UNIVERSIDAD DE ALMERIA

FACULTAD DE CIENCIAS ECONÓMICAS Y EMPRESARIALES

NEW TRENDS FOR THE ALMERIA'S HORTICULTURAL SECTOR DEMANDED BY THE GERMAN MARKET

MASTER IN INTERNATIONAL BUSINESS ADMINISTRATION AND MODERN LANGUAGES

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Abstract

El principal propósito de este proyecto es analizar si la oferta actual de productos hortofrutícolas almeriense se adapta a las exigencias, gustos y necesidades del consumidor alemán como principal importador de nuestros productos. Finalmente aportar un marketing mix, como estrategia de comercialización para, consecuentemente, llegar a unas conclusiones de estudio. Se analizan las debilidades, fortalezas, amenazas y oportunidades del sector hortofrutícola de Almería, al igual que las fuerzas competitivas del sector y la situación del mercado ecológico de los productos hortofrutícolas, como alternativa al de productos convencionales que se viene practicando hasta hace muy pocos años por las empresas de la provincia. Para conocer el escenario de nuestros productos en Alemania, se analiza el consumidor alemán a través de los datos recogidos, principalmente, en dos estudios realizados por el Instituto de Comercio Exterior (ICEX) y la Embajada Económica y Comercial de España en Düsseldorf (Alemania). Al estudiar las características del mercado alemán, se observa la tendencia hacia un consumo de productos hortofrutícolas ecológicos respecto a los convencionales. A partir del estudio realizado se propone un marketing mix de productos, como herramienta de gestión para conocer la situación y las prácticas comerciales que, actualmente, están implementando las empresas de Almería. El objetivo final es llegar a unas conclusiones y/o resultados de estudio como futuras propuestas de mejora para el sector hortofrutícola de Almería, como consecuencia de las nuevas tendencias latentes en el sector y las exigencias observadas a lo largo del estudio.

The main objective of this project is to analyze if the current offer of fruits and vegetables in Almeria is adapted to the demands, tastes and needs of the German consumer as the main importer of our products, and finally, to provide a marketing mix of products as commercialization strategy in order to come to the study's conclusions. A thorough analysis of strengths, weaknesses, threats and opportunities of horticulture sector is realized, as well as the competitive forces in the industry and the market situation of organic horticultural products as alternative to the conventional product, that it is being practiced some companies in Almeria for a few years. To know the current scene of our products in Germany, the German consumer is analyzed through data collected in a study of ICEX and the Commercial and Economic Embassy of Spain in Düsseldorf (Germany). *Throughout this study it analyzes the German market characteristics and it can be noticed a higher consumption of organic fruits and vegetables in relation to the conventional. Based on this study proposes a marketing mix of products as a management tool to know the situation and the practices that are being implemented by Almeria's companies. The last objective is to come to the conclusions and / or results as future improvement proposals for the horticultural sector in Almeria, as a result of the new latent trends in the sector and the* demands observed along the study.

Structure

This project is made of three main parts. The first part defines the Almeria's horticultural products supply. The second part analyzes the German consumers in relation to the Almeria's horticultural products consumption. Finally the third part it supports a marketing mix as commercialization strategy to adapt the products to the needs and requirements demanded by the target consumer.

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Introduction

The Comarca of Poniente in the Almeria's province is the greater European exponent (and probably global) of intensive agriculture under plastic. The outstanding degree of agricultural specialization has been the main feature of the huge development in the province over the last five decades. The meaning of the agricultural sector in the productive structure of the Almeria's province in the 1960s has practically been maintained at the present day. Approximately 24% of the province's GDP (Gross Domestic Product) depends directly on agriculture particularly intensive horticulture and agricultural employment represents 28% of the whole; in both cases these figures are much higher than the national and European averages. The general downward trend in the meaning of the farming sector has been less marked in Almeria which has intensified its field. Indeed, the index of agricultural specialization grew considerably from 1969 to 1979 maintaining very high levels thereafter (Aznar; Galdeano; Perez, 2011).

The fact remains the agriculture in Almeria has suffered many changes along our history before to become in the main basis of the province's economy. One of the most important changes in the eighties and nineties decades was the "Irrigation System" in order not to waste water and care for the crop and the "Industrialization on the Greenhouses". The Irrigation system let to take advantage of the water automatic use with the necessary application of nutrients to the plants (Lastra; Tolón, 2010).

Nowadays the most important change is the continuous development in order to achieve agriculture 100% organic. In the last few years it has adopted an integrated pest management in the horticultural sector. The most impressive result of the implementation of IPM (Integrated Pest Management) has been the severe reduction in the use of phytosanitary products and the almost entirety elimination of chemical residues (Van der Bloom, 2010). All of these changes would have been impossible without a change in the part of the farmers. Due to the growing environmental awareness has carried to the German Federal Republic to an increased demand of organic products. This desire of eating healthy is a cause of the distrust of conventional products that in the last few years has suffered many scandals (Langerbein, 1992).

In the present study our target market is Germany and the main consumer of the horticultural products from Almeria. According to Extenda for the understood period from January to November 2012, Andalusia increased the sales in 11, 2% respect to the same period of the last year with an amount of 23.067 M €. Andalusia is the exporting third Autonomous Community of fruits and vegetables. Almeria is the fourth growing province of Andalusia with a total of 2.080 M € between

the periods from January to October (Extenda, 2012). The most exported products are the fruits and vegetables and the main destination market is Germany. If it has in mind all these figures, it can say the companies must care about the exportations to this market. A relevant point in the present paper is analyzing carefully the consumer behavior in Germany with the objective to improve and adapt our products to the target consumer requirements and needs. The effort for an integrated production has meant that many farmers are committed to change the conventional production to a new integrated production with respect to the environment and above all to produce healthier products with different taste and freshness.

The implementation of a sustainable agriculture, free of wastes, is very complicated to be recognized in the target market due to the consumer's demands. From this way is very useful to analyze the organic product consumer behavior in Germany when they buy horticultural products. The goal of analyzing the consumer behavior is improving and enhancing the sales by offering our potential customers what they desire.

Once it has studied the consumer's characteristics, it must evaluate the horticultural products supply as the production system, product, brand, quality, weaknesses, strengths, opportunities and threats in order to adapt, improve and increase the sales in our target market. Moreover a relevant point is to study the competitive forces in the Almeria's agricultural sector because it establishes the profitability grade and contributes to explain the strategies, actions and practices that the companies put into practice (Marín, 2004).

To summarize this paper it provides the international marketing mix, as commercialization strategy, with the intention of knowing the decisions that Almeria's horticultural companies have implemented to export their production abroad. It will talk about the 5Ps politic; product, price, distribution, promotion and "partners" decisions. Further it can be known if they are succeeded or not and how it can help or improve them. Also it provides some examples of the hard efforts and good practices that many companies are doing in the Almeria's horticultural sector to achieve their purposes in the target market.

Chapter 1. The horticultural products sector in Almeria

In this chapter it is going to talk about the horticultural sector development and evolution, it provides a SWOT analysis and the competitive forces in the sector; it studies the new entrants, substitution threat, bargaining power of customer and suppliers and the rivalry of existing competitors. In addition it talks about the food security, quality protection and the certification of the horticultural products; it mentions the Almeria's horticultural associations and it makes an analysis of the organic trade with data collected about the organic producers and marketers' evolution, the main distribution channels in Almeria and the evolution of the organic trade.

1. Analysis of supply

1.1. Sector development and evolution

Forty years ago the west of Almeria shaped a large field surrounded by few and spread houses. Currently this province is one of the most dynamic areas of the Spanish Mediterranean coast. The main sector that has sustained and maintained the prosperity of this area has been the intensive agriculture greenhouses. The agricultural actors and the network of companies and institutions (agricultural commercial enterprises, warehouse and different factories), have contributed to the development of what is called here the global political-economic dimension. This has led to intense changes in the analyzed territorial area which serves as the scene of a social space in the globalization processes. Globalization processes, which are integrated by two factors, are increasing social changes. On the one hand, deterritorialization is resulting from the gradual occupation of the social and geographic space by globalized agents (different companies of agricultural market), associated with local actors involved in the production of vegetables (farmers). On the other hand, under the reterritorialization, local space is experiencing a process of restructuring and reorganization of the agro-industrial activity (Díaz, 2008).

The horticultural sector in Almeria commercializes approximately 2.800.000 tones, with a billing of more than 2.000 M €, a surface of 26.200 greenhouse hectares and 6.100 to an open air hectares. It reflects the importance of this production area to Spanish and European level. In the last seven years there has been a real "green revolution", thousands of crops hectares are becoming from conventional agriculture to integrated production with biological control. The Almeria's surface with biological control was of 300 hectares in 2003, 10.448 hectares in 2007 and 20.081 hectares in 2012 (Aliaga; Rodriguez; Torres, 2012).

The agricultural sector in Almeria has gone through different stages to meet in the current situation in an integrated production and targeted to achieve an organic production. From the sixties decades until today the horticultural production system has evolved successfully through to different changes in the production system (Moreno Vázquez, 2010).

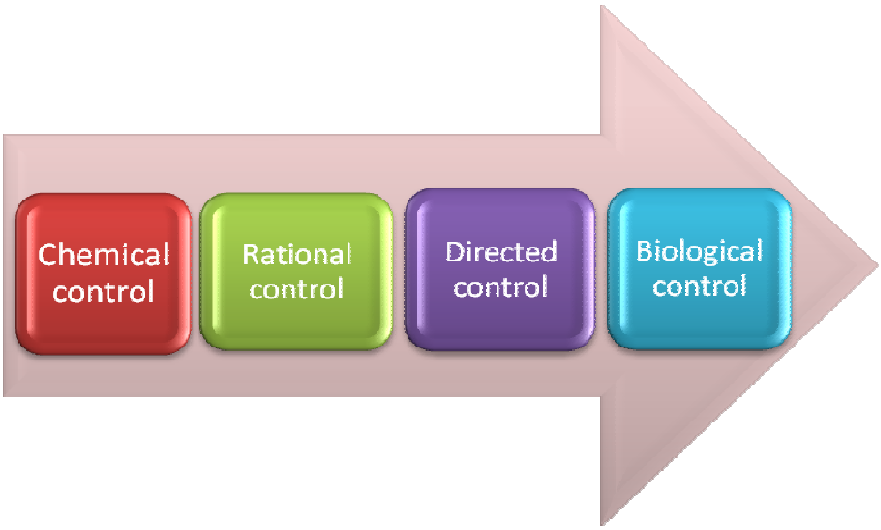

Illustration 1. Stages of the agricultural sector

- **Chemical control:** it refers to the plant protection. The main concern for many farmers and technicians was sorting out product according to the efficacy showed against harmful pest and diseases. This kind of technique lasted many years until it began to fail and two were the causes. The first one, the products efficacy depends on the period in which it finds the plague or the harmful and the second one, the moment in which it reaches theses phases. In each province depends on the meteorological factors, temperature and relative humidity. Because of the failed stage it introduces the rational stage.

- **Rational control:** it begins to analyze the meteorological conditions, humidity and temperature of many crops, attending to its economic, social and strategic importance. Once established areas, it joins to the farmers to inform about this kind of techniques and the measures to adopt. Acceptance of presenting wildlife interest less invasive containment of phytoparasitic produced an increase in and conduced to a research work and lead to the directed control.

