



Palestine Economic Policy Research Institute

# **The Competitiveness of the Palestinian Dates (Medjool) in the Local and Export Markets**

Mahmoud El-Jafari  
Dareen Lafi

December 2004

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- ♦ Providing a forum for free, open and democratic public debate among all stakeholders on the socio-economic policy-making process.
- ♦ Disseminating up-to-date socio-economic information and research results.
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## Forward

The concept of competitiveness gained greater attention, both in developed and developing countries, during the nineteen eighties and nineties. Its importance revolves around its impact on the allocation and efficient use of resources, improving productivity, raising the quality of production, and increasing the level of effectiveness by cutting costs. In this context, this study aims at ascertaining the tools and techniques which can be applied to strengthen the competitiveness of Palestinian *Medjool* date production and marketing in local and export markets.

Increased attention by authorities at the Palestinian Ministry of Agriculture concerning the cultivation of *Medjool* palms, and by Palestinian farmers in the Jordan Valley (*Ghor*) region, was one of the reasons which motivated this study, but the matter is not confined to the producers. The study has also taken into consideration questions related to the marketing of *Medjool* dates in local and export markets from such bodies as the Palestinian Agricultural Relief Committee (PARC), the Palestinian Trade Centre (PalTrade), and the Association of Palm Growers in the *Ghor* region.

The Palestinian *Ghor* region possesses a comparative advantage for growing *Medjool* dates, which are considered among the best in the world. Palm tree cultivation depends on certain climatic and environmental conditions which are only found in three regions in the world: the Maghreb region of North Africa, Southern California, and the *Ghor* region in Jericho. Moreover, the specifications of organic agriculture are applicable to palm growing, and it also constitutes one of the practical solutions to the scarcity of water in the region. However, the entry of this crop to European markets does not only depend on the capacity to grow it, but on its ability to compete with Israeli, Moroccan and US *Medjool* dates.

The Palestine Economic Policy Research Institute (MAS) expects that policy-makers, farmers, and all those concerned with the production and marketing of dates will benefit from the conclusions of this thorough study, which presents many recommendations aimed at enhancing the competitiveness of Palestinian *Medjool* dates in local and foreign markets. They pay particular attention to the issue of product quality and packaging, so as to enable Palestinian *Medjool* dates to compete on the basis of quality as well as price.

MAS would like to express its thanks to all those who contributed to this study or who offered the necessary assistance and information, particularly the Ministry of Agriculture, PARC, PalTrade, and all the engineers and farmers who were interviewed in the course of the project. The Institute would also like to express its deep gratitude to the International Development Research Centre (IDRC) of Ottawa, Canada, for financing this study.

Dr. Samir Abdullah  
Director General

## Summary

This study aims to come up with a set of measures and mechanisms necessary to enhance the competitiveness of Palestinian Medjool dates in local and export markets. To accomplish that objective, short and long-term agricultural policies have been formulated to apply those findings. They include the following:

1. Input subsidies:
  - supplying farmers with high quality services
  - enabling farmers to use cranes and machinery in the production and harvesting process
2. Domestic and international marketing policies.
3. Agricultural extension and research policies to activate potential Palestinian growers' awareness about the significance of Medjool palm farming in the Palestinian Ghor valley. The climate in the Ghor valley, where temperatures range from 12C° in March up to 50C° between July and October, is considered ideal for Medjool palm farming, which requires hot and dried weather. In fact, Medjool dates are produced only in few specific areas of the world: the Ghor valley and Dead Sea area in Palestine and southern parts of California in the U.S. However, more than 70% of the total area of the Palestinian Ghor valley and Dead sea is controlled or exploited by the Israel Military Authorities.

In addition, the demand for Medjool date products in local and export markets was investigated, and potential demand in the local market has been projected for the period 2005-2020. Concurrent to that analysis, several supply-side variables have been estimated for the same period, such as the area under palm-tree cultivation, the number of palm trees, and their likely yield of dates.

## Methodology

The methodology applied in this study is outlined as follows:

1. Several international studies on the economies of dates were reviewed, looking in particular at date marketing facilities, infrastructure and production procedures.
2. Secondary data on date production and consumption published by Palestinian Central Bureau of statistics (PCBS) was gathered for the



period 1994/1995-2002/2003., Data for the period 1970-1994 came from publications of the Israeli Central Bureau of Statistics.

3. Several interviews were held with the key persons in the department of agriculture in Jericho, a palm growers' cooperative, the Palestinian Agricultural Relief Committee (PARC), and the Ministry of Agriculture in Ramallah.
4. A workshop was held to discuss the results of the study with the key persons in those institutions.

## **Major Findings**

- Medjool date farming in the Ghor valley was found to be the best option for farmers in that region. Palm production requires only 33% of the water utilised in producing bananas and oranges, so when banana and orange trees are substituted by Medjool palms, 67% of water utilised in irrigation could be saved. In addition, dates can be produced jointly with other cash crops where bananas cannot. Also, the hot and dried weather in the Ghor valley is the optimum climate for date farming.
- Per-capita consumption of dates in the West Bank and Gaza Strip (0.6 kg) is much lower than that in Saudi Arabia (38 kg). High prices of dates with respect to prices of other fruits and low per-capita income could be the main reasons behind the relatively lower consumption of dates in the WBGS.
- Israel still remains the major supplier of dates to the Palestinian markets, with dumping and smuggling of low-quality dates being a major problem. Israel supplies the Palestinian market with low-quality dates from its stocks harvested in previous seasons. The Palestinian side lacks the inspection facilities to control this, and no legislation exists to prevent illegal border trade.
- Israeli storage management policy depends largely on the Palestinian market to absorb low-quality dates. Generally, Israel empties its inventories of dates two months ahead of the harvesting season. In fact, the optimal length of time to store dates doesn't exceed 10 months.
- The European market, which imports 50% of total world exports of dates, has great potential for Palestinian Medjool dates. They are characterised as a high-quality product, supplied at high prices similar to those products exported from Israel and the U.S to the European markets.
- The export of Palestinian Medjool dates to the European market requires several marketing functions to be taken into account to

develop a product equivalent to that exported from Israel. These include washing, cleaning, drying, sorting, packaging, labeling and storing.

- Production functions such as fertilising, decreasing cluster weights, and packaging clusters must also be considered.

## **Recommendations**

Several recommendations have been produced:

1. Stimulating and encouraging investment to establish marketing infrastructure and facilities. Since the expansion in production takes a certain time (8 years) between planting the palm trees and the first harvest, investment in marketing facilities could be implemented gradually to absorb the annual increases in date production.
2. Investing in building cold storage facilities to control the quality of date production and to adjust the supply of date products to the local and export markets.
3. Medjool palm growers should comply with the international standards and requirements necessary to market their product in export markets. To accomplish that, training and rehabilitation programs should be provided to Medjool date producers and exporters to integrate them efficiently with local and export markets. Marketing surveys and research should be carried out on final consumers through retail chains in the export markets.
4. Concerning the efficiency of marketing Medjool dates in local markets, the following steps should be applied:
  - Ban smuggling and dumping of low-quality dates from Israel into the Palestinian markets. In fact, Palestinian markets need to be protected. The existence of laws and regulations will enable producers, wholesalers and retailers to market local production efficiently in the domestic market.
  - Wholesalers should design appropriate marketing packages to promote local consumption of date products as healthy food, not only during the Ramadan season but throughout the entire year.
  - Conduct specialised agricultural market research to establish the needs of final consumers of dates in local markets. Such research is necessary to adapt agricultural marketing policies.

