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Date: 3/22/1999

GAIN Report #PN9004

## **Panama**

### **Agricultural Situation**

# **PANAMA: BANANA EXPORTS FALL IN 1998 1999**

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#### **Report Highlights:**

**Panama's important banana exports fell substantially in 1998, mainly due to a 3-month strike at the plantation that traditionally has exported the majority of its production to the United States. Banana exports to the United States dropped about 97% both by volume and value. This was the main reason behind Panama's overall agricultural exports to the United States tumbling over 45%, despite record levels in other fresh fruit and vegetable exports.**

**PANAMA: BANANA EXPORTS FALL IN 1998**

Total Panamanian banana exports fell by over 23% by volume in 1998 primarily due to a disastrous strike in one of the main plantations. This plantation chiefly exports to the United States; as such, Panama's exports of bananas to the United States in 1998 compared to 1997 dropped 97 percent both in value (from 11,254,000 40-42-pound boxes to 370,000) and value (from \$59.8 million to \$1.8 million).

**TABLE: PANAMANIAN BANANA EXPORTS TO EUROPEAN UNION AND UNITED STATES BY VOLUME (1,000 40-42-pound boxes)**

Destination	1994	1995	1996	1997	1998
United States	7,860	7,260	14,265	11,254	370
European Union	33,260	31,066	20,687	22,021	25,176
TOTAL	41,120	38,325	34,952	33,275	25,546

Source: National Directorate for Banana Issues, Ministry of Commerce, Panama

**DISASTROUS STRIKE**

The precipitous drop was the result of a workers' strike at one plantation that lasted over 3 months. There was no harvest during this period and fruit and mature plants fell to the ground. Lack of needed maintenance led to the need to destroy new plantings because they had not received necessary fertilizer nor were there phytosanitary controls. When workers did return, they had to spend the first month clearing the fields before planting could begin anew. Some observers report that European Union measures against Panamanian banana exports have hurt the banana sector further, particularly as 1999 begins.

**TABLE: PANAMANIAN EXPORTS TO THE UNITED STATES**

(millions of U.S. dollars)

Commodity	1992	1993	1994	1995	1996	1997	1998
Bananas/Plantains	10.0	21.2	36.9	34.6	70.8	59.8	1.8
Other Fresh Fruit	4.9	5.3	4.7	5.1	5.2	7.6	9.9
Fresh Vegetables	0.4	0.5	1.2	1.5	2.5	2.8	2.9
TOTAL Agricultural Products	34.0	51.3	53.2	96.6	120.2	117.5	64.4

Source: U.S. Customs

**EFFECT ON OVERALL AGRICULTURAL EXPORTS TO THE UNITED STATES**

The various problems in the banana sector resulted in a disastrous export year for Panamanian agriculture as a whole, particularly to the United States. The drop in banana exports alone would have halved total agricultural exports (not including forest and fish products) to the United States. Record exports of other fresh fruit (\$9.9 million) and of fresh vegetables (\$2.9 million) during the year helped soften the blow, but there was still a 45-percent overall reduction.