



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

# The value chain in the Spanish olive oil industry. 2007/2008 season



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

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

## OBJECTIVE

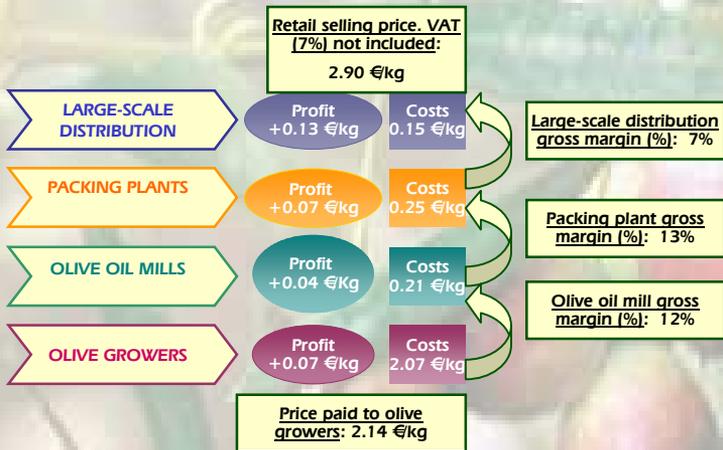
The main objective of the value chain of the olive oil industry is to increase transparency in the food market. This is done through the knowledge of the mechanisms of price formation, costs and profit margins at each point in the distribution. For this purpose, an analysis of the value chain of the two types of olive oil mainly consumed ("extra virgin olive oil" and "olive oil") has been carried out.

### "Indirect" distribution channel

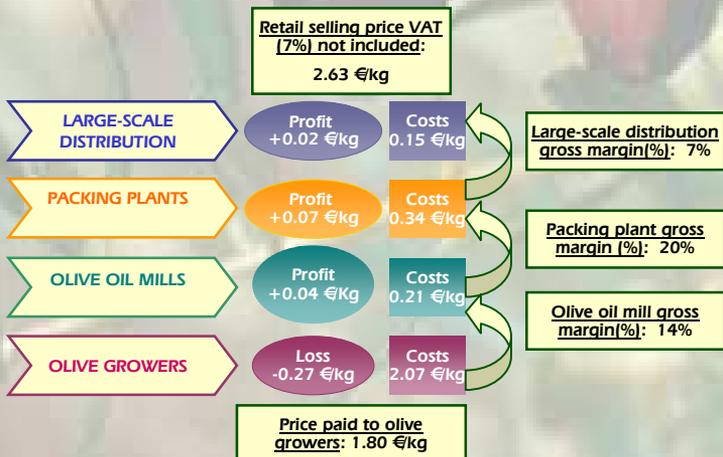


### Prices, Costs and Margins of the "indirect" distribution channel

#### Indirect distribution channel of "extra virgin" olive oil



#### Indirect distribution channel of "olive oil"



**Gross margin (%):** Percentage increasing the purchase price between two links.  
 $TM = ((\text{Sale price} - \text{buying price}) / \text{buying price}) * 100$

**Net profit margin:** Result of discounting the mark-up costs incurred in marketing.  
 $PM = ((\text{Sale price} - \text{buying price} - \text{costs}) / \text{buying price}) * 100$

## "Direct" distribution channel

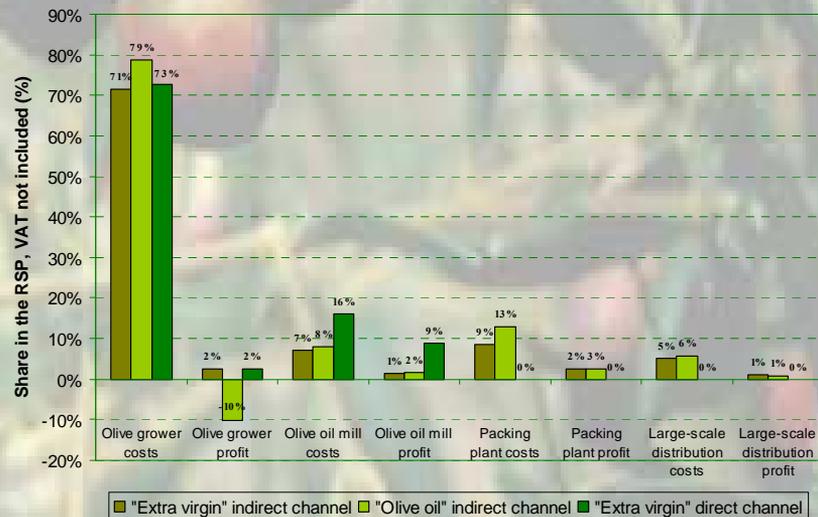


### Prices, Costs and Margins of the "direct" distribution channel

#### Direct distribution channel of "extra virgin" olive oil



### Share of the different links of the chain in the retail selling price



- The set of cumulative costs along the "extra virgin" olive oil direct channel represents approximately 82.95% of the retail selling price of olive oil (VAT included).
- The set of cumulative costs along the "olive oil" indirect channel represents approximately 98.58% of the retail selling price of olive oil (VAT included).
- The set of cumulative costs along the "extra virgin" olive oil indirect channel represents approximately 86.45% of the retail selling price of olive oil (VAT included).