15TH EXTRAORDINARY SESSION
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THE TABLE OLIVE VALUE CHAIN IN SPAIN

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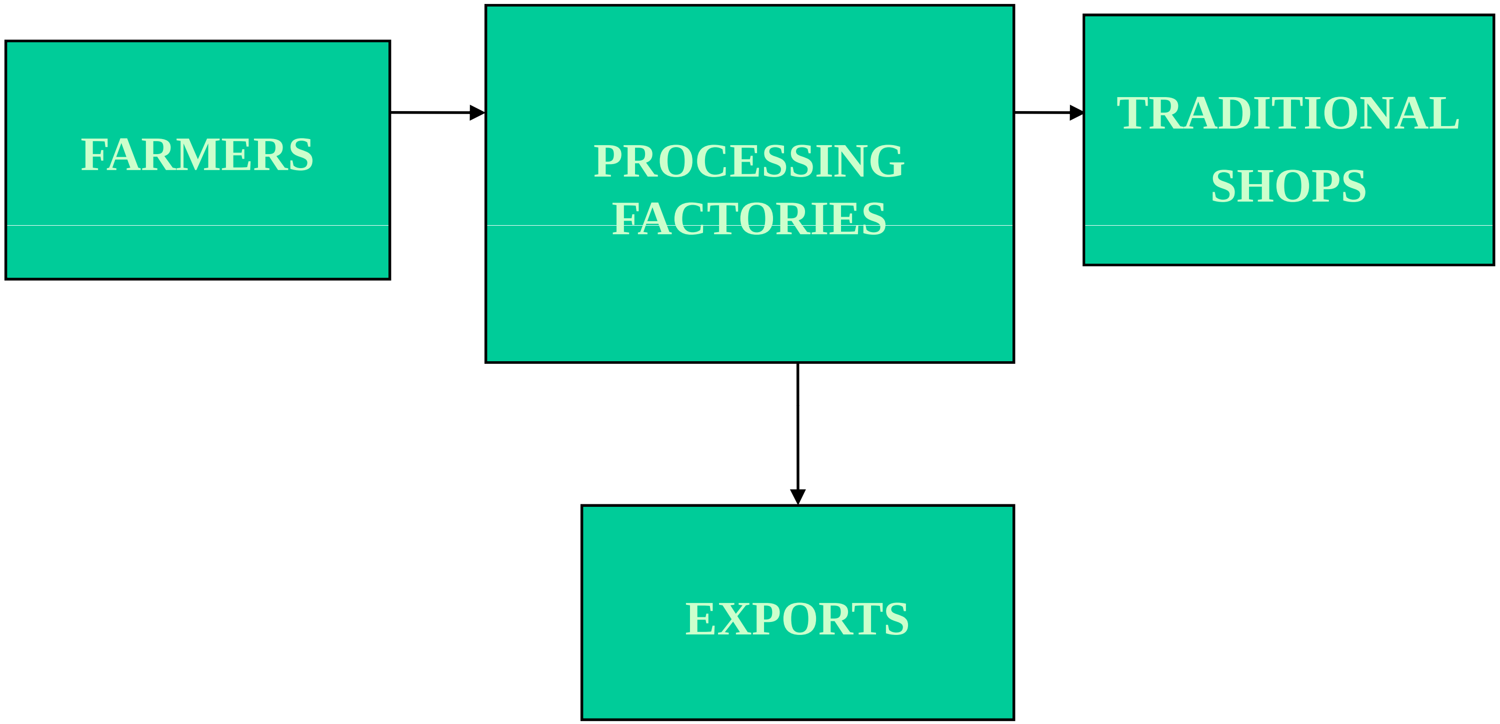
- **THE TABLE OLIVE VALUE CHAIN IN FORMER TIMES**

