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## Three Simple Steps to Create Huge Value and Impact in Agriculture



Some leaders try to change the economic situation of farmers by using unsustainable or 'emergency' methods to increase their income “out of thin air”.

Such action works for a short while and creates a deep disappointment once 'the magic' is gone and the government stops pumping money or no longer is actively helping.

So how can we increase the income of hundreds of millions of farmers around the world for a long time and not by "single-shot"?

Well, one way would be by changing farmers' profession.



By large, this is what happened in the past 30 years in China that has become a leading industrialized country with strong immigration from the village to the city (BTW – similar happened in Russia after the regime changed in the '90s).

While it offers some temporary comfort, it doesn't improve the state of farming and farmers. Because the agri-sector is left far behind the leading agricultural countries/economies.

We can also expect that it will leave the problem of food availability as it is, or even worse.

The other option is to improve and **increase the direct income of farmers from agriculture activities**. This article focuses on the Stages to do exactly that.

To increase the income of farmers from agriculture we need to agree that - the land of the farmer is limited, and so, increasing the income means either:

(a) Increase the **value** of crops per kg.

(b) Increase the **yield** per hectare.

(c) And the best is to increase both Value and Yield.

Doing so we create – a sustainable growth of the agri-industry and contribution to the farmer and the country economy.

### **A Case-Study - Mango**

Why I use mango as an example?

Because it is a common crop around Africa and Asia. It is popular and loved by most people, and therefore has high demand by food markets. Mangoes also receive a high price for high quality.

Yet, the current economic situation of farmers growing mango is bad, mainly because of fruit flies, which affect the mango quality and by that its price and availability.

So by demonstrating how we increase the income of farmers growing mangoes, is practically like saying – "*Everything is possible*".

To make this into a case-study I will use real-life, field cases numbers, which represent much of the Mango industry around Africa and Asia.

Note, although the case-study represents much of the Mango industry, it may not fit 100% to the situation in your country.

However, I believe it will enable you a close and clearer view into the industry in your country, and a good comparison to other locations, plus it will give you the perspective of such an example.

Let's start with the **Main 6 Factors**, which are the key factors of farm and agri-industry success – we will use our farm as an example -

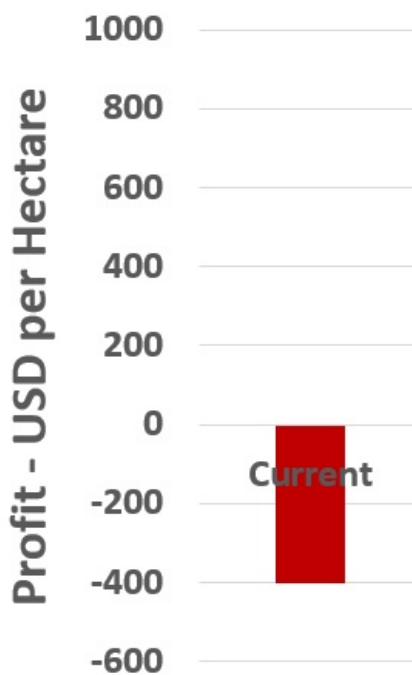
\* **Factor 1:** Farmer's income (USD/kg) – 0.05 to 0.5. Here we use **0.2 \$/kg**.

- \* **Factor 2:** Yield (kg/Ha.) – 3,000 to 10,000. Here we use **5,000** kg/Ha.
- \* **Factor 3:** Fruit fly infestation – 30% to 80%. Here we use **50%** fruit loss.
- \* **Factor 4:** All expenses per hectare – **900** \$/Ha (I used a very low figure).
- \* **Factor 5:** Export – in most cases – **zero (0)**.
- \* **Factor 6:** National income from mango export (\$/Ha) – neglected or **zero (0)**.

**Value Creation: Current - Dark Future**

Now let's work with the numbers to see it the way the farmer see it –

- \* **Potential Income (\$/Ha.)** –  $5,000\text{kg} \times 0.2\$ = 1,000\$$
- \* **Expenses and Loss (\$/Ha.)** –  $900\$$  plus  $500\$$  (due to 50% fruit fly infestation).
- \* **Total Profit (\$/Ha.)** –  $1,000 - 900 - 500 = -400\$$  (Red = Loss)



Under current situation farmers growing Mango lose money or in rare cases break even.

So a typical farmer is **losing** hundreds of \$\$\$ per hectare, **every year!**

This creates strange situations where a country that is a major mango producer **imports** mangoes for domestic consumption.