- **Directed control:** it had to establish not only products and moments more suitable for chemicals interventions, but also for the less aggressive native predators. Due to the complex situation, it creates the Technical Support Units (Unidades técnicas de apoyo, UTA) for each crop. This positive attitude leads to the biological control, as a way of phytosanitary control.

- **Biological control:** in this stage, it creates research and development companies not only Spanish but also foreign companies. They set up bio-factories in Almeria and Murcia due to the importance of this production system. The research in protected horticulture was centralized in the Development and Research Horticulture Centre in La Mojonera (Almeria). The University supported and made presence as an important factor in the agriculture research which meant a positive influence in the obtained results in phytosanitary protection. In the biological control only the active ingredients authorized by the current legislation are allowed and if they are compatible with the natural enemies. The safety terms have to be respected to assure the fulfillment of the Maximum Limits of Residues (MLR) established.

Through to the different stages, it was explained the agricultural sector development in Almeria and the real situation. The priority is the biological control that began with an "integrated control" and resulted in an "integrated production system" where the key factor is becoming an organic production in a near future.

As a result of all continuous efforts, these days Almeria represents the highest cultivated surface of integrated control around the world. In fact, almost all production is realized under biological control without pesticides and free of residues. This change has been possible thanks to the farmers' strong commitment, conscious of the customer's increased preoccupation by a natural and healthy diet free of waste (Martínez; Amérigo, 2005).

1.2. SWOT analysis

Through to this method it does an identification of the strengths, weaknesses, opportunities and threats of the agricultural sector in Almeria as an integrated production system and in a near future as an organic production system.

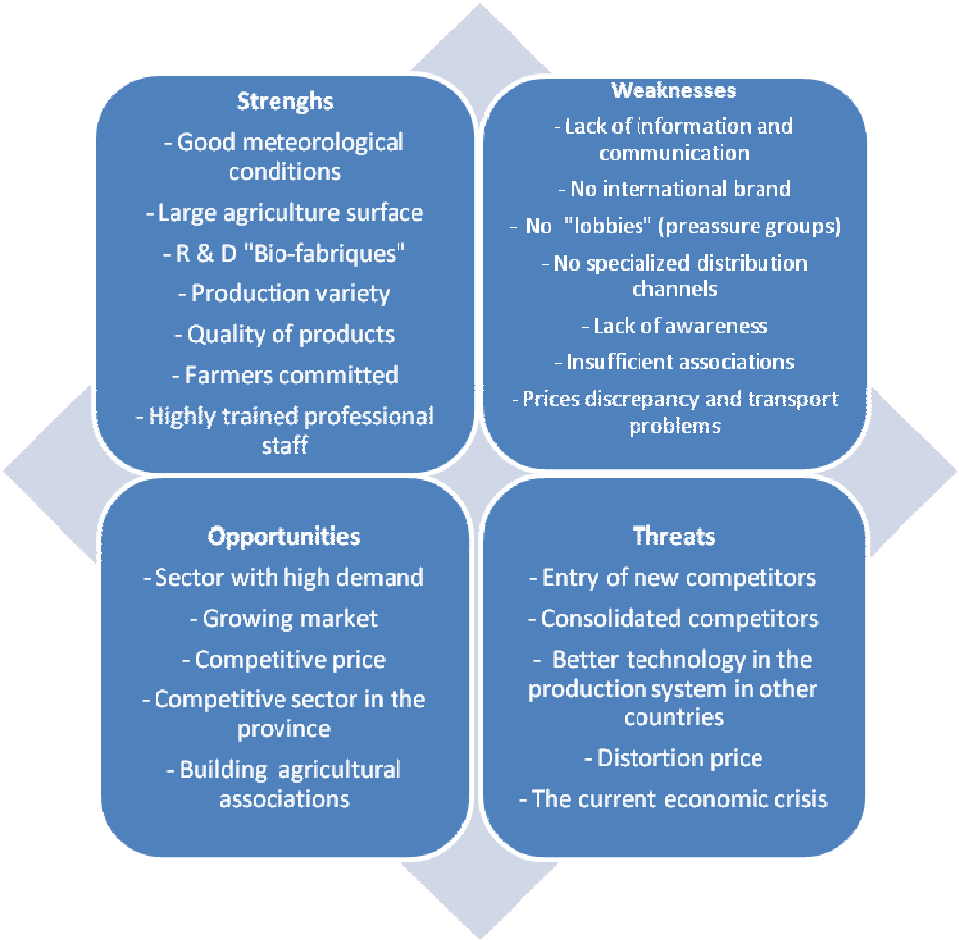

Illustration 2. SWOT Analysis

Once identified the external and internal situation of the horticultural sector in Almeria, it tries to improve the weak points through to new proposals for the companies and to reinforce the strong points. However, this topic will be explained at the end of the project through the improvement future proposals for the Almeria´s horticultural sector.

1.3. Analysis of the competitive forces in the sector

The study of the competitive forces in a sector and its determinants establish the profitability grade and contribute to explain the strategies, actions and practices that hold participating companies. The industrial organization of the Porter model (1982) with its five competitive forces: new entrants, substitutes threat, bargaining power of customers and suppliers and the rivalry of existing competitors, constitutes a very value instrument to understand this sector from a competitive point of view goes beyond of the competitors.

Next, it analyzes the decisive competitive forces of the agricultural sector in Almeria. In addition it will identify and characterize the main determinant of each competitive force in the context of its relevant markets: the origin and destination market.

- ***Threat of new entrants***

The economies of scale and scope are an important factor to explain the possibilities of success of new entrants. Nowadays the need of incorporating quality and traceability systems provides opportunities of economies for the most efficient producer's organizations (Fernández, 2001).

At any rate the highest risk comes for the increased incorporation to the European markets of new productive areas or the intensification of real producers as the example of Morocco. Besides the technology diffusion of the intensive production helps that other areas are incorporated to the market (for example the North of Africa) eroding the cost and differentiation advantages. However the physical, meteorological, localization factors and also the cost limitations of those areas (for example Holland) constitute a limited factor to the new entries.

The access to the commercialization channels not only in origin but also in destination has been not very difficult due to the producers grouping, the high-quality products and the existence of a highly atomized production sector. However the market starts to show difficulties to absorb products in some months since the volume of production in Almeria is increasing and also growing the presence of third countries (and EU countries as Holland). Moreover the food security, quality, ethic and reliability in providing products are producing an origin selection.

The producer members of the Almeria's model (Poniente almeriense, Campo de Níjar and Bajo Almanzora) dispose of many cost advantages hard to overcome by competitors of other areas. The weather conditions with soft temperatures in winter, the luminosity and its placement near of the beach and also the accumulate experience for more than 30 years of farming in greenhouses are added factors to take part in costs and differentiation competitive advantages.

- ***Degree of rivalry of existing competitors***

The major exported countries are Holland, Spain, Italy and France. From those, Holland is the main competitor of the Almeria production. Its excellent placement in the "business core", the production, logistic and the huge commercial tradition award it a differential competitive advantage. Considering the third countries the most important competitors for Spain in the European Market are: Morocco, Turkey, Israel and Latin America. All those countries have a competitive cost

advantage and important growth opportunity owing to the globalization and preferential treatment of the European Union. Although they are countries that cannot compete in offering products with a new production system supported by a competitive research and development system, they can compete in production and labor costs that involve to offer a little price in the target market.

Nevertheless in the Almeria's model is incorporated some differentiation factors based in the increased product features. Also the quality and security are variables of great importance that represent real criteria of the final client decision.

- ***Substitute products***

The drop off in the fruits and vegetables consumption owing to the existence of products range as dairy, sweets and desserts prepared or snacks have an intense marketing action. The changes in the fruits and vegetables consumption is justified for the alteration in the consumer behavior, the population structure, trends and consumption habits, lifestyle or the importance of the organic products.

The evolution of the consumer behavior leads to the demand of horticultural product presented in different ways as frozen juices, natural preparations (salads, gazpacho and purees) or IV and V products range. That kind of product can be an opportunity or threat for the sector, depending on its capacity to provide the markets with these products. Despite of the competence that the substitute products have about the horticultural products, the preoccupation of the consumer by the health and the natural provides some strength to the horticultural products.

- ***Bargaining power of suppliers***

There is a range of specialized activities to provide products and services to the producer that comprise itself an industry denominated auxiliary agriculture industry as plastics, machinery, irrigation system, packaging, fertilizers, labor, transport, technology, etc (García, 2000).

The performance of the intensive agriculture with certain risks and constant innovation, leads to existing sophisticated instruments of safeguard as secure and agreements. Also the deferred payment by the farmer generates debts and the need the cooperation of financial institutions. In this way the relationship with suppliers is characterized by mutual dependence. It is very important when it exports to a target market to have a good relationship with suppliers and pay on time in order not to generate debt.

- ***Bargaining power of customers***

The commercialization of the Almeria's horticultural products performs in two markets. In the one hand, the origin market where there are many agents and highlight the "alhondigas" and cooperatives. This market plays an important role in the supply concentration and the relations of power-dependence are defining by the relation supply-demand and the products quality. On the other hand, the situation in the destination markets is characterized by a limited competence of third countries (although in increasing) and a complementarily in local production in the destination countries.

The producers have few alternatives of power to face the destination operators. The target agents have more power in the market by establishing theirs conditions and the price. The increase of products supply of third countries and the high price of the Almeria's products reduce considerably the capacity of power in the production and leaves hybrids and relational mechanisms for managing future exchanges perishable.

The diversity of products and qualities in the external target market, the perishable character of the horticultural product and the different situation of the supply throughout the years, make difficult to provide a specific characterization of the competitive structure.

As a final point, a key factor as increased purchasing criteria between customers and distributors is the "ethic in business". The distribution requires the accomplishment of certain rules that ensure the respect by the environment, obtaining a healthy and natural product and excellent working conditions assuring rights of the workers.

1.4. Food Security & Quality protection. Certification and green label

In the field of the food security, the consumer demands more insistently to know what you eat, where it comes from and what is the path it has traveled from its origin due to the current distrust (Alcalá, 2002). Furthermore the lack of confidence has lead to the consumers to modify their consumption habits and to prioritize their preferences for those attributes that increase their level of perceived safety products and demanding natural, healthy and high quality products without any kind of unnecessary additive (Ching, 1999). It's therefore in developed countries as Germany where there has been a high demand of organic food consumption since the consumers perceive food grown organically as less harmful to health than conventionally grown (Böcker, 2002).

Issues related to the quality (freshness, flavor, color, shape, etc.), along with other factors closely linked to it, such as food safety, quality assurance (certification), and production respects to the environment, etc. They are certainly essential factors that determine the sector competitiveness and the adaptation degree to change consumer's demands. In a global economic environment in which productions can be found at very low prices in the international market, the commitment to quality acquires decisive importance for the future of the sector and it established as one of the great challenges of Almeria's horticulture.

Currently there are a remarkable number of quality certificates granted under the aegis of various standards. More and more companies prove their quality to keep positioning in the target market. At present, companies who are unable to prove the quality of their productions may not promote their products in major distribution channels. As a result eventually they may lead to its disappearance (Manrique, 2004).

