



**Unión Europea**  
Fondo Europeo Agrícola  
de Desarrollo Rural



**JUNTA DE ANDALUCÍA**  
Consejería de Agricultura y Pesca

# Study on aubergines value chain. Season 2008/2009



For further information:

Observatorio de Precios y Mercados

[www.juntadeandalucia.es/agriculturaypesca/obsprecios](http://www.juntadeandalucia.es/agriculturaypesca/obsprecios)

Email: [obsprecios.cap@juntadeandalucia.es](mailto:obsprecios.cap@juntadeandalucia.es)



## OBJECTIVE

The main objective of "Study on aubergines value chain" is to increase transparency in the food market. This is done through the knowledge of the mechanisms of price formation, costs and profit margins at each point in the distribution. For this purpose, an analysis of the two main marketing channels of aubergines grown in greenhouses in oriental Andalusia for the Spanish market has been carried out.

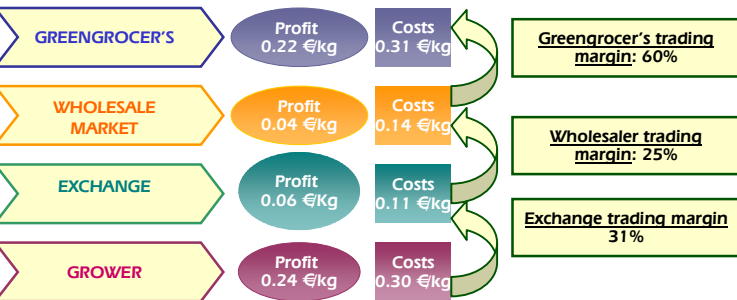
## Traditional marketing channel



It is the predominant channel in the Spanish market and accounts for about 55% of total demand by households. Class 1 and 2 aubergines in bulk, selected in the farm in returnable packaging are the specific marketed product in this channel.

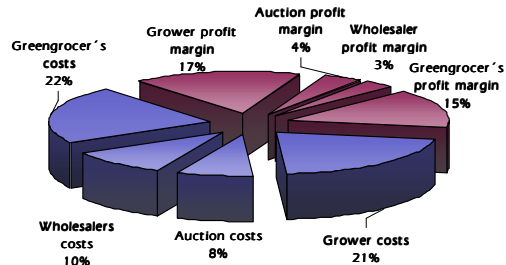
## Prices, Costs and margins in the traditional marketing channel of aubergines

**Greengrocer's price. VAT not included (4%): 1.42 €/kg**



**Grower's price: 0.54 €/kg**

## Participation of the links in the recommended retail price



**Trading margin:** Percentage increasing the purchase price between two links.  
 $TM = \frac{(\text{Sale price} - \text{purchase price})}{\text{purchase price}} \times 100$

**Profit margin:** Result of discounting the mark-up costs incurred in marketing.  
 $PM = \frac{(\text{Sale price} - \text{purchase price} - \text{costs})}{\text{purchase price}} \times 100$

## Modern marketing channel



The modern marketing channel is the second channel of national significance (it represents 30% of the demand). Class 1 aubergines packaged in classified bulk or in packaging for the final consumer are marketed through this channel. Aubergines are standardized and packaged in the horticultural centre.,

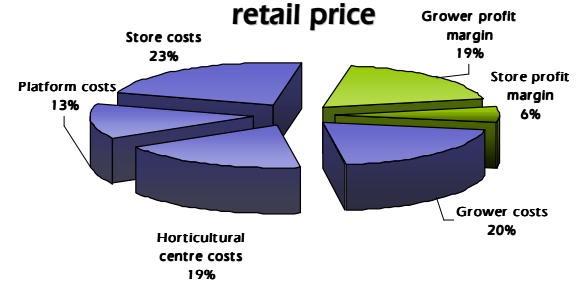
## Prices, Costs and Margins in the modern marketing channel of aubergines

**Supermarket price. VAT not included (4%): 1.48 €/kg**



**Grower's price: 0.58 €/kg**

## Participation of the links in the recommended retail price



-The dimension of vegetables operators in origin is reduced. As demand is concentrated, a higher concentration in origin would allow to increase their bargaining power.

-In the past seasons, some initiatives have been developed in order to boost the integration of horticultural companies in origin.

-There is a trend towards increased vertical integration in the value chain in order to reduce the number of operators, especially in the modern marketing channel.

-Compared to other vegetables, the profitability obtained by the growers that grow aubergines can be highlighted in the season 2008/09.

-The trading margin of aubergines in the traditional marketing channel is lower than in the modern marketing channel due to lower distribution costs.

-The total profit in the traditional marketing channel is higher than in the modern marketing channel due to the intervention of a greater number of operators in the first channel.

-The unit profit obtained by greengrocers is greater than the one obtained by supermarkets in the modern marketing channel.