



SBBS

Presentation of SBBS

- 1. Locations of banana production and logistics**
- 2. Restructuring plan of the banana sector**
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1. Locations of banana production and logistics

- **Paramaribo**, capital city of Suriname: Port Operations
- **Jarikaba**, 20 km west of Paramaribo: a banana estate with a geographical area of 1,353 hectares. Currently 975 ha in production with 5 farms.
- **Nickerie**, 240 km west of Paramaribo: a banana estate with a geographical area of 1,012 hectares. Currently 975 ha in production with 5 farms.

2. Restructuring plan of the banana sector (1)

- **Surland NV closed on April 2002**
- **Advantages of Suriname for banana production**
 - High level of sunlight and average temperature of around 27°C, which is perfectly suitable for banana production.
 - Enough water available in quantity and quality.
 - Flat topography minimizes running cost of irrigation and enables harvesting mechanization through cableway.
 - Very rare wind damages.
 - Soils with high content of clay and organic substance and a high cation exchange capacity (CEC).

2. Restructuring plan of the banana sector (2)

- Low pressure from parasites like nematodes. Added to this the flat topography and the polder structure enables the inundation of the land and thus an environmental friendly method to eliminate soil parasites (nematodes and borers).
 - The favorable geographical position of Suriname in relation to the largest markets (USA, EU).
 - Preferential access of ACP countries to the European market
- ✓ *As a result higher cost of manpower can be balanced by cost price advantages due to agro-ecological conditions*

2. Restructuring plan of the banana sector (3)

- **A revised strategic plan has been designed in July 2002 and updated in 2007**
- Revised strategic plan supported by the European commission (Special framework of assistance for technical assistance and investment): 21,6 millions euro allocated to Suriname

- **Key elements of the restructuring plan:**
- Re-start banana reproduction from zero
- Re-start with a new banana company: SBBS erected on October 2002

2. Restructuring plan of the banana sector (4)

- **Main measures and objectives of the strategic plan**
- New governance and organization of the company adapted to banana production
- New agronomic and production policies
- New remuneration system based on tasks performed and quality of work achieved (tasks system, incentive, bonus)
- Important investment program necessary to make the banana industry competitive (30 millions USD)

2. Restructuring plan of the banana sector (5)

- New marketing policy: selling on FOT basis and not anymore on FOB basis
- Setting up of a dedicated shipping service to Europe for banana exports
- Progressive recruitment of personnel
- Divestment of the state from the banana industry (not yet implemented)

3. Investments achievements (1)

- **30 millions USD of investment achieved or in progress**
- **Financed by EU for 70 % (SFA program) and by SBBS (30%)**
- **SBBS benefits now from modern infrastructures and equipment allowing SBBS producing volume and quality required by the market**

Main investments achieved

- The planting with in vitro plants of 2000 hectares (2003-2010).
- Modern irrigation systems for the Nickerie Estate (2005) and the Jarikaba Estate (ongoing).

3. Investments achievements (2)

- A complete new cableway system for the harvest in the Nickerie Estate (2006).
- Five new, fully equipped, packing stations in the Nickerie Estate (2007-2010) and one in the Jarikaba Estate (2010).
- High capacity drainage pumping stations for the Jarikaba and Nickerie Estates (2007).
- Modern storage facilities for chemicals, fertilizers and boxes in Jarikaba and Nickerie Estates (2009-2011).
- Workers facilities (field camps, canteens and sanitary buildings) (2009).
- The construction of workshops in Nickerie and Jarikaba and one warehouse in Nickerie (2011).

Irrigation pumpstation and cableway Nickerie



Drainage pumpstation and employee facilities



Production of plants



Watermanagement and balanced fertilization are key elements to production



From flower to harvest



Fruit processing in the packing station



Quality control and packing



4. Production and exports

- Plantings started in June 2003 and exports in March 2004
- Exports and productivity

Year	Tons	Boxes	Production area (ha)	Productivity (t/ha)
2004	21,000	1,150,039	946	22.5
2005	39,500	2,135,623	1,538	25.7
2006	46,400	2,513,423	1,590	29.2
2007	56,250	3,040,778	1,552	36.2
2008	65,440	3,537,511	1,542	42.4
2009	57,000	3,080,718	1,558	36.6
2010	70,600	3,814,440	1,908	37.0
2011	68,730	3,715,200	1,952	35.2
2012	84,955	4,592,160	1,962	43.4

- Expectations for 2013 are 85,000 tons.

5. Marketing and logistic

- Selling production on FOT basis in Europe
 - Setting up of a competitive logistics and shipping service dedicated to the banana exports
 - SBBS started marketing its production in 2004 with Agrisol
 - Reputation and image of Surinamese banana re-built
 - Since 2010 SBBS has 3 marketers for the fruit:
 - Europe (two marketers: Univeg and Cie Fruitiere)
 - Trinidad
- *As a result SBBS has more demand of fruit than possibility of production in 2013 (160,000 tons requests)*

6. Quality and standards achievements (1)

- **Successful development of social standard and environment-friendly production methods**
- Quality of SBBS bananas complies with international standards
- SBBS certified Globalgap since June 2009: SBBS production activities complies with food safety, employees health, safety and welfare and with environmental protection
- SBBS obtained SEDEX registration and compliance since 2011
- Existing social relations system : 2 Trade Unions

- ✓ *As a result banana employees in Suriname enjoy good remuneration and social scheme in comparison with the competitors (Costa Rica, Ecuador, Colombia and all the other ACP countries), except European Banana producers.*

7. Macro-economic and social impact of the banana sector (1)

- Largest employer in Suriname: direct employment of 2600 people in 2012 in rural area (Nickerie, Jarikaba)
- 84.955 tons exported in 2012, 85.000 tons expected in 2013
- 16,3 millions USD salary mass in 2012
- Investment program 2003-2011: 30 millions USD

7. Macro-economic and social impact of the banana sector (2)

- Setting up of a weekly shipping service to Europe with a short transit time (13 days) dedicated to banana exports
- Generation of indirect activities (4 millions USD). First source of revenues for the port of the Paramaribo (25 % of the revenues)
- 60 % of the containers exported by Suriname
- Fourth source of foreign currency of Suriname (6 %)
- Setting up of the business environment required for the development of agriculture (plastic, boxes & pallet industry, trade of inputs, transfer of technology)

8. Perspectives and challenge of the banana sector of Suriname (1)

➤ **Competitiveness issues**

- Reduction of the MFN tariff foreseen from 176 euro/ton to 75 euro/ton from 2010 to 2020
- Equivalent of competitiveness deterioration of 2,2 USD/box for Suriname
- Challenge for Suriname is to reduce cost price and/or improve the sale price per box by 2,2 USD over the period 2010-2020

8. Perspectives and challenge of the banana sector of Suriname (2)

➤ **NAS 2011-2014 and BAM**

- Objective: consolidate and optimize SBBS
- Improve the productivity and reduce the cost price
- Strengthen the market position of SBBS and increase the relative sale market price
- Strengthen the social and environment standard
- Privatization
- BAM exclusively dedicated to investment in banana sector
- Suriname requested 17,6 millions Euro to EC and received 9,3 millions Euro

8. Perspectives and challenges of the banana sector of Suriname (3)

➤ **Possibilities of extension and diversification**

- Demand of bananas in 2012 higher (160,000 tons) than the present capacity (80,000 tons)
- Significant opportunities for diversification in Caricom countries markets
- Main constraint: shortage of manpower



**THANK YOU FOR
YOUR ATTENTION**