



Food and Agriculture  
Organization of the  
United Nations



# BANANA

Market Review 2022





# BANANA

Market Review 2022

Food and Agriculture Organization of the United Nations  
Rome, 2023

Required citation:

FAO. 2023. *Banana Market Review 2022*. Rome.

The designations employed and the presentation of material in this information product do not imply the expression of any opinion whatsoever on the part of the Food and Agriculture Organization of the United Nations (FAO) concerning the legal or development status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The mention of specific companies or products of manufacturers, whether or not these have been patented, does not imply that these have been endorsed or recommended by FAO in preference to others of a similar nature that are not mentioned.

The views expressed in this information product are those of the author(s) and do not necessarily reflect the views or policies of FAO.

© FAO, 2023



Some rights reserved. This work is made available under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 IGO licence (CC BY-NC-SA 3.0 IGO; <https://creativecommons.org/licenses/by-nc-sa/3.0/igo/legalcode>).

Under the terms of this licence, this work may be copied, redistributed and adapted for non-commercial purposes, provided that the work is appropriately cited. In any use of this work, there should be no suggestion that FAO endorses any specific organization, products or services. The use of the FAO logo is not permitted. If the work is adapted, then it must be licensed under the same or equivalent Creative Commons licence. If a translation of this work is created, it must include the following disclaimer along with the required citation: “This translation was not created by the Food and Agriculture Organization of the United Nations (FAO). FAO is not responsible for the content or accuracy of this translation. The original [English] edition shall be the authoritative edition.”

Disputes arising under the licence that cannot be settled amicably will be resolved by mediation and arbitration as described in Article 8 of the licence except as otherwise provided herein. The applicable mediation rules will be the mediation rules of the World Intellectual Property Organization <http://www.wipo.int/amc/en/mediation/rules> and any arbitration will be conducted in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

**Third-party materials.** Users wishing to reuse material from this work that is attributed to a third party, such as tables, figures or images, are responsible for determining whether permission is needed for that reuse and for obtaining permission from the copyright holder. The risk of claims resulting from infringement of any third-party-owned component in the work rests solely with the user.

Sales, rights and licensing. FAO information products are available on the FAO website ([www.fao.org/publications](http://www.fao.org/publications)) and can be purchased through [publications-sales@fao.org](mailto:publications-sales@fao.org). Requests for commercial use should be submitted via: [www.fao.org/contactus/licence-request](http://www.fao.org/contactus/licence-request). Queries regarding rights and licensing should be submitted to: [copyright@fao.org](mailto:copyright@fao.org).

#### Cover and back cover photos:

©iStock/bennyartist

©iStock/narvikk

#### Photos on page v, 12:

©AdobeStock, ©Shutterstock/Shamils

# CONTENTS

Note on methodology .....	iv
Foreword .....	v
Developments at a glance .....	vi
Developments in global banana trade 2022 .....	1
Box 1: Indicators of developments in producer margins in the banana industry .....	3
Exports .....	4
Imports .....	7
Constraints and uncertainties .....	11

## NOTE ON METHODOLOGY

This report describes full-year results on developments in global banana trade in 2022 and represents an update to the Banana Market Preliminary Results 2022. The analysis contained herein is based on data on trade quantities that were compiled from the following sources: country responses to the 2023 questionnaire of the FAO Intergovernmental Sub-Group on Bananas; data from the UN Comtrade database and Trade Data Monitor Inc.; communications with national sources and industry partners in trading countries; and secondary data and information from desk research. The findings incorporate revised data and information as available up to the end of May 2023. All data in this report should be considered as provisional. FAO is continuously monitoring global trade flows of bananas and will update these results should revisions of officially reported data be released.

All datasets refer to global trade of fresh bananas, excluding plantains, as covered by HS code 080390 under the harmonized tariff nomenclature system of the World Customs Organization. Data on the import volumes of the European Union exclude the United Kingdom of Great Britain and Northern Ireland since February 2020.

## FOREWORD

The *Banana Market Review* is issued on an annual basis to Members and Observers of the Sub-Group on Bananas of the Intergovernmental Group on Bananas and Tropical Fruits, which is a subsidiary body of the Committee on Commodity Problems (CCP).

It is prepared by the *Team on Responsible Global Value Chains*, Markets and Trade Division, Food and Agriculture Organization of the United Nations (FAO), Rome.

The *Team on Responsible Global Value Chains* provides research and analyses on global value chains for agricultural commodities, and economic data and analyses on tropical fruits. Regular publications include market reviews, outlook appraisals and projections for bananas and tropical fruits. The team also provides assistance to developing countries in designing and implementing national policies regarding responsible value chains in agriculture.

The report is available at the following FAO website:

<https://www.fao.org/markets-and-trade/commodities/bananas/en>



## DEVELOPMENTS AT A GLANCE

- ▶ Global export quantities of bananas continued to display a strong tendency to decline in 2022, in stark contrast to the fast-paced growth experienced in pre-pandemic years.
- ▶ Full-year data indicate that global export quantities fell by 1.2 million tonnes from their 2021 level, to approximately 19.1 million tonnes in 2022.
- ▶ Amid a difficult global operating environment, obstacles to global banana trade were mainly present on the supply side, with demand in importing countries remaining relatively strong.
- ▶ Key factors affecting trade prospects in 2022 were reported as:
  - Production shortages caused by adverse weather conditions and insufficient access to and application of fertilizer.
  - Substantially higher costs for inputs as well as high global transportation costs during the first half of the year.
  - The significant appreciation of the United States dollar against the currencies of many banana-exporting and importing countries.
  - Concerns surrounding the spread of plant diseases, importantly Banana Fusarium Wilt Tropical Race 4.
  - More stringent limitations on maximum residue levels in some of the major markets.

These difficulties affected the ability of producers and exporters to supply bananas in adequate quantities and to the quality standards expected in export markets in all key regions.

- ▶ As demand remained firm in the majority of the leading import markets, notably in the European Union and the United States of America, prices in these markets accordingly displayed a tendency to increase.
- ▶ However, industry sources reported that producer prices remained stagnant at very low levels, a situation mainly caused by intense competition in the banana value chain, quality issues experienced in many origins in 2022 and the saturation in global markets during the early months of the war in Ukraine.



## Developments in global banana trade 2022

According to available data and information, global trade in bananas continued to be negatively affected by several factors on the supply side in 2022, which induced rising producer costs and consequently supply shortages, against relatively stable demand in key import markets. Industry sources reported that the high prices for fertilizers in 2021 and throughout the first half of 2022 resulted in a reduced application by farmers, hampering the productivity and quality of banana cultivation in key producing areas. Adverse weather conditions, including abnormally cold weather related to the La Niña phenomenon in Ecuador, as well as the passing of yet another severe tropical storm through the Caribbean, further impacted the quantities available for export. Higher reject rates on the grounds of produce not meeting the quality standards expected in export markets were of mounting concern in all exporting regions. More stringent maximum residue levels in key importing markets, notably the United States of America and the European Union, added further pressure on producers and exporters, as produce not meeting these new requirements could not be exported. Continuing shortages in refrigerated containers stemming from the prolonged lockdowns implemented in some Asian countries that extended to 2022, and the high global transportation costs in the first half of the year, posed additional obstacles to export growth. Severe concerns about the spread of plant diseases, importantly the accelerated spread of the Banana Fusarium Wilt Tropical Race 4 (TR4) disease in the Philippines and its alarming presence in Peru and Colombia, caused substantial additional economic strain, both in terms of the additional costs associated with disease prevention and production losses. Moreover, in view of the pandemic, the persisting necessity to apply elevated sanitary measures and physical distancing to protect workers from COVID-19 continued to cause additional costs to producers and operators along the supply chain, especially during the first half of 2022.

