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WHY SOLVING POVERTY SHOULD GET HIGHER PRIORITY VERSUS HUNGER

(The article is discussing Global Problems while often using Africa as a Case Study)



226.7 MILLION AFRICANS ARE STARVING

([SOS Children's Villages](#))

Hunger– definition: less than 1,800 calories per day.

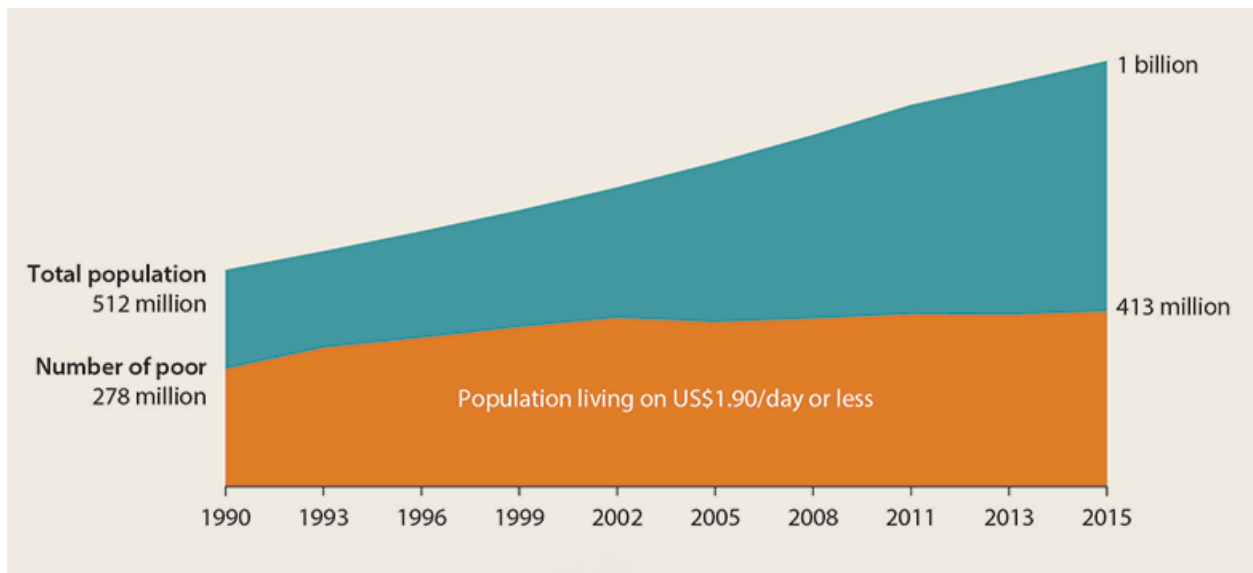
It is a result of food shortages, which we solve by providing more food.

Today there is (still) a sufficient amount of food in the world to feed all populations.

That is if you have the money you can practically purchase any food in any quantity.



413 MILLION AFRICANS LIVE IN POVERTY



Africa: The poverty rate has decreased, while the number of people living in poverty has increased ([World Bank](#)).

Poverty—definition: living on US\$1.9/day or less.

It is the result of low income per capita. We can solve poverty by providing tools to get a better job with a better income.

According to the World Bank:41% of Africans are living in extreme poverty, out of those "82% live in rural areas and earn what little money they have primarily from **farming**." [\(World Bank\)](#)



RE-THINKING OUR ACTIVITIES

Intuitively we understand that if you suffer hunger then you are poor.

It is equally clear that if you are not poor you do not suffer hunger.

Providing a remedy to hunger is giving a short-term solution and brings no benefit to the country.

On the contrary, when we solve poverty we create a long-term solution for the people and a significant added-value for the country.

Those days the agri-industry is so advanced that I'm asking myself '*how come those African farmers do not manage to make a good living? What is it that we should **do differently** in order to see less poverty and more good living?*'

I noticed the tremendous efforts of helping farmers fight hunger by growing their own food, typically staple crops.

As a former farmer, I asked myself; what can smallholders (<1 hectare) grow that could be enough to keep them out of hunger and poverty, and what is the future perspective.

DOING THE MATH

Is it possible for an African family to get out of poverty and hunger if it based its income on growing staple crops, for example – **corn**?



AFRICA - ASSUMPTIONS AND DATA

Crop – maize/corn.

Growing area (small-scale farmers) – >1 hectare.

Note –over 75% of maize production in Africa is done by small-scale farmers (less than 0.5-0.7 hectares of land) ([source](#)).

Yield per hectare ([source](#))- 2500 kg

Global price per kg of corn ([source](#))- USD 0.17 (price in Africa is expected to be lower)

Expected revenue per hectare - USD 391

Expected annual profit per hectare (based on 30% margin) - USD 117.

We see that a farmer having 1 hectare of corn (more than a typical smallholder) will need to live from about 75 to 200 USD per year.

That means less than \$ 1.9 per day!

Note that even if they had >50% margin they will still end up with an annual income lower than \$1.9 per day.

Therefore, such a family will ultimately end up in poverty, and maybe even hunger.

Advising small-holders to continue growing staple crops is as if we sentenced them to live in poverty and hunger.



WESTERN ECONOMY OF MAIZE

Western farmers understand that in staple crops, the income from a single hectare is too low to support a family.

Hence, only farmers having huge farms on the scale of dozens and hundreds of hectares are growing maize.

Furthermore, to be efficient they will use the most advanced and up to date knowledge, technology, and mechanization.

The US corn yield is the highest in the world - 11,500 kilograms per hectare! That is 4.6 times higher than a typical African small-holder.

The income of a US farmer is, therefore, \$ 1955 per hectare. With an average farm size of 123 hectares ([source](#)), his annual income will be around \$ 240,465, with a profit of \$72,139 (based on 30% margin).



