



INADER

UPBM

**BANANA COMMERCIALISATION SYSTEM -
MACENTA BANANA PRODUCERS UNION (UPBM)**

**Negotiation of prices and programming of commercialisation
between producers and traders**

GUINEA FOREST REGION

January 2007

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ABSTRACT

The UPBM is an interesting example of a producers' organisation (PO) that is efficiently organised and has a well thought-out marketing strategy for its own market segment. This is a truly dynamic economic entity which has laid down its own marketing rules and has a framework for consultation with the traders involved.

To cope with the challenges in marketing and the intensification of banana production (low prices set by buyers, the high cost of maintenance and management of plantations), the producers began to come together in 1995, with the organisation of group activities, and as the creation of clusters continued, a marketing system was put in place.

As a first step, the producers tried themselves to send by two loads of bananas to Kankan, but this trial was unsuccessful because traders in Kankan did not let them penetrate their market. Farmers learned lessons from this trial and decided to organise the marketing of bananas in partnership with local traders. The farmers set a date for sales and agreed on a price and the tonnage with the buyers in Macenta. Today, this has resulted in a kind of regular mini commodities exchange for the marketing of bananas from Macenta in which there is price negotiation and programming of sales between producers and traders in Conakry.

Two principles underlie this system of commercialisation in Conakry: the union works with traders who agree to negotiate a fixed price that can be periodically revised (in practice 2-3 times per year), depending on market conditions and transportation costs, and in turn the producer groups offer quantities that are equivalent to truckloads of 20-25 t at agreed periods and terms.

To enable this system to work, it has been constructed around different entities:

- a price harmonisation / negotiation body where the producers' union and the traders' association get together to agree banana prices;
- a commission in charge of programming harvests, where sales are scheduled weekly in accordance with the banana harvest timetable and as agreed upon by the producers' union and traders' association;
- a producer-controlled system for weighing in the presence of traders;
- an oversight committee.

More recently, the producer members of the union have sought other outlets in Guinea and Mali and have made contacts in Senegal.

ABBREVIATIONS AND ACRONYMS

AABM	Association des Acheteurs de Banane de Macenta
ACA	Agence pour la Commercialisation Agricole
AG	Assemblée Générale - General Meeting
BE	Bureau Exécutif - Executive Bureau
CAOPA	Centre d'Appui aux Organisations Professionnelles Agricoles
CNA	Chambre Nationale d'Agriculture
CNOP	Confédération Nationale des Organisations Paysannes
CRA/GF	Chambre Régionale d'Agriculture de la Guinée Forestière
CRA/S	Centre de Recherche Agronomique de Sérédou
FCFA	Franc CFA - CFA Francs
FG	Franc Guinéen - Guinean Francs
FOGUIRED	Fonds Guinéo-Italien pour la Réduction de la Dette
INADER	Institut National Pour l'Appui au Développement Rural
IRAG	Institut de Recherche Agricole de Guinée
MAROPA	Maison Régionale des Organisations Professionnelles Agricoles
NGO	Non-governmental organisation
OP	Organisations Paysannes - Farmer organisations
OPA	Organisations Professionnelles Agricoles - Agricultural trade organisations
SCAC	Service de Coopération et d'Actions Culturelles
UPBG	Union des Producteurs de Banane de Guéckédou / Guéckédou Banana Producers' Union
UPBM	Union des Producteurs de Banane de Macenta / Macenta Banana Producers' Union
UPBN	Union des Producteurs de Banane de N'Zérékoré / N'Zérékoré Banana Producers' Union

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1 - BACKGROUND

1.1-Bananas, an expanding crop in Guinea forestlands

Bananas are a crop that is well adapted to the climatic conditions of the Guinea forestlands (annual rainfall around 2 000 mm and a short dry season of 2-4 months / year). Here, the production of bananas does not require an irrigation system.

Due to the socio-economic events that the region has experienced, the development of banana production has gone through different stages.

Before independence the production of bananas was primarily intended for domestic consumption as well as for the local pharmacopoeia while the big dwarf variety was introduced for export to France.

