

Speculation of European intermediary agencies causing Spanish vegetable prices to sink

The vegetable sector in Spain has been going through very tough times in recent weeks, especially the producers, who are receiving really low prices, well below the profitability levels. Last week, part of the production of greenhouse vegetables, including cucumbers, eggplants, peppers or tomatoes, started to be destroyed desperately in Almería. The situation has also started affecting leafy vegetables such as lettuce and spinach, as well as broccoli and cauliflower, which are mainly produced in the Region of Murcia and the south of Alicante, Europe's largest suppliers in the autumn and winter months.

Although there is no overproduction, the unusually warm temperatures this fall have caused the harvest to be advanced by 10 to 15 days, with some occasional overlap with the productions from northern and central Europe. Moreover, the demand has suffered with the second wave of Covid-19 infections and the closure of the catering channel, which is operating at around 10% of its usual capacity.

However, the fact that up to 0.08 Euro are being paid for a piece of lettuce, 0.20 Euro for a kilo of zucchini, or 0.15 Euro for broccoli is directly related to the speculation carried out by some intermediary agencies working for large distribution chains in European countries such as Germany; agencies with some great purchasing power.

This is being denounced by Fernando P. Gómez, general director of the Association of Producers and Exporters of Fruits and Vegetables of the Region of Murcia, Proexport. "Prices are falling to levels we hadn't seen in decades. Many producers have stopped harvesting their fields in order not to lose any more money. Although it could be said that products such as tomatoes or cucumbers are dealing in Europe with

the pressure of an increasingly greater supply from third countries like Morocco, this competition does not exist in the case of leafy vegetables, broccoli or cauliflower.”

“What is happening is that the intermediaries that work for large distribution chains are taking advantage of this situation to speculate and put pressure on the producers. We have seen purchase invoices that, if made public, would make some supermarket chains blush, since it directly collides with the ethical behavior they boast so much about. There are agencies that have abandoned all ethics. These purchase prices are so low that they negatively affect the reputation of those who offer them, as well as their credibility and image, knowing that they are taking advantage of the desperation of the growers. We have observed that the retail prices at the supermarkets for which these agencies work remain the same, so the only result has been a drastic increase in profit margins,” says Fernando P Gomez.

The representative of this association recalls that the sector has been dealing with higher costs since the outbreak of the pandemic in order to avoid possible infections. “Although the loss of the catering channel has translated into higher profits, with sales records for large retailers, it should be recalled that vegetable producers and exporters have contributed greatly to ensuring that the supply did not stop thanks to their greater effort. In such difficult times, the producer, a fundamental piece of the supply chain, cannot be abandoned like this.”

"We are only asking for business ethics; for fair prices to be maintained. There are some chains and discounters that are doing things well, paying adequate prices so that producers can subsist. We shouldn't be treated like producers from third countries. We are European and we produce with the strictest quality, food safety and sustainability standards, so if these purchasing policies continue, this way of producing will simply disappear," says the general director of Proexport..

Lien article :

<https://www.freshplaza.com/article/9272992/speculation-of-european-intermediary-agencies-causing-spanish-vegetable-prices-to-sink/?edition=3>