State of Palestine

Ministry of Agriculture

6th MEETING OF THE COMCEC AGRICULTURE WORKING GROUP
(October 8th, 2015, Ankara)

Olive and Olive Oil Subsector

- The Agricultural Census of 2010-11 showed an apparent vast reduction in the olive area cultivated, from 950,000 dunams1 to 558,000 dunums.
- In fact, there has been no decrease in the number of trees.
- Olives constitutes 54% of the total arable area, comprising 85% of the total fruit trees area in Palestine.
- The number of olive trees is around 8,895,000, of which 7,798,000 (88%) are fruit-bearing.

Olive holders

- The rainfed olive holdings are around 66,000 while the irrigated holdings are 11,000.
- Smallholdings (less than 5 du) are estimated at 56% of the total.
- Medium size holdings (5-30 du) at 33%.
- Large holdings (more than 30 du) are estimated at 11%.
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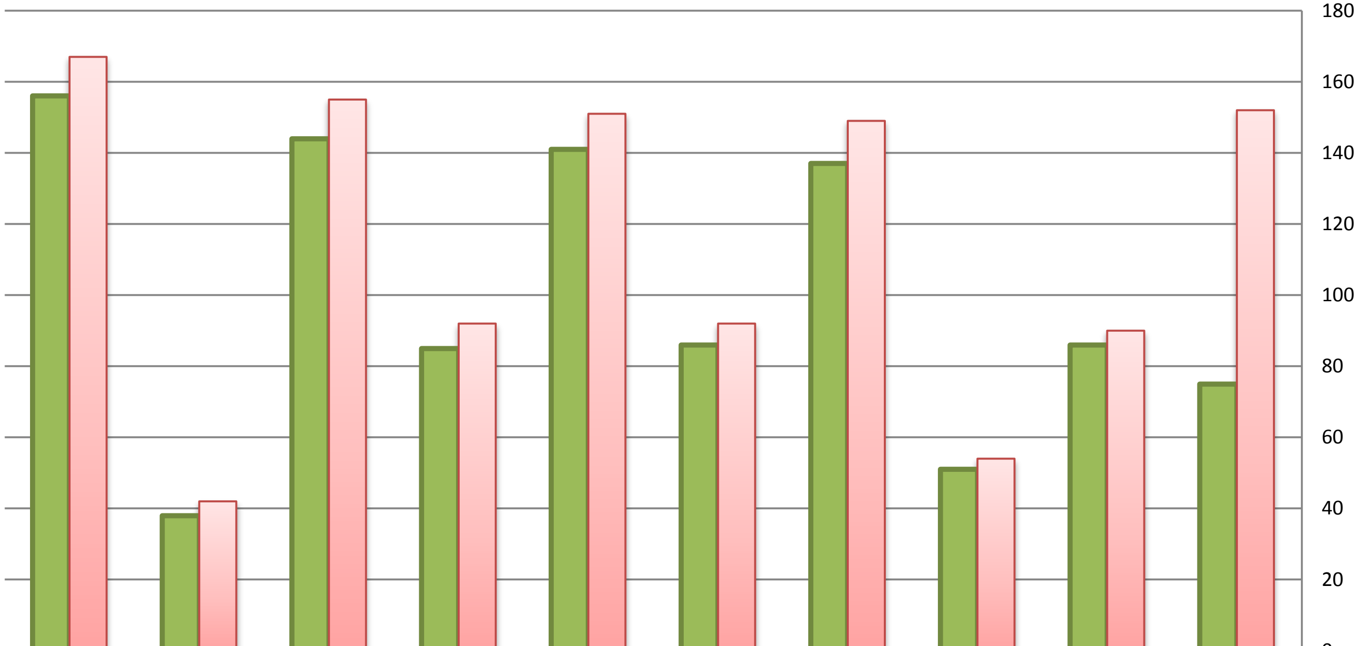
Production and Productivity for Olives 2007/2008

	Area	Production	Productivity
Palestine	950,666	85,651	90
West Bank	924,062	82,167	89
Gaza Strip	26,604	3,484	131
Area: dunum Production: Tons Productivity: kg/dunum			

Production and productivity of olives during 1999-2008 and 2010/ 2011



	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2010/2011
Production (000)ton	156	38	144	85	141	86	137	51	86	75
Productivity (kg/du)	167	42	155	92	151	92	149	54	90	152

Source: PCBS, Agriculture Statistics Reports (2000-2008) and Agriculture Census 2010/2011 (reliable productivity figures for the two years 2008-09 and 2009-10, were not available from PCBS).