After independence, there was first a relative drop in banana production. Then production resumed and the market was reinvigorated with attractive prices in response to various events:

- introduction of new varieties (via Ivory Coast, IRAG...);
- progressive opening up of the region (construction of the Kissidougou-Sérédou road among others);
- a strong increase in demand domestically and in other countries (Senegal,...) due to the operation of a fruit juice industry between 1968 and 1980 in Kankan which obtained its bananas and pineapples in the forest region (Guéguédou, Macenta, Nzérékoré...) ordering 1-2 truckloads of fruit at a time, and passing through these regions to collect bananas, and also to the influx of Liberian and Sierra Leonean refugees which boosted the local demand for bananas as well as the agricultural work force (multiplication of the population by 4 in some areas, with a change in eating habits).

At the moment (2006), bananas are grown in 12 out of the 14 sub-prefectures of the Guinea forest region. Almost all farms produce bananas, and this crop is often the main cash crop, followed by coffee or cocoa, but bananas have the advantage of producing regular cash income (as often as once a month ,unlike coffee which is harvested only once a year). But the land area used and quantities produced are difficult to ascertain.

3 main production systems

Subsistence crops + bananas

This system is based on slash-and-burn clearing of grass which (constitutes fertiliser for the food crop). The banana plantlets/suckers are planted after clearing, followed by cutting of trees and burning. The suckers produce plantlets after the first rains. Then ploughing is done for the planting of rice, okra, cassava and other crops...

Bananas produce well during the first two years, then production decreases and the plot is abandoned and the process is started all over in another plot, to the detriment of the forest.

Fruit trees + bananas

The banana suckers are planted between coffee, cocoa and kola plants, during the clearing of the plantation in the cold season (winter). These banana plants can produce for 15 to 20 years if the plantation is properly and regularly maintained: the bananas benefit from humus produced by the decomposition of plant debris.

Monoculture crop system

On plains or on hillsides. Recently introduced and adopted by producers who have received training and learned from their experiments, the system is expanding particularly in the prefecture of Macenta.

It consists of clearing the forest while preserving some trees for shade. Planting is done during the rainy season. This system is the most durable over time.

Two main banana types, each with varieties with diverse characteristics and outlets

Plantain bananas (Loko)

Varieties: True and False horns, French with long / short fingers, Orishele, Bouroukou.

Plantain bananas require clearing of the plantation as well as areas with deep soils (production areas in large forests with soils rich in humus). They require more investment and care for the plantations: it is necessary to change plantation location every 2-3 years. Plantains are much in demand on the local market.

Sweet Bananas

Variety: Fig sweet, Small and Large Dwarf, Gros Michel, Poyo, (as well as other experimental varieties, Fia Fia 25 and 12, but these are less cultivated and not as popular).

Sweet bananas grow easily on fallow and shallow soils. They must be planted under tree cover (the forest is not completely cut). The same plantation can produce for over 10 years.

Grande Naine (Large Dwarf): Can be planted quickly over large areas. More resistant against weeds and disease (1 or 2 rounds of treatment per year are sufficient). Harvesting is easier (1 or 2 meters tall, 2.5 m maximum). The cycle is shorter than for Gros Michel. Average yield: 2 t / ha (improved yields are possible if there is regular maintenance; 3 times a year recommended).

This variety is relatively little consumed in the local market and is intended for export to other markets: Conakry, Kankan and in the sub-region (Bamako). It holds up well during transportation over long distances.

Gros Michel: this variety reaches heights of up to 6 meters and is therefore much harder to cultivate and to harvest. Not suitable for cultivation on slopes (the wind breaks the plants). The variety is more susceptible to diseases such as cercosporiosis. The Gros Michel variety is mainly consumed locally.

1.2-Commercialisation of bananas in the Prefecture

Current situation

- today, regional production is taken to different rural markets for sale: Sengbèdou, Daro (collection markets);
- regional wholesale markets (clustering): Macenta centre, N'Zérékoré centre...;
- wholesale markets outside the region: Madina, Bonfi (Conakry)...;
- urban retail markets (end markets): Kaporo, (Conakry)...

