

## APPENDIX "C"

### *The Potential for Canadian Imports of Bananas and Citrus Products.*

a) *Bananas* — The West Indies banana producers, Jamaica and the Windward Islands, are at present almost totally dependent on the British market. British entry into the EEC will almost certainly involve the loss of some of the demand now provided by British preferences. These losses could easily assume critical proportions and it thus seems clear that alternative outlets are a high priority.

There are strong indications that West Indian bananas could compete successfully in the Canadian market. Bananas were a very important pre-war import from the area, and the 1966 Protocol to the 1925 trade agreement included a commitment "To endeavour to revive the banana trade and to bring about increased sales of bananas to Canada from the Commonwealth countries of the Caribbean." The two main obstacles to expansion lie in the interrelated areas of marketing and transportation.

At present the Canadian market for bananas is effectively consolidated with that of the United States. The supply situation in this market is very heavily concentrated, with almost the entire North American banana trade in the hands of two giant suppliers. They have achieved strong backward and forward linkages, with independently-owned shipping facilities and tightly-organized marketing arrangements. Extensive advertising campaigns have also established patterns of consumer preference for the type of bananas produced in Central America and the individual brand-names of these companies.

It is clear that there are formidable deterrents in the areas of transportation and marketing to West Indian producers seeking a share of the Canadian banana market. Given the basic competitiveness of their fruit, however, it should be possible. The producers would need to earmark and guarantee specific quantities of bananas of consistent quality for the Canadian market. A strong marketing organization would then be needed to secure contracts with Canadian wholesalers and retail-chains and to dispose Canadian consumers toward the new fruit.

The Committee is convinced that Canada, if it is to mount a concerted effort of development assistance in the area could help solve these problems. A marketing agency, of the type recommended in the Report, could mount the needed marketing and promotion campaign.

The vigilance of the Canadian authorities could also protect these efforts from the possibility of unfair competitive practices on the part of present sup-