



*Central America:
A Quest for the Progression of
Economic Value.
Bonus-Season V.*

The origin of Central America political-economy.

Period of study: From 1700 to 1900

Episode 12

**Banana Republics Part 1
Central America**

Central America: A Quest for the Progression of Economic Value. Season V

From 1700-1900: The origin of Central America political-economy.



Outline Calendar

Season V From January 9th to April 24th, 2026.

<p>9-jan-2026</p> <p>Episode 1 </p> <p>Sugar-Sugar America Part I Brazil </p>	<p>16-jan-2026</p> <p>Episode 2 </p> <p>Sugar-Sugar America Part II Dutch islands </p>	<p>23-jan-2026</p> <p>Episode 3 </p> <p>Sugar-Sugar America Part III British West Indies - Production </p>	<p>30-jan-2026</p> <p>Episode 4 </p> <p>Sugar-Sugar America Part IV British West Indies - Barbados </p>	<p>06-Feb-2026</p> <p>Episode 5 </p> <p>Sugar-Sugar America Part V British West Indies - Barbados and Jamaica </p>	
<p>13-feb-2026</p> <p>Episode 6 </p> <p>Sugar-Sugar America Part VI French Context (St Domingue) </p>	<p>20-feb-2026</p> <p>Episode 7 </p> <p>Sugar-Sugar America Part VII French Business Model Sugar St Domingue Analysis </p>	<p>27-feb-2026</p> <p>Episode 8 </p> <p>Sugar-Sugar America Part VIII La Señorita Cuba Context </p>	<p>06-March-2026</p> <p>Episode 9 </p> <p>Sugar-Sugar America Part IX Cuban Sugar Machine </p>	<p>13-March-2026</p> <p>Episode 10 </p> <p>Sugar-Sugar America Part Cuban Sugar Tycoons </p>	
<p>20-March-2026</p> <p>Episode 11 </p> <p>Cattle and Livestock - Haciendas Central America </p>	<p></p> <p>Holy Week Vacations 27 Mar to Apr 6</p>	<p>03-Apr-2026</p> <p>Episode 12 </p> <p>Banana Republics Central America part I </p>	<p>10-Apr-2026</p> <p>Episode 13</p> <p>Banana Republics Central America Part II </p>	<p>17-Apr-2026</p> <p>Episode 14</p> <p>Summary and Conclusions Seasons I, II, III, IV and V </p>	<p>24-April-2026</p> <p>Episode 15</p> <p>Research Agenda for the future </p>



Central America: A Quest for the Progression of Economic Value. Season V

A piece of the economic puzzle of Spanish Central America in Four Seasons + Bonus



Big Picture of our Content.

Season V as of January 9th, 2026.

Season	Start Date	Finish Date	Number of episodes	Historical Timeline to Analyze	Main General themes
One (I) Autumn -Winter 2024	October 4 th , 2024	December 27 th , 2024	13 episodes	1492-1558	<ul style="list-style-type: none"> Historical foundations Castile & Aragon: Discovery of Spanish America, the Holy Roman Empire Charles V Holy Roman Emperor: his local, personal, regional, religious, and international agenda The Spanish Inquisition
Two (II) Winter-Spring 2025	January 24 th , 2025	May 2 nd , 2025	13 episodes	1492-1700	<ul style="list-style-type: none"> Spanish America with a Medieval Allure: Conquest and Colonization Understanding the economic philosophy of the Habsburgs Rulers in Central America: Philip II, Philip III, Philip IV, and Charles II. Commodities: Mining extraction of precious metal reserves
Three (III) Spring-Summer 2025	May 23 rd , 2025	August 29 th , 2025	14 episodes	1700-1900	<ul style="list-style-type: none"> School of Salamanca The Bourbon era begins. From Philip V (1683-1746) to Alfonso XIII (1886-1941) The War of Spanish Succession The Jesuit Suppression and Restoration (1773-1814) The meaning of the French Revolution in Spanish America The Why of Napoleon Bonaparte
Four (IV) Autumn-Winter 2025	September 19 th , 2025	December 31 st , 2025	15 episodes	1700-1900	<ul style="list-style-type: none"> Independence Bells of Central America (1800-23) United Provinces of Central America (1823-40) Derailement of violence and inner conflicts Charted Urban vs Forgotten Rural Mining + Agricultural Commodities. Never an Industrial Factory Development. Main agriculture production industries: Cacao, Indigo, coffee, Sugar-Introduction
Five (V) BONUS Winter Spring 2026	January 9 th , 2026	April 10 th , 2026	15 episodes	1700-1900	<ul style="list-style-type: none"> Analysis of Main Agriculture plantations. Sugar-Sugar America, Bananas, Cattle and Livestock, Foodstuff Summary and Conclusions Research Agenda for the future.

Past saga: done

Past saga: done

Past saga: Done

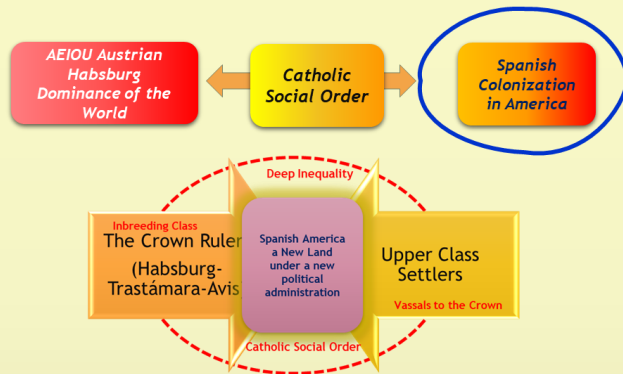
Past saga: Done

We are here

Central America: A Quest for the Progression of Economic Value. Season V. From 1700-1900: The origin of Central America political-economy.



Banana Republics Part 1 - Central America



“Most of good historians are chroniclers of events. A Chronicler narrates, but doesn't explain the facts. Before proceeding further in our civilization, corporate strategists are obliged to understand the different explanations and interpretations of history. Otherwise, history will repeat under new circumstances”.