That explains well why so many farmers abandon their Mango farms, and the others are under extreme stress of loans from banks.

Note, in reality, it is hard to know which fruit is infested and which is not. So farmers sell also much of the infested fruits and this way manage to 'break-even'.

As a result, the 'trust' and general 'demand' for their produce is compromised and export is impossible.

Please note a part of an email I recently received, clearly presenting the magnitude of the problem...

Dear Biofeed Management>

I am a Technical Advisor of a commercial mango grower in [REDACTED] with over 1250 acres planted with mangoes. About 500 acres of mangoes are at fruit bearing stage.

Last fruiting season (March to May) damage levels reached 100% from mid season to end of season. We are working out an action plan to contain fruit fly pests in the second fruiting season beginning September.

The costs are enormous using protein bait spray and male annihilation technique (MAT).

In the following email, I asked the farmer for the price he gets today for his produce. Below is the answer I received ...

**Price of sale (in USD) of 1 kg mango today, when most/all fruit is infested –**  
**NOT APPLICABLE (Nobody buys) even the superficially good looking ones they eventually turn bad.**

No comments needed after the above statement!

So this is the current situation.

From here on we will present a way how can we increase the value, and therefore the farmer income, by **hundreds** of percent!

### **Value Creation: Stage 1 - Stop The Bleeding**

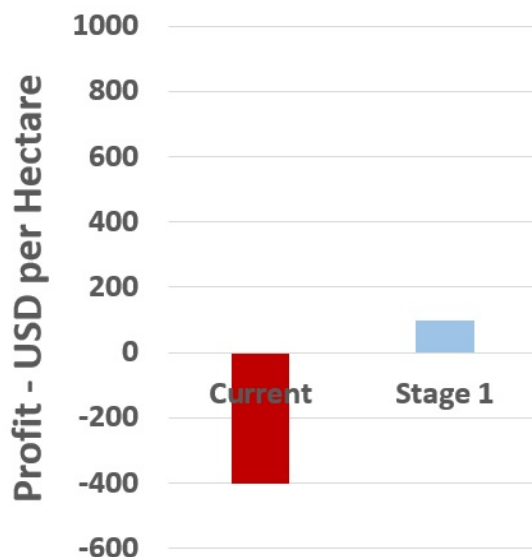
In Stage 1 we will change only one factor - Factor #3 (fruit fly infestation).

Let's see what happens when the infestation effect and fruit loss is reduced from 50% to near 0% and how will it influence on other factors.

\* **Potential Income (\$/Ha.)** – 5,000kg X 0.2\$ = 1,000\$

\* **Expenses and Loss (\$/Ha.)** – 900\$ (cost as before) plus 0\$ (due to fruit fly infestation).

\* **Total Profit (\$/Ha.)** – 1,000 - 900 - 0 = 100\$ (Green = Profit)



Effective fruit fly control moves the Mango farmers from the 'Red Zone' (losing) to the 'Blue Zone' (profit).

We see that simply by decreasing the Fruit Fly Infestation, Factor #3, the farmer can change his status from **Loss** to **Profit**.

But the influence is not only on the quantity – the higher quality will bring its contribution as well and increase the income if we do it right.

Still, that is the first element and a game-changing difference for the farmer and the country's economy.

The repeated failure to overcome this challenge has spread despair and disappointment among farmers and governments alike.

One may wonder, how do we get to almost 0% of fruit fly infestation?

This is the place to note that [Biofeed FreeDome](#) delivers a 21<sup>st</sup> Century perfect solution to the fruit fly problem, as it is; very highly effective (near zero% of infestation) and chemical-free.

**NEXT...**

### **Value Creation: Stage 2 - Bouncing The Value**

Now that there is no fruit fly infestation (and no chemical residues) our way to Export – the Factor #6 - is open.

Once again we will change only one factor, this time; Factor #6 (export).

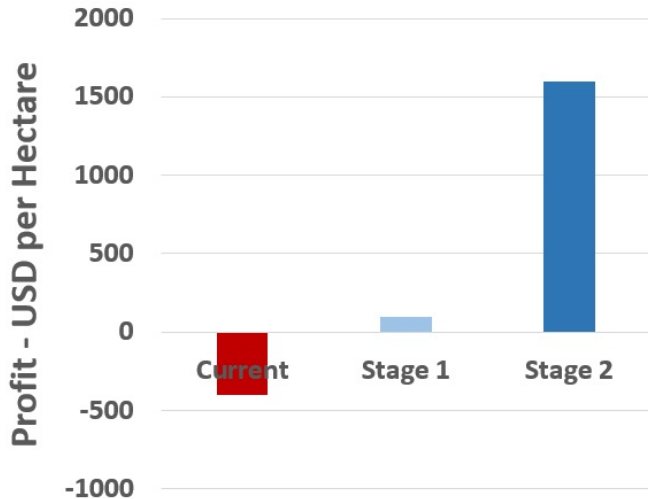
We will enable the farmer to Export his fruits and to increase his income per kg from 0.2\$ to 0.5\$ (the farmer price at the farm gate).