The main quality certifications presenting Almeria's agricultural enterprises are:

- **Integrated Production (IP):** tries to minimize the use of external inputs to the farm in order to reduce the impact on the environment and maintain or even increase the gross margin of the holding.
- **Organic production (PE):** can be defined as a production method based on protecting the environment and animal welfare that prevents or significantly reduces the use of synthetic chemicals such as fertilizers, pesticides, additives, pharmaceuticals, etc ".
- **EUREPGAP:** certification of the EU distribution based on good agricultural practices. Currently it is used for fresh produce and ornamentals. It is the most demanding for the companies.
- **UNE 155.001:** the Spanish Association for Standardization and Certification (AENOR), at the request sector exporting producer of fruits and vegetables, began in 1996 to develop standards for controlled production of vegetables in protected farming.
- **ISO 9.001:** is the largest defined for quality assurance in design and development as well as for production, installation and post-service.
- **SICAL:** integrated control Alhóndiga.
- **British Retail Consortium (BRC):** system ensuring good production practices in the facilities to each process, safely handling by trained staff to control the product before its commercialization. Quality Certification UK distribution.
- **Nature Choice:** quality certification of the British chain Tesco (good agricultural practice).

All the growers and companies that want to export must have these quality certifications. In this process they have to pass at least 2 annual inspections done by the organizations of certification. In addition periodically several analysis are done to check the quality and food safety of the fruit and vegetables. In Almeria more than 15,000 hectares are certified. The sector certifies the quality of its products with the maximum quality standards fulfilling the exigencies of the European standards with respect to the hygiene and agro-alimentary safety (Coexphal-FAECA, 2013). AENOR is the Spanish Organism charged in the certification of the products. The most extended certification in Spain is EUREPGAP. However, there is any international certification in the target market with our origin brand about the integrated production and organic production. In Spain the organic certification is to autonomous community level, there is one organic label for each province. The horticultural products meet the standard and requirement to be exported abroad but they do not have an own origin brand label. In Germany, the most recognized green label is Bio-Siegel. In Holland the most extended label for the organic product is EKO, this label indicates compliance with the requirements in the European regulations for organic production. In France there are many labels, AB (Agriculture Biologique), Bio Cohérence, Ecocert, and Nature & Progres, all of them with the goal to promote and control the agriculture in the national and international market.

1.5. Associations of horticultural products in Almeria

The horticultural products associations protect, manage and promote the interest of the farmers by supporting and advising them to the new or future techniques to use in the agriculture and by promoting their production in national and international markets. The associations play an important role in order to translate the farmer's need and requirements to the organisms and to reach joint agreements. In Almeria there are some associations but the most important and well-known is Coexphal.

- **Coexphal:** association of fruits and vegetables producers and organizations from Almeria. It was built in 1977 and was the reference organization from Almeria owing to the export percentage that it represents. Currently the Association of Fruit and Vegetables Producers from Almeria (COEXPHAL), comprising 60 horticultural companies and represents 65% of the export of fruits and vegetables and 70% of production in the province of Almeria (www.coexphal.es).
- **UAGA-COAG (Almeria's Union of Farmers and Ranchers):** Is a new organization and its objective is mainly the defense of the producers of fruits and vegetables through training the farmers, processing help, gives information, legal defense, etc (www.coagalmeria.com).

- **Hortyfruta:** Inter professional Organization for fruit and vegetables in Andalusia. Its objective is to contribute to the sustainability of agriculture in Andalusia helping to improve the profitability of the farmer through meeting with farmers and marketers, forums customers, promotion and communication and market studies (www.hortyfruta.es).
- **ECOHAL:** Federation of Horticultural Traders Associations from Andalusia.
- **ASAJA:** Young Farmers Association. Its goal is the defense of family farms and agricultural enterprises in any form of private initiative, and its development as a viable economic activity, seeking to improve the conditions of access of young people to conduct of business, training and vocational training and generally defending both nationally and internationally, the Spanish agricultural sector's competitiveness. ASAJA has a national headquarters, 15 regional centers, 40 provincial offices and 810 local offices, along with a permanent representative office in Brussels (www.asaja.com).
- **APROA:** is an association of producers and organizations of fruits and vegetables from Andalusia, it was built in 1998. Its purpose is the defense and promoting the common interests of its members and the promotion of Agricultural Associations. In 2004 expand its presence to all Andalusia. Nowadays it has 58 producers organizations, all of them distribute in Almeria, Cadiz, Granada, Huelva, Malaga y Seville (www.aproa.eu).

1.6. Organic trade analysis

The organic production in Spain and in the most developed countries has become a reality as a relevant "agrifood" activity at the economic and social level; it is consolidated and clearly distinctive, provides a significant contribution to employment, agricultural production and food trade and shows attractive future perspectives. Within the global context, in the main developed markets is especially outstanding the continuous growth in organic horticultural products consumption (The Ministry of Agriculture, Food and Environment, 2012).

Sales of organic horticultural products are concentrated in a handful of countries. They are grown in all European countries and are typically the entry point for many first-time buyers of organic products. Consumer demand for organic fresh produce continues to strengthen with revenues increasing by 26% between 2001 and 2004. The German market is currently showing the highest growth with organic fruits and vegetables sales volume increasing by 14% in 2004. A major driver is widening availability of organic products in mainstream retailers with a growing number of supermarkets and discount stores introducing organic fresh produce (Wood, 2005).

Next it explains the main distribution channels used to export organic products to the target market, the major organic distributors in Almeria and the development of the organic production in Spain with special attention to Andalusia.

1.6.1. Distribution channels and major distributors in Almeria

Concerning the distribution there are few establishments with organic products and a wide diversity. It can say there is poor information or communication about the commercialization of organic products. Marketing strategies by short channels have been tried in Andalusia since the origins of the sector. A key factor was the creation of consumers and producers associations that met the needs of price and availability for both sectors and are currently organized in the Andalusia Federation of Organic Producers and Consumers. These outlets are located in major cities of Andalusia: Seville, Cordoba, Granada, Huelva, Malaga, Ronda and Sanlúcar de Barrameda but in Almeria unfortunately there are any of them (Plata, 2007-2013).

Currently the most used commercialization channels by our companies to export to Germany are the conventional supermarkets or superstores in which there are any organic horticultural products. Instead superstores are showing a positive trend including the line fresh and processed products under different promotion strategies. In this sense, there are differences in the use of a specific section, organic white label, etc; but only national organic horticultural products or very proximities markets as the Holland market due to the product conditions.

In fact these prints match those big brakes consumption of organic products. Although 61% of the population is able to correctly define an organic product, there are a negligible proportion of consumers that identify other products with the concept of "green." As for the brakes to the purchase, the main problem is clearly the price. In the background the little act carry on to the difficulty on finding distribution in the usual places, the lack of information and distrust (Tobar, 2010).

Although in Almeria the organic market in the horticultural sector is new and nearly unknown for many farmers it is a growing market with great future expectative but with many difficulties to go into it. Nevertheless there are many possibilities to improve the sales and export products that are adapted to the consumer characteristics mainly in our target market, Germany. In effect, many companies do not dare to produce and commercialize organic horticultural products due to the conditions as: logistic, packaging, certification costs, profitability level, etc. But some companies in Almeria and in Andalusia are starting to offer organic horticultural products and export them in few

quantities and the results are very successful for many of them. The examples below explain the organic production system of these companies:

- **Coprohníjar:** is a leader company in the production and commercialization of fruits and vegetables. This company is pioneer in the research techniques of integrated production, biological control and organic production. It has the following quality certifications: ISO 9001, Production Integrated, EUREPGAP, Grasp, Ecological Agriculture, Tesco Nurture, and Field to Fork, BRC and IFS. In 2012 it received the prize for technological innovation (Coexphal-FAECA, 2013).
- **Agrieco S.A.T:** is a specialized company in 100% organic fruits and vegetables. It is also known as the Ecological Farmers SAT; it is located in Pechina in the Almeria's province. In Agrieco there are more than 4000 square meters for the handling and packaging and warehouse of 1100 square meters for sale and distribution of all types of organic food. Its core value is the quality of organic products. The quality is supported by various certification bodies such as "Agrocolor", which in turn enables us to export to the European market with success exceeding all quality standards. They also have certified quality standards Biosuisse, EUREPGAP, BRC and KRAV. Ultimately all of us who demand the market. Unique to AE in Spain, ensuring a consumer warranty service (www.agrieco.es).
- **Costa de Níjar SAT:** is a very committed company with the environment and the sustainability. This company is leader in products certification because it uses two systems, one for the conventional agriculture and another for organic agriculture with many requirements, standard, certification, etc. Marketed production in 2011 amounted to 54.5 million kilos and our products reach over 20 countries (www.costanijar.com).
- **Cuevas Bio SAT:** this company was built in 1998; its partners were pioneers and correspondents Andalusia Organic Farming in the area of Almeria. Its critical code is fidelity to ecological quality criteria and biodynamic versus conventional commercial scales by using the same criteria that the European Countries and certified by Naturland, Biosuisse, etc. Its production scope ranges from modern greenhouses crops, both vegetables and fruits. (www.cuevasbio.com).
- **Bioandalusí Export, S.L:** it is located in Malaga specialized exclusively in the production and marketing of organic fruit and vegetables from Andalusia. The production areas are in the provinces of Malaga, Granada and Almeria. The company, with many years of experience in organic farming, commercializes products mainly from family run farms as well as marketing produce from trusted associated suppliers. All the farmers and suppliers are certified organic producers. They have important objectives in common: A 100% organic production which

respects the environment, free of pesticides and chemical fertilizers products, the highest quality controls and conforms strictly to the present European rules. The production is destined mainly for export, although we would like to take part in increasing consumption of organic produce at a regional level. The close relations with the suppliers allow them to guarantee a continuous supply and obtain an extremely high quality in all the organic products that they market (www.bioandalusi.com).

- **Bio Sol Portocarerro:** is a company that commercializes organic horticultural products. It is situated in Níjar; its founders have been previously producers for years and subsequently bind to the marketing of organic products. Its main objective is to cover the growing demand for environmental quality and to be ready to face the increased business competitiveness (www.biosolportocarrero.com).

1.6.2 Evolution of the Spanish organic production

In the table below it can observe the organic producers and marketers in the different Autonomous Community in Spain and the activity period from 2005 to 2011. In this time it starts to emerge the interest for the organic production in Spain. And besides it reflects the whole produced and commercialized in Spain with the evolution per period.

