



PLATANERA RIO SIXAOLA, S.A.
(ABSTRACT)

For more than a decade, WRI's Sustainable Enterprise Program (SEP) has harnessed the power of business to create profitable solutions to environment and development challenges. BELL, a project of SEP, is focused on working with managers and academics to make companies more competitive by approaching social and environmental challenges as unmet market needs that provide business growth opportunities through entrepreneurship, innovation, and organizational change.

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INTRODUCTION

In fall, 1994, Volker Ribniger was reviewing the market opportunities for the 1995 banana crop produced by his company Platanera Rio Sixaola S.A. Platanera Rio Sixaola was the first banana plantation in the world to earn Eco-OK certification.

In 1995, Ribniger expected to more than double his production capacity from 3500 boxes of bananas a week to 8000 boxes. After three years of production, however, Ribniger's cost of production (\$7.22/18 Kg. box) continued to exceed his revenues (\$5.32/18 Kg. box). He was concerned therefore about the ways in which he might either lower his costs or increase the price his customers would be willing to pay him. Either alternative would be difficult however since Ribniger was a small, independent banana producer in an industry where approximately 70% of the world market was controlled by the "Big Three" of Chiquita, Dole, and Del Monte. Each of these companies shipped more than 1.9 million boxes of bananas per week.