

Analysis of the results given in Table VII-5 points to the following conclusions:

1. Olive production is remunerative to owner-operators in good years and makes a slight loss in bad years, given the existing frame of operations where it utilizes inputs which have a minimal opportunity cost and where the amount of paid expenses is kept to a bare minimum.
2. Ploughing is the most important cost item, amounting to more than 50 percent of total costs. Consequently, profitability will be materially increased if it becomes possible to reduce the number of ploughings to one, or even do away with it completely.
3. The cost of picking is the second most important item, and it ranges from 12 percent of total costs in a bad year to 30 percent in a good year. The cost of picking is considerably greater for owners who relegate picking to tenants, usually against a share of one third of total output. Should there be some means (such as hormone spraying) to modernize picking and cut down its cost, that will be materially helpful in raising profitability of olives in the present setting of West Bank agriculture.
4. Profitability of new orchards where pre-maturity development costs cannot be ignored, is more marginal and it depends largely on the following conditions:-
 - a. Land development costs have to be reduced essentially by maintaining development operations to the bare minimum.
 - b. Farmers should aim at a much higher productivity.
 - c. The bulk of labour input should continue to come from sources with a negligible alternative opportunity cost.

Table (VII - 5)
Profitability of olives

	Unit	JD/unit	Good year		Bad year	
			(Quantity)	Value (JD)	Quantity	Value (JD)
Cost outlay						
a. Labour (total)	Donum	9.7		11.4		8.5
Animal ploughing	man-day	3.3	2	6.6	2	6.6
Pruning	"	2.4	1/3	0.8	1/3	0.8
Fertilization	"	-	-	-	-	-
Spraying	"	-	-	-	-	-
Picking	"	2.4	1/3	0.8	1/8	0.3
Picking	woman/day	1.6	2	3.2	0.5	0.8
b. Materials (total)						
Fertilizer & manure	kg	-	-	-	-	-
Pesticides	kg	-	-	-	-	-
c. Interest on investment	% per year	10	1/3	0.2	1/3	0.3
TOTAL COST, of which:				11.6		8.8
- value of unpaid labour				3.0		0.8
Returns - total						
Quantity of output	kg		190		20	
Oil extraction	%		25		27	
Less 10% for pressing	kg		3.7		0.5	
Oil output	kg		37.5		5.4	
Returns to owner	JD	0.85	33.8	25.3	4.9	4.2
Plus returns from by-products	JD			1.5		0.5
TOTAL RETURNS TO OWNER				26.8		4.7
NET RETURNS:						
- family labour included				15.2		4.1
- family labour excluded				18.2		-3.3