Many actors are involved:

- direct actors, producers and producer organisations, collectors, wholesaler traders, semi-wholesalers, retailers and their associations, hauliers and hauliers' unions and syndicates;
- indirect actors, such as professional bodies (Chamber of Agriculture, Chamber of Commerce, NGOs, ACA,...);
- public services (IRAG, SNPRV...).

Most producers in the region sell their production of bananas individually. Some have joined together to market their products as a group: these small groups market their production and collectively negotiate prices, mainly in the Macenta prefecture and also a little in the N'Zérékoré area. Some federations of groups have emerged in recent years: the Macenta Union (UPBM) in 2001, the Nzérékoré Union (UPBN) in 2001 and the Gueckedou Union (UPBG) currently being constituted. They are made up of several clusters/groups which are willing to implement various activities to improve the production and marketing of bananas. Only the Macenta Union has established a truly organised marketing system in conjunction with retailers.

Evolution of unions

UNIONS	CREATION	GROUPS	MEMBERSHIP IN 2006
Macenta UPB	30/12/2001	129 groups and 55 weighing offices	Approximately 2,750
Nzérékoré UPB	End of 2001	21 groups	320
Gueckedou UPB	Underway (as of January 2007)	About 15 groups formed, not yet accredited; (executive bureau of 5 members formed)	

The UPBM producers work mostly with the Grande Naine variety which is better adapted to their environment (see box) and intended for sale outside the region, excepting a few remote and relatively isolated groups who continue to grow plantains (Kouankan for example). These producers are not involved in the union's marketing system and do not practice weighing. While many growers had mixed plantations before, today almost all producers have single-variety plantations, which have replaced rain-watered rice crops on the slopes.

Evolution of the UPBM banana commercialisation system

Banana marketing began to be organised with the fruit juice plant in Kankan which collected bananas across the region by truck. Thanks to this collection the weighing of bananas started.

The Macenta union began marketing activities even before it was formally established. Between the closing of the fruit juice plant in Kankan, and the creation of the first groups, collectors travelled from village to village to buy from producers individually. They offered low prices on the pretext that the prices in Conakry were very low. This prompted producers to begin to group together to increase their bargaining power.

Weighing was gradually abandoned in some localities when the juice factory closed and was re-adopted at the creation of the first groups, in agreement with traders (weighing facilitates their accounting).

Creation of the Macenta Producers' Union (UPBM)

To cope with the challenges of marketing and intensification of banana production (low prices set by buyers, the high cost of maintenance and management of plantations), producers began to organise:

- 1995: the first groups created in Zoyaro, Manidou and Siédou at the initiative of Fanta Mady II Camara;
- 1996: creation of groups in Sèkèmaï, Farawindou, Djigbadou, Mougnaou and Makabaladou, with the support of leaders like Moriba Camara, Mamady Conde Négri, Mamady Maïlon Camara, Mamady Traore, Oulein Mamady Traore, who conducted awareness sessions;
- 1997: the group leaders decided to hold meetings every 3 months;
- 1998: creation of groups in Koulodou, Kotidou, and Boula Lokpouou focused on the production of sweet bananas and Makouradou, Gobowoula, Moribadou, Banko, Kouankan Centre, Irié, Avilissou, Kalapilita, Boussédou groups concentrated more on the production of plantain bananas.

The union was already organised, although on an informal basis, which enabled them to be invited to events. With the support of CAOPA / GF in particular, four producers and a member of the CRA / GF attended a training seminar on the techniques of banana production (Mafèrenya, 1999). A dynamic series of meetings and training sessions followed: about twenty members and leaders of the union were trained in how to conduct surveys on the production and marketing of bananas (CRA / GF support), which enabled the members to better understand the problems involved in production as well as marketing; the future president of the union received training in strategic capacity building for OPAs (France, 2000); a meeting of members of the first groups led to the creation of the first three zones in Zoyaro, Seingbédou and Mougnaou (Sèkèmaï, CRA / GF support). Then, as new groups were formed, new zones were also created immediately.

At the end of 2001, after a general meeting of the zones held in Zoyaro the Macenta Banana Producers Union (UPBM) was founded. In 2006, the union had approximately 2,750 members, divided into 12 zones and 129 groups (1 group of 5 producers, all the others numbering 10 to 40 people).