Eleonora Escalante Strategy. El Salvador

Our agenda for today's master class:

The Banana Industry of Central America (1870-1930)

Today

1. Geographic mapping of Banana Plantations
2. Geopolitical Context of the Banana Plantations
3. How the banana industry began?
4. Short biography of the UFCO
5. Original Relevant elements of the Value-Chain

Next Week

6. Corporate Strategy of UFCo: Expansion (Vertical and horizontal growth, Diversification), stability and retrenchment strategies used by the UFCo.
7. Banana Republic Comparative Scrutiny per country
8. How concentration monopolies create inequality and political chaos in their quest to create prosperity and progress.



Central America: A Quest for the Progression of Economic Value. Season V.

From 1700-1900: The origin of Central America political-economy.

Banana Republics Part 1 - Central America

Geographic mapping of Banana Plantations

Central America was taken over by the banana's plantations foreign interests.

The first international banana production organization was born as a collateral ATM and labor source of food to finish an incomplete railroad between San José and Puerto Limón in Costa Rica.

Bananas producing areas of Central America



order	Banana plantation Area	Periods of production
1	Limón, Costa Rica	1883-1938, 1957-
2	Bluefields, Nicaragua	1885-1935
3	Bocas del Toro, Panamá	1885-1930, 1957-
4	Ulua, Honduras	1899-
5	Motagua, Guatemala	1906-1938, 1962-
6	Stan Creek, Belize British Hon	1908-1941
7	Aguan, Honduras	1912-1940, 1957-
8	Río Negro, Honduras	1920-1935
9	Canal Zone, Panama	1923-1942
10	Río Wawa, Nicaragua	1925-1931
11	Río Grande, Nicaragua	1925-1941
12	Chiriqui, Panamá	1927-
13	Tiquisate, Guatemala	1936-1964
14	Quepos-Parrita, Costa Rica	1938-1948
15	Golfito, Costa Rica	1938-1985

55 years:
A geographic progressive ambitious land diversification. A territorial organization of banana plantations using the best available cultivable land for growing banana fruit was established between 1883 to 1938.

The Banana territorial geographic expansion took most of the best condition lands for its cultivation in the region.

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Banana Republics Part 1 - Central America

Geopolitical context of the banana plantations.

The Monroe Doctrine

After the Spanish American Revolts for Independence of the early 19th century, USA president James Monroe (1817-25) warned all European powers (Britain, France, Russia, and Spain) to stay out from America.

Different interests per each group created continuous conflicts of interests.
The Monroe Doctrine wanted to keep other European dynasties out of the former Spanish Habsburg territories in America.

The Monroe Doctrine (1823):
Spanish American countries gained its independence from Bourbon Spain, and couldn't be considered as "subjects" for any future colonization by any European power. The USA declared that any attempt of European powers to extend their systems to any portion of the American Hemisphere was considered dangerous against the peace and safety of the Continent.



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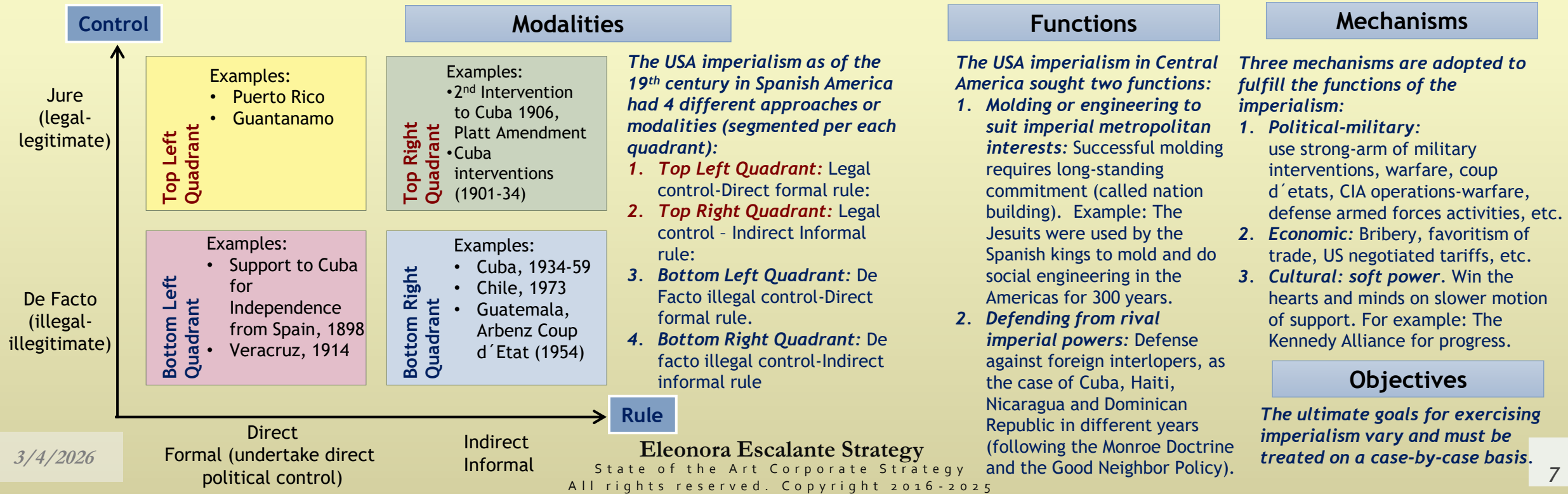
Banana Republics Part 1 - Central America

Geopolitical context of the banana plantations.

Bananas as an US American imperialism tool in Central America

The USA imperialism in Central American nations and the Caribbean was not uniform. It was a different recipe applied to each context, driven by different (1) approaches, (2) functions, (3) mechanisms and, (4) motives or specific objectives (Knight, 2008)

After the American Civil War (1861-65), USA continued the expansion of their territories at the expense of the Native Indian peoples and other colonial powers. However, the USA decided to do not acquire Central America under a formal legal legitimate control structure, but as de-facto protectorates. The USA imperialism developed differently in Central America, but its temporary interventions were justified case by case. The USA main objective was to win the Panamá Canal then.



