

### Problems

Olive production is hampered by a wide range of technical, economic, and political problems. The most serious result of these problems is the steady and marked decline in profitability of olives. In this section we shall identify major problems and evaluate their impact on the future of olive growing in the West Bank.

#### a. Economic problems

1. High cost of labour. Being a notably labour-intensive crop, the profitability of olives has declined markedly with the sharp rise in wages over the past 14 years. Wages have risen, at fixed prices, by five times since 1966, whereas the price of olive oil has just doubled during the same period.

Labour is needed most intensively in picking, and to a lesser extent in ploughing. Spraying with picking hormones saves much on labour, but their use is still very limited due to inadequate field testing of the new technology.

Undoubtedly, the prospects are promising. Likewise, ploughing costs can be reduced by wider dissemination of weed killers and by the introduction of small tractors which can reach large numbers of olive orchards.

2. Rough topography, excessive rockiness, and erratic rainfall. The consequences of these physical constraints are profound and very difficult to cope with. Mechanization is rendered extremely difficult, transportation is expensive, and the potential for technological change is limited. While much can be done to solve these problems, the researcher does not advocate restricting olive culture only to areas where land is ideal. The only limitations in this regard are rainfall and the possibility of putting land under more

intensive forms of cultivation, if topography permits or irrigation water is available.

3. Growing competition with imported seed oils. The West Bank imports substantial quantities of seed oils, mainly of sunflower, soya and corn, the reason being their low price relative to olive oil. Prices of seed oils in world markets fall in the range of US \$ 670 - 700 for the price of olive oil.<sup>1</sup>

Although seed oils are not consumed fresh, many families, particularly in urban communities, are using them for cooking purposes instead of the much more expensive olive oil. Evidently, this is an international trend which is gaining momentum in almost all olive producing countries. For instance, aggregate olive oil consumption in major producing countries during 1961 - 71 remained almost steady, while the consumption of vegetable oils rose by 125 percent.<sup>2</sup> It should be noted, on the other hand, that the substitution of olive oil with cheaper oils is much slower in rural than in urban communities, despite an attractive price differential.

The rationale of this argument is that the prospects of increasing olive oil sales in urban communities are not promising - unless the price of olive oil becomes more competitive, which in turn is unlikely in the foreseeable future, whereas increased consumption by producing families is certainly possible - should these families manage to

1. D F Marsico, op cit, p 2.

2. Ibid, p 3.