



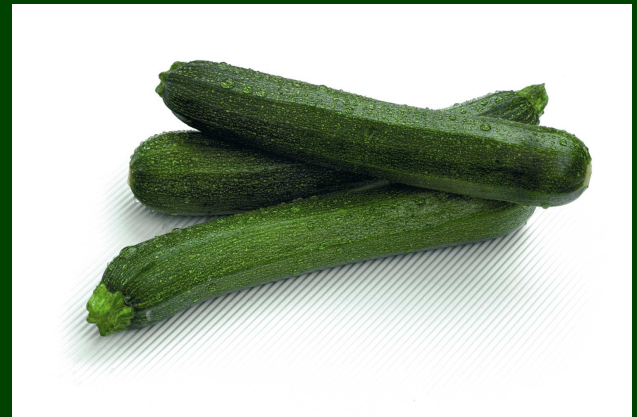
The value chain in the Spanish courgette industry. Crop year: 2009/2010



For further information:

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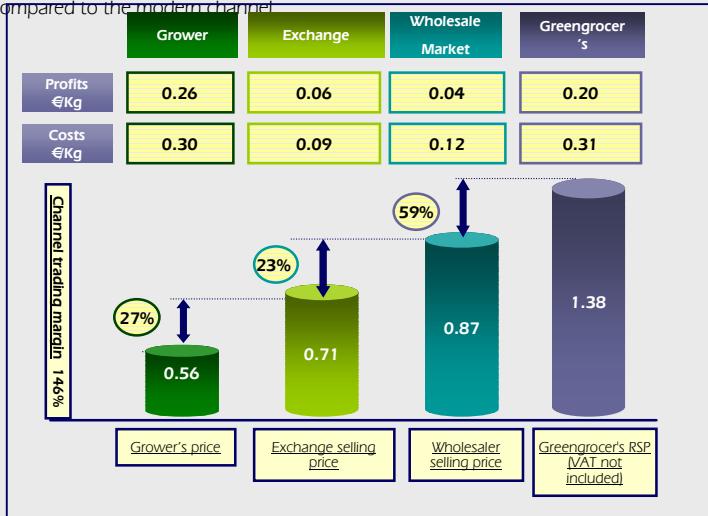
Objective

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.

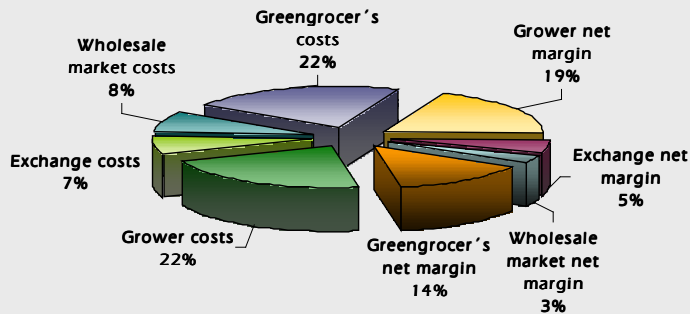
This study on protected horticultural products analyses the results of the value chains of the six main products: tomatoes, peppers, cucumbers, courgettes, aubergines and green beans grown in greenhouses in the province of Almería for the Spanish market between 2009 and 2010.

Prices, Costs and profits in the traditional distribution channel

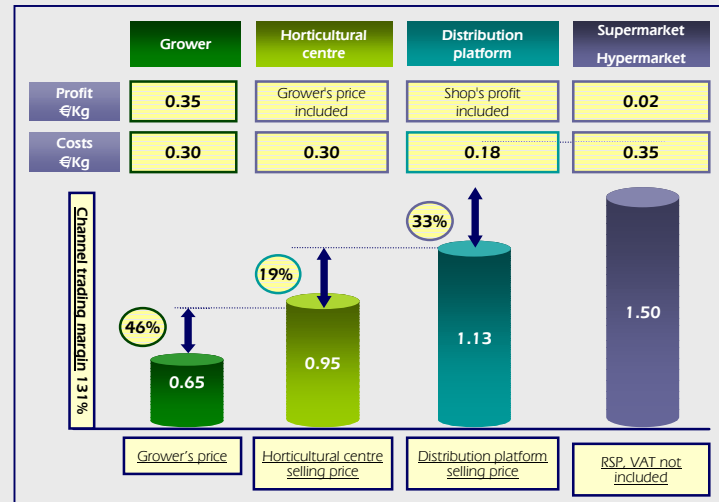
The marketing of vegetables in Spain, unlike in other Central European countries, is characterized by the importance of the distribution through the traditional channel compared to the modern channel.



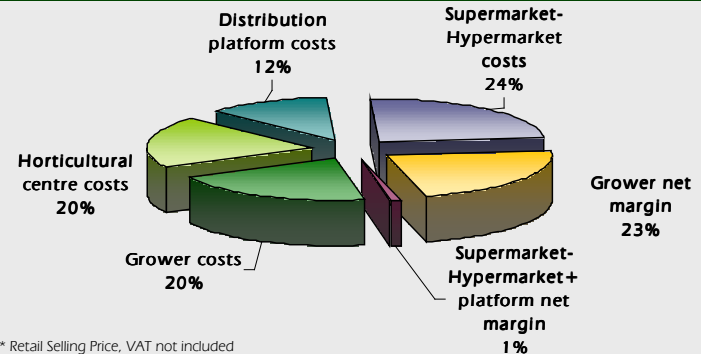
Share of the different links of the chain in the RSP*



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, a 6% increase in the **production** of courgettes took place while the **area cultivated** increased by 8%.
- In both channels, the greater costs fall in the **retailer** link. Courgettes production and marketing costs represent between 59% and 76% 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 in origin are expensive in the modern distribution channel due to the **handling and packaging** processes carried out in the horticultural centre, which represents 20% of the retail selling price, VAT not included.
- The **profit** in the greengrocer's is 14% higher than in the organised retailers, which represents 1% of the retail selling price, VAT not included.
- Grower's prices in both channels are higher than courgettes production costs.
- Neither **distortions** in the market nor an **excessive profit** in any link involved are detected in the two channels analysed.

Net margin or profit: Result of discounting the mark-up costs incurred in marketing, $PM = \frac{\text{Sale price} - \text{buying price} - \text{costs}}{\text{buying price}} \times 100$

* 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 courgette sales volume at national level.