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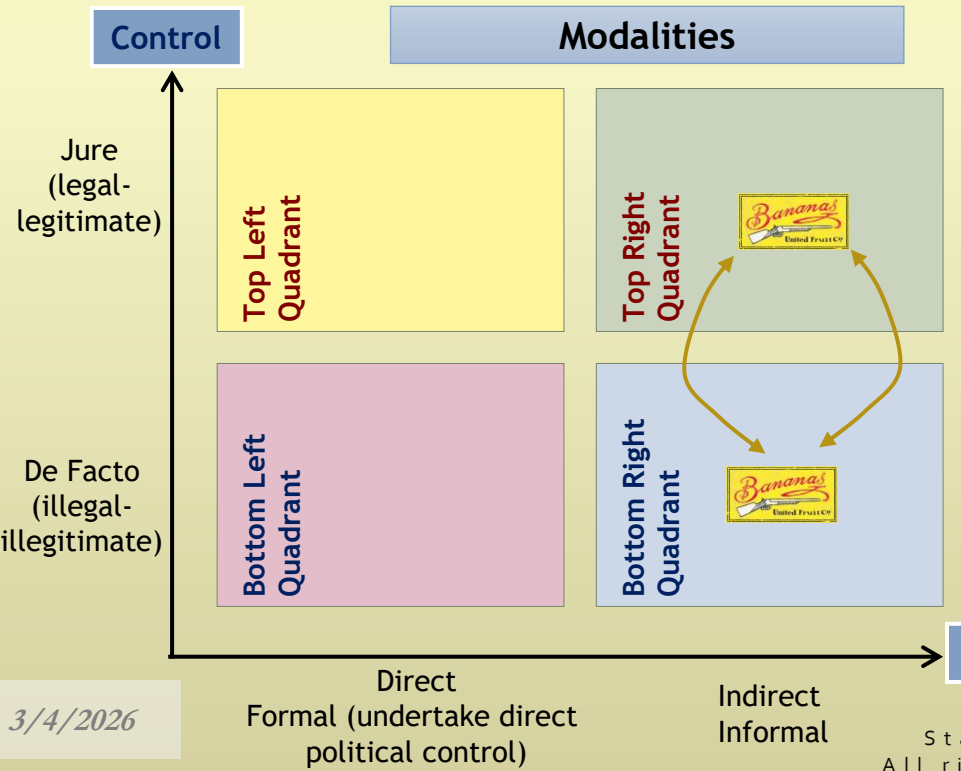
Banana Republics Part 1 - Central America

Geopolitical context of the banana plantations.

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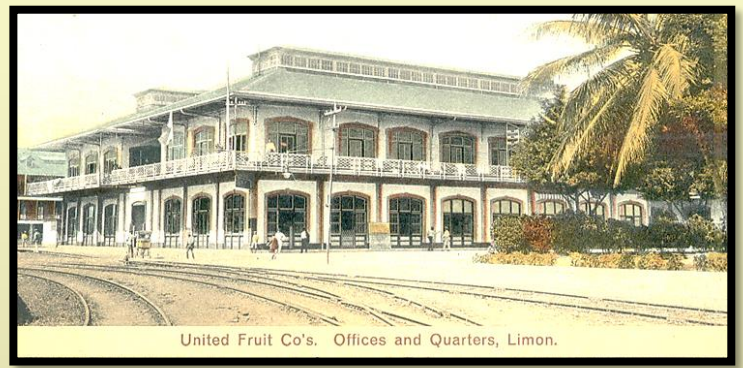
The banana plantations in the hands of American investors played a unique imperialist dynamic approach of 2 quadrants: indirect-informal with legitimate or de-facto control of USA corporate imperialism in Central America. Depending on the nation, functions, mechanisms and objectives; the bananas industry in the hands of the United Fruit Company was moving between these 2 quadrants.

Some authors have linked the neo-colonization of Central America (particularly in the Atlantic region) with the beginning of the UFC operations in Costa Rica. Other authors link the USA corporate mission of the UFC with the USA imperialism. Finally, from the point of view of corporate strategy, the UFCo was created and shaped as the first international corporation with vertical integration that changed the rules of trade and commerce in the Atlantic and Central America.



Why were the banana plantations owners so involved in the American Imperialism exercised in Central America, between 1872 to 1930 and later?

- This was the first time in the history of Central America (former Kingdom of Guatemala) that they faced the USA imperialism through an agribusiness corporation.
- The USA banana pioneers were embodied with the United Fruit Company, who “officially” and under the mission of bringing order and progress to the former kingdom of Guatemala. These entrepreneurs began to operate in the region through the railroad tycoon Henry Meiggs (hired to build a railway between San José and Puerto Limón), who consecutively appointed the Keith-Meiggs family in the endeavor (1870s).
- The understanding of the US American imperialism in Central America can only be understood by the study and analysis of the United Fruit Co. (UFCo).



The Nation of Costa Rica allowed and endorsed the presence of foreign USA private investors who were interested to gain profits from different sources: railway construction, banana plantations, shipping, and other commercial activities. The presence of these American entrepreneurs changed the land structure of indigenous communities, the labor relations, the political and economic society of the white-criollos and the way of doing business in Central America.