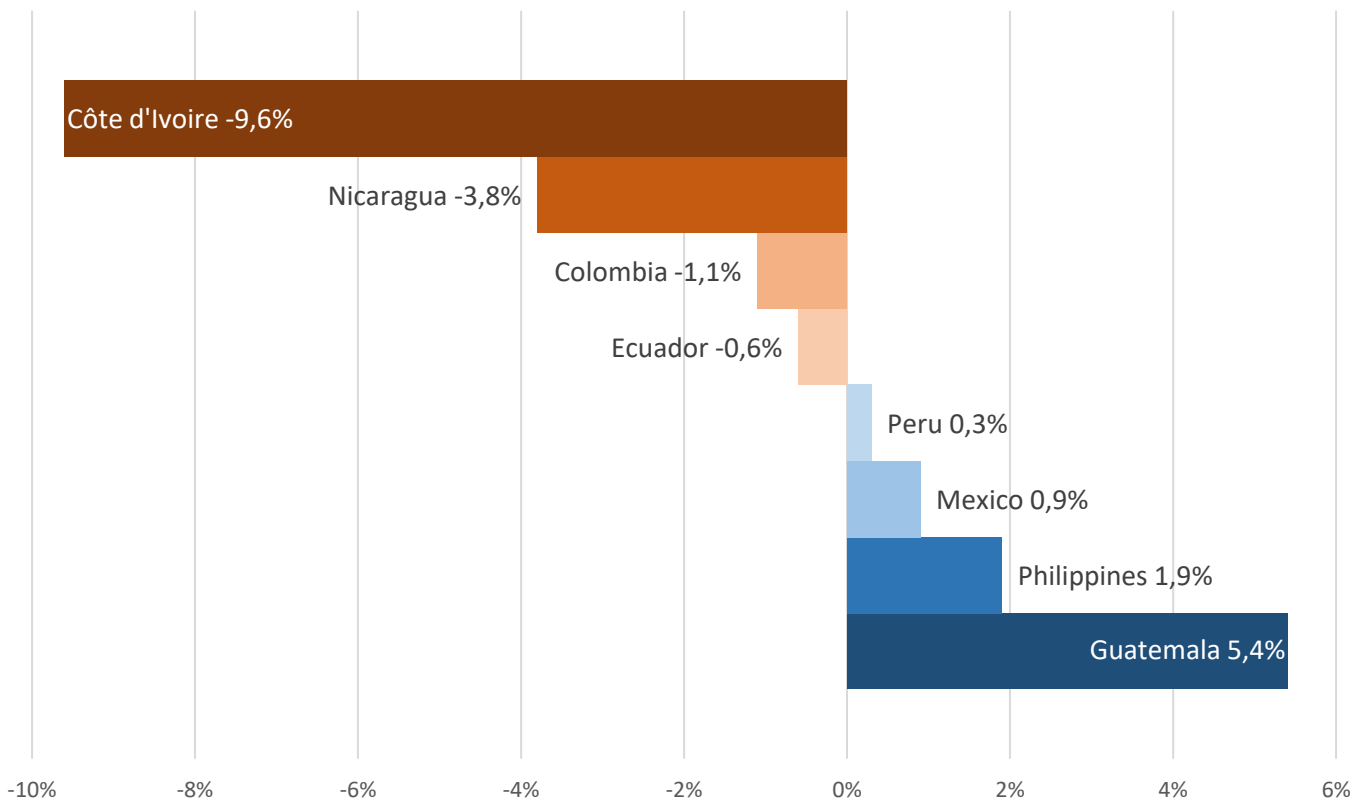
Meanwhile, the war in Ukraine exacerbated already mounting pressures on global energy and fertilizer markets and supply chains, with shortages in fertilizers widely reported by the banana industry during the first half of 2022. Critically, the conflict also resulted in the discontinuation of important trade relations amid the economic sanctions imposed on the Russian Federation and caused severe disruptions to transport routes to Ukraine. The repercussions of these developments for global banana markets in the first half of 2022 were immediate and drastic. The Russian Federation ranks as the fourth largest importer of bananas globally, procuring some 1.4 to 1.5 million tonnes from world markets annually. These quantities translate into some six to seven percent of global banana shipments that were facing considerable obstacles to reach their destination market in March and April 2022. While this situation had particularly dire consequences for Ecuador, from where some 98 percent of Russian banana imports originate, it reportedly also caused a situation of oversupply and price declines in other export markets during these months. Prior to the war, Ecuador supplied some 20 to 25 percent of its yearly banana exports to the Russian Federation, and some three percent to Ukraine. Industry sources from Ecuador reported that the sudden loss of both export markets and lack of alternative destinations resulted in large quantities of bananas going to waste during these months, a plummeting of producer prices from USD 6.25 to around USD 1.20–1.50 per box, and a dramatic number of bankruptcies among producers, mostly small producers selling through spot markets. Although export flows of bananas from Ecuador to the Russian Federation seemingly recovered to near pre-war levels during the remainder of the year – as suggested by available trade partner data – the continuation and recent intensification of the conflict are leaving the outlook highly uncertain.

The difficult operating environment in 2022 was further complicated by the significant depreciation of currencies against the United States dollar, which affected operations all along the value chain since transactions in the banana industry, including the purchasing of inputs, are normally conducted in United States dollars.

This exerted additional upward pressure on costs to producers, exporters, and importers. Although some prices along the value chain displayed a tendency to increase in 2022, following years of relatively little fluctuation amid a highly competitive global operating environment, this was not sufficient to compensate for the substantially higher costs. Importantly, prices received by producers and exporters were exposed to further downward pressure stemming from the production difficulties that caused quality concerns in many origins in 2022 as well as the saturation in global markets during the early months of the Ukraine war. As a consequence, the erosion of profit margins became an issue of critical concern to the sustainability of the banana industry (Box 1). While producer costs reportedly ranged some 40–50 percent above their pre-pandemic levels, prices at farm-gate, export, import, wholesale and retail level saw in most cases comparatively little upward movement, if not negative change.

For example, export unit values from Ecuador and Colombia, two of the leading suppliers of bananas to global markets, each averaged around 1 percent below their previous year's level in 2022 (Fig. 1). Import prices in the European Union, meanwhile, stood at an average of USD 944 per tonne in 2022, a mere 2.2 percent higher than in 2021. Retail prices in France, a key banana consuming market in the European Union, declined by nine percent in 2022, despite inflation being recorded at 5.9 percent for the country in 2022. Wholesale and retail prices of bananas in the United States of America respectively rose by 9.5 and 6 percent year-on-year in 2022, with retail prices rising less than the inflation rate of eight percent recorded in the United States of America in 2022. As such bananas remained among the cheapest fruits on the shelves in key import markets, despite the plethora of simultaneous difficulties and severe cost increases experienced by the sector in 2022.

