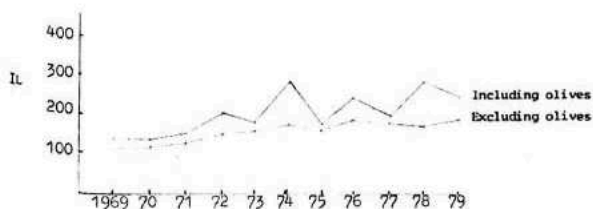


(V - 1) shows a substantial drop in annual variation of gross agricultural income, when olives are excluded.

Evidently, the pronounced variation in income received by farmers in rainfed areas has grave economic consequences. Most importantly it reduces their shock-absorbing capacity and renders them overly conservative in accepting technological change.

Chart (V - 1)

Annual variations in agricultural income



Rate of growth

The rate of growth in agricultural income is a highly controversial issue. Israeli sources, for instance, speak of a phenomenal growth rate which they say "is unparalleled in other countries",¹ and "fastest in the world",² Much of this, the researcher believes, is rhetoric.

Evaluation of growth in agriculture rests on two major criteria, income and physical output. Due to radical shifts in the price structure, changes in income, as will be discussed later, do not

Table (V - 1)

Secular changes in agricultural income
(IL-millions, unless stated otherwise)

	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
GNP - 1968 prices	417	473	591	743	705	892	842	1051	998	1154	1142
GEP - 1968 prices	377	411	471	578	527	688	638	774	748	882	841
Agr. income - at market price*	153	141	203	307	372	795	713	1243	1301	3222	4722
" " - at 1968 prices	146	135	160	201	188	293	184	257	208	308	254
" " - in Jordan Dinars**	16.1	14.1	19.3	24.4	27.6	46.2	34.8	42.7	31.2	56.8	56.3
" " - % of GEP	38.7	32.8	34.0	34.8	35.7	42.6	28.8	33.2	27.8	34.9	30.2
" " - % of GNP	35.0	28.3	27.1	27.0	26.7	32.8	21.8	24.4	10.8	26.7	22.2
" " - % of annual change,		-7	18	26	-6	56	-37	40	-19	48	-17

- measured at 1968 prices.

* Value of agricultural output less the cost of purchased inputs

** Agricultural income at market price, converted to Dinars at ruling exchange rates

Sources: Statistical Abstracts of Israel, for respective years, primarily Vol. 27, 1967, p. 688 and Vol. 31, 1980, p. 680.

¹ Moshe Levi, op. cit. p. 1.

² Y. Oked "Farm Growth in the Areas 'Fastest in the World'", Jerusalem Post, April 16, 1976, p. 1.