Making the rich richer?

Value distribution in the conventional, organic and fair trade banana chains of the Dominican Republic

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Abstract

Private voluntary schemes aimed at differentiating the products flourish on global markets. Among these schemes, “sustainable standards” are aimed at promoting values such as environmental friendliness and fairness. The aim of this paper is to question the fairness of these “sustainable standards”. To do so, we study the distribution of value and power within the conventional and sustainable (organic and fair trade) banana chains. This paper is based on an original six-month investigation that started in the Dominican Republic banana plantations and ended with European global retailers. We show in this article that although the producers do manage to extract a greater share of the rent by participating in sustainable banana chains, the downstream actors are the real winners of the game. More importantly, sustainable banana chains involve the same actors, logistics and relations as their conventional counterparts. All important decisions concerning what must be produced, how and for which market segment are taken by the downstream actor who, in the end, also concentrate most of the power.

Keywords : Banana – fair trade – organic – global value chains – Dominican Republic.

Résumé

On assiste aujourd’hui à l’essor de certifications privées permettant de différencier les produits auprès des consommateurs. De nombreuses certifications mettent ainsi en avant le respect de l’environnement et l’équité. Cet article a précisément pour objectif de s’interroger sur l’équité au sein de ces filières qui mettent en avant les principes du développement durable. Pour répondre à la question de l’équité dans les filières biologique et équitable, nous étudions la répartition de la valeur et du pouvoir au sein de ces filières et la comparons à celle de la filière conventionnelle. Cet article s’appuie sur une étude de terrain de 6 mois qui nous a mené des plantations de bananes de la République Dominicaine aux supermarchés européens. Nous montrons que, même si les producteurs de bananes parviennent à capter une plus grande part de la valeur ajoutée en participant à ces filières certifiées, ce sont les acteurs de l’aval qui ramassent la mise. Qui plus est, les filières certifiées sont organisées de manière identique et utilisent souvent les mêmes circuits de distribution, les mêmes mécanismes de coordination et la même logistique que les filières conventionnelles. Les décisions stratégiques concernant ce qui doit être produit, comment et pour quels segments du marché sont prises par les acteurs de l’aval, qui concentrent ainsi le pouvoir.

Mots clefs : Banane – commerce équitable – agriculture biologique – chaînes globales de valeur – République Dominicaine.

Introduction

This article questions the allegations of fairness of alternative trade networks, *i.e.* their ability *"(...) to ensure that farmers extract greater rents from value chains than they would in more conventional exchange relationships"* (Getz and Shreck, 2006:493). The underlying question is whether market-based mechanisms have the capacity to restructure existing patterns of inequality (Muttersbaugh *et al.*, 2005). To answer these questions, we analyse and compare the distribution of value and power in conventional and sustainable (organic, fair trade) banana chains in the Dominican Republic.

The emergence of the first sustainable agricultural movements – organic agriculture and fair trade – goes back to the early 70s. Both movements challenge the mainstream agro-food system, the generalized use of chemicals and pesticides, the poor quality of its final products, the distended nature of the social relations, the inequalities generated at the local and the global levels, and the misuse of natural resources (Goodman, 2004; Marsden, 2000). The alternative chains promoted by these movements seeking more democratic governance are characterized by a high level of vertical integration that goes all the way to dedicated retail shops; by new rules and production techniques that are completely disconnected from the mainstream; and by new concerns for the impacts of agriculture on the environment and labor conditions (Renard, 2003). Both initiatives explicitly promote fairness in trade.

> *"(...) those involved in organic agriculture should conduct human relationships in a manner that ensures fairness at all levels and to all parties – farmers, workers, processors, distributors, traders and consumers"*(IFOAM, 2005).

> *"Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South"* (FINE, 2001).

The development of the organic and fair trade markets signals the emergence of new consuming habits in the North that may be considered as the expression of a new form of political consumerism (Micheletti, 2003). Consumers are increasingly concerned by the conditions of production and trade of the goods they buy, and are ready to pay more for products with the desired attributes – animal welfare, food safety, environmental protection, respect of human rights, etc. (Tallontire and Blowfield, 2001).