As the creation of groups continued, a marketing system was put in place: as a first step, the producers tried to send two loads of bananas to Kankan by themselves, but this trial was unsuccessful because traders in Kankan did not let them penetrate their market. Farmers learned lessons from this trial and decided to organise the marketing of bananas in partnership with local traders. The producers were inspired by the purchasing methods used by the fruit juice factory in Kankan which ordered 1 to 2 truckloads of fruit at a time: they decided to resume the practice by establishing a day of sale and by agreeing on a price and tonnage with buyers in Macenta. To do this, they had to incite the producer groups in place to implement this system and persuade the isolated producers to join these groups. Similarly, the union tried to convince all the traders to adopt the new system. Sanctions were imposed for transactions that were not carried out through the union.

Today, this has resulted in a kind of regular mini commodities exchange for the marketing of bananas from Macenta¹. And more recently, the producers of the union have sought other markets in Guinea and Mali and have made contacts in Senegal.

¹ Only sweet bananas are sold and the UBPM operates only within a radius of 35 km. More distant farmers with plantain crops are organised to carry out group sales in Conakry without weighing. These producers are in a zone which is too far away from the UPBM.

Evolution in the organisation of Macenta traders

Between 1980 (the closing of the fruit juice plant) and 1999, traders / wholesalers came from Conakry and worked with local collector partners (who sometimes were also producers). Starting in 1999, collectors began to accompany the wholesalers to Conakry as apprentices, and then they made agreements with the traders / wholesalers: from then on the collectors, now wholesalers themselves, have been making the Macenta-Conakry trip themselves and reselling to the wholesaler partners who are based in Conakry. The Macenta Association of Banana Buyers, bringing together these local traders, was established by the Chamber of Commerce, shortly after the UPBM, at the request of the union.

2 – CURRENT UPBM COMMERCIALISATION EXPERIENCE

2.1-Organisation of mini-fairs: price negotiation and programmed commercialisation between producers and traders in Conakry

Two principles underlie this system of marketing in Conakry: the union works with traders who agree to negotiate a fixed price that can be periodically revised (in practice 2-3 times per year), depending on market conditions; in turn the producer groups offer quantities that are equivalent to truckloads of 20-25 t at agreed periods and terms.

This system is characterised by different features:

- a body for the **harmonisation / negotiation of banana prices** in which the producers' union and the traders' association get together to set prices;
- a commission in **charge of programming harvests** where marketing is scheduled weekly in relation to the banana harvest programme as agreed upon by the union of producers and the traders' association;
- a producer-controlled system of **measurement/weighing** in the presence of the trader;
- an oversight committee.

Negotiations between the union and accredited local traders to set banana prices

Representatives of the Macenta union board and traders of the Macenta banana traders' association AABM (35 accredited dealers) meet periodically at the union's headquarters in Macenta for talks and to agree banana prices:

- a price is set for all producers (up 82 FG / kg);
- during the period of the agreement neither party is allowed to change the price.

Negotiations are requested by retailers or by the association for several reasons:

- changes in the cost of transport (per metric tonne) because of an increase or a decrease in the price of fuel, for example during the coffee harvest season (fewer vehicles are available and the price goes up);
- changes in the supply of bananas (high production between October and January, and lower production from June to September);
- changes in demand (during Ramadan, for example)...

The hauliers are invited to attend the negotiations. In all cases, traders consult them beforehand in order to know the price per tonne. Three leaders of the union are designated to negotiate (others may attend). When two of them are in agreement on the price, the third has to comply. The same goes for the traders. However, in some cases (when access is very difficult, for instance), some traders, once they arrive at the producer's location, try to renegotiate the price with the local group.

Programmed commercialisation and harvesting

Every Thursday, traders of the AABM association come to the union's headquarters in Macenta to meet with the harvest programming commission set up for this purpose. (Initially this commission was independent of the executive bureau, but in 2004 it was integrated into the bureau to facilitate the functioning of the union).

Each Thursday, 5 programmes (=loads of 20 to 30 t) are agreed, amounting to approximately 125 tonnes. In excess of this quantity "traffic jams" occur in Conakry, as the customers of the Macenta traders' association cannot sell more than 125 t / week in this market.

