The Unpeeled Banana:
The Effects of the Fruit Trade in Central America
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Walk into any supermarket and notice the bright fluorescent lights shine down on bunches of bananas accessible to consumers around the world due to the globalization of the fruit trade that has overcome seasonality. Since the beginning of the twentieth century, Central America has been producing bananas on a large scale (Palmer 263-4). Their popularity brought about the transformation of the tropical lowlands from the south of Mexico to Panama. Thousands of acres of rich ecosystems have been converted into a pesticide “paradise” of sprawling banana plantations (Astorga 2-5). With the high demand for a low cost, blemish free, yellow fruit, the cultivation process for farmers has been manipulated (Hallam 44). Monopolized primarily by three fruit enterprises, Chiquita, Dole, and Del Monte, the banana industry creates a dependency of many Central American countries upon the revenue and employment provided by these companies as they regulate the life of the inhabitants and workers (Frundt 218). Exploiting this high level of dependence, the transcontinental corporations have become very powerful as the banana industry has been influential in the environmental, social, economic and political conditions of the region.

The United States first encountered the banana during the 1860’s from the Caribbean island ships of Jamaica, where it was first introduced by Spanish colonization. A strong expanding American interest led to the creation of the Boston Fruit Company which marketed fruit from the Caribbean Islands to the United States. During the 1870’s when American businessman Minor C. Keith was commissioned by the Costa Rican government to construct a transnational railroad, bananas began to be grown in Central America as he planted them alongside his construction and exported them to America (Palmer 262-265). His project was
successful and throughout subsequent railroad contracts, Keith acquired much undeveloped land
to expand banana production into Guatemala and Honduras. When Keith fused his booming
business with The Boston Fruit Company, the United Fruit Company was born. United Fruit
quickly grew throughout Central America and soon held a monopoly over the industry until the
1950’s (May *The United Fruit Company in Latin America*). Despite dividing their land and
leasing it to farmers, the transnational enterprises maintained control as they established
contracts with the growers who agreed to sell fruit exclusively to them, the companies who
would manage the marketing, transport, and distribution abroad. Although these farmers were
“independent,” banana corporations still wielded control as they set the prices and volumes. The
apportioning of land became beneficial to the companies as they profited from the proceeds
while removing risks associated with production. The reassignment of corporate property to
independent farmers did not abolish the plantation system or company expansion entirely;
instead, it fostered a world of entrepreneurial dictatorship (Frundt 218-220).

The farming techniques used for bananas adversely affect the environment. With dense
tropical forests and moist marshes on the east coast of Central America, the habitat for many
species of plants, trees, animals, birds, and insects is created. Most banana plantations have been
established primarily along the lowland regions of the Caribbean Coast because the land boasts a
stable appropriate temperature, a mixture of nutrient rich volcanic and alluvial soil, and plenty of
rain falls. However, due to the 1930’s Panama disease, a root fungus which decimated
production along the Caribbean Coast, regional plantations were deserted and attention shifted to
the Pacific Coast until the disease spread there too and soon further halted the industry. Once
resistant varieties were discovered, full-scale production resumed on the Caribbean coast as
before (Marquardt 49-53). Creating banana plantations entails a complete change of the
Caribbean lowland environment. Former wet marshlands are drained in order to tolerate cultivation. Diverse tropical forests are entirely eradicated up to the banks of the local rivers in order for banana seedlings to be planted. Drainage irrigation to prevent flooding of the plantations is created by re-routing streams. A myriad of agrochemicals are deposited on the land to insure a lucrative production. The once natural, fertile, diverse, biological lowland ecosystem is totally replaced with a uniform chemical-laden landscape (Astorga 3-4).

As new acreage is procured for banana plantations, landless folks are granted forested property for the purpose of subsistence farming. Despite the generous gesture, this land is often of poor quality or mountainous. Productivity on such terrain is nearly impossible and usually erodes; therefore, cultivators must head even further into their forests to farm. As most fertile agricultural parcels are often in the hands of major exporters, many subsistence farmers are left bereft of land. For example, 56% of the farmland in Honduras is controlled by only four percent of the landowners while nearly half of the population is landless and must resort to farming on any unoccupied land (McCracken 2). Deforestation due to farming directly and indirectly caused by the banana industry has had a deleterious effect on the biological environments. For example, the eradication of the rainforest habitat in the Costa Rican valley of Sarapiqui has caused the near extinction of eighteen known species of trees (ibid). Such disregard for the forests has been detrimental to the lowlands and should be prevented to preserve their abundant flora and animal life.