That means that Factor #6 directly affects Factor #1 - the income (\$/kg).

\* **Potential Income (\$/Ha.)** – 5,000kg X 0.5\$ = 2,500\$

\* **Expenses and Loss (\$/Ha.)** – 900\$ plus 0\$ (due to fruit fly infestation).

\* **Total income/loss (\$/Ha.)** – 2,500 - 900 - 0 = **1,600\$**



Effective fruit fly control (Stage 1) and Export (Stage 2) make a remarkable transformation to Mango farmers and the industry.

**Wow**, when the farmer starts exporting we see that he (and the country) enters a whole different place and 'game'.

**NEXT (and last stage)...**

### **Value Creation: Stage 3 - Improving Variables**

Now that there is –

(a) High-Quality: no fruit fly infestation and no-chemical residues, and

(b) The gate to exports, and therefore higher value per kg, is open.

Now we can finally study the effect of improving Factor #2, which is - Increasing the Yield per Hectare.

How much can we expect to increase the yield from the current average of 5,000kg?

By 5%, 10%, maybe 30% or even 50%...?

Well, how about by 200%, 400% or even 600%?

You see, the Israeli farmers which we work with, they increased the yield to the level of 30,000 to 50,000kg per hectare!!

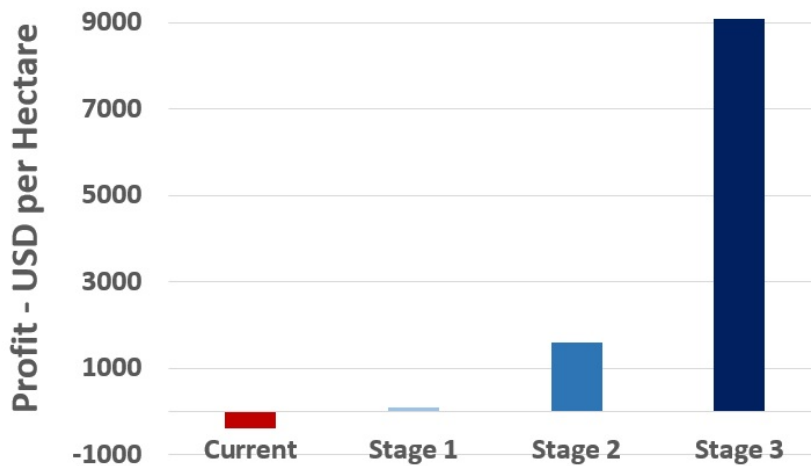
So I assume that if we target for 20,000kg per hectare, **400% yield increase**, it is ambitious but far from being 'impossible'.

Now let's see how it affect the Farmer and the Country's economy -

\* **Potential Income (\$/Ha.)** – 20,000kg X 0.5\$ = 10,000\$

\* **Expenses and Loss (\$/Ha.)** – 900\$ plus 0\$ (due to fruit fly infestation).

\* **Total Profit (\$/Ha.)** – 10,000 - 900 - 0 = **9,100\$**



The Mango industry is fully transformed at Stage 3. Farmers moved from Losing to Making Money and Profitability grew by thousands of percent.

**Wow**, can you believe it?

**NEXT...**

Now let's sum up the stages.

**Starting point** – Unsustainable Mango industry where the farmer is losing **400\$** per hectare, and need the government support, plus the country has to import food.

**Stage 1** – Reducing the fruit fly infestation. It immediately moves the farmer to profitability, even if small - **100\$**. And... no more need to import this type of food.

**Stage 2** – We open the gates to exports. Now the price per kg jump and with it the profitability increases. The bottom line is a great jump in income per hectare to **1,600\$**.

**Stage 3** – We increasing the yield. Now income jumps again to the imaginary sum of **9,100\$**. No need to import – rather increase the export and bring currency into the country.