	2005		2006		2007 (1)		2008		2009		2010		2011	
	Producers	Marketers	Producers	Marketers	Producers	Marketers	Producers	Marketers	Producers	Marketers	Producers	Marketers	Producers	Marketers
Total	15693	1764	17214	1942	18226	2271	21291	2548	24765	1891	24222	2747	27992	2729
Andalusia	5159	320	6195	351	7175	402	7777	472	7794	454	8035	625	8440	421
Aragón	752	94	727	111	764	117	746	117	706	103	722	121	717	113
Asturias, Principado de	94	34	113	56	181	57	270	58	276	72	100	48	153	48
Balears, Illes	312	84	338	90	389	105	428	135	480	108	253	104	510	119
Canarias	609	46	909	54	633	96	555	130	665	160	706	83	764	96
Cantabria	85	14	103	17	113	23	125	27	128	21	61	34	65	30
Castile and Leon	217	82	234	82	260	92	284	100	334	102	329	115	7078	185
Castilla - La Mancha	1074	76	1026	95	999	110	2184	137	4751	121	4581	172	478	118
Catalonia	683	369	722	386	769	500	909	561	899	276	883	515	1076	606
Valencia	932	165	991	181	1067	199	1202	222	1283	39	1443	314	1645	306
Estremadura	3608	61	3671	75	3629	88	3745	71	3648	6	3399	80	3265	77
Galicia	370	55	396	60	408	65	445	64	449	59	289	83	289	94
Madrid	74	44	79	52	76	46	125	55	199	40	198	48	202	50
Murcia	725	122	752	124	785	151	1528	174	2222	166	2268	164	2278	210
Navarra	580	87	560	89	574	96	564	92	556	58	537	78	582	80
Basque Country	136	50	142	55	160	56	171	59	170	51	200	82	222	88
Rioja, La	283	61	256	64	244	68	233	74	205	55	218	81	228	88

Illustration 3 Companies engaged in organic farming, by region, period and activity Source: Ministerio de Agricultura, Alimentación y Medio Ambiente

Through to the data collected by the Ministerio de Agricultura, Alimentación y Medio Ambiente published in the INE (Instituto Nacional de Estadística), it scrutinizes the evolution in the Spanish organic production in the different Autonomous Community. It can say the most important organic producer and marketer is Andalusia which experienced a steady growth. In 2005 when starts the interest for the organic product by the consumers, particularly in countries as Germany, French, Holland or England, there were 5.159 producers in Andalusia and 320 marketing companies. In 2011 this figure almost doubles with 8.440 producers and 412 marketing companies in the same area. If it remarks the Spanish entire including all the regions, the growth is very meaningful since it changes from 15.693 producers and 1.764 marketing companies in 2005 to 27.992 and 2.729 respectively in 2011 almost the double too (Ministerio de Agricultura, Alimentación y Medio Ambiente, 2011-2012).

All those data show the concern to produce and commercialize organic products in Spain is increasingly noticeable and with very good future perception for the horticultural sector.

Chapter 2. German market analysis in relation to the horticultural products

In this chapter it is going to talk about the critical variables as the extrinsic and intrinsic attributes that influence in the consumer purchasing process. It provides an analysis about the German consumer where it studies the purchase habits and their preferences to buy an organic or conventional horticultural product. It's going to evaluate the awareness towards "green" consumption in Germany. Regarding the quality control, it supports the own green label and its characteristics. At last it talks about the organic associations in Germany as effort and respect to the environment and the perception that Germans have about the Almeria's horticultural products and companies.

1. Critical variables in the consumer purchasing process: *extrinsic versus intrinsic attributes*

When the consumer purchasing process starts some stages interfere until the consumer does the real purchase. In the first stage of the purchasing process, the consumer is exposed to decide between several variables in order to take decisions. On one side the extrinsic product cues, such as packaging, and branding, labeling, price influence how consumers evaluate food products (Deliza,

1996) . On the other side the intrinsic products cues, such as product freshness influence if the product is a commodity. It is important for researchers to understand the interplay of sensory and non-sensory attributes as both dimensions have to be optimized for a product to be successful in the marketplace (Mueller; Szolnoki, 2010).

In the case of low value and frequently purchased products, e.g., the horticultural product, in which buying habits frequently dominate the consumer's evaluation, preference formation might not exist. However new trends in the fresh vegetables consumption are leading to important changes in consumer behavior; in particular, the "new consumer" is strongly demanding differentiated products containing higher added value, with practical, healthy and environmentally-friendly aspects. In this context, both intrinsic and extrinsic attributes are key factors determining the consumer's purchasing process (Jiménez Guerrero, 2012).

The next stage of the consumer purchasing process involves evaluating alternatives. A consumer develops a set of alternatives and attributes that form the raw material for decision making. For direct marketing, a catalog's image communicates to consumers its distinctive positioning, encouraging them to believe that the catalog contains items that will satisfy their needs. Thus, consumers define catalogs through both functional qualities and psychological attributes symptomatic of the needs that they can expect to satisfy through their buyer behavior. Important attributes in consumer catalog selection include price, convenience, merchandise quality and variety, reputation value and perceived risk, among others. Over the time, consumers develop preferences for products and services based on the desirability of their attributes and on purchase experience. The final decision-making stage is to purchase or not (McDonald, 1994).

2. Characteristic study and habit of the German consumer

The consumer behavior is a key factor for many companies in order to know the needs and requirements of our target consumer. The German consumer is a person with fix and clear ideas. In this context, the German consumer is very worried about the healthy product and the respect to the environment. In this study it analyzes how our target consumer is behaved in a market of different horticultural products as organic and conventional products. In this manner it will know what his preference is and if the German consumer is conscious about this kind of product and what the reasons are.

First and foremost, it must differentiate between conventional and organic agriculture. Conventional agriculture uses chemical substances with wastes in the elaboration of the product.

Organic agriculture provides to the consumer natural products without chemicals or synthetic substances. The 95% of the products must be farmed without pesticides and the 5% with limited specified ingredients. The organic products need specific certifications in relation of production way and controlling (Buley, 1998).

The information used to do the consumer analysis was taken by the study of the ICEX Institute of Foreign Trade and Economic and Commercial Embassy of Spain in Dusseldorf, (De Pablo, 2010), that explains how the German consumer is behaved in different situations of purchase, the frequency and what their preferences are in reverence to different kind of products, their perception, etc.

2.1. Consumer habits

The study realized by the ICEX concludes that the 84% German population has the desire to acquire organic product and not conventional in the future (De Pablo, 2010). It can say there is a latent demand of organic products and a reduced supply of this kind of products. Regarding the reasons of purchase, the 50% of consumers buy organic products because they consider these products healthier. The 40% consider them tastier and more freshness than the conventional products. And the rest of the population buys these products due to vital motivation and the own identification with the organic sector.

Concerning the information and communication factor, it can say the majority of the consumers in Germany are informed about this kind of production due to the information availability and the communication campaign realized by the Government. The major information channels from which they receive the most information are:

Illustration 4. Information channels of the horticultural products (ICEX)

Apart from these influence factors, there are many questions that it must take into account when the customers buy these organic products as: disposition of more information about the different certifications, specialized information and knowing the characteristics about the organic production system and its treatment.

2.2. Purchase habits

The purchase frequency of organic horticultural product by German consumers is very noteworthy. In the graphic below, it can see the consumer's percentage who buys this kind of product and the frequency. That is very important for knowing if our product can be accepted in the target market.

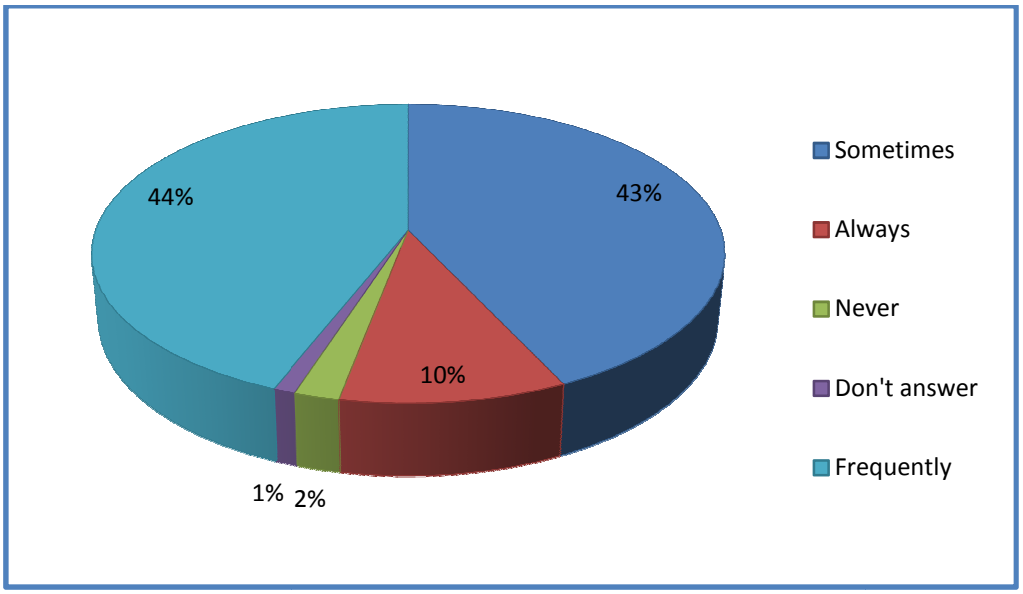

Illustration 5. Organic horticultural products frequency of purchase (ICEX)

It can say the 44% of them are consumers with loyalty to the organic products and buy them many times. The 43% are consumers who buy sometimes but they would like to buy more, however for some reason they cannot or do not want to buy more frequently. And the most important is the 10% who are consumers absolutely conscious and do not change in the choice of the product.

2.3. Place of purchase and preferences of the German consumers

With respect to the organic horticultural products purchase place, in this paper it has checked that the main distribution channel is the conventional market (hypermarkets, supermarkets

and large stores) with an organic section exclusively for those kinds of products, followed of weekly markets, discount stores and specialized shops. When it exports to a target market is very important to know what the preferred distribution channels of ours consumers are in order to direct our product there. As regards the target customers there is a huge demand to acquire this kind of products in other alternatives places where there is an important shortage. The majority of the German population considers there is a reduced supply of organic product in nursery and schools, hospitals and rehabilitation centers, third age residences, hospitality, catering and university canteens. It would be very interesting to reflect on this alternative as a key distribution way and try to adapt our products to this kind of demand, it can consider as a "niche market".

2.4. German consumer age

The age plays a very significant role in the purchase of the organic products. The age profile of the consumers is divided into five major segments. The analysis concludes that the highest percentage of the organic product consumption is understood in the age of 34 years and the other segment for the people with more than 64 years. In third place, there is a segment from 35 to 44 years very significant because they are people who have children and are very worried about a healthy eating. In fourth place, people from 55 to 64 ages and in fifth place from 45 to 54 ages, those segments are less considerable than the other one, although they are quickly learning to become "green". In the graphic below, it can distinguish more clearly this division.

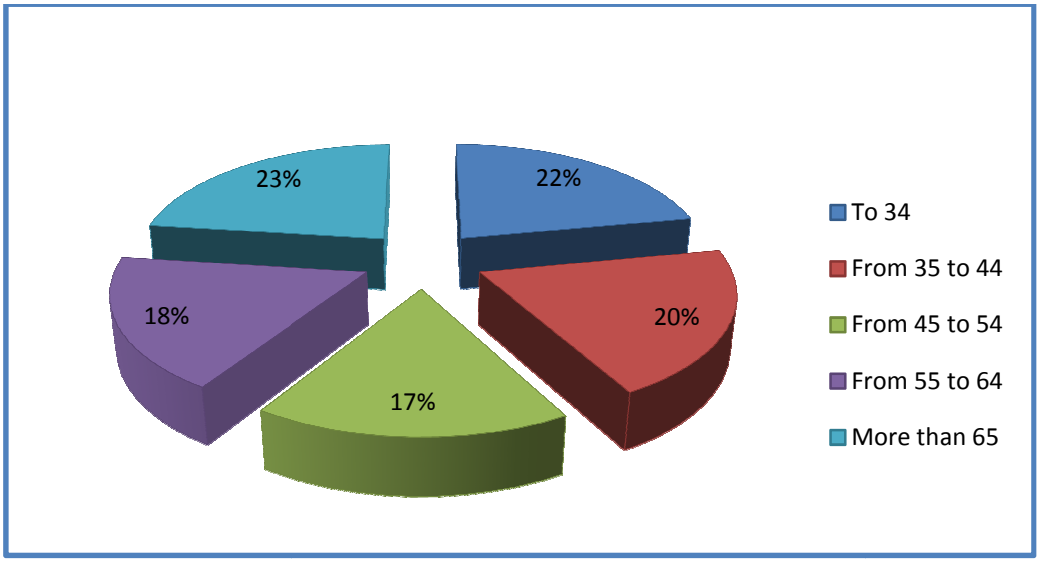

Illustration 6. German consumer age (ICEX)

Understanding the organic consumer purchase behavior it can adapt the product, the packaging, labeling and the promotional efforts by the companies who export to this market in order to satisfy the consumer's needs and meet the horticultural products demand. Those consumers are the most loyal to the brand and they are willing to pay a premium price. They are a "target" very treasured.