Figure 1. Change in average export unit values from selected exporting countries, 2022/2021



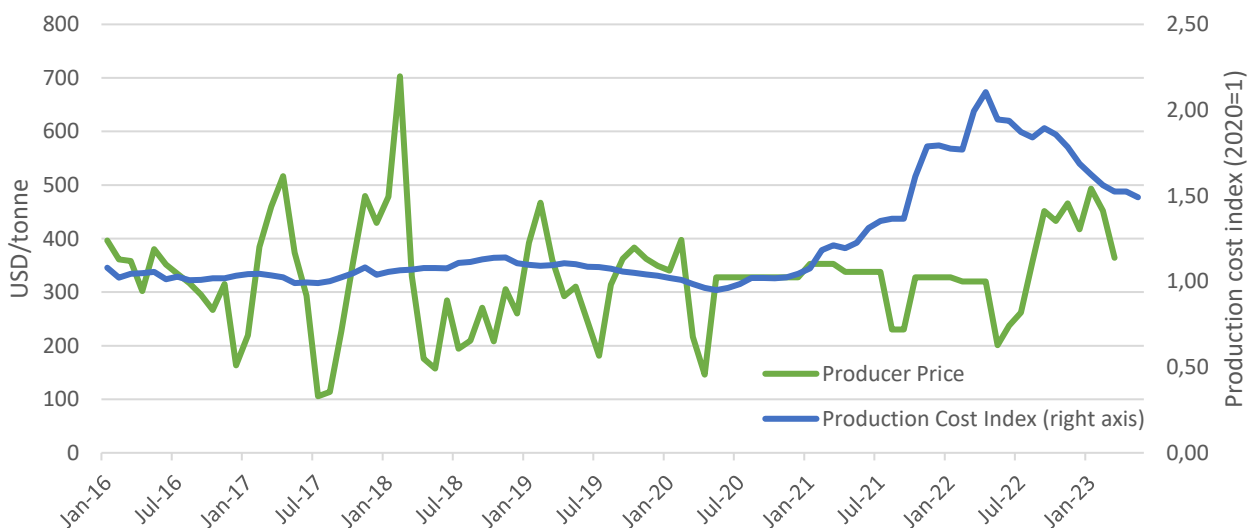
Source: FAO.

## Box 1: Indicators of developments in producer margins in the banana industry

To shed further light on the difficulties experienced by the global banana sector, Figure 2 shows the results of an analysis of recent developments in producer margins in banana production in Ecuador, the leading exporter of bananas globally. Monthly producer prices for the period January 2016 to March 2023 are plotted against an indicative index of producer costs, which was constructed using the cost shares stated in the methodological note below. The results imply a dramatic collapse in producer margins that started in early 2021 and amplified until mid-2022, on the back of not only strongly rising costs but also a significant fall in prices.

Low producer margins greatly hinder the adequate remuneration of workers and smallholder farmers in the industry and act as a major obstacle for producers in coping with emerging challenges and supply chain disruptions. This threatens to restrain supplies and poses an elevated risk of industry contraction due to business closures, reduced supplies to world markets and higher food prices. Data on developments in world export and import markets over the course of 2022 already point to this, with all key regions being affected. On the upside, rising producer prices and falling input prices from September 2022 saw producer margins recover considerably by the end of the year and into early 2023, indicating improving conditions for producers in the banana industry in 2023.

Figure 2. Evolution of producer margins in banana production in Ecuador



Source: Monthly producer price data for the period January 2016 to March 2023 provided by the Ministerio de Agricultura y Ganadería, Ecuador.

Methodological note: Production cost shares for commercially traded bananas in Ecuador were estimated by the Asociación de Exportadores de Banano del Ecuador (Ecuador's Association of Banana Exporters) in 2013 as follows: direct and indirect labour costs 38 percent; agrochemicals and other inputs 40 percent; transport 7 percent; and the remainder for materials, general services, equipment et al..

The cost index in the figure was constructed by applying the fertilizer price index as provided by the World Bank to the assumed 40 percent share for agrochemicals, and an index of the West Texas Intermediate oil price to the 7 percent transportation share. The remaining costs with a 53 percent share were assumed not to have changed over the period. Further research is needed to find monthly series on these other costs, e.g. on direct and indirect labour costs, to extrapolate these inputs appropriately

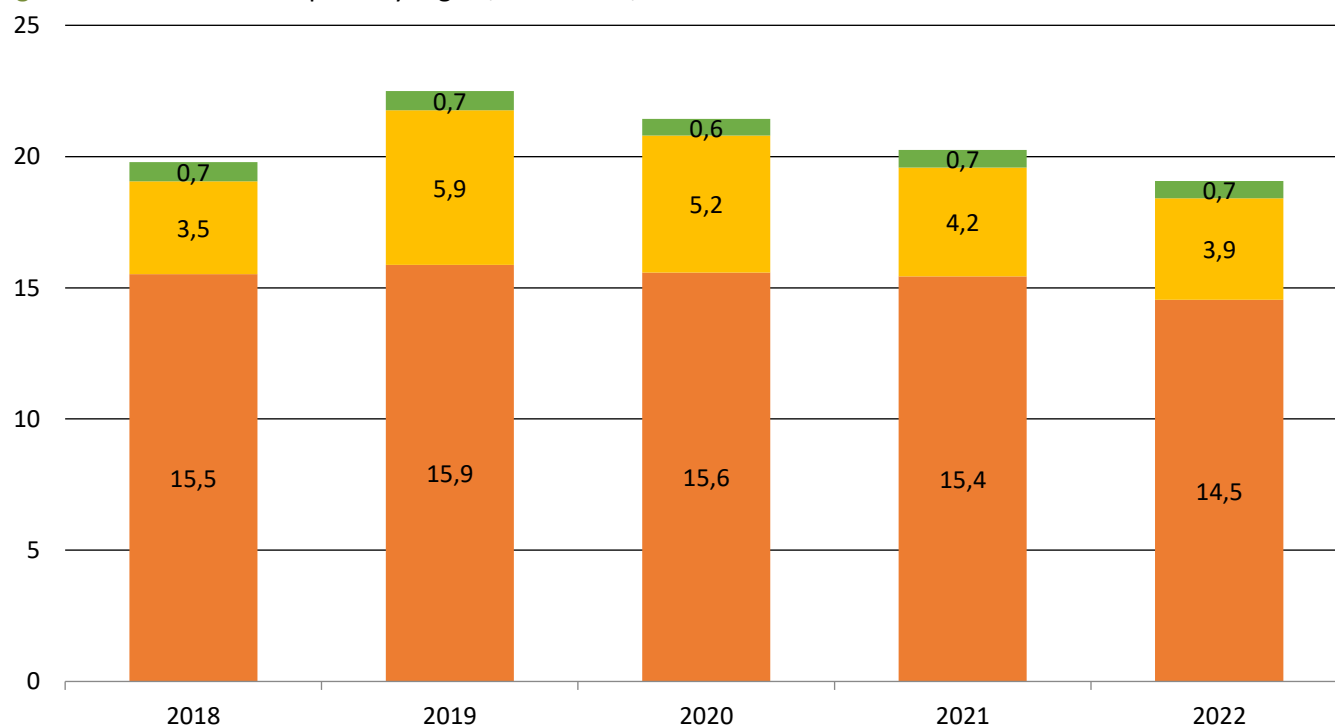
## Exports

Available full-year data indicate that global exports of bananas, excluding plantain, experienced a decline of 6.1 percent in 2022, marking another year of disruption to the fast-paced growth experienced in pre-pandemic years. Total export quantities thereby fell from 20.4 million tonnes in 2021 to approximately 19.1 million tonnes in 2022. Similar to the situation in 2021, most of the leading global suppliers of bananas – with the exception of Guatemala and Colombia – were affected by contraction, registering double-digit percentage declines in quantities exported in several cases. The persistently high costs of fertilizers, which had already led to a reduction in use in 2021, were quoted as the key obstacle affecting producers' ability to supply bananas in adequate quantities and to the quality standards expected in export markets in all regions. Adverse weather conditions affecting production and yields additionally continued to be of concern during 2022, while high costs for land transport and long-distance shipping reduced exporters' capacity to supply international markets.

