two parties go their separate ways under good conditions.

In 2002, after the establishment of the Executive Office, the Orientation and Action Plan was created, outlining the areas where the Union faced particular challenges. Among the actions taken was the application of a fee of two francs on each kilogram of bananas sold, which is

distributed as follows: one franc for the weighing station and one franc for the executive office of the union, which is used to cover operations and other general expenses.

Our problem is not at the level of production, but rather with how to bring our product to market. So we sat down with the head of the executive office and established area managers, on the basis of a general assembly meeting that identified the need to locate new outlets. That is when we went to the CAOPA for help and we were able to secure funding to approach outlets in the sub-region, notably Dakar and Bamako. We have also tried to organize the market at Conakry, but now we have been able to negotiate deals with the Federation of Banana Producers of Mali.

Journalist

Can you summarize your current system of commercialization in terms of numbers?

Our actual sales are in the range of 4,800 to 5,000 tons per year. In terms of membership, we have 2750 associates, of which 1938 are men and 612 are women. These are spread across 129 groupings, 55 weighing stations and 12 production zones.

There are lots of merchants in the Banana Merchants Association, but those that have regular dealings with the union number around 35. Our sphere of influence goes for about 35 km in every direction from Macenta.

RESULTS

Journalist

After all of this, what have been the positive impacts of this system for both the producers and for the merchants? Mister Monsieur Fassou CAMARA, you are the administrative secretary for the Macenta Banana Producers Union. Can you discuss the benefits of this particular commercialization scheme?

Mr. Fassou CAMARA, Administrative Secretary of the MBPU

Our banana commercialization system has had a number of positive impacts:

- The advance payments that we are able to secure have helped us a lot. They have allowed some producers to purchase motorcycles, to dig wells, to construct houses, and to pay for their children to go to school.
- Thanks to this system, we were able to make a request to INADER to assist the union in helping to increase literacy among our producers. That worked out well and during a period of 18 months, about 600 students were taught in ten different centers. With out literacy initiative, the producers are now better able to keep a balance sheet and understand the prices of bananas.

Journalist

Mister Pascal KOUROUMA, you have been the president of the Macenta Banana Merchants Association for five years. Can you explain why this program is interesting for you? What has it brought you, compared to a business person who does not participate in this system?

Mr. Pascal KOUROUMA, member of the MBMA

My name is Pascal Kourouma and I am a banana merchant. I am a member of the Macenta Banana Merchants Association. For the past five years we have been working with the Banana Producers Union to have better access to bananas that we can send to Conakry or Bamako.

Our principal difficulty is with accessibility and problems related to vehicle transport. Eight months ago, we were not able to work because the national road was completely unusable and the large trucks that can carry 25 to 28 tons were not able to use that route.

Really, I think that we get a benefit on the pricing of bananas, because there is agreement between ourselves and the Producers union when prices are at their lowest, as well as when they are high.

We profit, so there is no problem: both parties profit. But our principal difficulty is transportation. And the advantage is that we are able to buy bananas in large quantities at one time. Compared to the past, today we can load up right next to the road, two or three trucks can fill up at a single point.

LIMITS AND CHALLENGES

Journalist

Of course, we can't say that everything is perfect with the system, because there are certain difficulties that you must face. Mr. Monsieur Fata Mady II CAMARA, you are the President of the Macenta Banana Producers Union, can you talk about some of the difficulties that you have encountered?

Mr. Fata Mady II CAMARA, President of the MBPU

Not everything is clear sailing. From the point of view of difficulties faced by the producers union, we have an agreement with the merchants association, but in reality we are under pressure because the advance payment system used by the weighing stations creates problems. At the moment when you are trying to agree on a price, the other party will feel that you owe him, and that will weigh in the negotiation. That is the first difficulty. The second difficulty is encountered when we try to transport the product to market, the low quality of the roads. We can do some things, but really the problem of the roads goes beyond our capabilities. We also have no stocking area or ventilated warehouse to keep product in reserve to sell at a later date. We have orders that we are not able to fill. There are some outlets where we don't have enough financing to deliver products to them. So, if you ask me to list the difficulties we face, there are a lot, but these are the biggest ones that I can think of. Finally, there is the problem of literacy: of about 2750 members, maybe 80% or slightly more are illiterate.

