given the present setting whereby they involve land and labour which have very little opportunity costs. And in the event that net returns from olives decline sharply or turn into a loss, olive orchards could be temporarily abandoned and considered as forests, and possibly put under natural grazing. Should there be a change in the market structure, deserted orchards could be conveniently rejuvenated and put again under commercial production.

Comparing olives with grapes and almonds, which are the closest substitutes, olives are evidently less remunerative than both (see Table XII-1). But olive culture entails several other non-pecuniary advantages which still make of it the leading tree in West Bank agriculture, despite modest immediate returns.

Table (XII - 1)

Comparative profitability of olives, grapes and almonds

	Net returns (JD/don)*	
	Good year	Bad year
Olives	18.2	-3.3
Grapes (creeping)**	48.7	--
Almonds	28.3	4.2

* On the basis of excluding the value of unpaid labour from cost outlay.

** Returns for an average year.

Source: Data in Chapter VII.

Profitability of olives could be substantially improved if production costs are further reduced and if productivity is raised to the level permitted by existing constraints. The following is a list of guidelines which are suggested in the light of the expansionary and cost-oriented policies outlined above:

1. Wider distribution of subsidized seedlings produced by certified nurseries. This involves patching of existing orchards, but

more so the establishment of many new orchards. A narrower spacing is strongly recommended for a number of economic reasons, such as reducing water evaporation in the summer, and maintaining trees to a size which is low enough to facilitate picking.

2. More vigorous development of land in classes III and IV with the objective of putting more land under olives. This should involve only basic development measures, in addition to the opening of farm roads which are fit for tractors, and possibly lorries.

3. Low-key modernization of production practices, particularly chemical weed control, small tractor ploughing, limited fertilizer use, and the application of picking hormones. The aim here is to raise productivity and reduce production costs within the constraints imposed by prevailing socio-economic parameters.

4. Selective reclamation of cisterns in expansionary areas. These would provide water which is critically needed for such purposes as irrigation of new seedlings and spraying of weed killers and picking hormones.

5. There is an urgent need for a number of improvements in the processing and marketing of olive oil. The needed measures should aim at improving such services as refining and grading of oil, more attractive bottling, certification of quality, and promotion of export trade.

6. Interplanting olive orchards with almonds is strongly discouraged. Alternatively, young olive orchards can be interplanted with creeping grape vines, which have a shallower root system and