Just as the environment is negatively impacted by the banana industry, the unsuspecting plantation workers, who are constantly exposed to pesticides, encounter a substantial risk of chemical contamination. Most cases go unreported, yet in 1987, the highest percentage of job-
related incidents in the world was reported as six percent of paid banana growers in Costa Rica, who sustained pesticide injuries (Wheat 9-15), such as headaches, dizziness, skin burns, eye inflammation, and respiratory distress (McCracken 3). The most blatant example of pesticides as a serious health hazard was the mass sterilization of over ten thousand Costa Rican banana workers during the seventies and eighties as a result of exposure to nematode DBCP. After being banned in the United States for over ten years, DBCP was eventually eliminated from use on Central American plantations (ibid). Although transnational corporations convince independent farmers to use pesticides in order to maximize productivity, they neglect to instruct them about the grave risks associated with these chemicals (Astorga 4-7). Workers are unable to wear protective gear, such as gloves, boots, and suits, because of the high temperatures and humidity. They cannot read handling precautions due to illiteracy or the fact that the instructions are printed in English, a foreign language to them. Oblivious farmers have been seen using plastic bags from pesticides as raincoats and empty chemical containers for storage of food and water (McCracken 3-4). Despite the efforts of multiple Central American countries to regulate and supervise pesticides on banana plantations, chemical use ultimately is decided upon by the corporate companies. While the concept of large scale organic production is not entertained, some small farmers grow their bananas organically without chemical treatment. However, these individual growers cannot compete productively with large-scale fruit companies, and are sometimes sabotaged from being organically certified due to pesticide contaminated runoff and airborne drift from nearby plantations. Yet, organic farmers continue with their harvest in consideration of the expanding market for naturally-grown bananas in industrial nations (Raynolds 303-4).
The global banana corporations have had a striking social and economic presence in Central America. They built booming business towns in rural areas, hospitals, schools, roads, railways, and technologies for communication to aid their plantations; however, these developments have not enhanced the life of inhabitants. As CEOs and corporate managers live in luxurious estates, a majority of the workers live in filthy barrack housing, as many as four people per 2.3 by 3.3 meter room, while some suffer from alcoholism, violence, and disease on the plantation (McCracken 4). With the corporate social developmental “advances” came an even faster economic decline.

The employment, development, and revenue produced by the banana industry are pivotal to the Central American economy. Deep in debt and faced with limited job opportunities, the country folk rely on the economic benefits. The banana income is so desired that many Central American governments feel a strong obligation and will to do whatever it takes to please the fruit companies, which have strongly impacted the economic, political, and social conditions of the region. The banana economy is almost completely an export business with over three quarters of the fruit grown sent to industrialized countries. Bananas comprised nearly half of the exports from the entire Central American region and were the top export crop of Honduras, Panama, and Costa Rica at the end of the twentieth century. Despite a thriving banana export industry, the economic benefits for the productive country usually are much less profitable. Regarding the global banana trade, a mere 11.5% of the total banana profits at retail prices accrue as retained value to the national economies which grow them (McCracken 4). The remaining percentage is delegated to foreign businesses such as international corporations, wholesalers, and retailers, managed by citizens of importing countries. With little control over the banana trade, the earnings of exporting countries are far from commensurate with their labor. About five to ten
percent of the people in Costa Rica and Honduras are employed by the banana corporations (Astorga 1), yet while in Costa Rica, each worker produces approximately $20,000 per year for the transnational companies, their compensation is a mere $2,000 per year (McCracken 4-5). Working nearly twelve hour days, laborers toil every day each week performing physical labor. Only a small percentage of workers are permanent, while more than half are on three-month contracts. Many growers move from one banana plantation to the next in search of employment, and as migrants, they never achieve gratuities, social security, or even a vacation like most stable employees.

The governments in Central America have allowed the fruit corporations to gain much political power in order to benefit from the potential export profits, employment, and construction. Banana companies have used governmental aid to their advantage receiving vast parcels of land at little to no cost, paying low export taxes, and being protected by immunity from environmental and labor laws. Nearly 85% of the best agricultural land is utilized in the production of export crops (McCracken 5). With an immensely uneven distribution of land, Central American countries were unable to sustain their own domestic population due to inadequate food production, thereby increasing their economic dependency on industrialized nations to purchase their exports and guarantee their imports.

The companies’ political power is demonstrated in their involvement during the mid-twentieth century. Guatemala’s democratically elected president Jacoba Arbenz initiated agrarian reform to reallocate unused property of the United Fruit Company to landless peasants. United Fruit pressured the Eisenhower administration to overthrow the Guatemalan government in response. With propaganda that Guatemalan reform paralleled communism, United Fruit was
successful in their efforts as the CIA led a coup overthrowing the Arbenz government and replacing the president with one who returned all of United Fruit’s land (ibid). This incident in Guatemalan history helped shape the future of the country and illustrate the political power of the banana companies.

The banana industry of Central America has strongly influenced the region. Forests and vegetation have been uprooted, people and land poisoned, politicians manipulated, and governments even overthrown. Despite the detrimental adverse effects, Central American people and sovereignties usually embrace the fruit companies for the economic stability which they provide. Yet, with the advantage of profits and employment comes the continual demolition of nature. Production operations need to pursue the goals of diminishing the use of agrochemicals, avoiding harmful agents to natural resources, mitigating the reliance upon industrialized countries and transnational corporations, and, ultimately, improving the lives of the workers that produce the crop. Importing consumers should aid in the process by urging growers to utilize better growing methods and by only purchasing certified organic bananas. Changes have already been instituted, such as an “Eco-ok” certification program in Costa Rica, endorsed by Chiquita, which encourages farmers to use agricultural techniques that are better for humans and the environment (Baxter 62-63). Even with the implementation of new reform, it will be a challenge correcting the effects of the past. As the cultivation process continues with the banana growing, getting harvested and heading from a sprawling plantation in Central America to a refrigerated ship, and finally arriving in an industrialized nation, such as the United States and European countries, the environmental, social, economic, and political effects seem to be minimized as one picks up the bunch and places it in the shopping cart.
Works Cited