Area of Bearing and Non-bearing Olives Trees and Quantity of Olives and Olive Oil Produced 2009/2010

	Area of bearing olives trees	Area of unbearding olives trees	Total	Quantity of olives produced	Quantity of olive oil produced
Palestine	436874	25933	462807	97934	18279
West Bank	419786	21519	441305	80708	15817
Gaza Strip	17088	4414	21502	17226	2462
Production Tons		Area: dunum			

Main Economic Indicators for Olive Presses Activity in Palestine and Automation Level, 2012

	No. of operating presses	Pressed olive quantity	Extracted oil quantity	Olives presses output value	Added value
Palestine	279	104762.6	22951.1	9098.2	6490.8
West Bank	258	95215.8	21356.9	8260.6	5927.2
Gaza Strip	21	9546.8	1594.2	837.6	563.6
Traditional & Half Automatic Presses	33	6942.5	1499.1	532.1	378.4
Full Automatic Presses	246	97820.1	21452.0	8566.1	6112.4
Production: Tons	Value: 000 US$				

Olives Value Chain Analysis

- The value chain of olives was analyzed through a study prepared by Horizon for Sustainable Development in 2007.
- A later study was entitled the Road Map for Agribusiness Development in Palestine, prepared by DAI in cooperation with Techno-Serve, Oxfam and Horizon in 2011.

Olive oil value chain

Production

Activities:

- Land preparation
- Production of seedlings
- Cultivation
- Fertilization
- Plowing
- Spraying
- Trimming
- Picking
- Packing

Olive production

Pressing & Processing

Pressing

New Presses | Old Presses

Activities:

- Collection and waiting ….hour
- Washing
- Purification
- Pressing
- Filling bulk containers (16 kg)
- Storage
- Quality inspection

Olive oil production

Processing

- Pickling and processed olives
- Soap
- Cosmetics
- Medicines

Marketing

Private use

- Home
- Gifts

Companies

- Storage
- Processing
- Packing
  - Small containers
  - Large containers (16 kg)

Dealers

(Small and large containers)

Export

Consumption

- Home
- Restaurants & hotels

Average consumption per capita* (litre/yr)