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Banana Republics Part 1 - Central America

Competitive Advantage of the Bananas business model

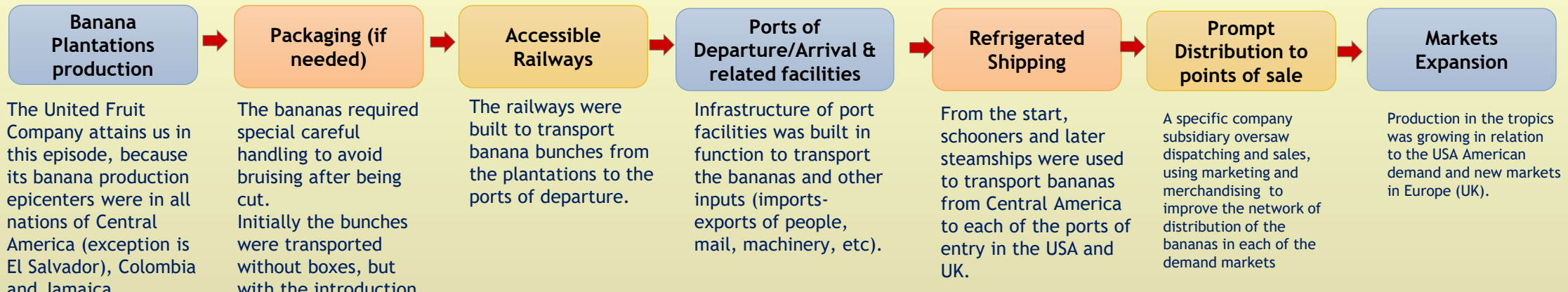
The history of the banana plantations is the history of UFCo

The development of the banana trade began in the Caribbean islands. It wasn't planned as a USA American imperialism tool. But over time its economic power grew so much, as an "octopus", that overtook the political power of Central America under the trademark of "Banana Republics".

The banana industry couldn't have grown to what it was in less than 50 years (from 1870 to 1930) without the integrated assembling of strategic players at the shipping, port facilities, railroads and distribution industries.



Image Source: <https://www.wsj.com/world/banana-republic-a-label-that-every-country-wants-to-avoid-e2653b05>



The United Fruit Company attains us in this episode, because its banana production epicenters were in all nations of Central America (exception is El Salvador), Colombia and Jamaica. The production value chain will be explained in a separate slide.

The bananas required special careful handling to avoid bruising after being cut. Initially the bunches were transported without boxes, but with the introduction of the Musa Cavendish specie, bananas were moved in special boxes.

The railways were built to transport banana bunches from the plantations to the ports of departure.

Infrastructure of port facilities was built in function to transport the bananas and other inputs (imports-exports of people, mail, machinery, etc).

From the start, schooners and later steamships were used to transport bananas from Central America to each of the ports of entry in the USA and UK.

A specific company subsidiary oversaw dispatching and sales, using marketing and merchandising to improve the network of distribution of the bananas in each of the demand markets

Production in the tropics was growing in relation to the USA American demand and new markets in Europe (UK).

The study of the UFCo is crucial to understand the history of business and management in Central America. Beyond our historical purpose of writing the saga "Central America: A Quest for the progression of Economic Value", the intertwined core elements of the UFCo presence in the region is so extensive and ample that we are not going to cover all. However, our mission is to provide the key aspects that will help us to comprehend why the new digital-disruptive technologies are causing the same troubles of the UFCo, in a different scenario, but then again 100 years later.

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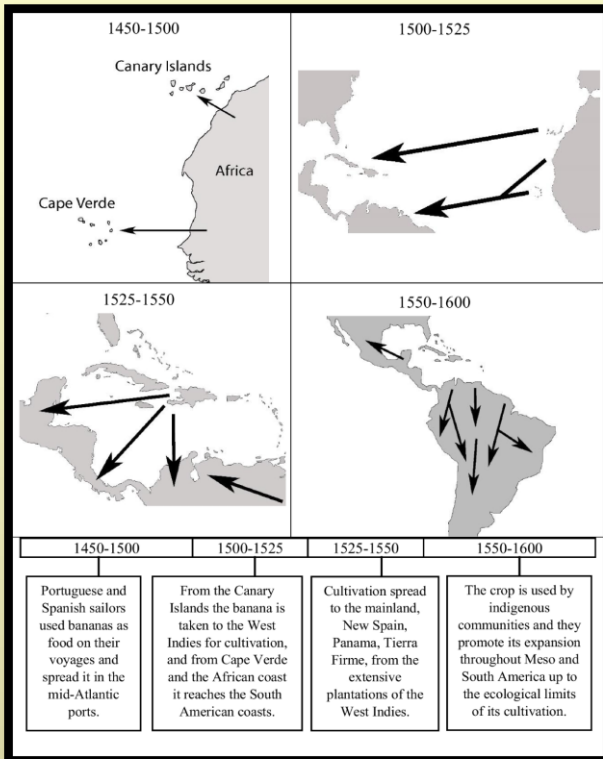
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Banana Republics Part 1 - Central America

How the Banana Industry began?

How the banana trade began? How everything started?

Bananas were carried by Spaniards and Portuguese to America.



Scientists have studied the origin of the spread of bananas since 2500 BCE.

- It is well possible that bananas were first cultivated in Southeast Asia, and the expansion went eastwards to the Pacific Islands. However, official history has designated the spread of the bananas from the East Asia towards the West. From Australasia, the crops were taken to India. From India, the bananas moved to Madagascar and the eastern coast of Africa, and later towards the Levant, the Mediterranean, and Egypt.
- The Arabs spread the bananas with Europeans, particularly in the Iberian Peninsula. By the time of Columbus discovery of America, bananas were planted by the Portuguese at the Canary Islands, Cape Verde and Madeira.
- The Spaniards and Portuguese introduced banana plants wherever they could grow in Spanish America after 1492.
- The first written records about banana plants arriving at the West Indies (Caribbean) is related to the Dominican Friar Tomás de Berlanga, who took the plant to Santo Domingo, to be eaten fresh, as a fruit. The plantain variety was eaten fried-cooked. Jamaica was the first Caribbean nation that produced the Gros Michel banana (*Musa Acuminata* AAA), who was transferred by French naturalist Nicolas Baudin from Southeast Asia to a botanical garden in Martinique. In 1835, Jean Francois Pouyat took this variety to Jamaica.
- Bananas were also spread and grown well in México, Perú, Central America Atlantic Coast, South America (Brazil). The spread to New Spain is linked to the Spanish introduction, and the rapid expansion in Brazil came from the Portuguese and from the African continent, through the transatlantic trade slave as a domestic food for slave labor. However, it is suggested that there were bananas in America before the arrival of the Spaniards and Portuguese.
- The trade exports of Bananas grown in Central America and the Caribbean during the 19th - 20th century was of the variety Gros Michel, and later, the Cavendish.