Journalist

Can you talk about some of the directions that the Union could take in order to address these difficulties?

Mr. Fata Mady II CAMARA, President of the MBPU

Today what we are envisioning is more negotiation. First of all, we have a local partner: the banana merchants association. But we are looking elsewhere in Bamako and the surrounding area, because we have seen that Bamako is a very profitable market for us and the Federation of Banana Planters is with us at the level of Bamako.

In Senegal, it's worse: there is a shortage of banana and we could deliver to them with a little bit of assistance. A bit more initiative from our end and it could work.

Also, we need to improve the quality of our product, because the transportation does not keep our banana in a competitive state. For that we need proper packaging. That is why we have been looking for possible partners. A company called Forest is working to get us cases that can be used to transport our bananas to Conakry and Bamako.

Finally, we have done everything we can to convince the merchants in Conakry to use the weight system, but they refuse. So the banana buyers make their purchase here, send them to Conakry, and the people there take them by the pile or whatever system they use, and our merchants are not able to easily estimate the return on their investment.

Journalist

Mister President, can you discuss the structure of the market agreement set up with Bamako and explain what kind of opportunity this represents for the Macenta Producers Union?

Union President

This is what we call the Bamako agreement, between Senegal, Mali and Guinea. I believe that this framework is a good initiative. We have been involved with it now for two years, but unfortunately things have moved very slowly. We have a lot of hope for this agreement because now, if we can send bananas whenever we wish, it is because our counterparts in Mali understand that we need to have synergy. We are currently fighting for a common market in Bamako so that those from Mali and Mauritania can get supplied in Bamako. We have a lot of hope for this partnership and we are counting on the members to help supply this common market in our sub-region, which could really be a good thing.

LESSONS

Journalist

Mister Abou Koivogui, you are the area manager of the Macenta Producers Union. In your view, what lessons can we take from the experience, and what are the forces that permit the ongoing operation and sustainability of the program?

Mister Abou KOIVOGUI, area manager of the MBPU

In this organization, we have seen the usefulness of the banana: we can cut it, we can eat it, we can cook it; the banana is very useful for us. Our union is dynamic and transparent; we are always seeking to improve transparency between ourselves and the Merchants Association. We work in complete transparency as well as the partners who we work with: transparency is the key word for our organization. We hope that God can give us strength to continue our production activities and to assist with commercialization (organization of commercialization). We really hope that God will continue to bless us with health and prosperity, and a long and fruitful relationship with our partners, so that our goals can be met.

Journalist

Can you quickly summarize the recent activities and the projects underway by the Macenta Banana Producers Union during the time since the first program was filmed?

Mister Fata Mady II CAMARA, President of the MBPU

After the Bamako forum, we have been able to accomplish the following:

1. Signature of a partnership agreement between the Macenta Banana Producers Union and the European NEGOCIKA Import/Export company, to assist the Producers Union in the commercialization of bananas in the sub-region (Bamako Dakar).
2. A prospective visit with the federation of banana producers in Mali, to look for a potential market.
3. The launch of a project to assist with the commercialization of bananas with INADER
4. The negotiation of purchase and sale of bananas from the Union with the association of sellers from Mali.
5. The signature of a contract to deliver 300 kg of high quality soft bananas per month to Rio Tinto (a mining company in Beyla).
6. The increase of the sales fee from 2 to 5 FG. Due to the diverse activities of the Union, the fee of 2 FG was insufficient to cover all of the operating costs of the office, so the Union decided to increase the rate to 5 FG in order to work better. This 5 FG fee is distributed as follows: 2 FG for the office of the Union, 2 FG for the weighing station, 1 FG for rental of the cart.
7. Finally, we searched out and chose a new 4-room location for the Union offices, which we have now occupied.

Fluctuations in the price of bananas

Date	Price /Kg	Destination
25 June 2006	85 to 86 FG	Conakry
	100 to 108 FG	Bamako
10 May 2007	86 to 100 FG	Conakry
	108 to 150 FG	Bamako
25 July 2007	100 to 115 FG	Conakry
	150 to 200 FG	Bamako
6 September 2007	115 to 135 FG	Conakry
	200 FG	Bamako

In total, 45 deliveries of 25 tons each were made