JUNTA DE ANDALUCIA
CONSEJERÍA DE AGRICULTURA, PESCA Y MEDIO AMBIENTE

Unión Europea
Fondo Europeo Agrícola
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The value chain in the Andalusian tomatoes market.
Crop year 2010/2011

Europe
investing in rural areas

Objective

The Observatorio de Precios y Mercados (Andalusian Observatory for Agricultural products Prices and Markets) has published since 2006 the value chains of the major vegetables under glass.

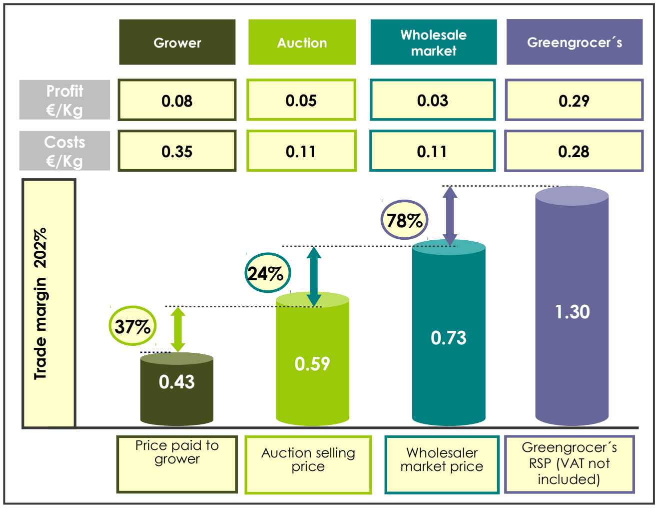
The update of the value chain in the Andalusian tomatoes market during the 2010/11 cropyear aims to continue providing the market greater transparency and improving the knowledge on marketing chains.

Trade margin: difference between the sale price of a link of the distribution channel and the price it paid for the same good (it is expressed in %). T.M.=((sale price – purchase price)/purchase price)*100
Net margin or profit: Result of discounting the mark-up costs incurred in marketing from the trade margin. N.M.=((sale price – purchase price - costs)/purchase price)*100

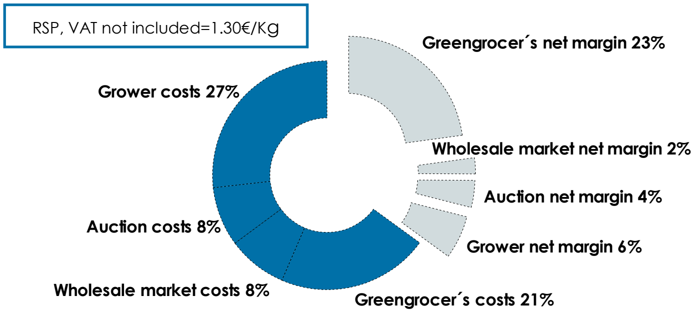
Traditional distribution channel

Prices, Costs and margins

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.
The traditional retailer represents 50% of the consumption of tomatoes in the Spanish households.



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

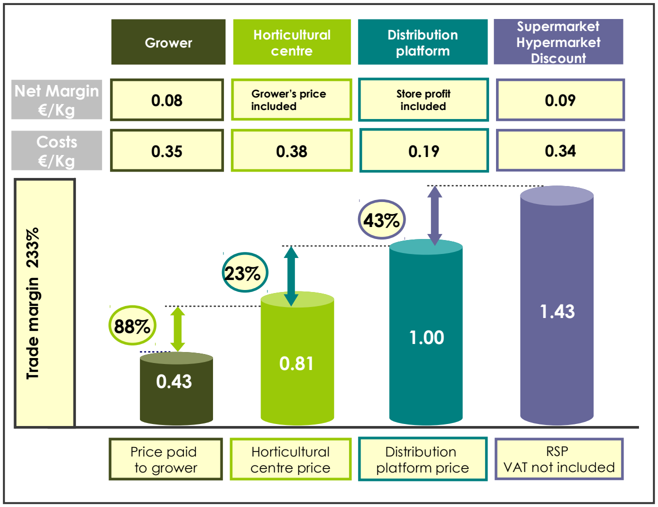


*RSP, VAT not included

Modern distribution channel

Prices, Costs and Margins

Modern distribution represents 40% of the Spanish tomatoes consumption in households. Supermarkets highlight with a 26%. Hypermarkets have a 7% share while the discount reaches 7%.



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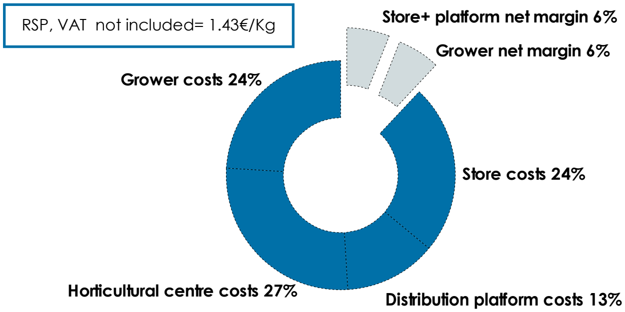

*RSP, VAT not included

The increase in the consumption of tomato in households of 7.9% in volume and 6.6% in value is due to a context of a lower **spending power** of families. They have returned to a traditional or Mediterranean diet, cheaper and healthier, in which vegetables such as tomatoes are basic.
The actions carried out by retailers influence numerous factors in origin, such as the quality, size, product commercial varieties, prices, packaging formats, etc. as a result of **new patterns of consumption** and the organised distribution strategies.
There is a general **shifting of the Spanish traditional model** in which fruits and vegetables are purchased in the traditional shop and an approach to the European model where the majority of purchases of fresh products take place at points of sale of the organized distribution.