- **THE TABLE OLIVE VALUE CHAIN IN THE AGE OF ECONOMIC GLOBALISATION**

- **PRICE FORMATION AND PROFIT DISTRIBUTION**

THE TABLE OLIVE VALUE CHAIN IN FORMER TIMES



- **FARMERS SPECIALISED IN CROP PRODUCTION**

- **THEY WERE NOT ORGANISED TO PROCESS WHAT THEY GREW**

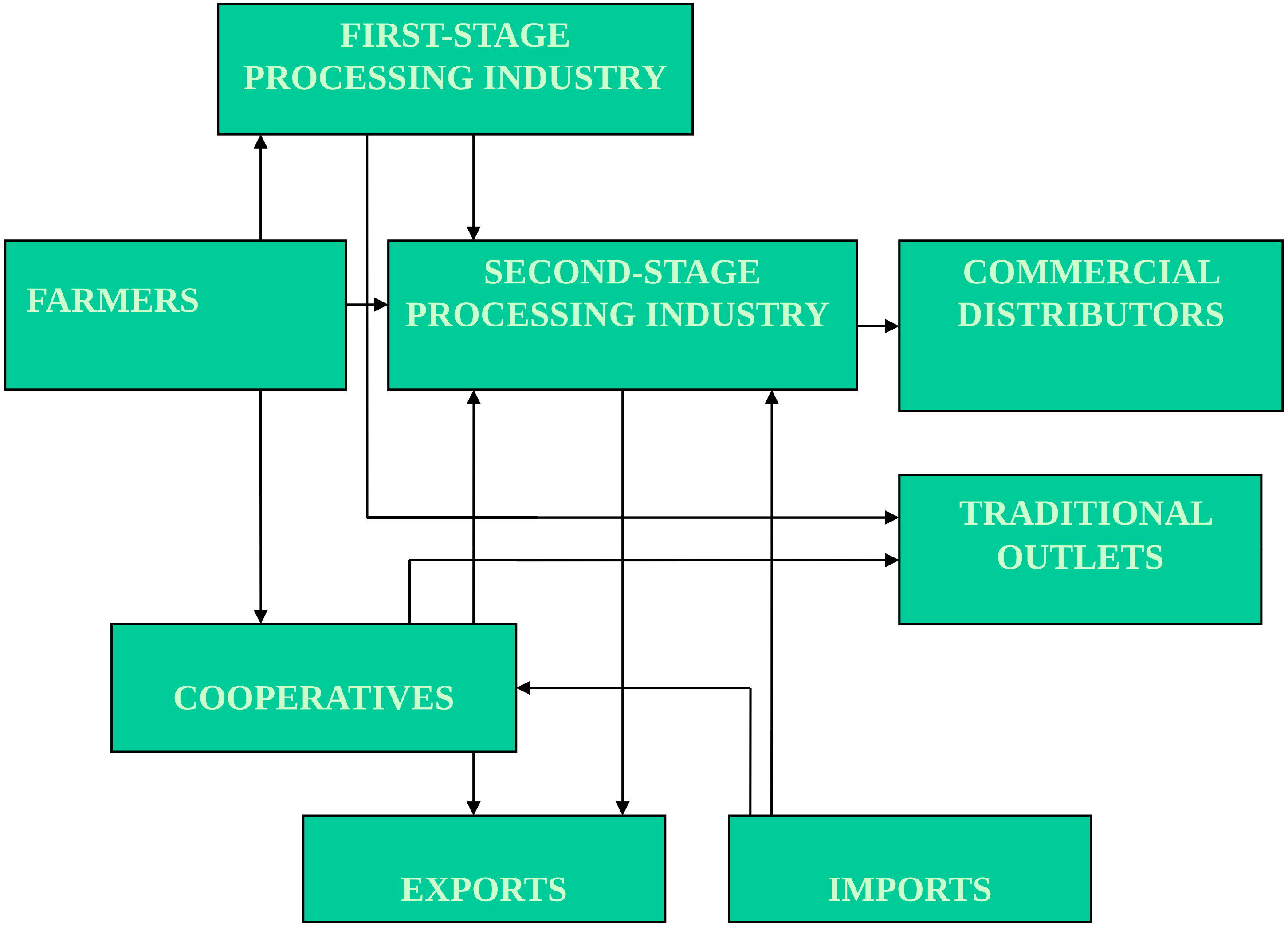
- **TRADITIONAL SHOPS WERE SMALL**

- **PROCESSING FACTORIES CONTROLLED THE VALUE CHAIN**

- **PART OF TABLE OLIVE PRODUCTION WENT FOR EXPORT**

THE TABLE OLIVE VALUE CHAIN

IN THE AGE OF ECONOMIC GLOBALISATION



- FARMERS JOIN UP TO CARRY OUT THE FIRST STAGE IN PROCESSING THE OLIVES THEY GROW

- THE FIRST-STAGE PROCESSING INDUSTRY TAKES PART OF CROP PRODUCTION

- THE SECOND-STAGE PROCESSING INDUSTRY BUYS ITS RAW MATERIAL FROM FARMERS AS WELL AS FROM FIRST-STAGE PROCESSING FACILITIES AND COOPERATIVES

- THE PRODUCTS PROCESSED BY SECOND-STAGE FACILITIES ARE SOLD TO LARGE-SCALE COMMERCIAL DISTRIBUTORS

- **FIRST-STAGE FACILITIES AND COOPERATIVES PACK A SMALL PART OF PRODUCTION AND SELL IT TO TRADITIONAL OUTLETS**

- **SECOND-STAGE FACILITIES AND COOPERATIVES CHANNEL A SIGNIFICANT SHARE OF THEIR PRODUCTION INTO EXPORTS**

- **THE SECOND-STAGE PROCESSING INDUSTRY USES FOREIGN CROP SUPPLIES TO DEVELOP ITS GLOBAL STRATEGIES**

Table 1
Structure of table olive holdings in Spain (% of total)