The first bananas cultivated for export profits were not coming from the Winward Islands or Jamaica. Everything began much far behind. The bananas arrived at Spanish America from the Canary Islands.

Gros Michel



Cavendish



If you wish to learn more about the different varieties of bananas and plantains, click here: https://www.academia.edu/118975556/Banana_and_plantain_an_overview_with_emphasis_on_Pacific_island_cultivars_Musaceae_banana_family

Salas-Pascual, M. Cáceres-Lorenzo, T. The dispersal of Banans (*Musa* spp) to the Americas in the 16th century. Springer Nature 2022. Economic botany. <https://link.springer.com/article/10.1007/s12231-022-09559-2>

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Banana Republics Part 1 - Central America

How the Banana Industry began?

The history of the banana intl. trade held its reference birth from the core diet of the Caribbean African Slaves

The bananas and plantains were cultivated as foodstuff in different tropical countries during the 19th century. The exports trade of bananas for the USA society was built from scratch from different Caribbean Islands, including Jamaica.

Portuguese and Caribbean Slaver traders used bananas as provisions on slave ships that carried slaves to Brazil. The Spanish introduced bananas as of the 16th century. Bananas were consumed in cargoes of slaves sailing for Panama and Mexico. Over time, bananas became one of the staples foods well liked in Central America by everyone in the society.

JAMAICA: VALUE OF COMMODITY EXPORTS, 1834 AND 1850-1949 (5-YEAR TOTALS EXCEPT 1834)

	Sugar	Rum	Pimento	Coffee	Ginger	Logwood & Extract	Bananas	Oranges	Coconuts	Cocoa, Raw	Cigars & Cigarettes	Grapefruit	Other	Total
1834	1541	350	52	615	39	34							518	3149
1850-4	2491	959	341	509	100	52							170	4622
55-9	2518	1329	447	514	57	127							312	5304
60-4	2787	1205	233	681	81	211							311	5509
65-9	2428	955	194	821	137	503							374	5412
70-4	2626	1325	153	1194	65	675							580	6618
75-9	2191	1373	303	1214	111	(741)							952	6955
80-4	2429	1126	542	881	87	607	436	161	75				850	7194
85-9	1308	1060	239	1100	97	1264	965	258	75				1276	7642
90-4	1254	978	352	1661	182	1814	1949	182	150				860	9392
95-9	810	615	521	965	222	941	2137	729	201	184	62		928	8315
1900-4	709	623	508	637	220	689	3678	454	238	296	92		864	9008
05-9	547	829	441	606	194	802	5212	309	229	516	151		1271	11107
10-4	889	491	368	921	218	1321	6319	215	544	572	184		1518	13560
15-9	3395	1559	422	964	299	2594	2488	133	827	931	358		1893	15863
20-4	5589	735	350	1014	454	1742	8449	206	873	590	380		1358	21740
25-9	3185	558	1288	1739	344	886	10232	166	775	620	233	233	1618	21877
30-4	2186	336	530	943	209	650	8845	152	589	255	150	313	1169	16327
35-9	3904	1106	783	741	305	566	12099	465	441	272	94	250	1472	22252
40-4	7745	2050	857	676	529	371	2464	152	517	436	441	23	2836	19097
45-9	15641	8861	1204	803	687	696	8630	483	•	810	2652	361	5666	46294

In Jamaica: The exports of Bananas to the USA, became more profitable than sugar in less than 10 years, before the UFCo's birth. When UFCo's legitimate operations in Costa Rica in 1899, the business model was already proven in Jamaica.

Was its luck or a food-staple labor necessity?

- Before 1850s, it is important to comprehend who were the consumers of bananas. The demand for bananas was not considered in the minds of whites or European descendance. It was an African slave foodstuff of the Caribbean islands. Coincidentally (or probably not a twist of fate) the banana production was connected to a labor need, a basic food-staple in major cane-growing regions.
- Wherever there were slaves used for cane plantations, there were banana trees! Most of the African slaves cultivated it for three reasons:
 1. A shade plant for other crops and a back-yard common cultivar
 2. A source of food
 3. A commodity that helped to exchange them for other products in local markets
- In consequence, most of small-holders (free or slaves) were accustomed to producing, marketing and consuming bananas before it was transferred to the USA.
- North American traders who adjourned in Jamaica and other Caribbean Islands tasted it, consumed it while in there, and began to bring it to USA ports in small amounts, given its perishable nature.
- Travelers and Botanic specialists discovered the benefits of the fruit, and the delicious taste of certain varieties over time. But the association of bananas with slave-blackness food, was enough reason for the whites to racially avoid its local consumption in the Caribbean.
- Late 1860s, North American shippers began purchasing fruits, including bananas, coconuts and citrus to the Jamaican smallholders, to Cubans, and other near islands.

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Table source: Cumper, G. E. "Estimates of Jamaican Commodity Trade." *Social and Economic Studies* 6, no. 3 (1957): 425-31. <http://www.jstor.org/stable/27851113>.

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Banana Republics Part 1 - Central America

How the Banana Industry began?

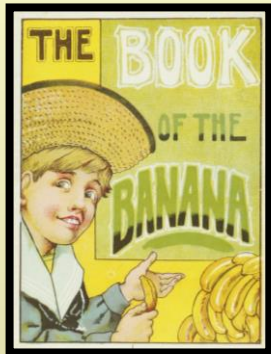
The history of the banana trade is the history of UFCO

Why was banana consumed in North America? How did the banana leap to be accepted by this society despite that it was initially associated as a Black-African slave's food staple?

