JUNTA DE ANDALUCIA
Consejería de Agricultura y Pesca

Unión Europea
Fondo Europeo Agrícola de Desarrollo Rural

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

Europe investing in rural areas

Objective

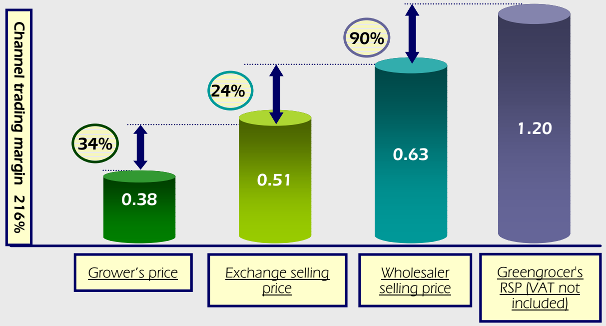
The Regional Ministry of Agriculture, Fisheries and Environment of Andalusia has developed, since 2006, some actions aimed at increasing transparency and information about price formation and the functioning of the Andalusian agricultural products' market.

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.

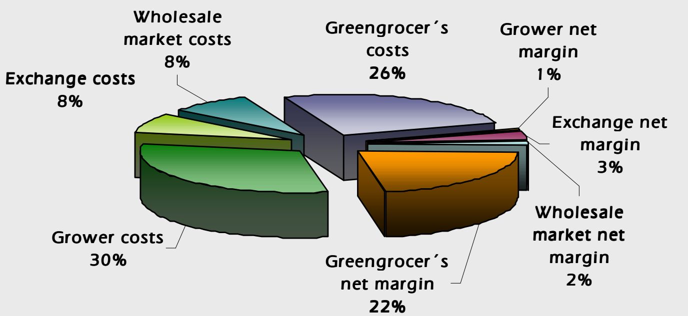
Prices, Costs and profit in the traditional distribution channel

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

	Grower	Exchange	Wholesale Market	Greengrocer´s
Profit €/Kg	0.01	0.04	0.02	0.26
Cost €/Kg	0.37	0.09	0.10	0.31



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=((sale price – buying price - costs)/buying price)*100

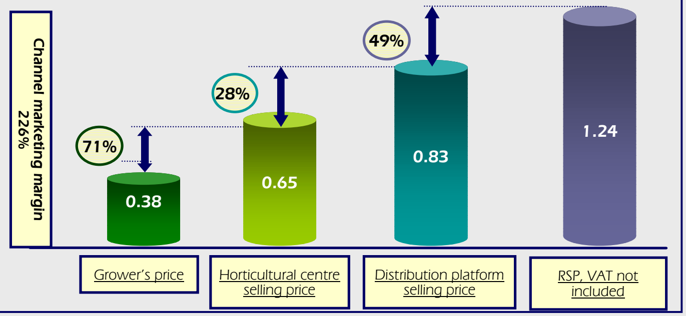
* Retail Selling Price, VAT not included

Prices, Costs and profits in the modern distribution channel

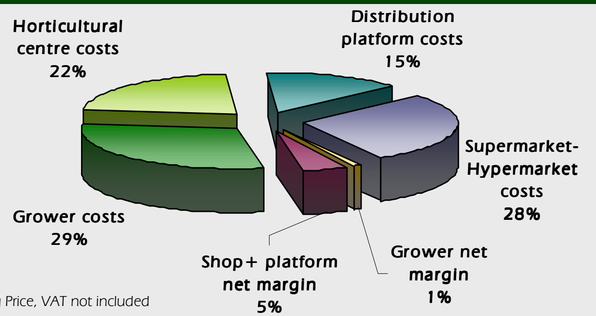
Supermarkets and hypermarkets are considered the organised retailers with the greatest representativeness in cucumber sales volume at national level.

Prices, Costs and profits in the modern distribution channel

	Grower	Horticultural centre	Distribution platform	Supermarket Hypermarket
Profit €/Kg	0.01	Grower's price included	Shop's profit included	0.06
Costs €/Kg	0.37	0.27	0.18	0.35



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



* Retail Selling Price, VAT not included

Conclusions

1. In the 2009/10 crop year, cucumber production increased by 5%and its cultivated area by 4%.
2. In both channels, the greater costs fall in the production link. Cucumber production and marketing costs represent 72% and 94% of the retail selling price, VAT not included, for the traditional and modern channel, respectively.
3. The economic crisis requires a model of low prices; a fact that leads to the the improvement of economic efficiency of processes, reducing marketing costs in each link.
4. 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 represent 22% of the retail selling price, VAT not included.
5. The profit in the greengrocer's is about 22% and it is higher than in the organised retailers, which represents 5% of the retail selling price, VAT not included.
6. Grower's prices in both channels cover cucumber production costs although grower's profit is very low.
7. Neither distortions in the market nor an excessive profit in any link involved are detected in the two channels analysed.