Today however, both movements seem at a crossroads, while the contemporary evolution of alternative markets is increasingly questioned. The *conventionalisation* of the organic sector – the fact that organic products are merely becoming high-value commodities (Guthman, 2004; Murphy and Trauger, 2006) – and the *mainstreaming* of fair trade products – their adoption and promotion by large downstream actors of the conventional sector – are today a matter of heated debate. Indeed, *conventionalisation* and *mainstreaming* are at odds with the underlying values of the fair trade and organic systems, especially as far as income/power distribution and consumer–farmer relations are concerned (Marsden et al., 2000; Raynolds, 2002; Renard, 2003; Fend, 2005; Muradian and Pelupessy, 2005).

Consumer distrust seems particularly strong in the case of bananas. Banana production is somehow emblematic of unfair and unsustainable practices, *e.g.* large-scale mono-cropping and intensive use of pesticides, disrespect of labor conditions and rights, uneven distribution of profits between transnational corporations and smallholders are indeed frequently denounced in banana plantations. Besides, over the past two decades retail banana prices in consuming countries have fallen so drastically that the banana is considered by some as "the fruit of the poor". Overproduction and the increasing power of retailers have led to a decline in retail prices that seriously threatens the livelihood of thousands of banana farmers and plantation workers throughout the world. In response to the banana crisis and to falling profit margins in conventional trade, initiatives of product differentiation have been developed over the past decade under the auspices of the retail sector[1]. In this process, banana is evolving from a basic product with little value, to a high-value, multi-certified product.

In this context, the Dominican banana sector is unique: in 2006, almost 60 % of total banana export volumes were certified (survey, 2007), while the conventional banana sector is declining[2]. A minor player on the global conventional banana market[3], the Dominican Republic is today world's leading exporter of organic bananas: organic banana exports rose from 12,000 tons in 1997 to 86,283 tons in 2006 (CEI-RD, 2007).

[1] Large retailers started selling organic bananas in the late 90s and fair trade bananas joined European banana shelves in 2002.

[2] The percentage of the total banana surface devoted to conventional banana production dropped from 100 % in 1996 to less than 33 % in 2006 (data compiled from CEDOPEX, 1997, and survey, 2007).

[3] With an average annual production of 500,000 metric tons (1996-2006), the Dominican Republic represents less than 1% of all exported volumes of conventional bananas (data compiled from FAOstat and CEI-RD, 2007).

In 2006, Dominican exports of organic bananas (in volume) account for 70 % of the total European organic banana market (survey, 2007). The expansion of organic banana production on the island was facilitated by the promotion of organic production systems in the early 90s and by favourable insular and pedoclimatic conditions. The Dominican Republic also exports large volumes of fair trade certified bananas – over 63,000 tons in 2006, half of which were conventional and the other half organic bananas (survey, 2007). Dominican exports of fair trade bananas (in volume) cover 48 % of the total European fair trade banana markets.

The remaining of the article is organized as follows: after presenting in Section 2 the materials and methods used for this study, Section 3 describes and compares the structure of the Dominican Republic conventional and alternative banana chains. Section 4 goes one step further by comparing the distribution of value among these chains. In Section 5, the relations between governance structures, power and distribution are discussed, as well as the opportunity for alternative chains to reverse unequal and unfair trade patterns.

Methodology: from the field to the fork

To analyse the distribution of value along the banana chain, we "followed" the Dominican bananas "from the field to the fork". At each stage of the chain, we identified the main actors involved in the banana sector and focused on their individual and collective strategies, contracting relationships, coordination mechanisms, and transactions (prices, volumes traded, and margins). To reconstruct the distribution of value within the banana chain, we gathered information on prices (farm gate prices, packaging station gate prices, and FOB prices) and costs at various stages of the conventional, organic and fair trade banana chain.

From the Dominican Republic banana fields to the European retailers

- **Primary data**

We first carried out a three-month field survey in the Dominican Republic in 2007 to sort out the organisation of the Dominican banana chain, from the fields to the harbour. This brought us to meet the main stakeholders – banana producers, plantation owners, field workers, heads of producer organisations, exporters, agricultural extension services, certification representatives, etc. Most of the surveys took place in the *Linea*

Noroeste region, the main banana production area (75 % of the total banana cultivated area), concentrating most actors of the banana sector. We also surveyed the southern part of the island, near the city of *Azua*. The southern banana plantations cover about 1,300 hectares. This area produces only organic bananas.