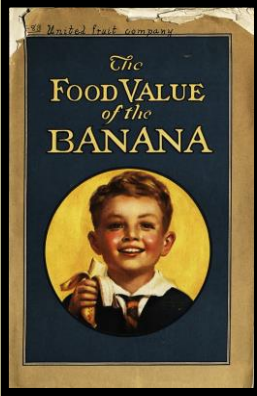
Bananas were scientifically and politically discovered as a tropical exotic high source of nutrition.

The answer is not only in the nutritive components of the bananas and plantains. It was in the clever formation of a high-end and middle-class demand using scientific opinion and medical endorsement to ensure a solid acceptance.

The United Fruit Co. (today Chiquita Brands Intl) was capable to shift the concept of the banana as an occasional tropical fruit arriving in deck cargos from the Caribbean, to a basic food staple, a first convenient food that was cheap, healthy and energetic.

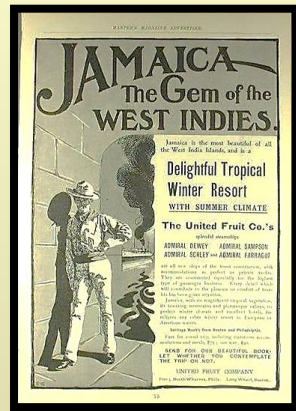


ELDER AND FYFESS The Book of the Banana
H.S. Woodyer & Bro. 1908.
Twenty-three-page advertising booklet from Elder & Fyfass, importers of bananas.



UNITED FRUIT COMPANY. The food value of the banana. 1st Edition 1917
Published as part of a campaign to educate American families about the nutritional value of bananas.

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UNITED FRUIT COMPANY
1902 United Fruit Co. Steamship Line
Advertising- Jamaica

POINTS ABOUT BANANAS

- Wholesome
- Cheap
- Nutritious
- Delicious
- Easily digested
- Always in season
- Available everywhere
- No waste
- Convenient for the dinner pail
- Good food when cooked
- Good food when not cooked
- The poor man's food
- The children's delight
- Endorsed by physicians
- Put up and sealed by nature in a germ-proof package
- Produced without drawing on the Nation's resources

1917



1950

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Banana Republics Part 1 - Central America

Short biography of the UFCo Slide 1/3

The history of the banana trade is the history of UFCO

How did the UFCo establish? Preceding state of affairs before 1898

After the disaster of sugar plantations in the Caribbean, with the abolition of slavery, the Caribbean and Central America new rulers were in desperation to find revenues, progress and prosperity. The liberal governments were granting the land that was “declared as empty”. The Bananas were “the option for the American foreigners”. Coffee was the “local option for the criollos who mingled with European foreigners”



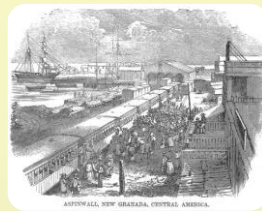
1804

Schooner Reynard brought 30 bunches of bananas to New York from Cuba.



1850s

Clipper schooners brought occasional small banana cargoes from Cuba and Bahamas.



1866

German Carl August Franc brought a small quantity of yellow bananas from Aspinwall, Colombia to New York City. The Frank Brothers was organized as a monopoly for selling bananas in NY and Philadelphia.



1870

Lorenzo D. Baker, owner of an 85-ton schooner from Cape Code brought bananas from Port Morant - Jamaica to Boston, making good profits. Captain Baker with his brother-in-law formed L. D. Baker & Co. to produce bananas in Jamaica and ship them to USA.



1872

Minor Keith appears in the scenario of Bananas. He was appointed to build the continuation of the Costa Rica railway and to grow bananas in the lowlands on the Atlantic Costa Rica. Keith first banana venture port of arrival: New Orleans, expanding later shipping to New York. He gradually expanded plantations in Nicaragua, Honduras, Panama and Colombia.



1885

The Boston Fruit Company is formed: In Boston, Captain Baker gathered 8 other New Englanders to create the Boston Fruit Company. Andrew W. Preston was part of the investors and Boston Manager. 10 years, the company grew from Jamaica to Saint Domingo and Cuba for bananas supply. It built banana steamships carrying more than 40,000 bunches of bananas to ports of Boston; Philadelphia, NY, Baltimore.



1899

Finally, the United Fruit Company was incorporated in the State of New Jersey. Nominal capital: \$20 million Assets: all the BFC assets including shipping, marketing, distribution and warehouses; the 3 companies of Minor Keith in CA, and the respective subsidiaries.

A key situation in the evolution of the banana industry was the 1884 contract between Costa Rican Secretary of state Bernardo Soto and Minor Keith, to construct the remaining 52 miles of a railroad between Puerto Limón and San José that started during the 1870s by his uncle Henry Meiggs Keith.

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Short biography of the UFCo Slide 2/3

The history of UFCo: Who were the owners of the banana industry then? Ownership.

Ownership of the UFCO: a monopsony or a monopoly from the start?

According to Irons and Adams, the initial organization of the UFCo was a conglomerate of several existing Fruit companies working already in different stages of the value chain in the USA, Europe, CA and Caribbean. Between 1870 to 1899, 114 firms were engaged in the importation of bananas to the USA. By the time of the United Fruit Co. incorporation, only 22 were in existence. Most of them were merged into UFCo.

#	Name of the Owners of the UFCo (1899-1906)	% holding
1	Boston Fruit Company (with all its subsidiaries) Baker	100%
2	Tropical Trading and Transport Co. (Keith) Costa Rica	>50%
3	Colombia Land Company (Keith) Colombia	>50%
4	Snyder Banana Company (Keith) Panamá	>50%
5	Banes Fruit Company	Na
6	Dominican Fruit Co.	100%
7	American Fruit Co	>50%
8	Quaker City Fruit Co.	50%
9	Buckman Fruit Co.	50%
10	Sama Fruit Co.	50%
11	New OrL. Belize Royal Mail and Central American Steamship Co.	100%
12	Santo Oteri and Son	100%
13	Camors, McConnell & Company	86%
14	Orr & Laubenheimer Co.	50%
15	Camors Weinberger Banana Co.	50%



After the incorporation of the United Fruit Co., the firm got involved in an aggressive acquisition program to remove the main competitors from the industry. In less than 7 years, almost all the key industry players were totally or partially owned by the UFCo.