The weighing offices inform the union when they are about to harvest so that their crop can be programmed for sale.

At the same time, a trader who wishes to take a load and who has reached an agreement with a haulier, goes to the headquarters of the Union to inquire whether one of the weighing offices with which he normally works (i.e., to whom he has made advance payment) is about to start cutting. In this case, the programme is settled and the trader buys the authorisation to cut (e.g. 20 t) by paying a harvest ticket of 1 FG/kg for the union (e.g. 20 000 FG for 20 t).

Once the trader has this ticket, he informs the group and they agree on the date and place of loading (usually a week passes between the moment the harvest tickets are distributed and the time of collection). The office distributes the quantity ordered among its members whose bananas are mature, based on the each members' production capacity and according to the urgency of their financial needs (in the event of marriage, for example, that person has priority). Villagers have to cut accordingly (they make arrangements amongst themselves if some cannot supply the quantity requested) and assemble the load at the agreed point.

Producers, traders and hauliers converge at the place on the agreed date to inspect the volume that was scheduled to be supplied. Once there, the trader verifies the produce (he does not collect immature bunches, or those that are too small because they are difficult to resell in Conakry), checks the weighing, pays cash and has the produce transported to Conakry by his haulier .

At the time of loading, 1 FG / kg is deducted by the weighing office on behalf of the group.

If the quantity requested by the trader is not enough to absorb the amount cut, the producers seek another village which is scheduled to harvest and cannot fulfil its order (this is rarely the case). If they do not find a taker, this excess balance represents a loss for the group. But in general, producers are used to gauging the necessary quantity just by eye.

The union is made up of 129 groups and 55 weighing offices, but not all are scheduled regularly. There are several situations:

- Weighing offices that are regularly scheduled (6-9 times per year): There are 32 weighing offices for 22 groups spread out in different localities, covering 780 growers, with about 25 producers on average per weighing office;
- Other groups and weighing offices that are irregularly programmed, and which often sell their products through other marketing channels:
 - they are geographically farther from Macenta;
 - the association traders did not make advance contact, and they are not a priority for programming;
 - they may be programmed once, for example at a period of low production, (or not programmed at all).
- groups in remote areas which do not have weighing offices (plantain producers in general).

NB: some major and geographically scattered groups have several offices, and otherwise, some smaller groups share their weighing offices with other groups.

Therefore, the system of advance payment takes a prominent place in the programming. These payments determine the priorities in programming. If two traders have made an advance to the same weighing office, priority is given to the person who made the advance first.

These advance payments are requested by producers from the traders through the weighing offices. They were introduced by the union to allow producers to finance the cut/harvest in advance, and the union must be informed of the exact amount of these advances (in theory they should be limited to 500 000 FG per weighing office and per cut). That is why traders generally work in the same zones in which they have paid advances.

Measurement system for sweet bananas

This system was introduced by the fruit juice factory in Kankan. Some localities kept this system even after the factory closed; others abandoned it until it was revived by the union. Bananas are weighed at the weighing offices under the supervision of producers and traders, before being loaded. Some scales are mobile and are carried by motorcycle from one office to another, because not all of them are equipped.

Oversight committee

The oversight committee was established in 2004, following problems which arose in the management of the commissions deducted at the weighing offices. It is composed of three members who are not members of the executive bureau, appointed by the General Assembly for a term of three years. The committee's role is to monitor the financial management of the union and the weighing offices. To that effect, it is mandated to conduct visits of the different weighing offices to oversee the management of the 1-FG fee collected (but its operations are limited due to lack of funds). The committee participates in the meetings of the union's Board of Directors. The committee reports on the financial situation of the union to the members' general meeting, to ensure better transparency in the management of the farmers' organisation.

Results of the system put in place with the Macenta traders' union

Some figures

It is difficult to estimate accurately the quantities sold by producers, as it appears that some shipments are not registered at the level of the union. Similarly, it is hard to give the exact number of producers in the union:

- some producers are registered in different weighing offices;
- the lists of group members are neither complete nor up to date

NB: the union plans to carry out an accurate census of its members.