35 farmers were selected randomly within two producer organizations (*Banelino, Finca 6*) chosen because of their representativity. The rest of the sample comprised producers randomly met on the production sites. A total of 44 banana producers were interviewed, 38 of which answered the entire questionnaire. We also analysed the internal organisation of the two above-mentioned producer associations and of five other organisations (*Cooprobata, Asobano, La Santa Cruz, Hatillo San Lorenzo, Maximo Gomez*). Finally, we interviewed five Dominican exporters (*Savid, Plantaciones del Norte, Horizontes Organicos, Banama, Banamiel*).

The next step involved doing surveys in Europe, where we met importers, ripeners and retailers. In February and March 2007, we questioned downstream actors by direct contacts, phone calls and e-mails. We also made interviews at the main French wholesale market (Rungis) with the most important French importer of Dominican bananas and ripening stations.

- **Secondary data**

This six-month cross-boundary fieldwork also involved gathering secondary data. The main institutional actors of banana sector (*Adobanano, Asociacion Nacional de los Bananeros, Ministry of Agriculture,* national export statistical services, etc.) were very helpful in providing us with technical reports and other secondary data (national banana statistics, production characteristics, etc.). The data on the international banana market (volumes and values) come from the Dominican trade statistical services (CEI-RD) and the FAO trade statistics database (FAOstat). Information on the historical development of the Dominican banana chain was collected through various archives and resources (CEDOPEX, newspaper articles, etc.) and through actor testimony. Costs of maritime transport, import and ripening were obtained thanks to expert opinion. Import (CIF) and retailer prices were assessed through indirect interviews. Databases on conventional and organic banana wholesale markets in France and the United Kingdom gave us wholesale prices. Finally, the Fair Trade Labelling Organization (FLO) provided data on the volumes and value of the exchanges of fair trade certified bananas.

The conventional banana chain is the referential for our analysis. As a result, we will in the remaining of the paper present the conventional chain, in terms of structure and value distribution, before outlining how the alternative chains depart from this model.

Structure of the conventional and alternative banana chains

Structure of the conventional banana chain

- **Production**

Conventional banana production is dominated by small family farms (60 %) of less than 10 ha: their average size is 6.8 ha, 10 % of these farms cover less than 2 ha. Smallholders produce less than one third of total export volumes, their productivity varies greatly from one farm to another (13-30 tonnes/ha). Small and medium-size producers are usually organized in associations. Independent producers are excluded from the export chains, mainly because working for the export market involves huge investments (packaging stations, cable ways, etc.) that they are unable to assume on their own. Exporters have little interest in working with isolated producers (economies of scale, transaction costs related to quality control). Large single-crop commercial plantations (over 100 ha) represent 3 % of the farms involved in conventional banana production and 35 % of total banana exports. They are usually more productive (up to 46 tonnes/ha) and belong to export companies.

Conventional banana production is labour intensive, especially in the North: banana planters employ in average 3 permanent workers on their plantation and a dozen of temporary workers throughout the year. Even the smallest farmers are used to hiring permanent workers, thus leading to high production costs. The active population directly and indirectly employed in the conventional banana production sector is estimated at 300,000 persons in 2006 (interview, Ministerio de Agricultura, 2006).

Producers are in charge of the fruits, from the fields to the packaging station. Once a week, the banana regimes are harvested and transported from the plantation to the nearest packaging station where they are cut off, sorted out, cleaned, sprayed with phyto-sanitary treatments, labelled and packaged in boxes of 18.14 kg.

- **Export**

Banana producers sell their fruits directly to the exporters. The export structure is highly concentrated: two exporters – *Savid* and *Plantaciones del Norte* – share 80 % of the total volumes of conventional banana exports that they source from 81 % of the banana producers (Probanano, 2006). *Savid*, the leading Dominican exporter represents alone 60 % of the export volumes of conventional bananas (survey, 2006). The exporters are in charge of the refrigerated transportation from the packaging stations to the harbour (Manzanillo) and negotiate the freightage. The two main exporters contract with international shipping companies to convey their bananas to European ports – Portsmouth (UK) and Antwerpen (Belgium). The other banana exporters negotiate with these two leaders available space for their banana shipments in the vessels. Although banana exporters partly control production, control stops at the border. A supplier of *Dole*, *Savid* has its own import services in Europe, but does not play a key role relatively to other downstream actors importing Dominican bananas.

