



The value chain in the Spanish aubergine industry. Crop year: 2009/2010



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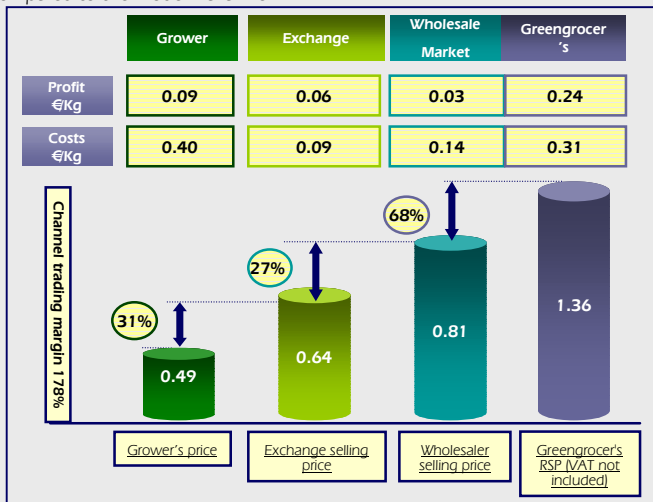
Objective

The Regional Ministry of Agriculture and Fisheries of Andalusia has developed, since 2006, some actions aimed at increasing transparency and information about price formation and the functioning of the Andalusian agricultural products' market.

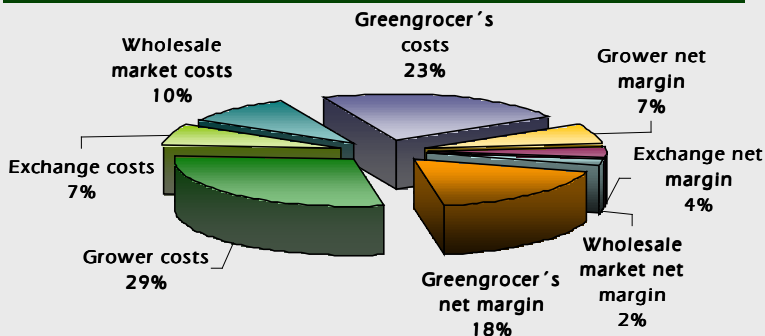
This study on protected horticultural products analyses the results of the value chains of the six main products: tomatoes, peppers, cucumbers, courgettes, aubergines and green beans grown in greenhouses in the province of Almería for the Spanish market between 2009 and 2010.

Prices, Costs and profit in the traditional distribution channel

The marketing of vegetables in Spain, unlike in other Central European countries, is characterized by the importance of the distribution through the traditional channel compared to the modern channel.



Share of the different links of the chain in the RSP*



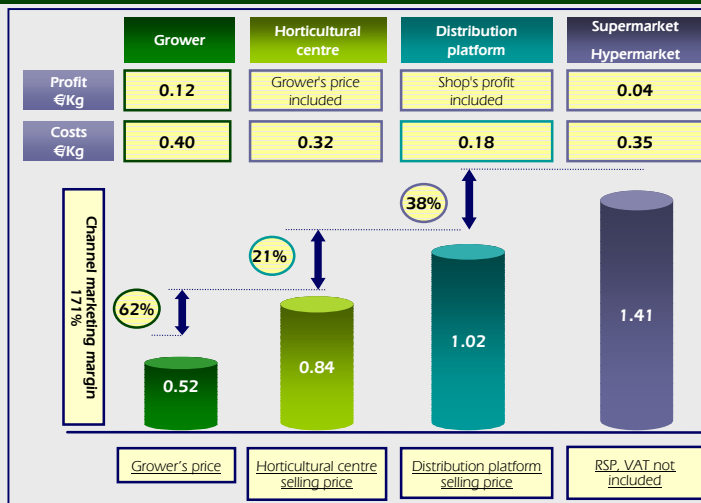
Net margin or profit: Result of discounting the mark-up costs incurred in marketing: $PM = ((\text{sale price} - \text{buying price} - \text{costs}) / \text{buying price}) * 100$

* Retail Selling Price, VAT not included

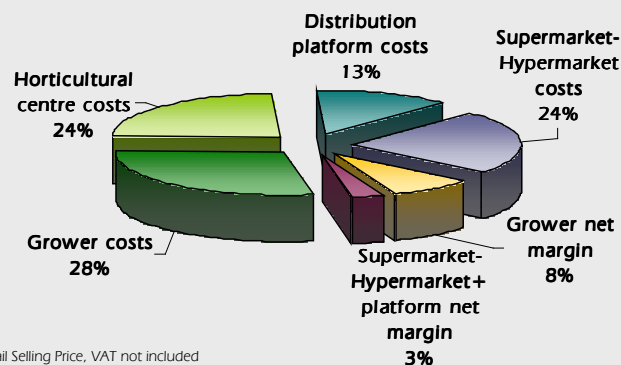
Prices, Costs and profits in the modern distribution channel

Supermarkets and hypermarkets are considered the organized retailers with the greatest representativity in aubergine sales volume at national level.

Prices, Costs and profits in the modern distribution channel



Share of the different links of the chain in the RSP*



* Retail Selling Price, VAT not included

Conclusions

- In the 2009/10 crop year, there were an increase of 2% in the aubergine production although its cultivated area decreased by 2%.
- In both channels, the greater costs fall in the production link. Aubergine production and marketing costs represent 69% and 89% of the retail selling price, VAT not included, for the traditional and modern channel respectively.
- The economic crisis requires a model of low prices; a fact that leads to the improvement of the economic efficiency of processes, reducing marketing costs in each link.
- Marketing costs are expensive in the modern distribution channel due to the handling and packaging processes carried out in the horticultural centre, which represents 24% of the retail selling price, VAT not included.
- The profit in the greengrocer's is about 18% higher than in the organised retailers, which represents 3% of the retail selling price, VAT not included.
- Grower's prices in both channels are higher than aubergines production costs.
- Neither distortions in the market nor an excessive profit in any link involved are detected in the two channels analysed.