

Spain: Kaki prices fall below production costs

Kakis were one of the few crops that were still yielding profitable margins to their producers, but prospects for this year's campaign are not as good, judging by the collapse of prices at origin. In fact, the Valencian Association of Farmers (AVA-ASAJA) claims that for the first time since the cultivation of kakis started to thrive (about twenty years ago, following the implementation and development of innovative post-harvest techniques for the Rojo Brillante variety), the prices at origin have fallen below the production costs.

The offers that producers are currently receiving hardly exceed 0.18 Euro per kilo, when the cost for the producer to grow that same kilo is around 0.22 Euro. Far from being isolated cases, this downturn in prices has become widespread in all kaki producing areas, and its causes don't seem to respond to the market's internal logic.

What is happening this year is certainly not the result of an excessive increase in production. In fact, the current kaki harvest is similar to that of the previous year and therefore remains at around 300,000 tonnes; a volume that had so far been marketed with profitable results for the different agents involved in the process, from the producer to the marketer.

Also, the objective market conditions have not changed from one year to the next, as consumers continue to pay between 1.45 and 2.25 Euro per kilo, depending on the store; that is to say, the price for the public is still the same as in previous years, but the price that the producer is receiving has been drastically reduced. To corroborate this, it is worth recalling that the price at origin of kakis exceeded 0.30 Euro per kilo in the last three seasons, so this year's price entails a 40% drop.

The president of AVA-ASAJA, Cristóbal Aguado, points out that "the painful situation that is arising in the kaki market is completely artificial. It is not acceptable for consumers to pay the same as in previous years, while producers see their prices fall below the production costs. We don't know exactly if what is happening is the result of excessive greed on the part of certain companies or of the incompetent management of others, but what we do know is that a ruinous price at origin is being paid without any objective reason to justify it."

Precisely for this reason, the head of this agrarian organization urges all kaki producers "to remain firm and not give the fruit away, because there is demand and the production is similar to that of previous years. If we stay firm, the prices at origin will have to rise again."

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