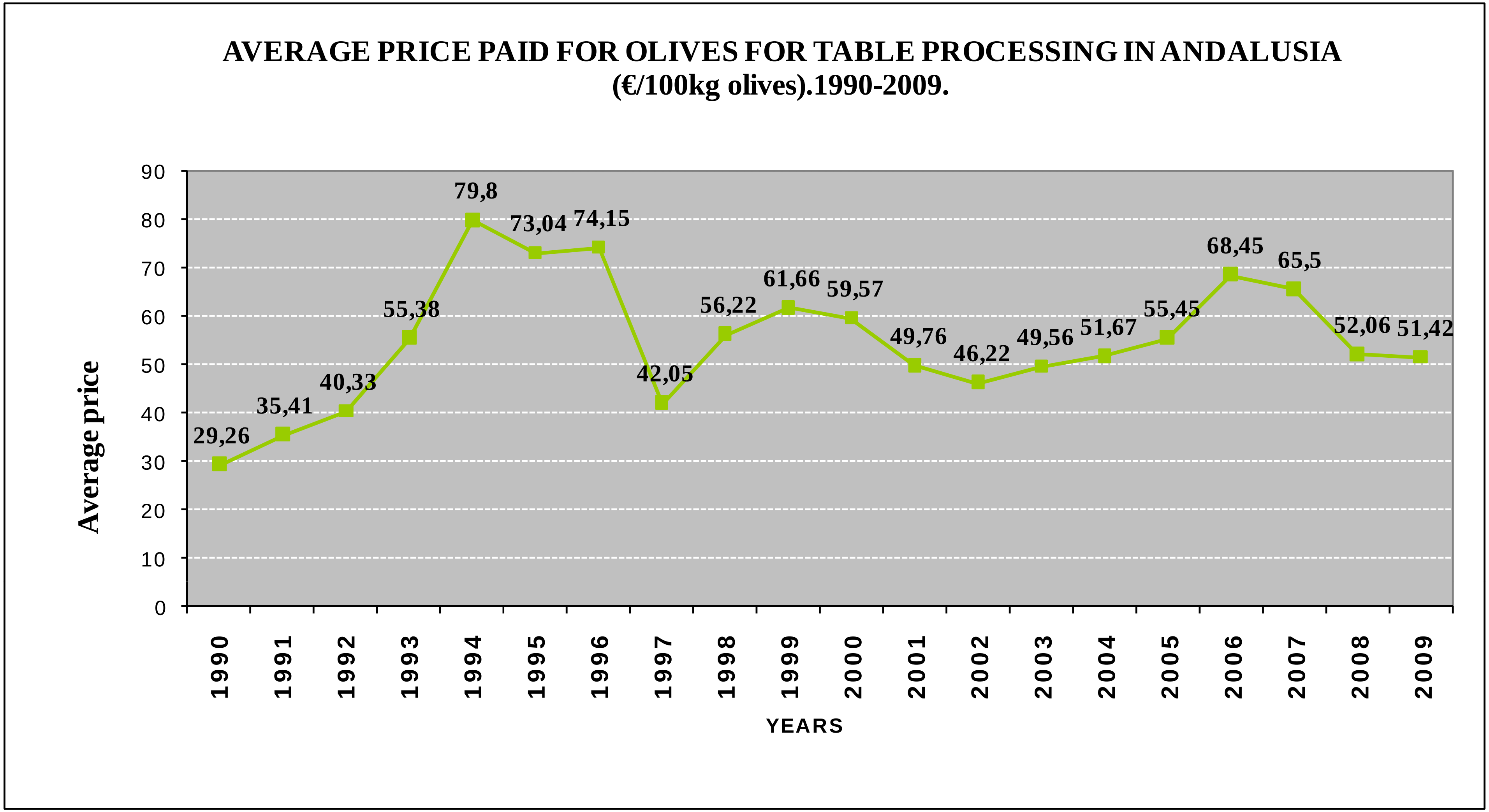
Size (ha)	1989		1999	
	Nr	Surface area	Nr	Surface area
0-5	57.9	14.3	56.5	13.8
5-20	26.3	21.6	26.3	22.6
20-50	9.1	17.2	9.7	18.1
50-100	3.6	14.0	3.9	14.2
More than 100	3.1	32.9	3.6	31.3
TOTAL	100.0	100.0	100.0	100.0

Source: own table compiled from INE data (1982 and 1999).

Table 2
Table olive orchards in Spain
Averages

	Surface area (thousand ha)	Yields (100 kg/ha)	Production (thousand tonnes)
1990-1995	160.5	13.7	213.0
1996-2001	148.3	22.4	323.2
2002-2007	168.6	25.7	420.3

Source: Ministry of Environmental, Rural and Maritime Affairs of Spain (2008).



AVERAGE PRICE PAID FOR OLIVES FOR TABLE PROCESSING IN ANDALUSIA
(€/100kg olives).1990-2009.
Average price
YEARS
29,26
35,41
40,33
55,38
79,8
73,04
74,15
42,05
56,22
61,66
59,57
49,76
46,22
49,56
51,67
55,45
68,45
65,5
52,06
51,42

TABLE 3

PROFITABILITY OF TABLE OLIVE CROP PRODUCTION

(€/KG OLIVES). 2009/2010.

COSTS		INCOME	
0.4112	HARVESTING	SALE OF HARVEST	0.5142
0.1809	PRUNING	SINGLE PAYMENT	0.1080
0.0460	FERTILISATION		
0.0400	PLANT HEALTH TREATMENT		
0.0164	WATERSPROUNT REMOVAL		
0.0050	SOIL MANAGEMENT		
0.6995	TOTAL	TOTAL	0.6222
	BALANCE: -0.0773		

Source: own table

Table 4
TABLE OLIVE
INDUSTRY IN ANDALUSIA

LEGAL PERSONALITY	1982	2009	1982-2009
PRIVATE	222	174	-48
COOPERATIVES, AGRICULTURAL PARTNERSHIPS AND OTHER	46	67	+21
TOTAL	268	241	-27

Source: Own table compiled from the MAPA Agrifoodstuff Industry Directory (1982) and the Olive Oil Agency (2009).