Against this background, shipments from **Latin America and the Caribbean (LAC)**, the world's leading

exporting region, fell by 5.7 percent in 2022, to a total of approximately 14.5 million tonnes – some 900 000 tonnes lower than their 2021 level. Ecuador, the largest exporter of bananas globally, registered an unprecedented 12.4 percent decline in shipments in 2022, meaning that total exports from the country dropped to approximately 5.8 million tonnes. Industry sources reported that colder than normal temperatures in the country affected production by slowing the growth of fruits and affecting their quality grading, in turn raising costs and reducing profit opportunities. Shortages in the availability of critical fertilizers such as urea, which were previously imported from the Russian Federation and Ukraine, additionally lowered the quality of fruits for export. Further pressure on growers arose from continuously increasing production costs associated with higher prices for inputs and transport, particularly during the first half of the year, as well as from higher expenditures stemming from the necessity to maintain rigorous TR4 mitigation measures in view of the outbreaks of TR4 in neighbouring Colombia and Peru. The depreciation of the Euro against the United States dollar furthermore resulted in double-digit declines in exports to key European Union importers in 2022, with data obtained from the Ecuador Central Bank showing particularly large year-on-year drops of

Figure 3. World banana exports by region, 2018-2022, million tonnes



Source: FAO.

■ Latin America and Cari. ■ Asia ■ Africa

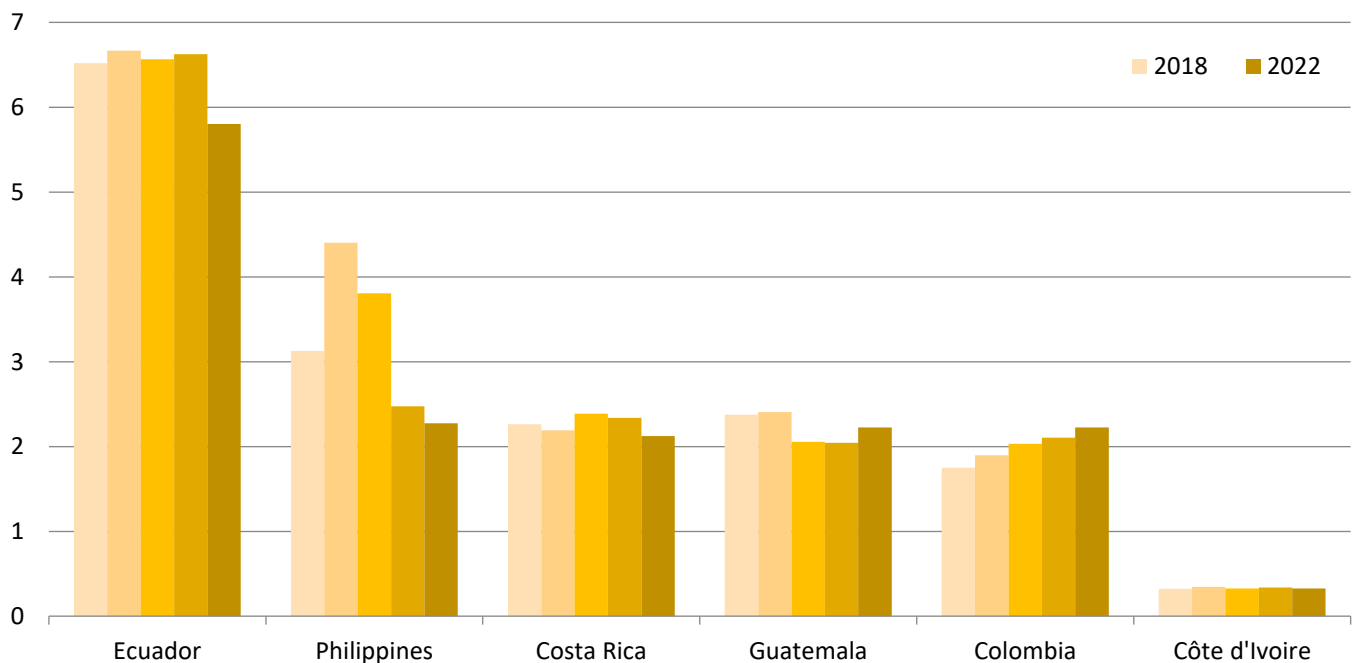
41 percent and 31 percent in shipments to Germany and Italy, respectively. According to specialized media, the increasingly frequent placement of illegal substances into banana containers also continued to be of mounting concern for exporters, who were reportedly faced with losses of over USD 12 000 per confiscated container.<sup>1</sup> More stringent maximum residue level regulations in some key destination markets such as the European Union and the United States of America posed further obstacles. Meanwhile, the war in Ukraine resulted in banana shipments from Ecuador to Ukraine declining by some 86 percent in 2022, equivalent to a decrease of 150 000 tonnes.

Shipments from Costa Rica, the second largest exporter from the region in 2021 and third leading exporter to the European Union (EU-27), continued to be affected by severe production shortages in 2022. Already starting in 2021, like most other banana exporting countries from the region, Costa Rica had faced difficulty arising from the higher costs of inputs and transportation as well as the need to maintain stringent and costly TR4 mitigation measures. According to industry information, these constraints on production resulted in a deterioration in the

quality of fruits for export, which hindered the export potential for bananas from Costa Rica, particularly in the first half of 2022. At the time of writing, export data from the Costa Rica National Institute of Statistics were still preliminary and subject to revision, hence only an indicative estimate derived from available trade partner data can be provided. These data show a year-on-year decline of 9.2 percent in quantity terms in 2022, pointing to a full-year total of approximately 2.1 million tonnes. Shipments to the United States of America, the major destination for banana exports from Costa Rica, fell by 17 percent, while those to major European Union destinations, Italy and Spain, were reported to have declined by 19 percent and 16 percent, respectively.

Meanwhile, shipments from Guatemala, the third largest exporter from the LAC region in 2021, registered growth of nine percent in 2022, to a total of 2.2 million tonnes. This marks a strong recovery from the Hurricane-induced production shortages and subsequent slight fall in exports that had affected banana supplies from Guatemala in 2021 and reflects successful investments in plantation recovery. Trade data by destination for the full year of 2022 indicate that a 7 percent year-on-year increase in shipments to

Figure 4. World banana exports by selected origins, 2018–2022, million tonnes



Source: FAO.

