

## Promoting Organic Banana Exports from Ethiopia and Sudan

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Sudan and Ethiopia have recently been diversifying from traditional agricultural commodity exports to include higher-value horticultural crops, including fruit. The organic sector is the fastest-growing segment of the global banana market, but in response to several constraints, the global industry seeks new sources of supply. Ethiopia and Sudan have great potential for such exports, with large areas of farmland providing excellent preconditions for expanding organic banana production, and they are well-positioned for Middle Eastern, North African and European markets. Together with the [Common Fund for Commodities](#), [Bioversity International](#) recently completed the project Promotion of Exports of Organic Bananas from Ethiopia and Sudan promoting the emergence of an organic banana export industry.

### Emerging outcomes

A key project outcome is that Sudan is now exporting bananas for the first time ever. It also seems these exports are sustainable and can expand. Ethiopia has not exported bananas since the fall of the monarchy in 1974. Partly through this project, the government is restoring its export sector.

In both countries, new banana varieties were introduced as tissue-cultured planting material. Many participating farmers then substantially increased plant numbers, and also distributed material to other growers. In Sudan new tissue-culture cultivars continue to be imported and tested. For local markets some Sudanese traders now maintain fruit quality with reusable plastic crates for transporting banana hands, rather than whole bunches. This lessens damage and makes ripening easier, reducing losses from a typical 40% to around 10%. Another innovation was using simple, portable packing equipment to improve efficiency. Several sets have since been manufactured and these are now regularly used for packing. An export manual for Sudan, a planting materials guide and a number of Arabic-language posters and leaflets on various production and post-harvest aspects have been distributed. Export-oriented training in Sudan (2008), and a study visit to Peru (2012), helped further in promoting exports. Between 2009 and 2012 annual exports increased by an average 53%. In 2012 almost 6,000 tonnes were exported, worth over US\$1.8 million. More regular and consistent exports suggest continuity, although still relatively small volumes. New markets (Lebanon, Egypt) are starting to be served, and Sudan now seemingly supplies about 15% of the Jordanian market. In Ethiopia, early in 2012, the first banana exports for decades went beyond Djibouti, with an initial shipment to a trader in Jeddah, Saudi Arabia. Subsequently, a second Saudi company signed an export agreement for a further five containers in April 2012 and two more in May. This fruit came from 62 growers and the operation employed over 250 labourers. A key Sudanese 'project grower' has established a banana growers group in Singa.

## Challenges

Original project design focused on production. It isn't possible to develop an export chain without closely involving importers and this was initially lacking. The project therefore solicited market partners, to address problems at different points of the value chain using a market perspective.

Ethiopian banana export prices remain uncompetitive against established suppliers, due to logistical issues, including high transport costs and lack of refrigerated containers. A large and growing domestic market with little demand for quality provides a reliable outlet for produce with relatively little effort for the grower. Therefore achieving a competitive position relative to other suppliers remains a significant challenge. Progress in transporting substantial current cut-flower exports by refrigerated container could help by generating economies-of-scale to reduce costs and influence shippers to adjust routes and improve sailing times.

High cost is also an issue in Sudan, but new varieties and practices (e.g. in irrigation) are spreading, and truck exports to the Levant now seem more regular and consistent. Further experience in these less-demanding destinations will help the sector adjust to both regional importers' demands and to the more challenging European market requirements, where demand for organic fruit is greatest. Supplying such markets only at times of high seasonal demand (coinciding with peak supply in Sudan) is another feasible strategy. Developing an Islamic version of fair-trade certification could promote trade in regional markets in the longer-term.

Both countries continue to experience high inflation rates and cost pressures, which reduce competitiveness by increasing input costs. There are also potential threats from new countries entering the export market. Somalia was a significant exporter and, as stability returns, donors may support rehabilitating its banana sector. Further afield, India has recently announced plans to develop banana exports and, as one of the largest producers in the world, diversion of even a fraction of production towards exports could have a significant impact on established trading patterns.

## The Future

In both countries, public sector bodies for horticultural development were closely involved and both continue supporting post-project development of their banana sectors. Some infrastructure is in place and several international importing companies have explored the potential in both countries and remain interested in carrying out trial shipments to Europe. Both countries are now linked to the international markets but need to build on the initial momentum. Markets are close-by and current suppliers face their own challenges. Demand for organic produce in the Middle East has hitherto been very limited, so European markets remain the key outlet for any emerging Sudanese and Ethiopian organic banana export industry.

