

# Study on the strawberries value chain. 2009/2010



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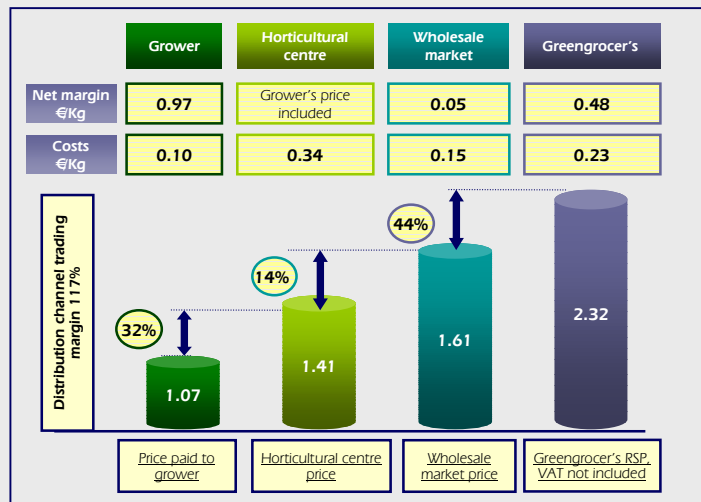
## Objective

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 functioning of the markets of Andalusian agricultural products.

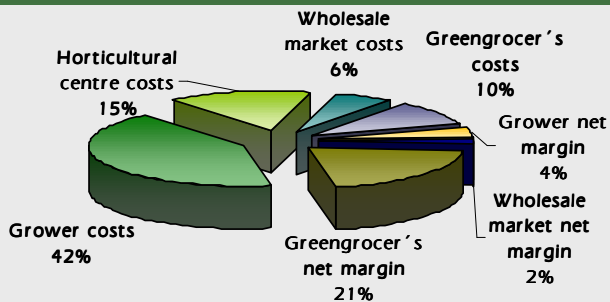
This study analyses the results of the value chain of the Huelva Strawberry marketed in the national market in the 2009/10 season. Notable changes in origin can be seen compared to previous years due to the weather incidences of this season.

## Prices, Costs and Margins in the traditional distribution channel

It is the predominant channel in the Spanish market. The class 1 and 2 strawberries are the specific marketed product in this channel. They are standardised and packaged in the farm mainly in plywood boxes leaden with 2kg of fruit.



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



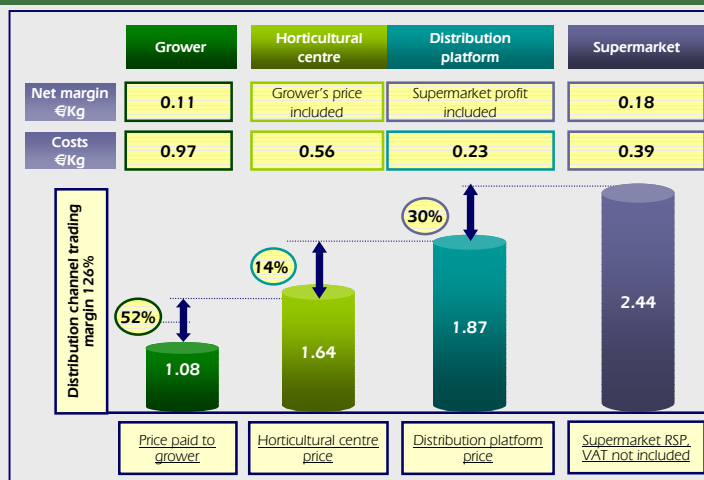
**Net margin or profit:** Result of discounting the mark-up costs incurred in marketing.  $PM = [(Sale\ price - purchase\ price) - costs] / purchase\ price * 100$

\* RSP, VAT not included

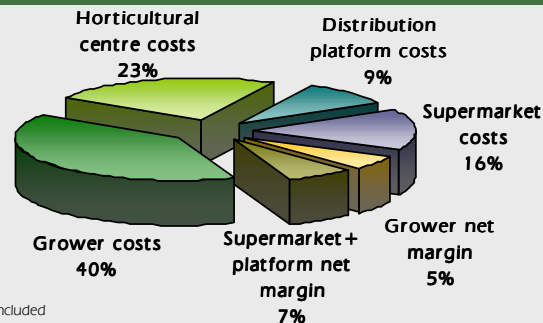
## Prices, Costs and Margins in the modern distribution channel

Supermarkets are the second in importance with regard to the volume of sales of Strawberries at national level. The class 1 strawberries are marketed through this channel and they are standardised and packaged in the farm mainly in 250-500g punnets and finished in the horticultural centre.

## Prices, Costs and Margins in the modern distribution channel



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



\* RSP, VAT not included

## Conclusions

- In the 2009/10 season, the **unit cost per kilo** increased by 10% over the previous season due to a decrease in volumes produced. The price that farmer receives is higher than the costs, providing a **benefit** set at 9% and 10% in the traditional and modern channel respectively.
- Higher costs** fall on the **production** link. Strawberry production and marketing costs account for between 73% and 88% of the retail selling price (VAT not included), in the traditional and modern distribution channels respectively.
- Horticultural centre costs** are very **high** and the economic crisis requires a model of low prices, putting strong pressure on cost reduction. The analysis of the **economic efficiency of processes** is key to reduce costs, although the margin here is very limited.
- In order to reduce costs in the horticultural centre, there is a widespread trend to **increased product in bulk format**.
- The **seasonal nature of the production** and marketing, as well as the special fragility of the product, justify higher net margins than in other fruits and fresh vegetables.
- The **unit margin** in the greengrocers' is higher than in the supermarket, as a result of the business dimension of this kind of retailer.