However, the following data are available:

- Annual distribution of the quantities sold (Grande Naine variety) through the union in 2005

Monthly quantity	Period	Remark
400 to 500 t /month	October to January	High production
250 to 300 t /month	February to May	Low production
0 to 100 t /month	June to September	Roads less (or not at all) practicable

- Evolution of the quantities sold via the union and prices since 2002

Year	Number of loads	Tonnage (t) (25 t/load)	Price (FG/kg)	Market
2002	42	1 050	46	Conakry
2003	183	4 575	56 / 62	Conakry
2004	189	4 725	52 / 71	Conakry
2005	169	4 050	66 / 82	Conakry
	12	300	102	Bamako
2006	58	1 450	88 / 82	Conakry
	8	200	108	Bamako

The costs involved in export to Bamako are higher than the costs of export to Conakry because the selling price at this capital is higher and set in CFA francs (a stronger currency than the Guinea franc). Overall, if we consider the 780 producers who are currently registered with the union, this represents an average 6t / producer / year, and between 6 and 9 programmes per year per weighing office (this quantity is undoubtedly a bit underestimated because of the illegal shipments which do not go through the union.). Similarly, the 35 traders of the association are not all involved in the same way: some make regular shipments and their revenues depend primarily on bananas while others are programmed once in a while and usually transport other products (coffee). It is estimated that there are about twenty regular traders.

Strong points

The activities of the union have:

- improved unit prices for producers (banana prices rose from 46 to 88 FG / kg);
- helped increase total remuneration for the producers (sales in kg of the produce have led to some gains, and larger volumes have been sold);
- the system of guarantee for production (sales) has resulted in dynamic production and commercialisation;
- the relationship of trust has facilitated the structuring of different actors;
- the system put in place has led to improvement in quality;
- the dynamics of producers has prompted the traders to get structured;
- the system put in place promotes the integration of traders by reducing their charges;
- the system put in place has led to the creation of a framework for talks and setting prices for producers;
- the system of advances provided by traders to producers has enabled them to construct buildings for example;
- the establishment of a solid union has promoted access to support projects for producers (literacy, technical training...).

To this we can add the following achievements:

- the willingness of producer organisations to assume their financial, commercial and organisational responsibilities;
- progress in the mastery of production techniques;
- the willingness of research to contribute to the development and dissemination of better suited varieties: productivity, taste, resistance to certain diseases.

Problems and limitations

- Trader advance payments

Most of the groups negotiate advance payments with traders. These advances have to be checked by the executive bureau, and are normally limited to 500,000 FG per weighing office and per cut. The bureau then gives a certificate of advance to the trader. The weighing office is in charge of redistribution of the advances. This system of pre-funding is far more advantageous than those available outside the union (this is an interest-free loan that is repaid at the time of sale), and it enables the producer to finance in advance the costs involved in the harvest/cut (labour). However, traders do not limit themselves to the 500,000 FG, thereby causing many problems.

This system of advances is strategic for the Macenta traders:

- it gives them priority status at the time of planning and they can "appropriate" certain weighing offices;
- advances enable Macenta traders to hold a monopoly: if an outside trader (Malian for example) wishes to contract with the union, he has no advances with the producers and

therefore can not be programmed: he is compelled to contact the AABM which serves as intermediary and sells bananas at a price higher than the union price (90 FG/kg for example.);

- but more importantly, given the large sums that are deposited at the level of the groups, it gives them significant bargaining power during the mini-fair transactions with the union;
- some traders also take advantage of this situation to renegotiate the price at the time of purchase of the bananas from the groups.

The multiplication of these advances with several groups of traders created conflicts between producers and retailers. Thus the harvest programming commission evolved into a commission in charge of "programming of harvest and settlement of conflicts". However, despite all these consequences, producers need this system of advances: to pre-finance the cut, and give them access to interest-free loans to finance their expenditures such as weddings, construction of buildings, and so on.

This problem of disproportionate advances is the major concern of the union at the moment; partly because it holds down the price of bananas (traders have an overly strong position with the millions of FG made available to producers). The executive bureau would like to know the exact amount of these advances so as to control them and to encourage the producers to repay part of these advances which render them dependent and indebted vis-à-vis the traders. Cognisant of the producers' need for free credit, the executive bureau is currently exploring a system to limit these advances: it intends to introduce annual fees for the producers (5,000 FG for example) in order to have a substantial fund to grant loans to producers. The sale of business cards would help beef up this fund.