- **Import and distribution**

In 2006, Europe imported 85 % of the conventional bananas exported by the Dominican Republic (CEI-RD, 2006). About 90 % of the Dominican conventional bananas unloaded in Europe go to the British market (*ibidem*, 2006). Among the British importers of tropical fresh fruits and vegetables who source Dominican bananas (Fyffes-Wibdeco, JPFruit Distributors Ltd., Mack Multiples), Fyffes-Wibdeco alone deals with more than one third of the total conventional Dominican volumes. These stakeholders ripen, re-package and distribute the bananas. They supply the main British supermarkets (Sainsbury's, Tesco, Waitrose, etc.) as well as wholesalers.

Bananas are highly perishable, which translates into very stringent quality standards for exports[4]. Moreover, supermarkets impose specific requirements in terms of quality (origin, class, size, and packaging) to their suppliers. In case of non-compliance, the bananas are refused: the exporters and the producers are identified through a strict traceability system and are legally designated as responsible for the damage. The main risk for the exporters is to ruin their reputation and loose their customers. This induces them to set up strict quality management and control systems that structure the banana

[4] If harvested too early, the bananas fail to reach their full size and may not meet export standards. If harvested too late, the bananas ripen during the transport, rot and contaminate other boxes in the container. The damaged boxes are rejected by the importer and the producers are charged at CIF prices. In average, each week 30-50 % of the bananas harvested are rejected for non-compliance with commercial export standards. Rejected bananas are sold at low prices on the local market.

chain all the way to the Dominican Republic. Farmers run the risk of being excluded from the export market. They must also pay for the damages: the defective banana boxes paid around US$ 4 to the producers, are billed about US$ 11 (average CIF price).

- **Horizontal and vertical coordination**

The past ten years have witnessed an explosion in the number of producer organisations in the Dominican Republic. An increasing number of small and medium-size farmers have entered the export market since the first banana multinational (Fyffes) arrived in the island in 1990. To access export markets, farmers must be organized: this condition is imposed by exporters to lower transaction and logistical costs and to facilitate the management of quality control. Over ten first and second-level producer organisations participate in the export market. These organisations pool infrastructures and services for their members (common packaging stations, air fungicide treatments, input storage units, quality control, etc.). Most producer organisations employ one production technician for 30 members to set up an internal quality management system. This technician visits the farmers regularly, helps them with production and packaging, and gives advice on quality and standard-related issues. Quality control is also carried out at the packaging station by the exporter's staff. Exporters implement quality control with independent large-scale producers too.

Quality management is a crucial issue between the supplier and the exporter. The contract ties the farmers to a sole exporter, who provides them with an access to the export market and with technical, material and – to a lesser extent – financial support. Export companies supply their suppliers with banana boxes, labels, palettisation equipment, etc. Equipment costs are then deducted from the price of the boxes paid to the suppliers. Financial support is scarce and pre-financing is mostly awarded in kind (production and packaging equipment). However, exporters have always supported the banana sector after natural disasters (loans with preferential rates for the rehabilitation of plantations). Short-time credits are reimbursed with the first harvest.

Alternative banana chains: a new structure?

In the Dominican Republic, organic and fair trade bananas were initially produced by small farmers, while conventional production was dominated by medium and large-scale producers. Large producers have been positioning themselves on organic and fair trade bananas production over the past years. Since 2006, the plantation owned by

Savid, the leading exporter, is both organic and fair trade[5] certified. Currently, large plantations and producer organizations produce and trade conventional and organic bananas. According to FLO, 10 producer organisations and 4 traders were fair trade certified in the Dominican Republic in 2006. Today, with 23 producer organisations and 5 traders, the Dominican Republic is the first country in the world in terms of the number of stakeholders involved in the fair trade banana chain (FLO-CERT register, 2008).