Palestinian territories: 3.5

West Bank: 4

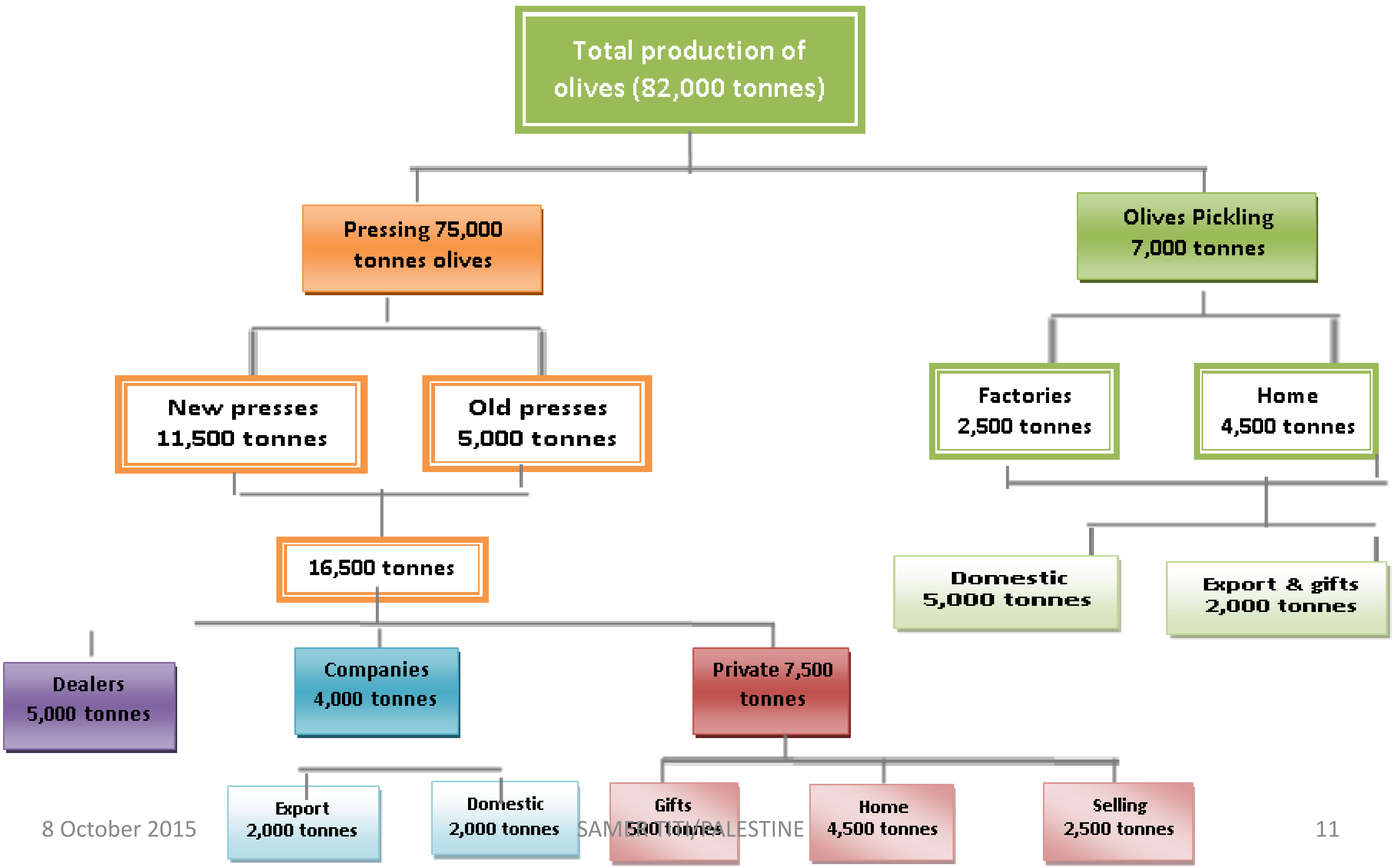
Gaza Strip: 2.4

*Average consumption per capita: PCBS/ Palestinian Consumption and Expenditure Survey 2010

Value chain for virgin olive oil including value sources and margins distribution (market and profit) NIS/ kg

Stages	Value/ Cost of imported inputs	Value/ Cost of domestic inputs	Labour force (day)	Total cost/ value	Profit margin %
Production	Profit margin for farmer (NIS)			4.2	16
Production cost	4.60%	4.40%	90%	9.3	36
Commodity value/ farm gate				13.5	52
Press	Profit margin for press (NIS)			1.1	4
Processing cost	48%	26%	26%	0.44	2
Commodity value for packing				15	58
Packing	Profit margin for packing (NIS)			2	8
Cost for packing	60%	20%	20%	5	19
Commodity value for dealer				22	85
Market (retailers)	Profit margin for market (NIS)			3.57	14
Cost of dealer	10%	70%	20%	0.43	2
Selling value for consumer				26	100
Value source (NIS)	3.7	1.8	9.6	15.1	
%	24	12	63	100	