Increasingly the interest for an organic production with respect to the environment and with a clear goal the sustainability and the environmental decisions are becoming in an important decision for many German consumers when they are going to buy horticultural products.

2.5. Awareness towards "green" consumption

According to the study that Deloitte in collaboration of the Grocery Manufacturers Associations has made about the consumer of organic products. It can say that more than 95% of the German consumers think in an ecological and sustainable way. In this study 6.500 consumers were interviewed in order to know if the German consumer is aware about this kind of products. The 54% of the consumers are becoming "green". A 2% is considerate committed with this kind of production, the 18% proactive and the 34% influenced. The remaining population does not feel identified with these products yet. The 33% unsafe and the 13% ignore it (Bearse, 2009, págs. 4-17). It can observe more clearly this classification through the graphic below.

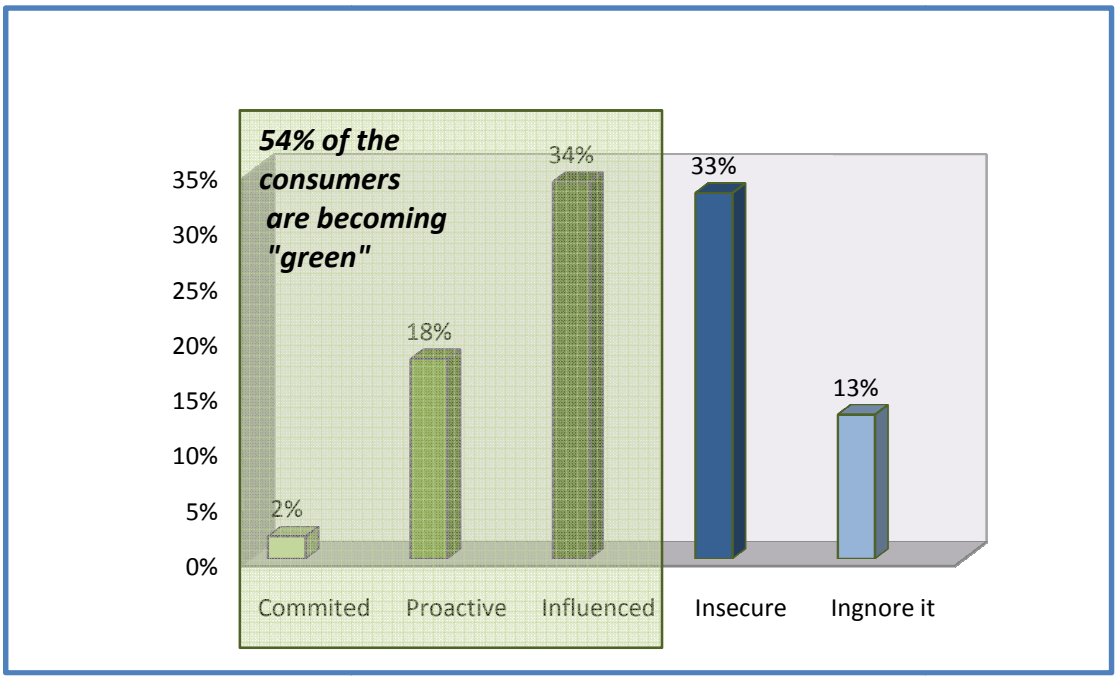

Illustration 7. Sustainability trends and new shopper insights (ICEX)

This interview confirms there is a high demand of organic, "natural" products and the major population is considered "green" and they are often consuming this kind of product. It concludes these consumers buy more continuously, have more brand loyalty and they are not sensitive to the price. They prefer to pay a little more and buy a highest quality product. If it analyzes the rest of the population, it can say there are more people that prefer buy organic product but for some reason as, poor information about it, the limited supply in the purchase place or the high price carry them not to buy and choice alternative products as the conventional products (Bearse, 2009, págs. 21-28). It should be noted that many consumers when start to buy organic products it's very difficult to change the behavior and buy conventional products. In this manner the companies and the farmers in Almeria should adapt the production to the consumer's needs and requirements.

2.5.1. Sample promotional campaign by Edeka for consumption of organic products in Germany

One of the most important product distribution chains in Germany, Edeka, has a network of over 12,000 outlets. Edeka sells organic products with the Bio-Wertkost label since 1999. Edeka began distributing 100 organic products in its assortment. At the end of 2006 has increased its supply to 230 items. In EDEKA establishments it sold an amount of 1,000 environmental references. In 2006 renewed its promotional campaign and has included its green offering in its wide image campaign "wir lieben Lebensmittel". These promotion campaigns are based on intensive dissemination of advertisements through various media, as well as tastings in the point of sale. The supply of organic products encompassed in these measures varies depending on the size of their outlets and ranges between 350 and 1,000 organic food items.

Edeka has also launched a shopping card, "Biomarkt-Card" which can be used in various organic supermarkets affiliated with this system. The card provides a number of benefits to its owner: accumulation of points redeemable for prizes, taste new products, etc. Currently 57 branches of various organic supermarkets have Biomarkt-Card System (Uzcanga, 2007).

3. Quality control and certifications

Only a few years ago in Germany there was a multitude of organic labels and the consumers found the brand recognition very difficult. To make it easier the German government created the Bio-Siegel in 2001.

Nowadays thanks to the Bio-Siegel, consumers can recognize organic products at a glance. Products and foodstuffs produced and controlled according to the provisions of the EU Regulation on Organic Farming may be labeled with the Bio-Siegel.

The EU Regulation on Organic Farming valued throughout the EU, guarantees uniform standards for organic farming. The Bio-Siegel stands for organic production and species-appropriate livestock husbandry. A growing number of people consciously buy organically farmed products because they have opted for high-quality products, a healthy diet and the protection of both animals and the environment.

This label can be used in agricultural products and all processed agricultural products for human consumption falling within the scope of EC rules and regulations on organic farming. At least 95% of the agricultural ingredients in processed agricultural products must stem from organic farming.

The Bio-Siegel does replace neither labels of organic producer organizations or traders or producers own trademarks. It simply intends to help consumers differentiate between organically grown and conventional food based on real criteria throughout the EU. Moreover the Bio-Siegel use is voluntarily and free of charge. It's simple and unbureaucratic, just another asset (The Federal Agency for Agriculture and Food (BLE), 2006).

4. Organic associations in Germany

At the present time there are many associations of organic products in Germany. More than 56% of them take part in an association of producers. The crops surface of exploitation that joins in associations is 550.773 hectares; this is 65% of entire organic farming. The majority of these associations take part on the commercialization of their products. In this sense, the certification label of these associations is well recognized by the German consumers, especially Bioland, Naturland and Demeter. Next it analyzes with more detail each association in Germany and its main activities (Montaner, 2007).

- **Demeter:** the oldest association with more than 80 years of experience. It is charge to guarantee the quality of its products in each stage of the process, from the farming to the transformation and distribution. Demeter certified in 2006 a surface of 61.817 hectares through to 1.365 companies in Germany. This association has also a relevant

role internationally, it has created a own network of certifying organizations around the world.

- **Bioland:** is the core association of the sector in Germany, with a surface of 201.959 hectares of organic crops. This association initiated its activity in 1970 and from 1981 is developing a guideline of production under its own brand and the consumers can find elaborated products under these guidelines but commercialized under other brand, for example; Bio-Wertkost by Edeka, Grünes Land by Metro or Terra Pura by Globus.
- **Gäa:** the association Gäa Ökologischer Anbau e.V. is composed by farmers, producers and distributors of organic products. It concentrates its activity in the East of Germany. Its main purpose is the development of organic products and the increase in the supply of high quality organic food.
- **Naturland:** this organization began its activity in 1982 in Gräfelging near of Munich. It is an organization of great prestige and one of the first international certifying entities for organic products. Its label is registered and protected internationally. Its goal is the protection of the environment and the sustainability through the economic and rational exploitation of the earth.
- **Biokreis:** this association initiated its activity in 1979 in Bayern as union of consumers and producers with the intention of working in crops based in biological guidelines. It has 15.521 hectares of cultivated surface at present.
- **Ecovin**: it is an association of producers of organic wine; it began its activity in 1985. It conglomerates 198 German producers of organic wine with more than 1.098 hectares.
- **Biopark:** this organization began its activity in 1991 by 16 farmers with the objective of commercializing its products together. In 2006, more than 657 associated companies have farmed 134.055 hectares in 14 Federal States. Biopark is also an accredited organism by IFOAM and recognized internationally as certifying body.

5. Perception of the Almeria's horticultural products and companies

As a rule, import companies interviewed through the study of the target market of fruits and vegetables realized by (Manrique, 2004) has a good knowledge about the products and Almeria's companies as evidenced by observing the quota representing this origin. For fruit and vegetables there are two groups, composed of the melon, watermelon, tomatoes and green beans which has a presence below 50% owing to competition from other countries such as Costa Rica and Brazil for the first, Murcia and the Canary Islands to Morocco for the third and last. And a second group comprising

pepper, cucumber, eggplant, zucchini, in which the origin has an establishment in Almeria of more than 75%.

Regarding weaknesses of the Almeria's horticulture detected by the German market, it highlights the problems of plant protection (pesticide residues), the fragmentation of supply, weak unification of quality systems, and lack of supply during the 12 months of the year, weak product image and the deficiency of new products that reply to the German niche market.

Concerning the marketing system weaknesses, it is noted the need of programming and management in the medium and long term, closely linked to poor forecasting and trade organization, the price instability due to speculation created by the auctions in origin, poor language skills by the sales staff and insufficient knowledge of the German market.

But in return it was declared as strengths of the Almeria's horticulture the supplied amount, the lack of significant competition from other sources during the extra early productive campaign of Almeria, the product's integrity and the flexibility of companies and competitiveness.

Chapter 3. Marketing commercialization strategies

Along this chapter it is going to talk about the international marketing-mix; product, price, distribution, promotion and the new 5Ps, "partners" owing to the internet revolution in the companies. In the product characteristics it mentions the brand name, quality, packaging, traceability and functionality as a key to improve the products level in the target market. In the distribution point it talks about the transportation ways and the main channels to distribute the products and it supports with the successful example of the company "Caparros Nature". Finally in the promotion point it gives many examples of the campaigns that many companies are carrying out and it talks about the main characteristic international fairs of the horticultural sector as successful instrument of communication.