The simultaneous involvement of the main actors of the Dominican banana chain in both the conventional and the alternative bananas chains makes it difficult to distinguish the structure of the alternative chains from that of the conventional chain. Our survey highlights the fact that conventional and alternative chains overlap and that their structures are relatively similar. Except for two actors that are specialized in organic and fair trade[6], alternative chains are dominated by mainstream actors that are well-established in the conventional chain. These alternative channels represent about 15 % of all organic and fair trade export volumes. Other sustainable bananas[7] follow the same channel as conventional bananas.

The extension of the organic and fair trade certifications to operators of the conventional chain (large plantations owned by the exporters) has improved the bargaining power of the later towards smallholders, and has strengthened competition on the market for certified products. This has been favourable to the strongest and the most well-established operators of the conventional chain, and unfavourable to the weaker operators.

Organic bananas play a strategic role: "weaker" exporters must negotiate available space for their bananas in the vessels hired by the leading exporters. Shipment costs for organic bananas may be quite high for the smaller exporters (prices can be up to 1.6 times higher than those paid by the leaders). Organic and fair trade bananas are

[5] Since the implementation of the *"Generic and products standards for hired labour situations"* (FLO, 2006) large plantations can be fair trade certified.

[6] *Horizontes Organicos* is an exporter that produces and trades organic and biodynamic bananas; it is also involved in fair trade. *Agrofair* is an alternative trader that buys directly fair trade and organic certified bananas to the cooperative Cooprobata.

[7] In 2006, all of the following voluntary certification programs were present in the Dominican Republic: organic (European, North American and Japanese standards), fair trade, ISO 14001, EurepGap, Nature's Choice (Tesco), Ethical Trade Initiative, Demeter, Linking Environment and Farming (LEAF).

imported by mainstream importers that are large players on the main conventional banana markets (Fyffes, Mack Multiples, Pomona, Dole).

In alternative chains, the main change comes from the intervention of a new type of actor: the certifier. Farmers willing to produce and sell organic or fair trade bananas must first be certified. Fair trade certifications are carried out by the local inspector of the only accredited fair trade labelling organization (FLO-CERT). In the Dominican Republic organic banana producers are certified by private certification agencies that are accredited to inspect and certify compliance with organic requirements in the North (Europe, USA, and Japan). Three European certification agencies share the Dominican market for the certification of organic bananas. The leader, *BCS Okö Garantie* (Germany), certifies roughly 60 % of the national banana production; most medium and large-size are individually certified by BCS. *IMO* (Switzerland) is more specialised in the group certification and its certification is recognized on the Swiss market, contrary to the others. A third certifier of organic products, *Suolo e Salutte*, certifies a minor proportion of Dominican organic bananas, specifically for the Italian market. Producer organisations cannot choose their certification agency. This choice is usually imposed to the producers and their organisations by the exporter to which they sell their organic bananas. Traders choose the certifier according to its credibility on the final market. As a consequence, it is not rare for producers and their organisations to be controlled by several certifiers, which is for them extremely costly.

To be organic or fair trade certified, producers must be inspected at least once a year by the certifier. The implementation of an internal control system (ICS) is a prerequisite to qualify for organic certification as a producer group. The ICS facilitates and reduces the cost of certification. Indeed, a smaller sample of producers (10-20 % of the group) is controlled by the certifier (certification costs are based on the number of days of inspection). This form of quality control is closely related to the quality control imposed by the exporters.

Finally it is worth noting that, like conventional chains, alternative banana chains are driven by the strategies and to the requirements of the downstream actors. These actors decide the type and the quantity of conventional, organic and fair trade bananas they want. Although organic ad fair trade certifications encourage the establishment of long term contracts and relations between importers and producers, importers adopt the same

strategies as in the mainstream chain. More particularly in the case of organic bananas they tend to value prices over long term trade relations.

Value distribution in the conventional and alternative banana chains

The creation and distribution of value along the banana chain is a sensitive issue. Due to fierce competition, the stakeholders dissimulate strategic information concerning their costs and benefits. Moreover, since existing statistical databases on agricultural production and trade focus exclusively on conventional markets, most of the information on certified commodities is dispersed in 'grey literature'. Although the Dominican Republic has developed a specific database for the organic sector, organic banana export volumes and values are constantly underestimated. Finally, organic and conventional bananas can also be fair trade certified, thus making it difficult to estimate accurately organic and fair trade volumes. Our analysis bears the mark of the lack of accessibility to basic statistical data: the distribution of value proposed here is based on average estimations (prices, costs, etc.) for 2006.