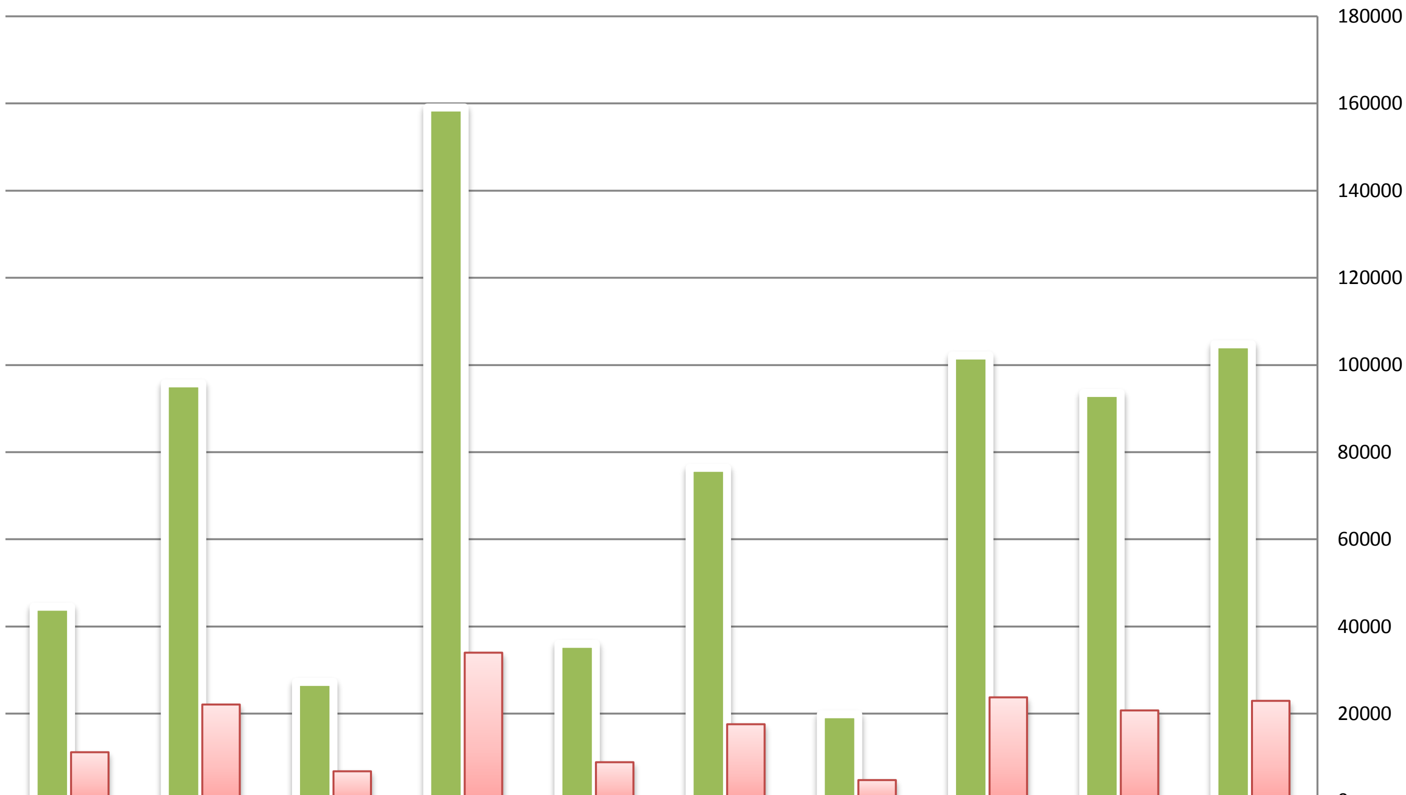
Channels for the consumption of olives and olive oil



Packing and Distribution of Olive Oil

- There are 11 local olive oil companies, their storage capacity being around 2,500 tonnes.
- olive oil is channelled as follows:
- 9-15,000 tonnes for local markets.(WBGS)
- 2,500 tonnes in regional Arab markets.
- 1,500 tonnes inside occupied Palestine markets.
- 300-500 tonnes for other foreign markets.

Changes in quantities of pressed olives and extracted olive oil during the period 2003-2012



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Quantity of pressed olives	44573	95765	27310	159059	36033	76388	19860	102162	93566	104763
Quantity of extracted olive oil	11163	22106	6790	34002	8870	17584	4771	23754	20754	22951

Serving Small Farmers and the Poor through the Market

- Tools and requirements needed to improve and maximize benefits by small farmers and the poor to ensure their active participation:
- Establishing/ expanding coverage of and/or activating cooperatives and farmers' organizations.
- Organizing producers' work through the creation of an improved governance framework for the olive oil sector.
- Better organizing the work of, and control over, olive press management.
- Providing training in orchard rehabilitation, and farm monitoring & evaluation.
- Providing basic services such as micro-finance and incentives

- Delivering agricultural extension and marketing services.
- Supporting the needed inputs and infrastructure to improve olive oil quality.
- Reducing price fluctuations and their impact on farmers
- Providing correct information on production quantities and market needs.


Thank you for your listening