1. The international marketing-mix

The term "marketing mix" became popular after Neil H. Borden published his article in 1964, *The Concept of the Marketing Mix*. Borden began to use the term in his teaching in the late 1940's after James Culliton had described the marketing manager as a "mixer of ingredients". The ingredients in

Borden's marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis. E. Jerome McCarthy later grouped these ingredients into the four well-known categories as the 4 P's of marketing depicted below:

Illustration 8. Marketing mix

The four P's are the parameters that the marketing manager can manage subject to the external and internal constraints of the marketing environment. Foremost is to make decisions to create perceived value and generate a positive response in the target market (Net MBA Business Knowledge Center, 2013).

1.1. Product

The term "product" refers to tangible, physical products as well as services. In this study our products are the Almeria's horticultural products and our target market is Germany as the main consumer and import of our products. Therefore is really important to analyze if our product is well accepted in our target market. In chapter 3, it studied the German consumer characteristics in order to improve the production and offer a designed product to the consumer's needs and requirements. One of the main needs was the demand of the organic production with a contribution of flavor, freshness and texture and a quality control system. Moreover they demand the horticultural products in different shapes as the IV and V range products. The following attributes let us a large vision to study and adapt the production to the target market.

1.1.1. Brand name

In that regard the figures obtained in the study of the Almeria's horticultural product attributes realized by a sample of European consumers to meet if they are familiarized with our products (Gázquez, 2010), it can conclude the worst valued attribute is the brand and recognition. The origin brand for the Almeria's horticultural products remains an element in the buying devalued by the Germans. Whereas a brand originally functioned as an aesthetically pleasing identification tool, the primary purpose of today's brand is the expression of organizational values, moving beyond awareness (brand recognition and recall) to have associations that differentiate an organization's offering (Marsden, 2011). German consumers do not consider our origin brand as prestige or recognition due to the concept that they have about the pesticides used in the crops few years ago. Although the German consumers feel familiarized with the product origin, they disown the integrated production system and organic production, the control systems, certifications, traceability, etc.

1.1.2. Quality

The aspect associated with the quality as the freshness, texture, and flavor is very demanding by the German consumers. Regarding the conference that held on 17th Mai 2013 at the University of Almeria Francisco Contreras, the Marketing Manager from Edeka, one of the largest German supermarket chains, Contreras confirms that the most valued attribute for the German consumers is the product freshness and he concludes the Almeria's products are not as fresh as the Moroccan's products (Gabinete de Comunicación de la Universidad de Almería, 2013).

Although our products are certified by international certification bodies (EUREPGAP, ISO, UNE, BRC, etc.) as requirement to come into a specific market and follow many controls with the objective of exporting the product with a quality guarantee. Nevertheless, due to the lack of information that German consumers have about the good agricultural practices implementation by Almeria's companies, they have always our production in the spotlight. An example of that is the "cucumber crisis", since they distrusted about the quality of our cucumber and they associated quickly the infected cucumber to the Almeria's cucumber. This punctual case turned once more to smear our image and created distrust of our production in others markets. The German consumer associates the quality with the product origin, the certification and green label, the respect to the environment and the healthiness.

1.1.3. Packaging

Usually horticultural products are very perishable and can be damaged if they are handled in a rough manner during harvesting, sorting or transporting. Products damaged physically by pests or diseases deteriorate faster than non-damaged products and have a much shorter shelf life. Gentle handling and good packaging will reduce such damage. A wide range of packaging is used in preparing and sending crops to market. Packaging serves three major functions: to preserve, protect and promote. In the current environment where sustainability is important, most packaging for export is recyclable, hence use of technologically advanced cardboard products and the increasing use of biodegradable films (McCaffrey, 2012).

The presentation of the product is a key factor to appeal the attention to the consumers and preserve the product in good conditions. The packaging begin in the greenhouses, the farmers packed the products in plastic boxes with a special care in order not to damage and knocking the product. The products are taken to the cooperatives for handling and packaging, they supervise that the product are in the best conditions before exporting to the target market. This procedure is well developed but the weak point starts once the products arrive to Germany. For my personal experience I could see our product all together in boxes with a very poor presentation. The entire products were in a mixing and very difficult to identify from what country they come, without any certification label that evidence our quality.

Many companies are researching in respectful packing with the environment and create a detriment plant for its recycling. Platform Company, launches a corrugated cardboard box for fresh products, this is an international standard that adheres to Platform by approving the sizes of the boxes from different manufacturers worldwide. Due to the great interest in the production of IV and V range, many companies are thinking about the packaging and the presentation. The most important is to adjust the packaging to the new needs and requirements of the agricultural sector, and above all, the products get the better freshness, flavor and texture.

1.1.4. Traceability

A few years ago Almeria's companies started to use this system owing to the customer's distrust. Nowadays all companies must have documented and implemented a system of identification and traceability from sawing or transplanting to the delivery of the product to the customer with the identification of the harvesting dates and vice versa. In this way each delivery of

product has its own national identity document before of its consumption. Traceability guarantees the quality from the field to the customer's consumption and increases the confidence of our production system. Although many cooperatives in Almeria are using this system, there are many "alhóndigas" that do not use this system yet and it has negative influence because there is a little control about the products quality and traceability.

1.1.5. Functionality

In a market so alive and demanding such as horticultural products which has to satisfy many different links in the chain from the farmer to the consumer, it is important to anticipate trends and to offer new business opportunities. There are four trends that make a difference such as: content of functional elements in the products, the Mediterranean diet, snacking and processing. To try to meet these trends, it is required to be trendy and be especially novel. Such is the case of the seed house Enza Zaden, a world leader in horticultural breeding which has developed the certification brand "Tomazur", a tomato that was awarded in 2012 in a national contest, "The tomato of the year". This tomato is characterized by a value, such as an authentic flavor with a very intense red color in an extremely attractive and a container industry that distinguishes it from the rest. Tomazur taste meets in its values, beauty and trust, features authentic flavor and quality tomato that consumers demand. Tecnova, for example is doing an agronomic trial after Hendrick's Gin idea developed and aimed at cultivating heart-shaped cucumbers to serve as a cocktail with gin during Valentine (Coexphal-FAECA, 2013).

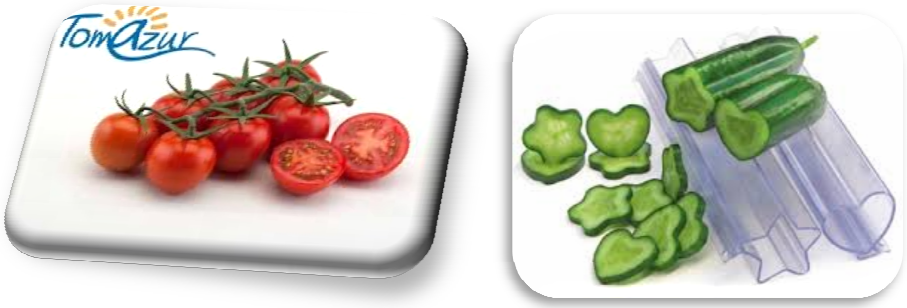

Illustration 9. Functionality examples

1.2. Price

The price is the most decisive variable by the consumers when they are going to buy a product. In this essay it is not going to spend so much time in talking about this variable because is very difficult to come to an agreement because of the destination agent's power. Nevertheless it explains how the price works in the horticultural products and if the companies are doing well or not. The price is very sensitive to the demand and works in a direct way. If the demand augments, the price increases too and vice versa. In the agricultural sector, there is products campaign very delimited and the price suffers the seasonality of the production, as per example; the watermelon in spring and the pepper in autumn.

Regarding the information collected by the "Ministerio de Agricultura y Pesca", the 73% of the companies establish the price at source; the 64% by price at destination and only for the 39% of the companies, the prices have relation with the farming costs. The most frequent criteria in order to establish the price is the quality of the product. Taking into account these criteria, approximately the 60% of the companies pay the farmer with weekly average prices and the 29% of the companies pay with diary prices (Manrique, 2004, págs. 22-34).

1.3. Distribution

Throughout this point it explains the distribution channels and the transportation ways to take the products to the target market. In addition it provides an example of the Company "Caparros Nature" as an outstanding distribution way and successful results. And also it supports the distribution channels with the internet tool as an excellent way to commercialize the products.

1.3.1. Distribution channels

The basic circuit of the horticultural products distribution is called "long channel", consisting of a large number of intermediaries such as producer, wholesaler in origin, destination wholesaler, retailer, and consumer. The illustration below shows the outline of the traditional distribution chain.

Illustration 10. Channels distribution

In the outline it can see that the product is moved for many hands from its farming to its customer's delivery. The most changeable is the price, especially the difference between the price received by farmers and the final price paid by consumers.

There is a huge variety of agents operating in the commercialization system and in the origin markets. Accordingly it is possible to find isolated farmers, joint farmers in procurement centers (alhóndigas, procurement auctions, networks), wholesalers, carriers, brokers, warehouse operators in origin, cooperatives, agricultural processing companies (SAT), joint property (CB) , etc. And there are also intermediaries agents in destination. The existence of all these agents and the products diversity leads to the complex relations that represent the origin market of these products (Martínez, 2006).

The major figures of the commercial distribution in origin are: producers and their associations, cooperatives and agricultural transformation associations (SAT), intermediaries in origin, horticultural plants and integrated marketing distribution. To understand better each figure, it explains below the function of each one.

- **The producers and their associations:** the mini-fusion character of the major horticultural farms constitutes one of the main competitive weaknesses for the production. It tries to overcome by the farmer's integration in different kinds of associated entities and in the participation of the producers in the generated value by the production and distribution of fruits and vegetables. The agricultural organizations focus the supply and lead its production to recruitment centers, intermediaries target or subject to a greater focus on second and subsequent degree cooperatives. These organizations can take the following legal forms: cooperative, agrarian transformation society (SAT), corporation and informal society. The most important are the first two.
- **Cooperatives and SAT:** unlike other companies who buy the products in alhóndigas, the formulas of association such as cooperatives or producer SAT are directly involving in

marketing. The cooperatives are participatory partnerships that associate to physical or legal people with interest or socio-economic needs in common for their satisfaction. The primary cooperatives play a triple role (Ballesteros, 1991): to provide fertilizers, seeds and other inputs, crops industrialize its partners and market these crops. The second degree cooperatives whose main objective is the concentration of supply to achieve better conditions, characterized by the recruitment of a management that performs all the commercial management of cooperative partners. The agricultural processing companies (SAT) are a halfway organization between cooperative and corporation with a similar performance to the cooperatives but with a sharing-profit based on the participation of each partner.

- **Intermediaries in origin:** there are many figures who participate in the distribution, the importance of each one varies markedly according to the place where the products operate and the destination markets where the product is targeted. The "alhóndigas" are commercialization centers in origin of private character where the farmers carry directly the products, which are sold through to auction system down in front of whiteboard with several buyers. The "alhóndiga" is an intermediate that receive the product from the farmers and it is accountable of their sale, payment and price. The quality and presentation requirements are lower than in other channels. The farmer can cut the auction and remove the merchandise and they can take their products without membership requirements, quality and quantity of the goods, species, varieties, etc. The features that emerge from them "alhóndigas" compared to other operators in origin are:
    - The specialization in vegetables.
    - The importance of the domestic market and the tendency to increase sales abroad.
    - The lower number of services they provide to their suppliers and customers.
    - The limited product standardization
    - The lower degree of loyalty bonds and maintaining their suppliers and customers.
    - Lack of planning in the supply and delivery.
    - The little control that they have over the production conditions and product quality.
    - Pricing is based on daily market conditions.