TO COMPETE OR NOT TO COMPETE?

The average African farmer growing maize is having a farm of 1 hectare or less, and an **annual profit of USD 117**, while his American colleague is growing 123 hectares and having an **annual profit of USD 72,139**.

The African farmer needs to annually earn USD 730 just to keep above the poverty line. USD 391 is far below that line.

Under such conditions, is competition is even an option?

But wait, before we jump to conclusions, let's consider - maybe the African farmer shouldn't compete at all!?

What if the *African Farmer* says;
the Americans enjoy an advantage in knowledge, technology, and farm size, which allows them to produce maize in such high quantity (and quality), that I can buy it here in Africa at a price lower than it cost me to grow it.

Following this thread of thinking, the *African Farmer* may also say;
maybe I should take advantage of the low price of maize, buy it from the Americans and stop growing maize. Maybe I should look into other options where I can have a better chance to earn more money.

The next logical step for the *African Farmer* is to consider and compare different livelihood options:

Option 1: (the benchmark basis): I will continue growing maize.

Option 2: I will start growing vegetables. This way I can increase my income faster, but the risk is also higher.

Option 3: I will grow fruits. Here the potential income is the highest, but so is the risk.

Then the *African Farmer* will do some calculations and say to himself;
with my knowledge, technology and 1 hectare maybe I can earn USD 500, but even that will keep my family and me in poverty. Maybe I should consider an additional option?!

Option 4: Cooperate and consolidate the fields with other farmers. Create an advantage of size and workforce. This is somewhat like the Kibbutz system in Israel.

Option 5: Moving away from agriculture!

I will give my land to someone else to work and I will start making a living from something that is not agriculture. Maybe I will work for the government, maybe for the agri-industry, maybe selling some service, etc.?

GOVERNMENT MACRO PLANNING

Based on my long time experience as a farmer, a scientist and a businessman active in Africa, I believe it is time for African governments (and other authorities responsible for agriculture) to develop a realistic approach towards small scale farmers.

This approach should realize that staple crops could not provide a sufficient income to support a family from 1 hectare or less.

Other types of crops have the potential to generate higher income, yet not the level that can help farmers send their children to school or university.

If the government would look at the agriculture as if it is like any industry, then they would conclude that:

1. **Farmers** in the agri-industry should become more professional. They should be focused on selling high added value products to premium markets.
2. **Large-scale** African farmers can grow staple crops, as well, and be profitable.
3. **Decision-makers** should consider a national approach of exporting high value produce, e.g. fruits and vegetables, and in return import low-cost staple crops.
4. **It is good and needed to mobilize** part of the workforce from *Traditional Agriculture* to the *Industry and Services* sectors. We should keep in mind that advanced agriculture creates plenty of opportunities for service providers and industries linked to agriculture.



CONCLUSIONS

The aim of this article was to illustrate in rough lines some facts that may explain part of the enigma that lead 413 million Africans to live in extreme poverty, while 82% of them are FARMERS.

By solving the issue of poverty, we also solve the issue of hunger. This has a clear benefit for the country's economy and people's prospects for a better future.

The way to do both is by thinking in unconventional ways, of how to increase the income by hundreds of percent within a very short time frame. Even if it means that some will make a living by mobilizing or switching into a more productive and profitable sector.

In my last week's article, I discussed how economic revolutions change the structure of the workforce.

The agricultural revolution started some 11,000 years ago. Wherever the agriculture revolution appeared, hunters-gatherers **disappeared**. Such is the power of a successful economic revolution.

Now we experience the *Industrial Revolution*, followed by the *Information and Services Revolution*, which is deeply affecting the agriculture sector.

In advance economies, Traditional Agriculture does not exist. Instead, there is Agri-industry or Agri-tech.

Africa must seize the moment and change to adapt to the 21st century. That includes a profound change in the structure of the workforce and economy.

The Chinese did it and are doing this, and so should other agrarian countries do it - if they seek a better life and a better future.

The people of Africa can and should become a rising global power.

Africa should develop to be a superpower of exporting fresh fruits and vegetables.

Africa will experience this when it changes the workforce structure, and become an export-oriented economy.

Biofeed is ready to dedicate its knowledge and experience to assist the change.

The Agricultural Gap video series. A link to Chapter 37 >> [The Fate of Small-scale Farmer's](#) << and Chapter 38 >> [Livelihood Options For Small-scale Farmers](#) << are now available.

What do you think of the above ideas?

Email me at nisraely@biofeed.co.il or text to +972-5423425 (WhatsApp).

*For a greener world
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Full of joy*

See you soon,
Nimrod



Biofeed
Better produce...
Better income...
Better future...

P.S.

Thank you all for your enormous interest regarding *Green Valley* projects in 2020. We had to make some hard decisions and choose just a few, with which we will work closely in 2020. Fortunately, there is NEXT YEAR, and I hope to meet you then.

Inquiries received from now on will be reviewed, discussed and considered for the 2021 season. Do not wait for others to get ahead of you, send it now. I wish you all a successful season.

P.P.S.

I invite you to FOLLOW me on [LinkedIn](#), where you will see many more posts and updates.

P.P.P.S.

On *YouTube*, together with hundreds of videos I already released, you can find the historical series [*The Agricultural Gap*](#).

In short videos, usually 3-4 minutes, I tell the 11,000 years history from agriculture to the agri-industry, and the reasons for the gap that we see today between different peoples. The series is still in progress with more chapters to come. SUBSCRIBE to be notified of new chapters.

P.P.P.P.S.

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***Change Begins With A Decision
That The Existing Reality Is A Choice
And Not A Decree Of Fate***