- Sales outside of the union system

It has been discovered that a number of traders use the same harvest ticket for several loads with the consent of certain groups. This allows them to avoid paying the harvest ticket to the union. It is difficult to quantify the number of shipments that have been made in this way. But this problem makes it difficult to estimate the quantities sold annually by producers and represents losses for the union.

-Prices outside the union

The price is often slightly higher outside of the union (but the commercialisation system outside the UPBM does not permit the sales of such large quantities of bananas on a regular basis, and the union producers of the union continue to have an advantage over others). This reflects the strong bargaining power of traders in Macenta thanks to their advances and their monopoly position. The search for new trading partners is expected to improve producer prices.

- Small volumes sold

If we consider the 22 groups that are regularly active in the union system, this represents an average of 8.5 loads per group in 2004, or approximately 6 t / farmer (assuming that the number of unreported shipments is minimal). This quantity is low, and the groups generally have the capacity to supply up to a load per month. A certain quantity of bananas is not marketed and therefore rots in the field. But the union is bound to traders who, at present, cannot buy more because they are limited by the means of transport and the outlets in Conakry, Madina and Bonfi: they always sell to the same network of traders who take up to 1 to 2 weeks before they pay the Macenta traders. The latter do not want to take the risk of looking for other traders in Conakry in whom they have no confidence.

The search for new markets is a priority for the union, which has begun to make some efforts to obtain other markets in Conakry. But the major problem remains the traders' monopoly with the Macenta Union that prevents other traders from trading with the UPBM. The Chamber of Commerce of which the AABM is a part also exercises pressure in order to exclude other potential buyers.

- Quality

The qualitative aspects of production in the union are potentially advantageous compared to Malian production for example: the bananas are grown without fertiliser, in good soil and climatic conditions, giving the union bananas taste and organoleptic characteristics which are appreciated by consumers. However, the transport and export conditions cause much qualitative damage to the bananas, resulting in problems with sales in Bamako especially. The packaging of bananas during these long journeys is woefully inadequate. As a first step, the union intends to test a system of packing bananas in wooden boxes for export to Mali in order to limit crushing. The price of the boxes can be easily offset by a higher selling price in Bamako. As a first step, this potential project, in partnership with the ‘Société Forêt Forte’ would develop and improve trade with the neighbouring country and could then be applied to all other destinations for Macenta bananas (Conakry etc.).

- Unwritten contracting

This problem of lack of written contracts sometimes manifests itself when large advances are made by traders and are disputed. This is linked to the problem of the executive bureau’s lack of control over these advances.

- Farm management

The non-mastery of production costs at the producer level leads to problems of financial management and indebtedness of some producers: hence the need for further courses in management advice and literacy for all producers of the union. This has already been initiated by external projects and has enabled producers in particular to control and monitor the weighing of bananas.

2.2- SEARCH FOR MARKET OUTLETS OUTSIDE OF GUINEA: MALI & SENEGAL

The Federation of Banana Producers in Mali broke new ground when it established ‘Banana Day’ as a way to exchange information and outline perspectives while taking the dynamics of sub-regional integration into consideration. The 2004 edition of this event bringing together representatives of production chains in Mali, Senegal and Guinea took the initiative of establishing a framework for consultation, dialogue and reflection: the ‘Appel de Bamako’, the Bamako Appeal. In light of the problems facing the banana production chains in these countries, the consultation framework should highlight:

- the need to improve the quality of production;
- the need to strengthen producer organisations whose role in the struggle for the promotion of the sub-sector is not yet sufficiently visible;
- the need to define research areas for the elaboration of better commercialisation strategies;
- the need to pursue talks with partners, donors etc. on issues related to inputs, equipment, infrastructure and so on.

