



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



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

# Study on green beans value chain. Season 2008/2009



For further information

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## OBJECTIVE

The main objective of "Study on green beans 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.

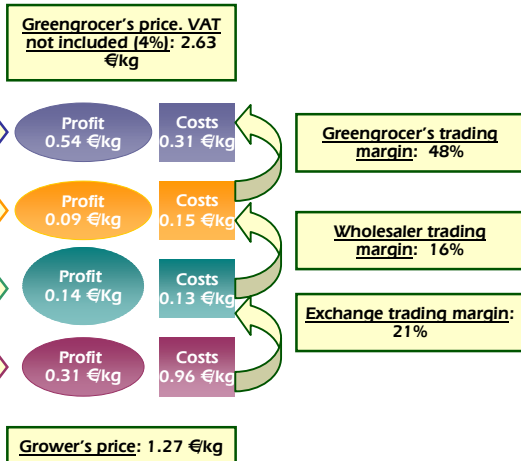
For this purpose, an analysis of the two main marketing channels of green beans grown in greenhouses in oriental Andalusia for the Spanish market has been carried out.

## Traditional marketing channel

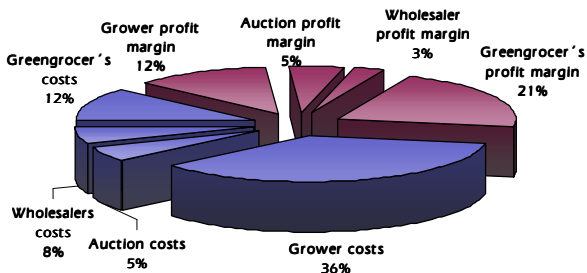


It is the predominant channel in the Spanish market and accounts for 56% of total demand by households. Class 1 and 2 green beans in bulk, selected in the farm in returnable packaging are the specific marketed product in this channel.

## Prices, costs and margins in the traditional marketing channel of green beans



## Participation of the links in the recommended retail price



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

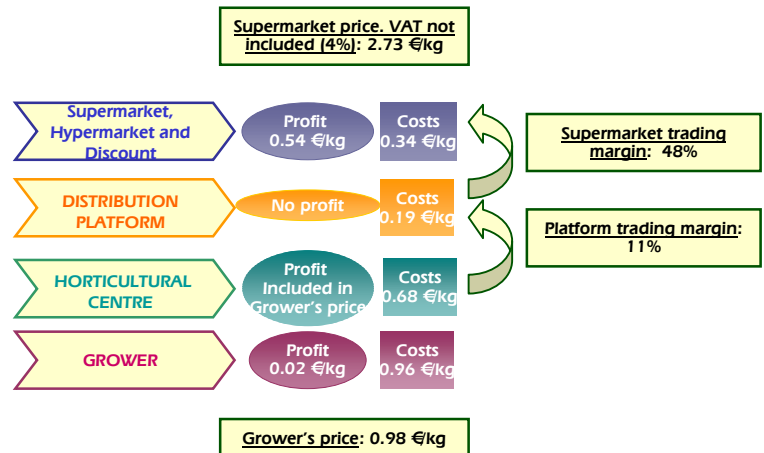
**Profit margin:** Result of discounting the mark-up costs incurred in marketing.  
 $PM = \frac{\text{Sale price} - \text{purchase price} - \text{costs}}{\text{purchase price}} * 100$

## Modern marketing channel

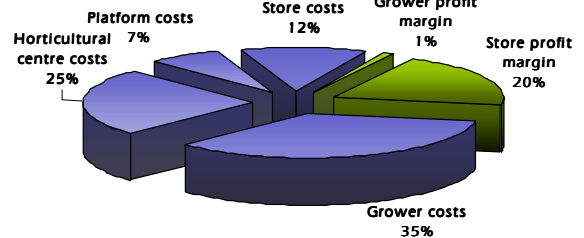


The modern marketing channel is the second channel of national significance (it represents 28% of the demand). Class 1 green beans packaged in classified bulk or in packaging for the final consumer are marketed through this channel. Green beans are standardized and packaged in the horticultural centre.

## Prices, costs and margins of the modern marketing channel of green beans



## 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.

-The production of green beans is decreasing in oriental Andalusia due to the high costs of the labour force necessary for its harvesting.

- The costs generated by the handling and packaging of green beans in the horticultural centre are high.

- In the season 2008/09, the profitability obtained by the grower of green beans marketed in the traditional channel can be highlighted.

- 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 the same than in the supermarket of the modern marketing channel.