

CHANGES IN AGRICULTURAL COMMERCIALISATION. A VIEW OF THE FRUIT AND VEGETABLE SECTOR OF SOUTHEASTERN ANDALUSIA

Remedios Larrubia Vargas

Departamento de Geografía
Universidad de Málaga

This study analyses the changes that have occurred in the process of agricultural commercialisation, focusing on the special experience of southeastern Andalusia, a paradigmatic case of rural renovation based on specialised agricultural production dependent on commercialisation circuits. After analysing the topic of «agricultural commercialisation» from an ample point of view, the study will focus on two essential aspects: a) the postproduction phase and b) commercial channels and agents.

I. WHAT DO WE MEAN BY AGRICULTURAL COMMERCIALISATION

When dealing with the issue of agricultural commercialisation, we face the problem of a certain amount of terminological vagueness and of different interpretations of the series of interdependent currents affecting the production to consumption process.

Terminological vagueness has existed from the moment the term agricultural commercialisation was used as a synonym of agricultural marketing. However, according to García Nieto (1973) and Ballester (1973), agricultural commercialisation is a process that is more ample than marketing, the latter being the phase of the commercialisation process of agricultural products that includes marketing (business activity directly carried out with a view to the market) and the distribution of the final product. At this point, there are also differences regarding the moment in which the process begins, whether it occurs at the door of the agricultural facility or when the farmer decides what to produce.

Finally, there is the issue of considering that the traditional content of the term commercialisation is no longer appropriate for the new market reality. In order to refer to said reality, in which agriculture can no longer be treated solely as the «primary sector», and in which its growing interrelation with the rest of the economy can no longer be ignored,

terms such as agro-food system, agribusiness, agroindustrial chain, etc, are used and must be included in a theoretical analysis.

In the context of this Andalusian area, with very little weight in industrial activity and a predominance of fresh produce, our intention is to deal with commercialisation as the set of functions and services required to have a product go from the place of production to the place of consumption, without taking into account the process of its possible industrial transformation. In this production system, agricultural commercialisation begins the moment in which production is programmed, involving market studies and changing demand, which brings the consumer into the commercial process.

II. THE INITIAL PHASE OF AGRICULTURAL COMMERCIALISATION. AGRICULTURAL POSTPRODUCTION

The postproduction phase is an inherent part of commerce and constitutes a critical point in the production-commercialisation process that requires adequate execution to ensure that the quality demanded by the consumer is maintained.

One of the changes that has occurred recently in the fruit and vegetable sector is precisely in respect to quality issues. There has been an evolution from the concept of «Traditional Quality» in which the most important features of production were freshness, taste, colour, shape, etc., to the concept of «Total Quality» which incorporates aspects such as absence of chemical residue on the produce, respect for the environment in production methods and safety and health of the products and consumers. In consequence, the role of official national and international bodies has grown in respect to certifying the quality of products and consumer protection.

In this field, together with the unification of quality standards in the domestic and exterior markets, recent developments include the approval of a large corpus of laws geared at achieving the total quality of products. The most important of these laws are a) the ones that regulate the minimum contents of residue and contaminants, b) quality assurance systems and c) quality and product origin certifications.

In southeastern Andalusia almost all of the quality systems cited are present, so that more than one half of the cultivated area is certified by one of these quality systems, which are necessary in order to work with many distribution companies at the point of destination.

III. COMMERCIALISATION CHANNELS. TRADITIONAL MODELS AND NEW CHANNELS

This section will analyse changes that have occurred in the commercialisation at the point of origin due to changes in the destination markets (distribution and consumption), due to the constant process of mergers and purchases amongst companies, as a result of which the five most important companies in every country control more than 60% of food sales.

Current changes in the market have led to the existence of two types of commercialisation channels at the point of origin: traditional channels, consisting of a few wholesalers both at the point of origin and of destination and some markets in which these wholesalers operate; and modern channels based on three major figures: economic producer associations, large

distribution through distribution chains, and finally, a series of logistic operators performing logistic activities for the first two elements of the chain.

The set of commercial agents involved in the commercialisation of the fruit and vegetable production of southeastern Andalusia comprise two commercialisation circuits or systems, depending on whether farmers act in an independent manner (corn exchanges, wholesalers-exporters, wholesalers at the point of origin) or are directly involved in the commercial process (SAT [Agrarian Transformation Societies], SCA [Andalusian Co-operatives], OPFH [Food and Vegetable Producers' Organisations]). The existence of all these agents, together with the diversity of commercialised products, gives rise to the complex network of relations that characterises the market at point of origin in the area. Traditionally the main characteristic of this market was dispersion and fragmentation, bearing in mind that the supply also comes from very fragmented operations, which produce perishable products and which, due to their low production volume, cannot have their own postharvest equipment and structures and depend on the rapid sale of their production. However, in the last few decades, there have been changes as a result of the impact of the international market.

One of the most significant changes has been to concentrate supply, with an increase of SAT and SCA on one hand and of OPFH on the other. At the beginning of the decade of the 90's there were 370 producer associations, and at present there are 656 (36.4% of those in Andalusia). In respect to OPFH there has also been an increase. At present there are 64 (55.6% of those in Andalusia), with the major part being located in the province of Almería (70.1%).

The increase of producer associations has affected the volume of production commercialised by all agents. In comparison with 1986, the share of commercialisation of agricultural associations has considerably increased (the commercialised volume has gone from 18 to 45 %) at the expense of corn exchanges, which have lost percentage (15%), and of the other commercial agents that have reduced their share by almost 50%, passing from a market share of 27% to 15%. Likewise, the OPFH have increased their market share, and at present handle 50% of the production of southeastern Andalusia, as compared to 30% in the mid-eighties.

Despite the advance of producer associations, the dispersion and fragmentation of supply continues to pose a challenge for the future of the sector, aggravated by the large number of companies acting as commercial agents (more than 375), most of which consist of only a few partners with a low turnover.

As a result of changes in the destination markets, at present operators linked to the traditional distribution system (wholesale markets, destination wholesalers, importers, exporters) coexist with operators belonging to the modern distribution channel (integrated commerce, large distribution with its own channels or purchase platforms) that are increasing their market share in comparison with traditional distribution operators, which are losing market share.

IV. FINAL CONSIDERATIONS

The capacity to commercialise products in markets in the appropriate manner constitutes a key factor of competitiveness that determines the survival of companies and on occasions of

entire sectors. In consequence, the major challenges currently facing the fruit and vegetable sector of southeastern Andalusia are:

- To concentrate supply so that new units can negotiate directly with large food distributors and offer them all the products and services they require, and be more competitive in respect to better organised countries in the North and the South.
- It is essential to have producers organise themselves, but the efficiency of organisations is also essential. In this aspect, quality and product differentiation are basic elements in which progress must still be made, without forgetting to deal with and adapt to the growing impositions of greater sanitary and environmental requirements.