



Unión Europea
Fondo Europeo Agrícola
de Desarrollo Rural



JUNTA DE ANDALUCÍA
Consejería de Agricultura y Pesca

Study on the lemons value chain. 2009/2010



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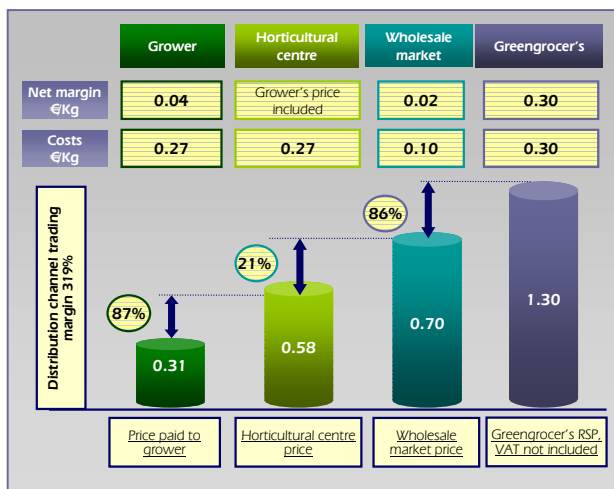


Objective

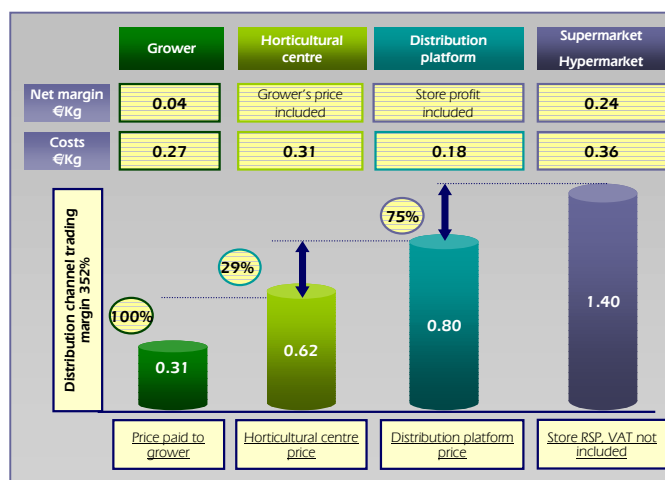
The Regional Ministry of Agriculture and Fisheries of Andalusia develops, since 2006, a series of actions designed to bring clarity and information about the formation of prices and the markets performance of Andalusian agricultural products.

This study analyses the results of the value chain of citrus marketed in the national market in the 2009/10 season. Notable changes in origin can be seen compared to previous years due to the weather incidences of this season.

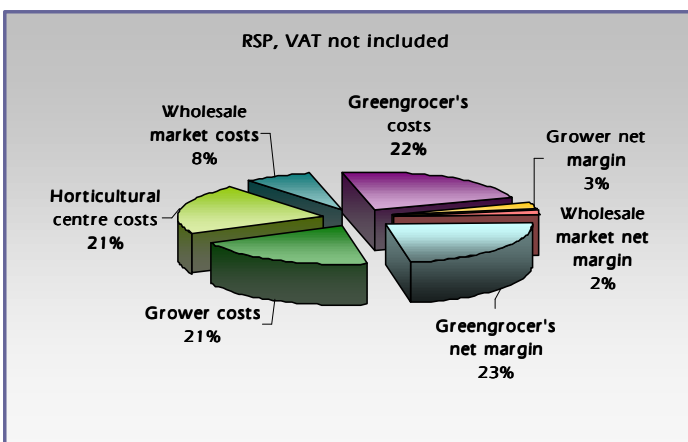
Prices, Costs and Margins in the traditional distribution channel