And in short this is what the farmer sees -

**Current; (-400\$) 📉👎 Stage 1; 100\$ 📉👎 Stage 2; 1,600\$ 📉👎 Stage 3; 9,100\$**

In 3 quick (1-3 years!!) and simple **Value Creation Stages**, we increased the **Value per Hectare** for the farmer from **-400\$** to **9,100\$!**

Tell me, how many percents is that?

At the state level it means that 1,000 hectare -

Under 'Current' management may cause annual loss of **400,000\$**, which eventually the government needs to cover.

But, after applying the **3 Stages of Value Creation** the area create a profit of **9,100,000\$**.

Furthermore, by the time the exported mangoes reach the markets of Europe, USA and elsewhere, the local market of the exporting country will benefit more than twice than the farmer!

**Note** that while at the *Current* situation farmers cannot invest more (because they are losing), as they move to higher Stages they can easily increase their growing and crop protection expenses yet, remain profitable.

### **And what the government gets out of it?**

- \* The government will stop spending a fortune on support of poor farmers.
- \* The government is growing a profitable and powerful industry that will help develop other areas, instead of looking for help and money.
- \* The government is starting to collect taxes instead of distributing support.
- \* The government is creating jobs and a healthy export-based Mango industry.
- \* The government is creating a model to be seen and copied by other crops and other industries.
- \* The government develops strategic capabilities, such as: exporting agri-fresh and healthy products, the confidence of the markets in the state's capabilities, demand for produce originating in the country.
- \* The government is developing ancillary industries and supporting the mango industry and exporting.
- \* The government is building farmers' confidence in themselves and their ability.



We can easily assume that for every Dollar the farmer makes, the country's economy is making 2 to 4 USD in the process from the farm to the export market. Therefore, at Stage 3 the country's economy is making 18,000\$ to 36,000\$ per hectare, and 18 million to 36 million per 1,000 hectares instead of losing, as it was before.

No matter how you look at it, the *Three Stages to Creating Value* are Win-Win situation.

*For a greener world  
Free of sprays  
Full of joy*

See you soon,

Nimrod



**Better produce... Better future... Biofeed...**

**P.S.**

How do I become a Biofeed *Green Valley* member?

There are several necessary steps before we can launch a *Green Valley* program in your country.

These steps include:

1. Biofeed *FreeDome* regulation, adjustment to market needs and conditions, and marketing.
2. Direct contact with the central government. Biofeed-Government establishment of a joint work plan according to the government's vision.

### 3. Launch of the *Green Valley* program

That is it; easy and fast! Isn't it simple with [wonderful results](#)?!

#### **P.P.S.**

It is good to keep in mind that –

1. Biofeed *Green Valley* focuses on **National Projects**.
2. Biofeed *Green Valley* is about promoting **exports** to high-value markets.
3. We aim to create sustainable projects that create a flow of foreign currency.
4. *Green Valley* is not a charity program. It is **business-oriented**, which is exactly why it will do well.
5. *Green valley* – brings an added value to all by combining the needs of countries to advance their agriculture and market-demand for more high-quality fresh fruits.
3. In *Green Valley*, we add the Israeli ability to help farmers grow higher-yields and higher-quality.

But that is not all.

7. *Green Valley* emphasis and focus on growing for Export Markets! So the exporting countries will also see a flow of foreign currency, which is so needed.

Here is some more about Biofeed *FreeDome* and Biofeed *Green Valley* [>> link <<](#).

#### **P.P.P.S.** - Frequent asked questions (FAQ) –

\* **Will I need to pay before start marketing?** Yes. Regulation and Marketing takes time and costs money. Besides, there is a payment to Biofeed according to our standard distribution agreement. Although Biofeed's investment in time, knowhow and goods is substantial, you practically get it for free and the only payment to Biofeed is for future goods.

\* **How much time does it take until the regulation is over?** Well. That varies between different countries. Our shortest experience is 4 months only, but in some places, it may take years. You should find out the situation in your country before contacting us.

**\* I have no prior experience as a distributor, can I still be your distributor in my country?** Yes. Biofeed unique method of marketing and distributing enables investors to work with us even with no prior experience as distributors.

**\* I have no money. Can I serve as Biofeed's distributor?** Yes, if you manage to get the required financing that is required.

**\* Tell me more about your technology and results...** Use this [>> link <<](#) to learn more.

**\* What information do you need to help me?** Happy you asked. Take a look at that short [>> video series <<](#).

For more info contact Dotan ([dotan@biofeed.co.il](mailto:dotan@biofeed.co.il))

*\* Change begins with a decision that the existing reality  
is a choice and not a decree of fate \**

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