#	Name of the Owners of the UFCo (1899-1906)	% holding
16	Bluefields Steamship Co.	50%
17	Monumental Trading Co.	50.4%
18	Atlantic Fruit Co.	50.4%
19	Vaccaro Brothers Co.	50
20	Hubbard-Zemurray Co.	60
21	Thatcher Brothers Steamship co.	60

Britain got involved from the start:
Minor Cooper Keith was able to invite several English investors to develop the banana operation of Santa Marta-Colombia. He also received support from a prominent group of London Capitalists who supported him in the operations of Costa Rica.
UFCo integrated later the Honduras and Guatemala operations, and the Irish firm Elders and Fyffes, one of the two largest British banana importing firms for the UK.

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Short biography of the UFCo Slide 3/3

The history of UFCo: Land Structure

The holdings of the United Fruit Co. including railroads, land, plantations, ships, warehouses, and infrastructure as ports, and packing facilities. Over time it added, hospitals, commissariat stores, 24 radio stations, schools, electric plants, sewage systems, office buildings, housing, ice plants, recreation facilities (golf courses, swimming pools, parks) and any adjacent infrastructure required by the company towns where the expatriate staff inhabited.

1899

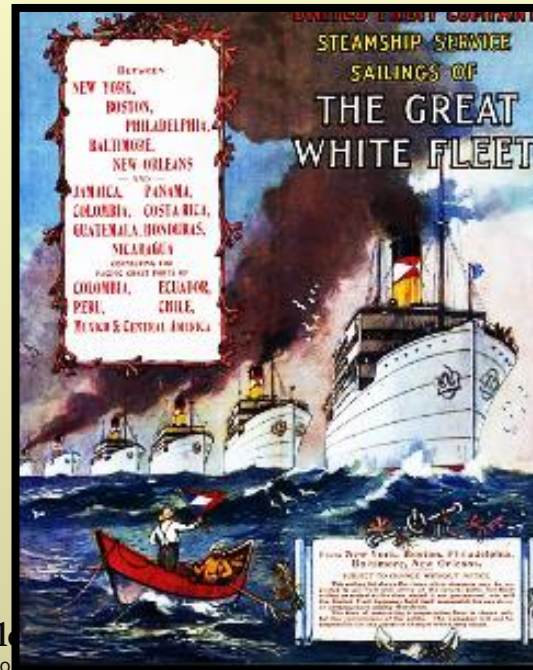
- In the year 1899, UFCo included all type of companies of the value chain.
- UFCo was the owner of 250,000 acres of land in Colombia, Costa Rica, Cuba, Honduras, Dominican Republic, Jamaica and Nicaragua; of which 66,000 acres were in crop production, and 44,000 directly bananas.
- In 1899, UFCO was the owner of 11 steamships, 12, chartered vessels, 112 miles of railway linking production areas to ports, and an extensive marketing network in the USA.
- Initial Capital: US\$ 11,230,000
- It is estimated that in the early 1900s, UFCO controlled 89-90% of all US imports and exercised control over pricing.

At the beginning of the 20th century, the banana plantations risks were associated to climate conditions, diseases and lack of labor:

1. Hurricanes - floods
2. Drought
3. High winds
4. Diseases: The Panama fungus and the sigatoka.
5. Lack of labor, workers conflicts

1930

- By 1930, the UFCo was owner of 3.214 million acres in all Central America.
- From the total landholdings, just 14% of the land was being improved as cultivable land (450,000 acres)
And only 189,000 acres were planted at any point in time.
- The remaining 86% of land was not used, but it was potentially productive and kept for future potential plantations.
- Capital: US\$ 215,000,000
- It is estimated that by 1930, the company held a dominant position of 60-70% market share, because of two main competitors in North America: The Cuyamel Fruit Company and the Standard Fruit and Steamship Company.



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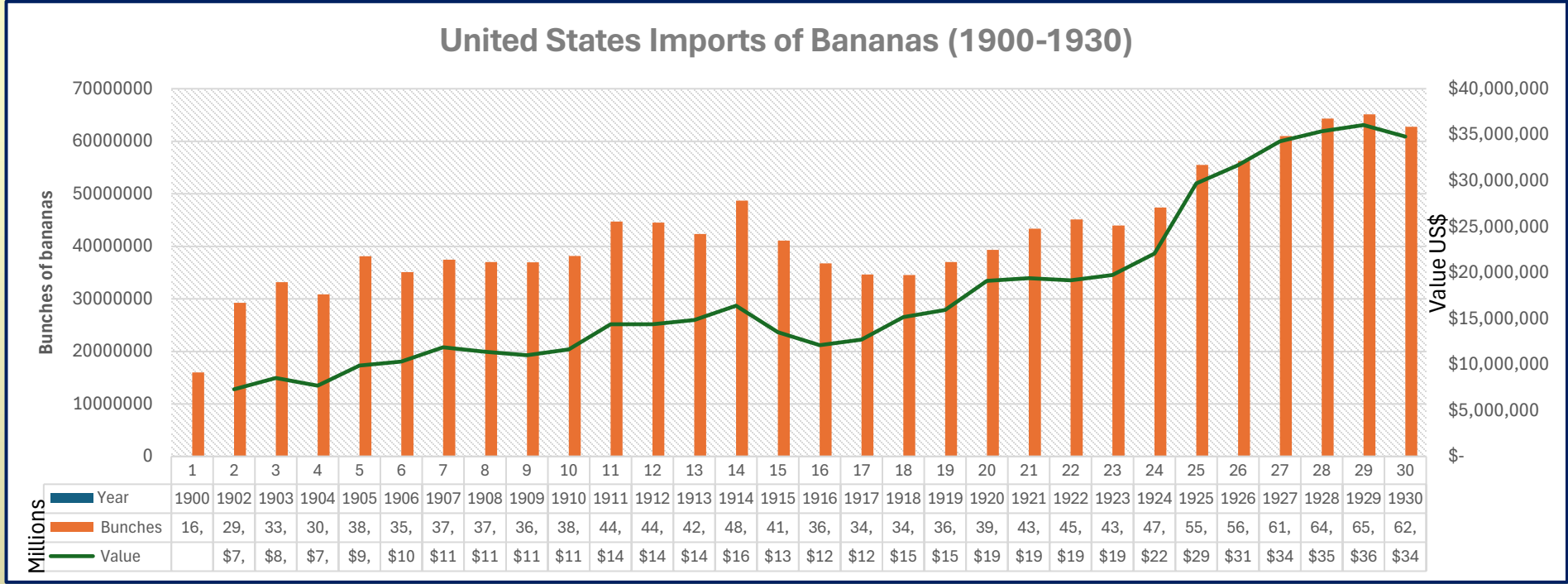
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To be continued...

