

PROFITABILITY ANALYSIS OF DIFFERENT TYPES OF AVOCADO ORCHARDS ON THE SPANISH MEDITERRANEAN COAST

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Avocados, that started to expand in commercial orchards at the beginning of the 1970s, currently cover almost 8000 has, mainly on the Granada and Málaga coasts.

Commercial avocado orchards constitute a heterogeneous patchwork of sizes, locations, history, mechanization possibilities, etc., and the works that have analyzed that heterogeneity and its influence on profitability of the orchards are scarce.

Firstly, a description of the orchards according to the characteristics that could affect profitability (extension, possibility and degree of mechanization, ownership or rental of equipments, systems of water storage for irrigation, etc.) is made. Then, profitability of the inversion is analyzed through the Financial Cost-Benefit Analysis (FCBA) technique for the different orchard types and extensions, expressed in parameters such as internal rate of return (TIR), net present value (VAN), investment recovery time (TRC) and the ratio Cost/benefit.

From that analysis and for each type of orchard, functional relationships among TIR, orchard surface, and avocado prices by origin are established, analyzing the existence and the intensity of possible scale effects in profitability and market. Finally, a comparative analysis of the results is carried out and several conclusions are obtained.