

of occupation.

- 7.2 Sharp decline in the volume of credit advanced by agricultural business firms due to the continuous and drastic decline in the value of Israeli currency.
  - 7.3 Reticence of most farmers to invest in local projects due to low rates of return, consequently leading to a growing exodus of capital to foreign markets.
  - 7.4 Insufficient amount of aid advanced by voluntary agencies, partly due to severe restrictions imposed by the Military Administration.
  - 7.5 Vague and confused processing of aid funds advanced by the Palestinian - Jordanian Joint Committee. This has led to inefficiency of advanced aid and to a pronounced prejudice against small farmers.
- 8.0 Fruit trees
- 8.1 Excessively rough topography, which severely impedes the pace of technological change and poses a low ceiling on productivity.
  - 8.2 High cost of hired labour, which is required at high levels for picking and ploughing.
  - 8.3 Profitability is too low to justify large investments for such purposes as reclamation of rocky land or development of collection cisterns. The problem is aggravated by the high opportunity cost of capital elsewhere and also by land confiscation hazards.
  - 8.4 Cost of purchased inputs rising at rates much higher than the prices of end products.
  - 8.5 Severe insect and disease damage. Most striking examples are olive fruit fly, almond wasp, stem borers, and scaly fig insect.
  - 8.6 Lack of water in run-down orchards where it is needed for

- supplemental irrigation of young seedlings and for spraying of weedkillers and insecticides.
  - 8.7 Severe varietal problems in the case of some fruit trees. A noted example is the Dabouki grape.
  - 8.8 Unsatisfactory roads connecting orchards with neighbouring highways.
  - 8.9 Poor level of processing and storage services, hence making disposal of surplus produce more difficult.
  - 8.10 High margins earned by middlemen due to an insufficiently competitive market structure.
  - 8.11 Inequitable competition with Israeli produce, which enjoys substantial scale and subsidy benefits.
  - 8.12 Erratic flow of produce to Jordan, made worse by complex routines, high cost of trucking, and frequent delays.
  - 8.13 Competition of imported seed and olive oils with locally produced olive oil, leading to a steady decline in the per capita consumption of local oil. The problem is further compounded by unsatisfactory quality control measures which have led to an impaired reputation of Palestinian olive oil in export markets.
- 9.0 Field crops and vegetables
- 9.1 Pronounced and erratic fluctuations in rainfall, which may result sometimes in a substantial drop in yields.
  - 9.2 Inadequate machine services in most areas of marginal production. This is not only true for seedbed preparation, but also for such services as spraying, weed control, and harvesting.
  - 9.3 Scarcity of certified seeds.
  - 9.4 Reduced supply of free family labour with a low opportunity cost.
  - 9.5 Competition with imported products, as in sesame and chickpeas.