- **Horticultural plants:** the characteristics that better define this distribution way are: in the one hand, they make handling functions and commercialization functions and in the second place, the access to the new channel not only internal but also external. They are classified in two groups; the horticultural plants and horticultural trade. These horticultural plants take part to the agrarian cooperatives, SAT, large producer companies and origin wholesaler, appearing sometimes associated to "alhóndigas" or another agent. The horticultural plants are at the moment one of the most dynamic commercialization sectors in origin. The eminently exportation of horticultural plants makes them highly permeable to foreign equity. One of the horticulture's characteristics is the existence of horizontal and vertical linkages between firms. Sometimes they are integrated in the same group and others the same company can be a partner in many different companies. In any case, the creation of these groups can help to concentrate and arrange the supply and to meet the high demands of its customers.
- **Joint commercial horticultural:** besides the "alhóndigas" and other commercial companies, whose primary function is the commercial as the consortia and cooperatives of second degree, in both cases it is involved by independent companies but others are grouped in order to meet demands, especially for volumes and product range, but also risks and investments. One of the examples is Anecoop that is a second degree cooperative from Valencia. It is the largest horticultural joint by turnover, controlling a large number of companies and sales offices in Europe and with increasing levels of integration at various levels.
- **Integrated marketing distribution:** some large multinational retail groups have developed their own marketing companies or established exclusive distribution agreements with horticultural centers for the supply of fruit and vegetables inside and outside Spain. The three most important are Socomo, the group Carrefour and Edeka, representative in Spain of the German company of the same name. These companies supply both cooperatives and associates and private companies.

The traditional distribution channel used by horticultural companies is the intensive distribution whose policy is to reach more consumers. It aims is to achieve maximum market coverage, placing horticulture products in the largest number of outlets. It has the characteristic that the high number of retailers requires the use of wholesalers, as mentioned above, given the inability to contact the producer of all retailers. The intensive distribution provides increased availability of fruits and vegetables for consumers and a significant market share for the farmer. Although this

distribution channel has some disadvantages as the farmer loses control over its products which mitigates the effectiveness of its distribution policy.

Due to the development of ICT and e-commerce, companies operating in these markets have opted to integrate the distribution functions in the producer and are characterized by disintermediation of relations between the farmer and the final consumer. We are talking about the establishment of a direct channel. However, this process of disintermediation is not so obvious to facilitate complex transactions between producers and consumers so that they appear the figures of intermediaries who facilitate them. These intermediaries both processes occur prior to the transaction as in post (Calleja, 2010).

Internet and e-commerce must be conceived as a fully qualified channel of distribution. In the special case of traditional industries, e-commerce is not just another alternative, but rather a complementary channel of high potential that has to be integrated in their distribution policy. Firms have the ability to find a greater number of suppliers, to communicate and interact internationally with a larger number of companies involved in the supply chain and of course to acquire potential buyers anywhere to the Internet exists (Dussart, 2000).

For horticultural products which usually have a large supply chain and cannot be delivered by downloads through the Internet, the need for intermediaries still survives. The buying act and the resulting order could take place on the web, while the delivery could be done by a store located in the customer's proximity. Internet technology is suitable for big supply chains like those in agro food. E-commerce innovations aim to reduce the cost of procurement before, during and after the transactions (Lucking-Reiley, 2000).

1.3.2. Caparros Nature example

One of the examples of a relevant company from Almeria that break with the traditional distribution way is "Caparros Nature". This company has created a subsidiary in Berlin with the objective of implementing the sales in the HORECA channel (Hotels, Restaurants and Catering) and gourmet shops, specialist shops and renowned supermarkets. In the interview realized with Pedro Caparros business group president, extracted by the website Infoagro news, he said that Germany is a very attractive market to create a subsidiary since it is a country with a predominantly consumer and limited agricultural production. The main purpose of this subsidiary, "Caparros Deutschland", is to promote the sale of products Caparrós Group in the German market, but also with the intention of offering a greater variety of products and services to existing German customers and approaching

them to better understanding of their preferences and requirements. In the image below, it can see Pedro Caparros (center) in open logistics platform in Berlin.

Illustration 11. Caparros Nature logistic center in Berlin

1.3.3. Transportation ways

The deficiency of other transports more efficient in Almeria has meant the horticultural transport sector in Almeria is oriented almost entirely to road transport. One of the most popular ways of transport by companies in Almeria is the truck or "grupage truck". The groupage truck is a kind of truck not only loaded completely by just one company, but also it transports different products by other companies with the objective to economize costs. For the products exported outside European borders is used the airplane and the boat as the main transport way. According to the information appearing on the International Fair Fruitlogistica 2013, the Port from Almeria participates jointly with the British port of Southampton. The British delegation attends the fair with the aim of offering a new transportation service, "door to door" to the traders and importers and it studies the possibility of establishing a maritime line to export Almeria's fruits and vegetables destined for the UK market (http://issuu.com/laprovinciaaldia/docs/310113fruitlogistica).

Regarding the information showed in the digital newspaper (www.cadenadesuministro.es), in October 2011 the transportation way with an increased importance for the American markets is the airplane. For it, it is realized an event sponsored by "The Forum for University-Business Innovation, the Mediterranean Foundation, Almeria University, Almeriport Bay Foundation, Aena Airports, SA and Airport Logistics Centers, Inc". The objective of this meeting was encouraging the

airplane as an opportunity to carry the horticultural products and the auxiliary industry from Almeria in order to achieve distant foreign target markets in a quickly, safely and reliably way. Also it discussed the need to export to new markets beyond the scope of the European Union, in such way that air transport is an essential future ally and promote the consolidation and expansion of the sector.

1.4. Promotion / Communication

Promotion is the element of the marketing mix that includes the company efforts to communicate the merits of its products and persuades target customers to buy a real product or service (Kotler, 2000). Ellsworth argues the promotion tool has been revolutionized by the internet (Ellsworth, 1996). A good web site can be used for advertising, for brand name recognition, for public relations, for customer support and for technical assistance. The knowledge of consumer characteristics helps companies to improve target marketing and to create web-based personalization. The latter term indicates delivering customized content to the individual through web pages, e-mail or push technology (Chaffey, 2000).

The effect of branding is also important in Internet marketing of agricultural products. Consumer's loyalty is expected to be strong for established brand names, especially for new Internet users who explore familiar brand first (Klein, 1996). A major benefit for the agricultural sector is the low cost of promotion through the net. Promotion of horticultural products requires large amount of money while the relation of advertising and sale is strong.

In the fruits & vegetables market, image and marketing is needed to positively enhance everything that influences the ultimate goal to sell to the highest possible satisfaction. Many authors explain the variable that affect the marketing of fruit and vegetables and listed as "customer satisfaction, quality, relationship marketing, market, strategic and operational marketing, holistic marketing (market approach to customer own data knowing him)" (Sierra, 2009).

In the context of the marketing mix, promotion represents the various aspects of marketing communication as to announce information about the product with the purpose of generating a positive customer response. One of the most important promotion activities for the horticultural sector is the international trade show and the promotion campaign in order to introduce a product in a target market.

1.4.1. International fairs trade

In the horticultural sector there are many international fairs trade in order to promote the horticultural products and the positive effect of their production system; the most renowned international fairs are the following:

- **Fruitlogistica:** it is the international fair trade for the fruits and vegetables marketing. It takes place in Berlin from 6th February to 8th February. More than 58,000 trade visitors from 130 countries came to learn more about products and services spanning the entire fresh produce value chain and to gain a global overview of the market. Around 80% of the visitors came from outside Germany. The strongest participation with 2,543 exhibitors from 78 different countries presented the entire value chain which ensures supply of quality fresh fruit and vegetables to the consumers year round.

Illustration 12. Fruitlogistica images

- **Fruit attraction:** is an international fair of the fruits and vegetables sector. It takes place in Madrid from 16th October to 18th October. With a surface of 16249 m^2 and 596 exhibitors in 2012, the 84% are national and the 16% are international visitors. The presence of all production areas of the country: Andalusia, Aragon, Extremadura, Murcia, Canaries, Castilla y León, Castilla-La Mancha, Catalonia, Madrid, Navarre, the Basque Country, La Rioja and Valencia, among others, make Fruit Attraction a privileged business and information platform. It offers to the visitors the opportunity to learn, in just three

days and the greater diversity of content, cutting edge products and the most innovative systems in the industry.

Illustration 13 Fruit attraction images

- **Expo Agro-Almería:** it is an international fair of the Almeria's model. It takes place in Almeria from 18th April to 20th April (the last editions were in November). With a surface of 9000 m2 and a whole of 253 exhibitors. The sectors represented are: fertilizers, agricultural machinery, plastics, fertilizers, containers, packaging, pollination, irrigation, greenhouses, pesticides, agrochemicals substrates, peat, computer, climate control, marketing, financial institutions, etc. The countries represented are: Belgium, Dominican Republic, Israel, Netherlands, United Kingdom and Portugal. According to the article extracted by "La Voz de Almeria", the Expo Agro-Almeria is suffering a crisis and it is in risk of disappearing. Although the President of the Almeria Chamber of Commerce, Diego Martinez, tries to do the impossible in order not to throw 27 year of experience away. He affirms that this fair is compatible with the other one as Fruit Attraction and Fruitlogistica. Further he concludes saying that Expo Agro-Almeria should not disappear under any circumstances since Almeria's model would lose value (La Voz de Almería, 2013).


Illustration 14. Expo Agro-Almería images

1.4.2. Promotion campaigns

With regard to promotion campaign defined as a set of strategic actions that businesses perform to achieve short-term goals. These objectives are to get more sales, acquire more leads, generate more visitors and create a brand image or branding. Next it explains several examples of promotion campaign of some Almeria's horticultural companies.

The company "Costa de Almeria" travelled to London the last year on 13th June to sponsor its V range products; it is roasted peppers cooked in oven under the brand "QDelicias". The team launched a promotion campaign in the restaurant "Ibérica Food&Culture", located in London center. The results were very positive and the brand of Almeria could be promoted between the attendees as the department stores "Marks & Spencer", specializing in importing Spanish products and gourmet sector, and José Pizarro, one of the most renowned Spanish chefs in the UK market. The next image shows the team work from Costa de Almeria in the restaurant "Ibérica Food&Culture" in London. (http://www.hcostadealmeria.com/index.php?option=com_content&view=article&id=22:hortofruticola-costa-de-almeria).

Illustration 15. Costa de Almeria promotion campaing in "Ibérica Food&Culture

The inter professional of fruits and vegetables, "Hortyfruta", has launched many promotion campaigns in the national and international market. The following image shows an example of international promotion campaign. The major receiver countries are: Germany, United Kingdom and France. The main purpose of these actions is to convince the chains and the final consumer of the differential values and benefits that our horticultural products are grown with respect to other production areas.