<sup>1</sup> <https://www.ecuavisa.com/noticias/ecuador/por-cada-contenedor-de-banano-que-los-narcos-contaminan-con-droga-en-ecuador-el-exportador-pierde-algo-mas-de-usd-12000-NM3284294>

the United States of America, the main destination for bananas from Guatemala, underpinned this development. Despite inflationary pressures, demand for bananas in the United States of America continued to be supported by the fruit's relative affordability, thereby enabling a five percent year-on-year increase in the average export unit value for shipments from Guatemala to the United States of America over the period January to December 2022.

Exports from Colombia, the fourth leading supplier of bananas in the LAC region in 2021, increased by 5.8 percent to approximately 2.2 million tonnes in 2022, albeit accompanied by a two percent decrease in average export unit values. According to industry information, amid a difficult global operating environment, the country was able to keep export quantities comparatively steady through the implementation of successful disease mitigation strategies pertaining to both the TR4 outbreak discovered in plantations in 2019 and to the impact of COVID-19. Further investments into the containment of the TR4 outbreak were announced to be forthcoming.<sup>2</sup> However, despite the comparatively positive situation for export supplies, industry sources reported severe difficulties stemming from the fact that the prices received by growers had remained at the same level as five years earlier, forcing growers to absorb the recent hikes in the prices for fertilizers, other inputs and transport, as well as the additional costs arising from the need for implementation of TR4 and COVID-19 mitigation measures.

Available full-year data indicate that shipments from Mexico fell by 1.6 percent in 2022, to some 500 000 tonnes. While Mexico continues to be a comparatively small exporter in global banana markets, the country emerged as the second leading supplier of organic bananas to the United States of America in recent years, behind Ecuador. On average, some 80 percent of Mexican supplies are destined for the United States of America, with the remainder primarily going to Japan. In the first half of 2022,

production in Mexico was reportedly affected by the La Niña weather phenomenon as well as farm closures, which resulted in a reduction in supplies for export markets and a five percent year-on-year increase in the average export unit value, which diminished to a one percent increase over the full year.<sup>3</sup>

Exports from Honduras, also a comparatively minor exporter from the region, meanwhile, displayed year-on-year growth of 54 percent in quantity terms in 2022, thereby reaching some 490 000 tonnes. Successful investments in production recovery after two back-to-back Hurricanes had destroyed approximately 40 percent of the country's banana plants in November 2020 were the key reason behind this strong growth. Some 95 percent of bananas from Honduras are destined for the United States of America, where demand for bananas continued to be relatively strong in 2022.

Available partner data and information indicate that exports from the **Caribbean** sub-region fell by 8.5 percent over the full year 2022, to some 240 000 tonnes. An apparent reduction in shipments from the Dominican Republic, which accounts on average for some 95 percent of banana supplies from the Caribbean, was the key reason behind this. While at the time of writing, direct monthly data on trade quantities from the Dominican Republic were not obtainable, banana production in the Dominican Republic was reportedly heavily affected by the substantially higher costs of inputs and transport in 2022, including domestic land transport, which reduced producers' ability to remain operational.<sup>4</sup> In addition to these difficulties, the Dominican Republic was affected by the passing of Hurricane Fiona in September 2022, with the estimated damage to plantations further reducing growth prospects for shipments from the country for the remainder of 2022 and into 2023.<sup>5</sup>

<sup>2</sup> <https://www.elcolombiano.com/negocios/fusarium-en-colombia-amenaza-cultivos-de-banano-EA16616651>

<sup>3</sup> <https://www.freshplaza.com/europe/article/9446905/tight-banana-supplies-push-up-pricing/>

<sup>4</sup> <https://www.freshplaza.com/europe/article/9458299/we-hope-the-world-will-understand-that-it-is-impossible-to-keep-banana-prices-at-the-same-level-in-this-situation-of-rising-costs/>

<sup>5</sup> <https://www.freshplaza.com/europe/article/9461476/concerns-over-dominican-republic-banana-operations-post-fiona/>

According to full-year data and information, banana exports from **Asia** contracted by 6.8 percent in 2022, to 3.9 million tonnes. This marked the third year of consecutive declines in shipments from the region, following drastic falls because of COVID-19-related difficulties and the impact of TR4 in 2020 and 2021. The main exporter from the region continued to be the Philippines, which supplied some 60 percent of Asian banana shipments on average in 2022 but saw production severely affected by the spread of TR4 in the country as well as the high costs of inputs and fertilizers.<sup>6</sup> Both developments reportedly had a particularly detrimental effect on small-scale banana producers in the Philippines, who struggled to procure the necessary agricultural inputs to meet the quality requirements of export markets. Based on available data and information, banana shipments from the Philippines fell by 8.2 percent over the full year, to 2.3 million tonnes. Strong import demand from China and from some emerging importers in the Middle East, meanwhile, continued to drive investments in banana plantations in Viet Nam, Cambodia and India, three rising banana exporters from the region. While Viet Nam and Cambodia registered double-digit growth in exports in 2022, shipping some 410 000 tonnes each, supplies from India reached approximately 360 000 tonnes, accounting for 6.3 percent year-on-year growth.

Based on available data and information, exports from **Africa**<sup>7</sup> registered a decrease of two percent in quantity terms in 2022, to some 660 000 tonnes, thereby remaining some 12 percent below their pre-pandemic levels (2017–2019 average). A 3.9 percent decline in shipments from Côte d'Ivoire, the leading exporter from the region, was the main reason behind this contraction. Full year exports from Côte d'Ivoire thereby fell to some 330 000 tonnes in 2022, accompanied by a ten percent drop in the average export unit value. Shipments from Côte d'Ivoire primarily go to the European Union, mainly France, which typically receives 60 to 65 percent of total quantities every year. Available partner data from the European Commission's EuroStat show that supplies from Côte d'Ivoire to France declined by eight percent in quantity terms in 2022, to some 220 000 tonnes, as France significantly increased procurements of

cheaper bananas from Colombia and Guatemala. At average export unit values of around USD 600–700 per tonne in 2022, bananas from both origins were priced some 20–30 percent lower than those from Côte d'Ivoire. In November 2020, Côte d'Ivoire had signed an Economic Partnership Agreement with the United Kingdom of Great Britain and Northern Ireland, which encompasses tariff-free trade of bananas between the two partners. Export data by destination show an increase of 65 percent in exports from Côte d'Ivoire to the United Kingdom of Great Britain and Northern Ireland in 2022, to approximately 33 000 tonnes.

Supplies from Cameroon, meanwhile, grew by 8.5 percent in 2022, to some 220 000 tonnes. Available EuroStat partner data show an increase in imports from Belgium, the largest recipient of bananas from Cameroon, by three percent in 2022, to some 80 000 tonnes. Trade data from the United Kingdom HM Customs, meanwhile, indicate that shipments from Cameroon to the United Kingdom of Great Britain and Northern Ireland grew by 81 percent in 2022, totalling some 53 000 tonnes. At an approximate quantity share of 32 percent over the 2016 to 2020 period, Cameroon ranks as the second largest banana exporter from the region behind Côte d'Ivoire. In 2022, supplies from Cameroon reportedly benefitted from successful investments in production expansion, although it is difficult to assess the weight of various drivers such as increases in area and in productivity and the improved security situation in the country.