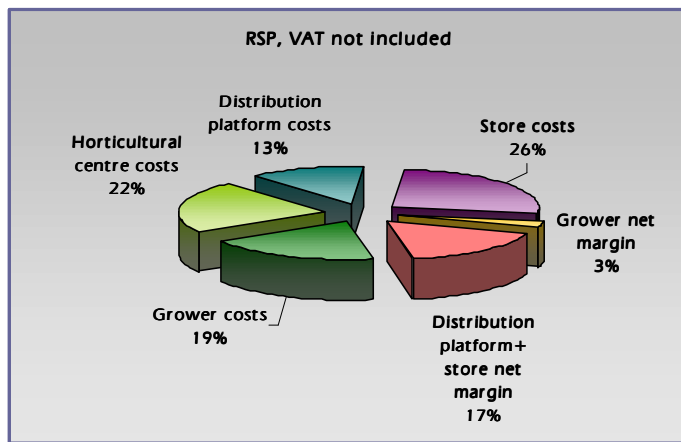
Prices, Costs and Margins in the modern distribution channel



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

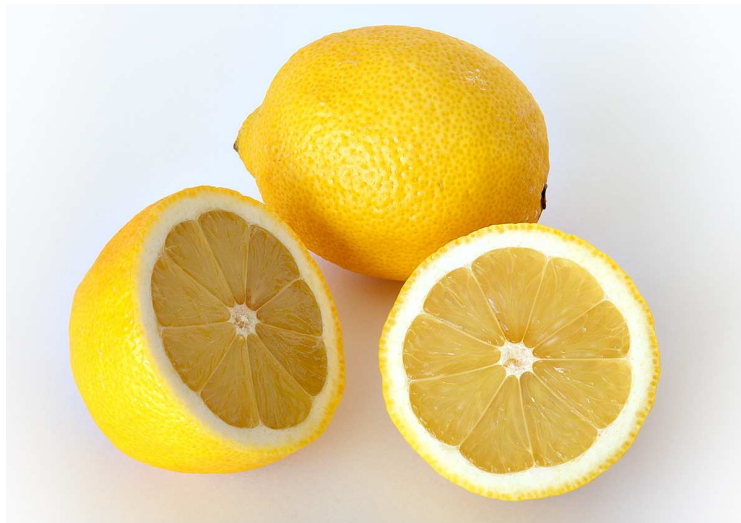


Share of the different links of the chain in the RSP*



Conclusions

- As a consequence of the weather incidences of the 2009/10 season, there is a significant [decrease in the productive yield estimated](#) at 28% in the lemon production. The unit production cost (€/ Kg) increases significantly compared to previous seasons.
- The decrease in the volumes offered produces an increase of 121% in the [price paid to the farmer](#) compared to the previous season.
- The [margin](#) obtained by lemon producers is 13% of the price paid to the farmer.
- [Horticultural centre costs](#) are high and represent 21-22% of the RSP (VAT not Included).
- The economic crisis requires a model of low prices which is transferred to trading companies in two ways: increased demand for low cost packaging and strong pressure to reduce costs.
- In the traditional distribution channel of lemon, [wholesaler costs](#) represent 8% of greengrocers' RSP (VAT not included), whereas the [margin](#) amounts to 2%.
- Wholesalers play a key role in the supply to the most important retailer at national level in the distribution of citrus: greengrocers'.
- Both in the modern and the traditional distribution channels, the [higher costs](#) of the lemon value chain fall in the [retailer](#), 22 and 26% of the RSP (VAT not included). In the modern distribution channel, higher costs fall in the organised distribution model as the result of adding the costs of the distribution platform (13% of lemons RSP, VAT not included).
- Unit [margin](#) in [greengrocers'](#) is higher than in the store, as a result of the business dimension of this kind of retailer. Greengrocers obtain a margin of 23% of the RSP (VAT not included), while at the store this percentage drops to 17%.



Net margin or profit: Result of discounting the mark-up costs incurred in marketing. $PM = \frac{\text{sale price} - \text{purchase price} - \text{costs}}{\text{purchase price}} \times 100$
* RSP, VAT not included

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