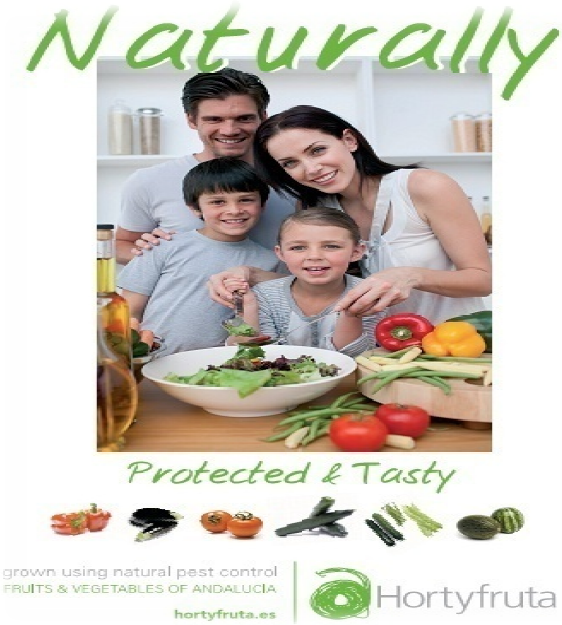

Illustration 16. Hortyfruta promotion campaign example

Another sample of promotion activities is the company Anecoop, which launches a campaign to promote its seedless watermelon "Bouquet" to reinforce the actions to be carried out in other countries as France, Austria, Czech Republic and Germany. The key objective is to "adapt" Bouquet in a benchmark brand of fruit both for the sales channel and the consumer. Different media were used as the final consumer specialized magazines, billboards and tasting booth in the center of major cities as well as presentations on the Internet and social networks.

Illustration 17. Anecoop promotion campaign example

Lastly it deserves also special attention the promotion campaign that my colleagues from the Master in International Business Administration and Modern Languages in the University of Almeria, are doing with the goal of implementing eating healthy through to the fruits and vegetables that the Almeria's companies export to many countries. They try to make known the product's origin and the best practices used to achieve healthy products without residues and with an integrated production system. In the publicity campaign, it communicates the image of the horticultural sector through the slogan; "*taste, see, feel, enjoy and join*!" This promotion campaign will be recorded and sent to Hortyfruta in order to be recognized and to be promoted in different international horticultural fairs.

1.5. "Partners"

The revolution in information technology (IT) and communications changed the way people conduct business today. The internet approach seems to be a one-way path for the industry of digital products. For the agro food industry the internet could be at least a noteworthy marketing tool which integrates and completes commercial activities. Large firms are usually first to use the new

technology and to acquire an electronic philosophy, but this is not an obstacle for small firms because barriers to entry on the internet are negligible (Baourakis, 2002).

According to Susana Villalobos-Breton, the internet is the phenomenon that has transformed the world and the marketing. The theory of the 5Ps has suffered many modifications and with the internet revolution, it has been added a 5Ps. There are many versions but "Partners" is the most adequate as indicated (Heskett, 2002). "Partners" refers to both customers (who help define the value) and collaborators (who help create that value). Next, it shows the internet service as a way to promote the company's activities and create relations by some Almeria's companies (Villalobos, 2010).

Illustration 18. Using "partners" by companies

Further with this technique the marketing department of the company tries to show its products and the activity to many followers as necessary in order to be visible for many business of the horticultural sector. From this way, many customers can interact with companies through to groups, blogs, etc; they can be informed of the last news and innovations in the sector.

Conclusions

This project has focused on analyzing the Almeria's horticultural sector and studying the German market as the main consumer of ours products in order to support conclusions through a

marketing mix product. It analyzes the product, price, distribution, promotion and the 5 Ps "partners" due to the internet revolution and the new technologies. With this marketing tool it can know the Almeria's companies practices that are carrying out to achieve the acceptance and recognition of its products in Germany.

The German market analysis shows the consumers are increasingly demanding with healthy eating and there is a new trend as organic fruits and vegetables free of residues and produced in a sustainable way respectful with the environment. Moreover there is also a demand of the IV and V range of horticultural products because of lifestyle with little time to cook. They prefer the fruit and vegetables to eat raw o semi cooked or cooked with a great importance in the taste, freshness and flavor.

Concerning the image of our products in Germany, it is not recognized and valued owing to the bad image that our products have suffered for many years and the false accusations, as per example: "the cucumber crisis". The German consumer do not feel confident about our production and they do not know the good practices that the farmers and companies are implementing through the implantation of an integrated production system free of residues and the beginnings of an organic agriculture.

Further the quality certification in our production is not consolidated in the target market and many consumers do not know our labels and they quickly associate our products with the conventional agriculture. The products have the standard certifications (ISO, EUREPGAP, BRC, etc) to export abroad but the brand image is not recognized in the target market. There are few companies that are working seriously with the quality certifications, but there are other that are not working in that. It has serious repercussions as the image of our production loses value in the target market.

Understanding the need and requirements of our target consumers, it can perform several conclusions to product, price, distribution and promotion level, as improvements, trends or simply as proposals for the Almeria's companies.

- **Proposals to product level**

  - Concentration of the supply through the merger of two or more Almeria's companies.
  - Intensifying the range of product, more products of the IV and V range.
  - Support for organic production and the farmer's commitment.

- Promote the development and transformation of the organic production in the province.
- Creation of a countermark, a corporate image of the sector, linked to the designation of origin or province.
- Development and control of quality certifications, opportunity to be part of the bio-organic seal Bio-Siegel of Germany and meeting required quality standards but with the seal of origin of our products.
- Implementation of quality certifications in 100% of the productions of the province.

- **Proposals to price level**

  - Avoid the commercialization of horticultural products below production costs.
  - Take control of the price in the destination market through the origin agents.
  - Fix a minimum price that ensures the profitability grade for the horticultural sector in Almeria.
  - Avoid the price distortion in the target market.

- **Proposals to distribution level**

  - Establishment of alternative road transport as the ship or railway from Almeria to Perpignan.
  - Installation of subsidiaries in the target market in order to manage the sales, as per example, "Caparros Nature" case.
  - Adequacy of the manipulation to the horticultural products and make a tracing during transport to ensure the life of the product and the best conditions.
  - Creation of a post-sale technique service to ensure the quality of the products in the target market.

- **Proposals to promotion and communication level**

  - Promote the inwards communication, awareness and inform to the farmers about the importance of our image abroad and the outwards communication, establish an answer system to the final consumers.

- Upgrade and enhance the promotion campaign of the horticultural products in the international markets.
- Attendance to International Fairs of the horticultural sector and promote the image.
- Promote knowledge and disseminate information on organic food and its properties.
- Enhance training in the field of organic farming.

Limitations and further research

The findings must be interpreted within the context of the limitations of study. There are many studies about the German consumer and the special attention to organic food consumption in Germany. However in Spain there are not many studies about the feeding and the organic food. The way in which the Spanish consumer is behaved is a cause of the lack of information and communication about the properties to eat healthy and sustainable.

Concerning the certification, in Spain is easy to find different standard certifications that certify the quality of our production as Eurepgap, BRC, nature choice, organic production, etc. But when our products are exported to Germany, once there, there is no information and our image is deteriorated by the absence of communication of our good practices carried out by the companies in the origin market. In Germany there is a "green" label that certifies the organic production and people recognize easily but in Spain there is not any "green" label with our origin brand recognized internationally. There is only the standard certification of the European Union with the organic label for different autonomous community.

Further the information regarding promotion and communication implemented by Almeria's companies is very poor if we compare the promotion of any other competitive markets as Holland or French. Many Almeria's companies are working very hard to become successful results in the target market but there are others that are not working or thinking in a different way because the promotion and communication of the production abroad is derived from a high cost.

To summarize about the price, although is not the objective of this paper, I have found many limitations in order to fix the best price for any kind of production or making decisions about that. The consequences can be the price distortion through to the agents in the destination market influence in the establishment of a real price at origin market.

Specific vocabulary

- **Organic agriculture:** is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.

- **Integrated production:** a farming system that produces high quality food and other products by using natural resources and regulating mechanisms to replace polluting inputs and to secure sustainable farming. Emphasis is placed on a holistic systems approach involving the entire farm as the basic unit, on the central role of agro-ecosystems, on balanced nutrient cycles, and on the welfare of all species in animal husbandry.

- **Conventional agriculture:** it is a kind of agriculture that requires high external energy inputs to achieve high yields and generally relies upon technological innovation and fossil fuels to supplement the required energy. Many people also define the term conventional farming as being synonymous with non-organic.

- **Residues:** materials left in the horticultural products after agricultural processes.

- **Traceability:** it refers to the product tracing through barcodes or RFID tags & other tracking media, all movement of product and steps within the production process. One of the key reasons is such a critical point in instances where an issue of contamination arises, and a recall is required.

- **Perishable:** subject to rapid deterioration or decay.

- **Horticultural Products Associations:** it refers to groups of farmers or entrepreneurs that represents to all the farmers and promote the production in the right way.

- **Hortyfruta:** is the inter professional of fruits and vegetables. Hortyfruta mission is simply to lead and ensure responsible and sustainable agriculture that benefits people to guarantee care for the environment and to offer a tasty and healthy product to the target consumer.

- **Fruitlogistica:** International Fair dedicated to the sector of fruit and vegetables to be held in Berlin in February. It is the most important event for exporters and importers of fruit and vegetables from around the world and is a world leader. In this show there is a presence of prominent corporate sector Almeria.

- **Fruit Attraction:** Fair dedicated to the sector of fruit and vegetables to be held in Madrid in October since 2009. It is the most important event for exporters and importers of fruit and vegetables from Spain. This International Fair has relevance for the presence of companies in the agricultural sector Almeria.

- **Expo-Agro:** it is the annual agricultural Fair celebrated in Almeria in November and that its last edition has held in April. It shows technical innovations, seeds, cultivation methods, services to farmers and everything that has to do with the field.

- **Organic certification**: is a certification process for producers of organic food and other organic agricultural products. In general, any business directly involved in food production can be certified, including seed suppliers, farmers, [food] processors, retailers and restaurants.

- **Organic Product Associations:** it refers to a group of people with many interests in common. Their mission is to promote ethical consumerism, promoting and protecting the growth of organic trade to benefit the environment, farmers, the public and the economy.

- **Functionality:** the particular use or set of uses for which something is designed.

- **Alhóndigas:** it is a warehouse where the product has been collected in the field for that day or the previous and submits to marketing by the auction system to the floor, where buyers are acquiring various vegetable those items that interest you. It's the trading system of many companies in the Almeria's province.

- **Cooperatives:** it is an owned, controlled, and operated firm composed by a group of users for their own benefit. Each member contributes equity capital, and shares in the control of the firm on the basis of one-member, one-vote principle (and not in proportion to his or her equity contribution).

- **SAT:** the Agricultural Transformation Societies are defined as civil and socioeconomic societies in relation to the production, processing and marketing of agricultural, livestock and forestry, the improvements in the rural, agricultural promotion and development as well as common service delivery related to these concepts.

- **Coexphal:** Growers and Exporters Association of the Almeria's province. It was created in 1977 to defend the common interests of the commercial sector of fruit and vegetables in Almeria. It is currently the most representative business association sector. Since the association itself indicated that its members sold and exported over 50% of total provincial and sometimes have come to speak of 80%, figures always doubted by some experts in the industry.

- **International Fair Trade:** is a marketing tool that aims to raise awareness of agricultural production and its derivatives in a particular area.

- **Countermark:** second mark that is put into bales, animals, weapons and other things to distinguish them from those who do not take more than the first, and for other purposes.

- **Agriculture auxiliary industry:** it refers to the activities and services that assist or complement in the production of the fruits and vegetables sector: plastic, irrigation, packaging, etc.

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