The value chain in the Andalusian green beans market. Crop year 2010/2011

JUNTA DE ANDALUCIA
CONSEJERÍA DE AGRICULTURA, PESCA Y MEDIO AMBIENTE

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Europa
invierte en las zonas rurales

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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 green beans market during 2010/11 aims to continue providing the market greater transparency and improving the knowledge on marketing chains.

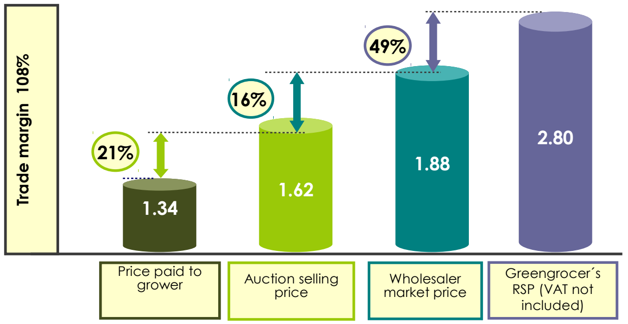
Trade margin: difference between the sale price of a link of the distribution channel and the price it paid for the same good (it is expressed in %).
T.M.=((sale price – purchase price)/purchase price)*100
Net margin or profit: Result of discounting the mark-up costs incurred in marketing from the trade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

Traditional distribution channel

Prices, Costs and Margins

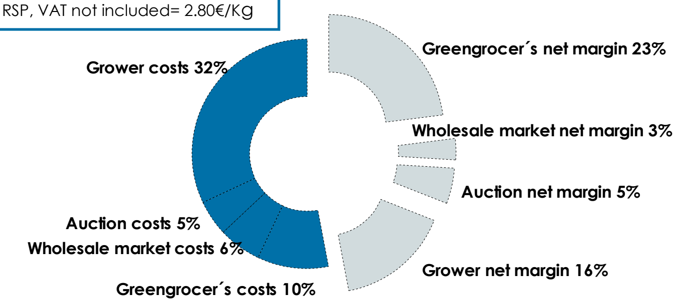
The marketing of vegetables in Spain, unlike in other Central European countries, is characterized by the importance of the distribution through the traditional channel compared to the modern channel.
The traditional retailer represents 53% of the consumption of beans in the Spanish households.

	Grower	Auction	Wholesale market	Greengrocer´s
Profit €/Kg	0.44	0.15	0.10	0.64
Costs €/Kg	0.90	0.13	0.16	0.28



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

RSP, VAT not included= 2.80€/Kg



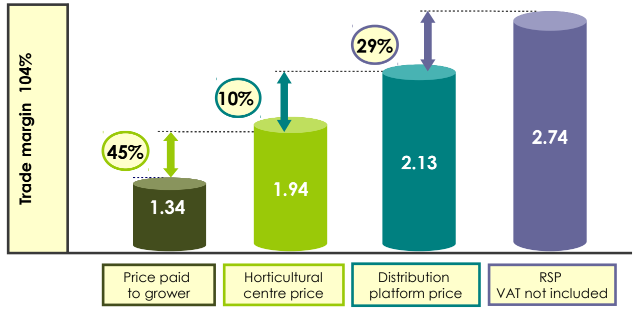
*RSP, VAT not included

Modern distribution channel

Prices, Costs and Margins

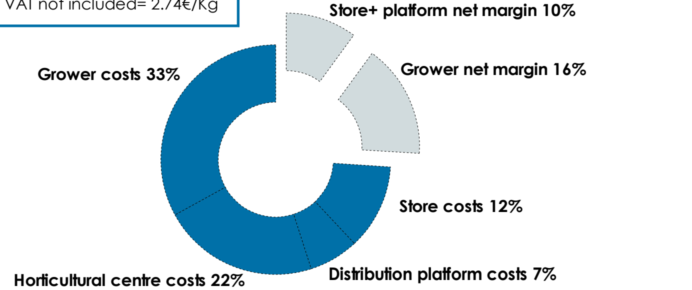
Modern distribution represents 35% of the Spanish beans consumption in households. Supermarkets highlight with a 25%. Hypermarkets have a 6% share while the discount reaches 4%.

	Grower	Horticultural centre	Distribution platform	Supermarket Hypermarket Discount
Net Margin €/Kg	0.44	Grower's price included	Store profit included	0.27
Costs €/Kg	0.90	0.60	0.19	0.34



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

RSP, VAT not included= 2.74€/Kg



*RSP, VAT not included

The consumption of beans in households increased by 2.31% in volume and by 0.98% in the value due to a context of a lower **spending power** of families. They have returned to a traditional or Mediterranean diet, cheaper and healthier, based on vegetables.

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.