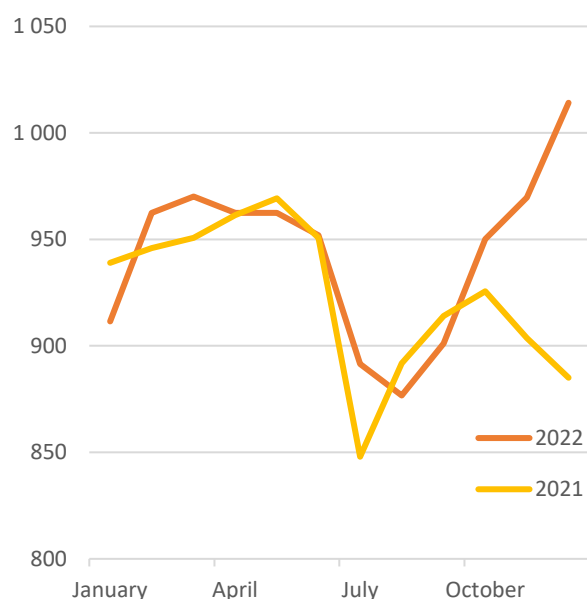
## Imports

Available full-year data for 2022 suggest that global net import quantities of bananas declined by 5.8 percent in 2022, a reduction of 1.1 million tonnes from the previous year, to 18.6 million tonnes. While demand in most import markets reportedly remained constant, growth was hindered by a reduced availability of export supplies as well as continuing bottlenecks in global shipping, which created obstacles to supplies from reaching their destination. These factors particularly affected the level of import

<sup>6</sup> <https://businessmirror.com.ph/2022/10/23/race-for-survival/>

<sup>7</sup> Data in this market review exclude intra-African trade.

Figure 5. European Union monthly indicative import unit values 2021–2022, USD per tonne



Source: FAO.

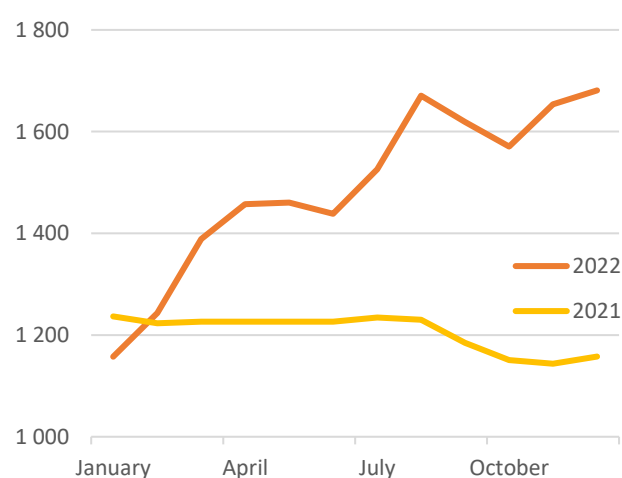
quantities received by the European Union, the United States of America, China, Japan, the United Kingdom of Great Britain and Northern Ireland, and Canada, which jointly account for some 70 percent of global imports.

Available full-year data show that net imports by the **European Union (EU-27)**, the largest importer of bananas globally, decreased by some 3.6 percent in 2022, to just below five million tonnes. This marked the second consecutive year of declining imports in the European Union, following over one decade of nearly uninterrupted expansion prior to the pandemic. While consumer demand reportedly displayed a tendency to increase in most European Union markets, supported not only by the convenience factor and nutritional characteristics of bananas but also by their relative affordability with respect to other fruits, import growth remained curtailed by the supply shortages experienced in the key origins of Latin America and the Caribbean. For example, shipments from Ecuador and Costa Rica to Germany and Italy, two major importers of bananas within the European Union, registered double digit year-on-year declines in quantity terms in 2022. Along with the negative overall performance of banana imports into the European Union in 2022, industry

sources reported severe difficulties for importers arising from the higher costs along global supply chains as well as from the appreciation of the US dollar against the Euro, since bananas are mostly sold in US dollars at the export stage. Against this background of lower supplies, rising costs and relatively stable demand, import prices in the European Union displayed a tendency to increase in 2022, averaging USD 944 per tonne, some two percent higher than in 2021, with a seasonal trough in July and August 2022 when competition from summer fruits was once again high, and a particularly fast rise thereafter (Fig. 5).

Banana production in the European Union declined to 583 179 tonnes in 2022, an approximate nine percent decrease from 2021.<sup>8</sup> On average, over 90 percent of the European Union banana production takes place in Spain and France, namely in the Canaries and the French West Indies. In 2022, banana production in Spain, which typically accounts for over 60 percent of the European Union banana production alone, was reportedly heavily affected by the aftermath of an 85-day long volcano eruption on the island of La Palma, a key cultivating area of the Canaries. Although the eruption had already started in September 2021, the damage caused by scorching and lava combined continued to heavily affect some 900 hectares of plantations throughout the year. Data provided by the

Figure 6. United States of America monthly import prices 2021–2022, USD per tonne



Source: FAO.

<sup>8</sup> Data provided by the European Commission in March 2023.