The framework put in place is made up of a steering committee that includes some members from producer unions in Guinea. In this context, the creation of a common market in Bamako was agreed in order to meet demand that is not covered by the domestic supply. The period between May and August is a time of low production, which is advantageous for Guinea – Mali transactions. That is why during the various exchange visits to Mali, the UPBM sought to create a partnership with the FOPB (Federation of Bananas Producer Organisations/ Mali), which has a team of producers responsible for buying bananas from producers in order to resell them on a marketplace designated for this purpose by the FOPB. It is in this context that the UPBM sent 12 shipments of bananas to Bamako in 2005 and 8 loads in 2006. These promising and highly remunerative initiatives (despite the high cost of transport) are constrained, at present however, by the condition of the road to Mali.

2.3- OTHER UPBM ACTIVITIES

A project on how to spread out banana production over the year has been underway since 2004 in partnership with the IRAG and the Chamber of Agriculture (IRAG is the technical operator of the project). The idea is to develop production calendars that will enable production all year round in order to facilitate marketing as well as meeting the demand for bananas. Producers in the Macenta prefecture will acquire training in production and post-harvest techniques by working in test fields and plots.

This project is scheduled to be launched in March 2007 and is expected to end in October 2008. At the same time, a database for banana production is to be elaborated (land area, yields of different varieties, etc.) in order to establish the capacity of banana production in the Macenta Prefecture. This database is expected to cover 33 villages and an estimated 10 producers per village. Once the project design is finalised, it will be submitted to SCAC for approval.

2.4- MARKETING ACTIVITIES OF OTHER UNIONS IN PROGRESS

Other unions in the region have not attained the high level of structuring and the rich experience achieved by UPBM. However, the union in N'Zérékoré has started to seek strategies to improve the marketing of its members' products. In particular, it has initiated the construction of a hangar at N'Zérékoré (financed by Foguired) in order to cluster (to collect) the production of its members who are close to the city and try to launch a system of group sales at this level. This building will also be an opportunity to improve the preservation and packing of bananas (in wooden boxes).

Grouped sales in some groups

The clustering of production is beginning to be tested in some groups of the Union of Banana Producers of N'Zérékoré (UPBN). The sub-prefecture of Bounouma which is a few kilometres from N'Zérékoré is an example: between January and March, a period of high banana production , two groups in the city practice a kind of group marketing.

Each producer makes a heap of bananas at the location of the market reserved for banana transactions. Before the collectors arrive, each producer specifies the price he wants for his heap to the treasurer of the group. The latter goes ahead alone to negotiate the price of each heap with the potential buyer.

Having one person negotiate a significant volume of banana gives him a stronger bargaining position with the collector, and the price obtained is higher than in individual sales. But this system is a bit disrupted by other non-group producers who sell their produce individually and at a lower price – hence the importance of organising a group marketing system which involves all producers in the area.

3- BALANCE SHEET, IMPORTANT ELEMENTS

3.1-The UPBM experience shows that the POs are becoming organised and structured

The UPBM is an interesting example of a producers' organisation (PO) that is efficiently organised and has a well thought-out marketing strategy for its own market segment.. This is a truly dynamic economic entity which has laid down its own marketing rules and has a framework for consultation with the traders involved.

It represents a real movement for change which translates into a search for innovation in the market (Mali, Senegal), in the conditions of sale (packing and packaging) and in support for its producers (technical training, literacy). But it faces certain problems that block its extension to all producers in the prefecture. Some factors, such as excessive advances to the traders, the traders' monopoly , the limited market outlets, etc. are not fully controlled by the union and this undermines the efforts of the union.

In a context where most producers face enormous difficulties as they seek to become structured and organised, this experience deserves to be publicised through exchange of experience, study tours and other action, in order to facilitate the structuring of producers at the level of the regional banana chain.

3.2- The Banana sector: a major challenge

This union operates in a very promising context: the banana sector is a major sector for the economic development of the region thanks to quality production that is expanding and is potentially very profitable.

Over the past decade, we have observed a change in dietary habits that is boosting local consumption of sweet bananas as well as plantains. This diversification of habits also enhances food security in the region and enables people to replace other products, mainly rice which is the staple food consumed in the region. This could lead to a reduction in rice imports and reduce rice production in forest areas, thereby limiting deforestation.

That is why these two issues (1) and (2) have the potential to strengthen regional development.