Exports of Banana to the USA 1900-1930

The demand for bananas was as incredible as the clock-perfect timing of the logistics to transfer bananas from CA to USA.

The exports of bananas to the USA as follow:



At the beginning (1900), the United Fruit company Exported more 90% of the bunches of Banana arriving to North America. Over time, the market share diminished to a range between 60% to 70%. However, the UFCo held investments in the competition. During this period, the UFCo was the dominant banana exporter in the world market. In 1929, UFCo bought the Cuyamel Fruit Company for US\$ 32 million. The consolidation of the industry in the hands of the UFCo shows the main corporate strategy goal through acquisitions, expansion (vertical and horizontal) and diversification.

Graph created with data source: Palmer, J. The banana in Caribbean Trade. 1932

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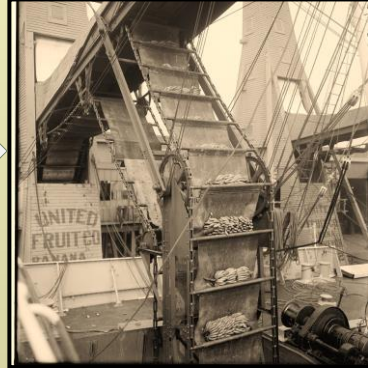
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Original Relevant elements of the Value-Chain

A generic value chain of the banana business model in Central America-UFCo

The Value Chain of the banana business UFCo in pictures. Analysis to be continued next week...

Next week we will continue with the analysis of the key elements of the value chain and the different horizontal and vertical corporate strategies used by the UFCo.



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Our next stopover will be Banana Republics Part II...

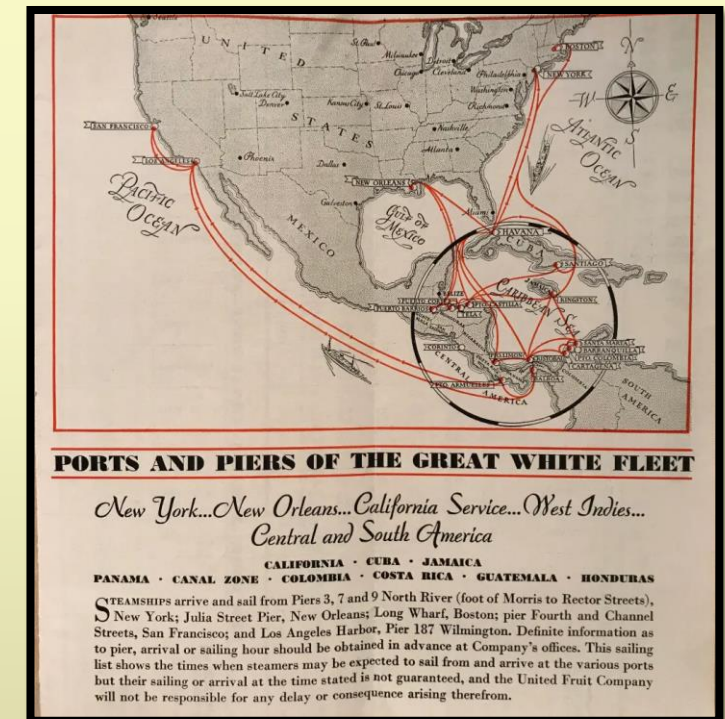


Image source <https://www.swirledshrub.com/united-fruit/>

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Our next stopover will be Banana Republics part II

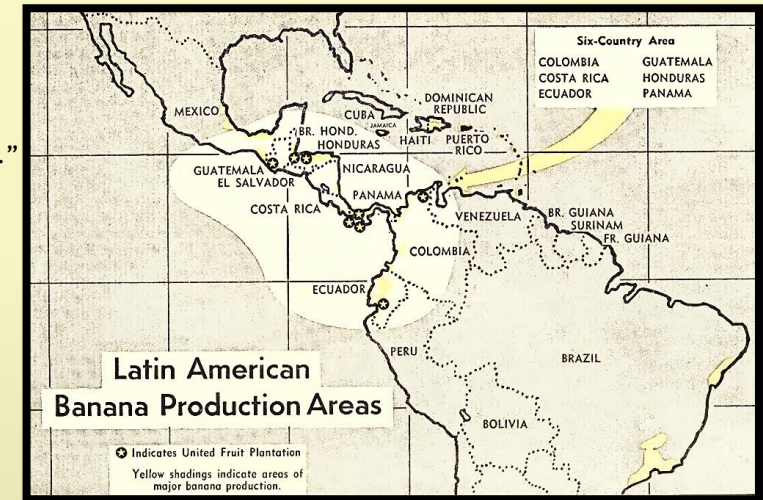


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Thank you

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