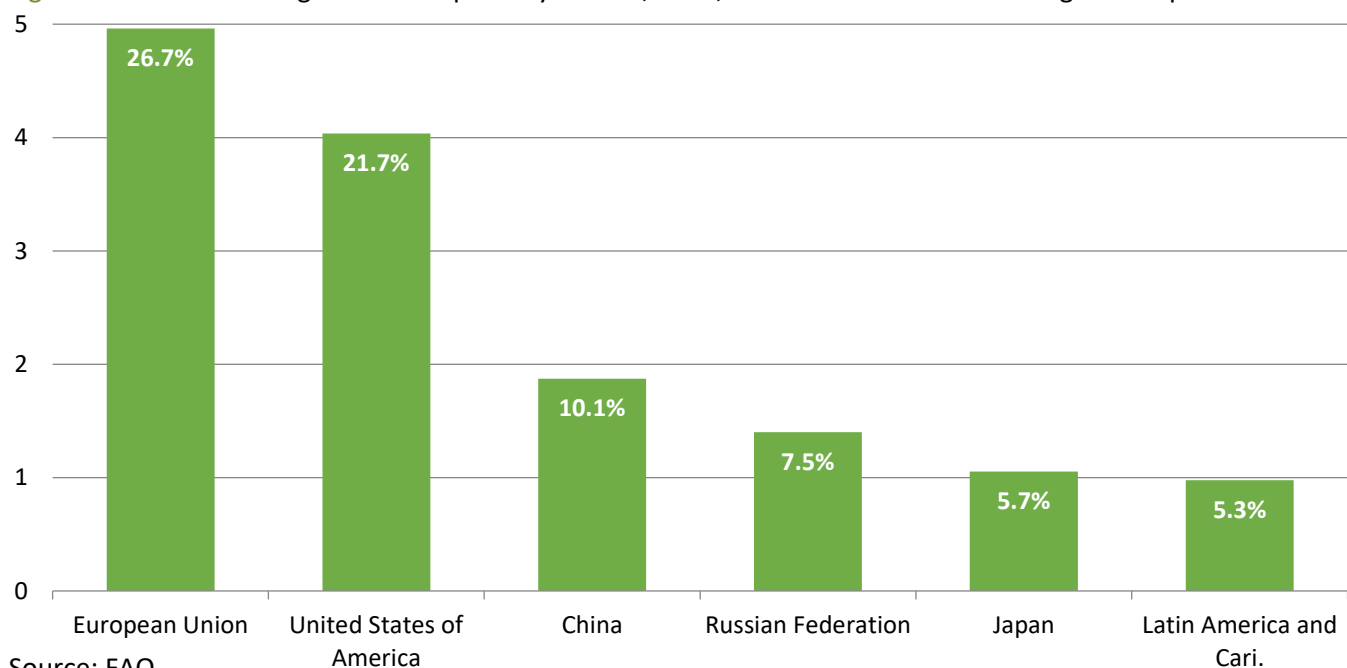


European Commission in March 2023 show a drop in banana production in Spain of 15 percent in 2022, equivalent to a reduction of some 62 000 tonnes. Quantities produced in France, meanwhile, grew by 1.9 percent in 2022, on account of favourable weather conditions in the country's two production areas, Guadeloupe and Martinique. Trade data for 2022 accordingly show a year-on-year drop of 38 percent for shipments from Spain, and an expansion of 5.7 percent for exports from France. At an average export unit value of EUR 680 per tonne in 2022, banana supplies from France competed fairly well against larger global exporters, while those from Spain reached a high level of EUR 1 280 per tonne.<sup>9</sup> Meanwhile, the average import unit value of bananas supplied by Ecuador to the European Union in 2022 stood at EUR 673 per tonne, while the average import unit value to the European Union from all origins was EUR 645 per tonne.

Net imports into the United States of America declined by one percent in 2022, to approximately four million tonnes, according to data disseminated by the US Census Bureau. Similar to the situation observed in the European Union, consumer demand for bananas in the United States of America remained relatively stable, but import growth was subdued by quality concerns and production difficulties in key

origins, alongside logistical issues. Available import data by origin show that, while shipments from Guatemala, from which the United States of America obtains some 40 percent of total procurements, showed relatively fast year-on-year growth of 3.9 percent in quantity terms in 2022, those from most other origins were hampered by supply shortages and transport bottlenecks. This affected in particular imports from key LAC origins, notably Costa Rica, Ecuador, Mexico, Colombia, Panama and Peru, several of which registered double-digit year-on-year declines in quantity terms in 2022. The reduction in combined imports from these origins amounted to some 240 000 tonnes over the full year, as indicated by available data and information. Although the United States of America simultaneously raised its procurements from Honduras by nearly 70 percent in 2022, to some 480 000 tonnes, the overall growth potential for imports to the United States of America remained restrained. Against this background, United States of America import prices displayed a strong tendency to rise in 2022 (Fig. 6) and were on average some 24 percent higher than in 2021 and some 40 percent higher than their ten-year average (2012–2021). Similarly, US wholesale and retail prices displayed a strong tendency to rise in 2022, respectively averaging some 9.5 percent and six percent higher than in the previous year.

Figure 7. Distribution of global net imports by market, 2022, million tonnes and share in global imports



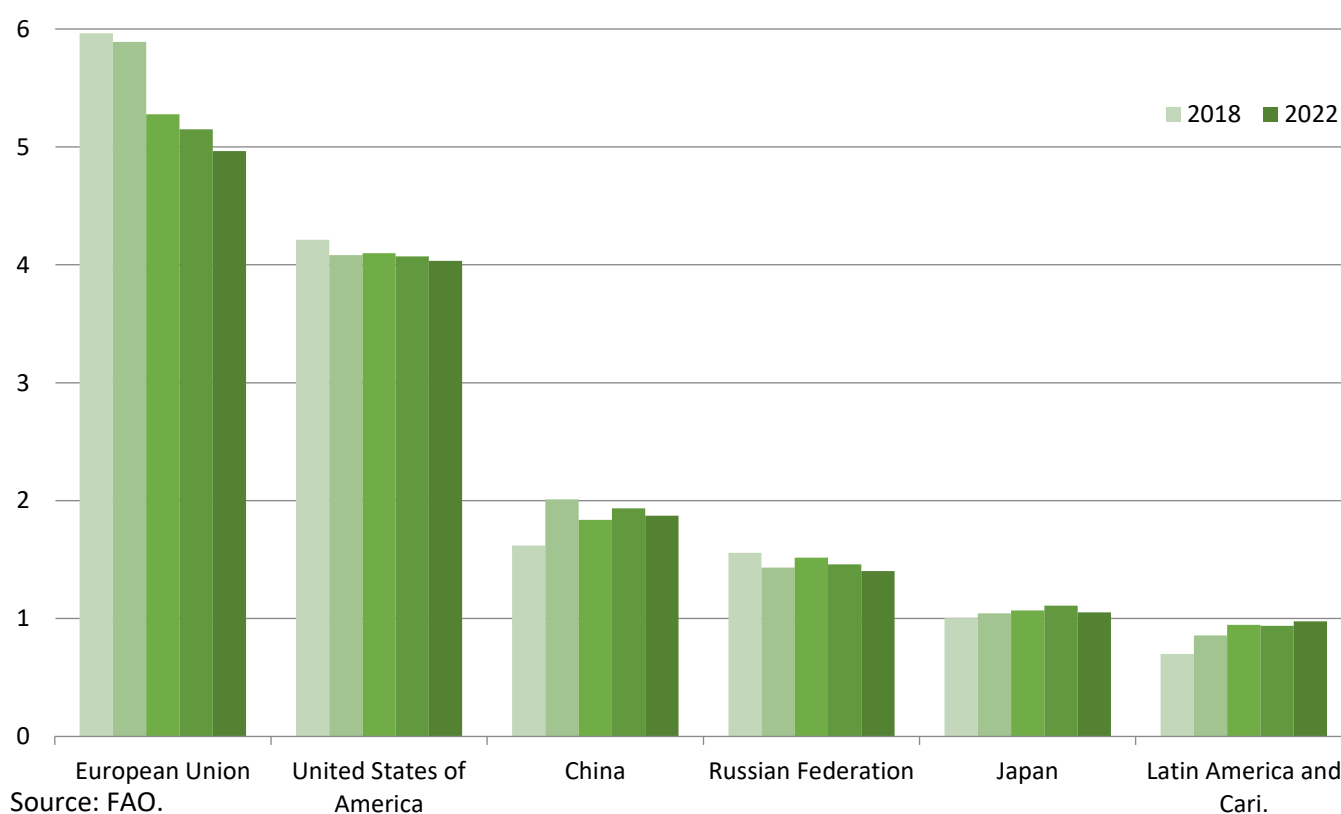
Source: FAO.

<sup>9</sup> Data refer to the estimated average unit value of EU green bananas based on average selling prices at the stage of delivery at the first port of unloading, as reported by the European Commission in September 2021.

