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A Value Chain Approach: Integrating Costa Rican Small-scale Banana and Plantain Producers into the Tourism Sector

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Abstract

Agricultural growth and development of staple crop sectors like bananas and plantains help to alleviate poverty through employment and income generation. For Costa Rica being one of the biggest producers and exporter of bananas and plantains world-wide, the banana trade has an important influence on the economy. However, mainly multinational companies benefit from the export, while small-scale producers who mainly produce native banana and plantains species, lack access to these international markets. Local markets for bananas and plantains from small-holder production are small and provide low profits for farmers. By using the value chain analysis this article shows how the tourism sector can offer new market opportunities for the native species to local small-scale farmers. It further identifies the obstacles small-scale producers face when wishing to participate in the tourism sector.

The results of a survey of about 50 questionnaires conducted in the tourism sector in Costa Rica in 2010 show that whether the hotels and restaurants purchase their bananas and plantains from a salesperson or a marketplace differ regionally. This leaves different options for small-scale producers to participate in the local markets. However, the buyer's preference for a frequent supply with small amounts of bananas and high transport costs represent a major challenge for small-scale farmers which the hotels are unwilling to pay for. To lower this transaction costs on the producers side a more efficient organisation of quality production and of the supply logistics are required.

The main barrier for participating in the tourism sector is, however, the missing demand from hotels and restaurants for diverse native species of bananas and plantains which are mainly supplied by small-scale farmers. However, much of the traditional banana and plantain diversity enjoyed by local farmer communities is unknown to the buyers in the touristic sector as well as for tourists themselves and therefore not demanded. Supportive policies from private and public sector such as awareness campaigns for traditional production and the diversity of products can increase demand.

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