TABLE 5
STRUCTURE OF PROCESSING COSTS IN THE TABLE OLIVE INDUSTRY (KG OLIVES STUFFED WITH ANCHOVIES).2009/2010.

	EUROS/ KG OLIVES
FIRST-STAGE PROCESSING	
LABOUR	0.05
DEPRECIATION	0.03
BRINE	0.02
OTHER (*)	0.01
WASTE MANAGEMENT	0.01
TOTAL	**0.12**
SECOND-STAGE PROCESSING	
PACKS (CANS)	0.68
PASTE	0.07
LABOUR	0.04
CARDBOARD PACKAGING	0.02
MAINTENANCE	0.02
DEPRECIATION	0.01
BRINE AND ADDITIVES	0.01
OTHER (**)	0.08
TOTAL	**0.93**

Source: own table (*) Includes electricity and preservatives (**) Includes energy, consumables and overheads.

TABLE 6

PLACE OF PURCHASE OF TABLE OLIVES IN SPAIN - 2009

TYPE OF PREMISES	THOUSAND €	%
SUPERMARKETS/SELF-SERVICE/FOOD ARCADES	152,629.84	52.1
HYPERMARKETS	49,023.89	16.7
TRADITIONAL OUTLETS	57.277,10	19.5
OPEN-AIR MARKETS	10,757.79	3.7
COMPANY STORES/COOPERATIVES	702.44	0.2
SELF-CONSUMPTION	10,282.54	3.5
DOOR-TO-DOOR SALES	214.50	0.1
REST	12,283.56	4.2
TOTAL	293,171.66	100.0

Source: Ministry of Environmental, Rural and Maritime Affairs of Spain (2010).

TABLE 7

TABLE OLIVE MARKET IN SPAIN (% OF TOTAL VALUE). 2008.

BRANDS	%
DISTRIBUTOR BRANDS	58.0
BRAND OF ONE SINGLE COMPANY	19.9
REST OF BRANDS	22.1
TOTAL	100.0

Source: Alimarket (2008).

TABLE 8

OLIVE PRICES IN SPAIN

(€/KG) 2009

	SUPERMARKETS	TRADITIONAL OUTLETS
• PACKED AND STUFFED	2.36	2.48
• PACKED, WITH STONE	2.36	2.80
• PACKED, WITHOUT STONE	2.38	3.04
• REST OLIVES	3.92	4.11

Source: Ministry of Environmental, Rural and Maritime Affairs of Spain (2010).

MARK-UP IN THE TABLE OLIVE VALUE CHAIN IN SPAIN
(%/KG OF OLIVES) 2009/2010

COMMERCIAL DISTRIBUTION
15-20%

SECOND-STAGE INDUSTRY
5%

FIRST-STAGE INDUSTRY
3%

FARMERS
NEGATIVE

CONCLUSIONS

- **THE VALUE CHAIN IS A FUNDAMENTAL INDICATOR IN THE ANALYSIS OF TABLE OLIVE PRICE FORMATION**

- **LARGE-SCALE COMMERCIAL DISTRIBUTORS ARE THE CHIEF COMPONENT IN THE VALUE CHAIN. THE PRICES THEY FIX ARE 4.6 TIMES HIGHER THAN THE PRICE PAID TO FARMERS**

- **THE REST OF THE LINKS IN THE VALUE CHAIN ARE IN A VERY DIFFERENT POSITION**

- **THE TABLE OLIVE VALUE CHAIN IS BECOMING INCREASINGLY MORE COMPLEX**

- **IN THE CURRENT CONTEXT OF ECONOMIC CRISIS, PRODUCT PRICE IS MORE IMPORTANT THAN THE ATTRIBUTES OF TABLE OLIVES. PROMOTION CAMPAIGNS ARE THEREFORE NEEDED TO HIGHLIGHT THE WORTH OF TABLE OLIVES**