Net imports by China declined by 3.2 percent in quantity terms in 2022, to 1.9 million tonnes, according to data obtained from the Ministry of Agriculture and Rural Affairs of the People's Republic of China. Despite this negative development, total imports by China remained at a high absolute level, consolidating the country's position as the third largest importer of bananas globally at a quantity share of ten percent of global imports in 2022. Available information suggests that Chinese imports continued to be driven by ample domestic demand in combination with a limited and decreasing availability of high-quality domestically produced bananas. However, supply issues in key exporting countries hindered import growth in 2022, resulting in the above-stated decline in quantities alongside a 15 percent increase in the annual average import unit value. Against this background, a noticeable shift in the origins of imports to China was visible in 2022. This was primarily enabled by the fast expansion in supplies originating in Viet Nam and Cambodia, two emerging exporters in Asia, where an upsurge in Chinese-owned banana plantations has been reported in recent years. Available estimates of trade data by origin show that Chinese imports from these two countries amounted to approximately 800 000 tonnes combined in 2022, a rise of some 13 percent

from the previous year. Imports of Filipino bananas, meanwhile, dropped by a reported 14 percent in 2022 due to the continuing production difficulties experienced in the Philippines. China had previously imported some 50 to 75 percent of its total banana imports from the Philippines, but this share stood at a mere 40 percent in 2022. Similarly, Chinese procurements from Ecuador, which had seen fast expansion before the pandemic, declined by a reported 7.4 percent in 2022. As such, at a total quantity of some 200 000 tonnes, imports from Ecuador remained more than 50 percent below their pre-pandemic levels, due to the supply issues experienced in the Andean country and the substantial increases in global costs of transport, which rendered shipments over this long distance uncompetitive. At an average unit price of USD 726 per tonne in 2022, imports from Ecuador were approximately 34 percent more expensive than bananas originating in Viet Nam. Chinese imports from Laos, another recently emerging location of Chinese investments in banana production facilities, meanwhile continued to be hindered by the implementation of strict COVID-19 mitigation measures in the country, which included the closure of ports and export routes up until May 2022. Available data accordingly show a decline of

Figure 8. World banana import by destination, 2018–2022, million tonnes



26 percent in Chinese banana imports from Laos for the full year 2022, combined with a 22 percent increase in the average import unit value.

Available trade partner data indicate that net imports by the **Russian Federation** declined by four percent in 2022, to 1.4 million tonnes.<sup>10</sup> The Russian Federation imports bananas almost exclusively from Ecuador via previously agreed contracts, which are settled in US dollars. According to available monthly trade data and industry reports, shipments from Ecuador to the Russian Federation were heavily curtailed by logistical issues during the first few months of the war in Ukraine, with exports from Ecuador posting approximate 30 percent and 10 percent year-on-year declines in March and April 2022. The situation eased over the summer months, with imports growing by over 20 percent year-on-year in June and July 2022. Nevertheless, overall growth opportunities continued to be severely limited by the economic sanctions imposed against the Russian Federation, which contributed to a temporary economic crisis in the country. Monthly trade data accordingly show a 15 percent year-on-year drop in shipments from Ecuador to the Russian Federation again in August 2022. According to industry information from the same month, Russian importers frequently requested price discounts from Ecuadorian exporters or even cancelled previously agreed orders. The situation was exacerbated by the supply difficulties experienced in Ecuador, which posed additional obstacles to higher import growth.

Net imports by **Japan** decreased by five percent in 2022, to just below 1.1 million tonnes. However, in absolute terms, banana imports remained some seven percent above their 2016–2020 average and thereby at a comparatively high level. While demand for bananas in the country remained relatively stable, import growth was dampened by the production shortages and supply chain issues experienced in global markets. Japan typically sources some 75 to 80 percent of its banana imports from the Philippines and some 12 percent from Ecuador, both of which experienced production difficulties in 2022. Available trade data by origin accordingly show year-on-year declines in imports into Japan from most origins, with

shipments from Ecuador displaying a particularly large drop of 16 percent.

## Constraints and uncertainties

With regard to the outlook, several significant threats to global production, trade and consumption of bananas are present. On the demand side, prevailing high inflation rates, high interest expenses and exchange rate fluctuations threaten to hinder the demand for bananas, especially for consumers in lower economic strata who need to spend a higher proportion of their income on food. Many analysts are also predicting slower economic growth globally in 2023, which may further restrain demand. The uncertainties surrounding the war in Ukraine with regard to its impact on global supply chains, fertilizer markets, transport routes and access to export markets add further risks for the outlook.

On the supply side, the effects of global warming are resulting in a higher occurrence of droughts, floods, hurricanes, and other natural disasters, which render the production of bananas increasingly difficult and costly. In the face of rising temperatures, more rapid and more severe spreads of plant pests and diseases are additionally being observed, as for example is the case with the fungus Banana Fusarium Wilt. The currently expanding strain of the disease, described as Tropical Race 4 (TR4), poses particularly high risks to global banana supplies as it can affect a much broader range of banana and plantain cultivars than other strains of Fusarium wilt. Furthermore, no effective fungicide or other eradication method is currently available. Some breakthroughs in the engineering of resistant varieties have been achieved recently, but it remains to be seen if traders, retailers, and consumers will accept these new varieties. According to official information, TR4 is currently confirmed in 21 countries, predominantly in South and Southeast Asia, but also in the Middle East, Africa, Oceania, and Latin America, with Colombia reporting the first infection in August 2019, Peru in April 2021, and the

<sup>10</sup> At the time of writing, official import data from the Russian Federation for 2022 could not be obtained, rendering a precise assessment of developments difficult and contingent on the information provided by trade partner data.

Bolivarian Republic of Venezuela in January 2023. An indicative assessment of the potential economic impact of the TR4 disease on global banana production and trade showed that a further spread of TR4 would, inter alia, entail considerable loss of income and employment in the banana sector in the affected countries, as well as significantly higher consumer prices in importing countries, at varying degrees contingent on the actual spread of the disease.<sup>11</sup>

Governments and producer organizations of producing countries have a key role to play in mitigating the possible impacts stemming from these various risks, particularly in view of their potential repercussions for smallholder banana farmers and workers employed in the industry. Close co-ordination of the capacity-development and extension activities of all concerned national institutions will be beneficial to the development of proper policies, regulations and strategic measures that address these challenges in a comprehensive way.

The transparent collaboration among all stakeholders of the banana sector will be critical, especially with regard to containing a further spread of TR4 and managing the disease where it has already emerged. FAO is monitoring global developments closely and has implemented an emergency project under its Technical Cooperation Programme to help countries in Latin America and the Caribbean to contain the spread of Fusarium wilt. It is also assisting Andean countries in developing a technical cooperation programme. Under the umbrella of the multi-stakeholder World Banana Forum<sup>12</sup>, FAO has further established the TR4 Global Network<sup>13</sup>, a neutral platform for information exchange and global collaboration that supports collective actions worldwide to fight the disease.



<sup>11</sup> An alternative simulation was run in 2019 to assess the potential economic impact of the Banana Fusarium Wilt Tropical Race 4 disease on global banana production and trade. The results of this scenario were published in the November 2019 issue of FAO's biannual publication *Food Outlook* (<http://www.fao.org/3/CA6911EN/CA6911EN.pdf>).

<sup>12</sup> [www.fao.org/wbf](http://www.fao.org/wbf)

<sup>13</sup> [www.fao.org/tr4gn](http://www.fao.org/tr4gn)





## CONTACT

Markets and Trade Division – Economic and Social Development stream

[www.fao.org/markets-and-trade](http://www.fao.org/markets-and-trade)

Team on Responsible Global Value Chains

[Tropical-Fruits@fao.org](mailto:Tropical-Fruits@fao.org)

**Food and Agriculture Organization of the United Nations**

Rome, Italy