Value distribution in the conventional banana chain

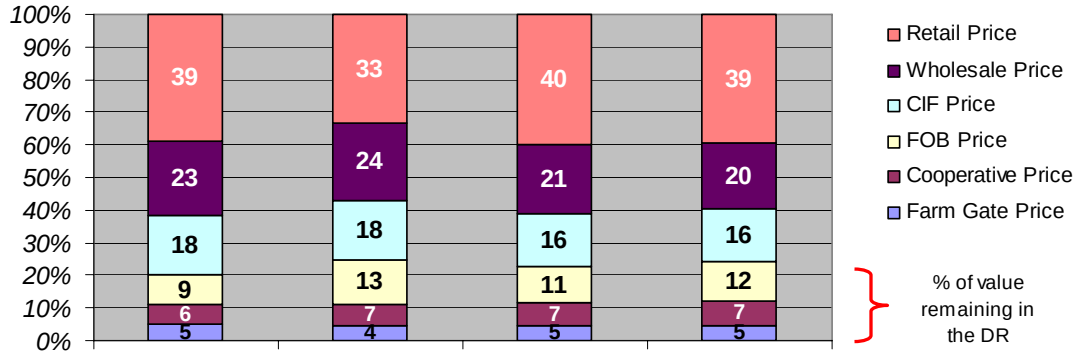
Contrary to others commodities as coffee or cocoa, bananas are not transformed. To assess the creation and distribution of the value along the global banana chain, we need to identify prices at each stage of the value chain:

- *farmers* receive a farm-gate price that should cover their production, certification and organizational costs and provide them with a profit margin;
- *farmer organizations* assume logistical and organizational costs and receive a cooperative-gate price (producer groups do not realize profits);
- *exporters* bear logistical and quality control costs. Their costs and profit margins are reflected in FOB prices. Bananas are shipped to importing countries and landed at CIF prices;
- *importers* bear logistical and import costs (license and custom fees);

- *ripeners*[8] ripen green bananas (and eventually re-package yellow bananas) before selling them directly to wholesalers or retailers;
- *retailers* sell the yellow bananas to the consumers. Retail pricesinclude a sales or value added tax of 6 %.

Our survey shows that, in the conventional banana chain, less than one fourth of the global value remains in the producing country (Figure 1). Dominican farmers receive US$ 3.9 per box of bananas, which represents only around 13 % of the final retail value. Banana boxes are then shipped (shipment costs represent 9 % of the retail value) to European markets. Export margins are quite low (5 % of retail value), whereas imports capture roughly 12 % of the retail value. Ripeners extract 12 % of the retail value. Finally, retailers capture the greater part of the value (36 %).

Figure 1 - Value distribution in the conventional and alternative banana chains



Source: authors' survey, 2006.

Value distribution in alternative banana chains

Alternative banana chains generate greater value than conventional chains: our survey shows that, in 2006, the retail price of one box of Dominican Republic fair trade bananas was 12 % higher than that of one box of conventional bananas. The difference reached 53 % for organic bananas and even 76 % in the case of bananas with both the fair trade and the organic certifications!

In all chains – including the conventional chain – farmer *prices* represent a similar share in total retail value (Figure 1). This contrasts with farmer *margins*: only in the fair trade

[8] Those who own a ripening station directly sell to wholesalers or retailers. Those who do not own a ripening station must sell their green bananas to ripeners.

chain are these margins higher than in the conventional chain. The two organic chains are far from providing the expected margins. We include exporters in this part of the analysis, since exporters are Dominican as well. Exporters' margins are higher in alternative chains, particularly in the fair trade chain. A focus on the share of the retail value that remains in the Dominican Republic (FOB prices) shows that, in alternative banana chains, a higher share of the retail value is maintained within the producer country (Figure 1). In the fair trade chain, FOB price represents 24 % of the final retail price.

In the organic and organic fair trade chains, the importers who ripen the fruit capture a lower share of the retail value, to the substantial benefit of the exporters and the even more substantial benefit of the retailers. The fair trade chain exhibits little difference with the conventional chain. Supermarkets keep capturing most of the retail value: from 33 % in the fair trade chain to 40 % in the organic chains. However, in the fair trade chain, this share is slightly lower than in the conventional chain (39 %).

Discussion

It is useful here to go back to the global commodity chain (GCC) framework. GCCs are geographically dispersed networks of organizations and processes involved in the design, production, and marketing of a finished commodity (Gereffi and Korzeniewicz, 1994; Raikes *et al.*, 2000).

GCCs are characterized by a governance structure, defined as the *"authority and power relationships that determine how financial, material and human resources are allocated and flow within a chain"* (Gereffi, 1994:97). The lead firm decides what is to be produced, when and how (Kaplinski and Morris, 2001). By doing so, it determines how profits are distributed within the chain and who participates in the market (Gereffi, 1999; Dolan and Humphrey, 2004; Palpacuer et al., 2005). Lead firms derive most of their power from "intangible" activities (marketing, design, brand development) and increasingly outsource "tangible" activities (production, manufacturing) that are increasingly commodified (Levy, 2005).

It is necessary to identify the activities that provide higher returns in order to understand the global distribution of value added. However, as noted by Vorley (2003), high returns do not necessarily go where most of the value is created. Concentration in the retail sector enables supermarkets to extract a large share of the value added with little

participation in the creation of value. Supermarkets are mainly involved in the definition of quality, through branding or the creation of standards. The ability of a firm to qualify or define a product, or even to decide what standards shall be adopted is determined by the nature of power relations between the actors of the chain, it is also a source of increased power within the chain (Gibbon and Ponte, 2005). It is therefore a very powerful instrument of control and a means of reorganizing the commodity chain and its production processes (Renard, 2005).

Global banana chains are "buyer driven chains" (Gereffi, 1994). They are piloted by downstream actors who decide what standards should be followed, when and for which markets and who impose their decisions to the other actors of the chain. In global banana chains, power is concentrated in the hands of the retailers who concentrate 40 % of retail value (Vorley, 2003). The level of control exerted by the supermarkets can be explained by concentration in the food retail sector. In the global banana chain, vertically integrated corporations that cultivate on huge plantations, transport, ripen, and wholesale their own produce are also powerful actors (Murray and Raynolds, 2000).

In the Dominican Republic, the absence of large corporations has enabled the actors to retain a larger part of the retail value within the country, by limiting the extent of vertical integration[9]: 20 % of retail value stays in the country as compared with 12 % in Ecuador (Vorley, 2003). Our study shows that in the Dominican Republic, redistribution remains limited in alternative chains: importers and ripeners get a little less, local exporters a little more… Alternative banana chains based on sustainable standards (fair trade, organic) seem to depend even more on supermarkets to sell their products. In alternative chains, supermarkets lead the game and capture 33-40 % of the retail value (against 39 % in the conventional chain); producer organisations capture less than 12 %.

It is therefore difficult to conclude that alternative chains improve the distribution of value and promote fairness. In the end, despite the massive adoption of apparently tailor-made systems, small banana planters remain pressurized between powerful European retailers and large Dominican plantations. The fact that alternative banana chains are not fundamentally different from the conventional chains acts as a barrier to

[9] Vertical integration enables large banana corporations such as Chiquita, Dole and Del Monte (who represent 60 % of the market) to control all the stages of the supply chain, from production to consumption (Chambron, 1999).

the development of more direct relations between producers and consumers, as advocated by early fair trade groups.

It seems that the Dominican banana chain is currently withdrawing from organic production. Producers of fair trade and organic certified bananas notice that double-certifications are redundant: bananas with both certifications are frequently sold as fair trade or organic... and even sometimes as conventional bananas. This may be explained by the recent decision of the British retailer Sainsburry to sell only fair trade certified bananas, at conventional prices. This decision is likely to trickle down to the retailer's main competitors. It may already have hit the Dominican producers. This would corroborate our conclusion that the dynamics of the alternative banana chains observed in the Dominican Republic banana sector obey market constraints more than they reflect a true ideological positioning.

Last, but not least, the withholding of information encountered at all stages of the conventional and alternative banana chains (except at producer level) allows us to have serious reservations about the transparency of alternative chains.

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