

Press here to watch on the web



# ABOUT AGRICULTURE, CERTAINTY AND SUCCESSFUL ECONOMY

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

## **BUSINESSPERSONS**

Business people love *Certainty* and stay away from *Uncertainty*.

For them, Uncertainty means risk, and they do not like to risk (especially their money).

They like to act within a business environment where the future is Stable and Predictable (especially the revenue and profit)!

Anything that is not included in the above spectrum makes them hesitate, and even keep away.

Hence, thriving economies always offer **certainty** in their business environment - stable, safe, trusted, and predictable. Therefore, it is easy for them to get investments (especially in development).

This certainty can be quantitative by analyzing the PESTEL macro-environmental factors.

Р	E	S	T	Ε	L
<ul> <li>Government policy</li> <li>Political stability</li> <li>Corruption</li> <li>Foreign trade policy</li> <li>Tax policy</li> <li>Labour law</li> <li>Trade restrictions</li> </ul>	<ul> <li>Economic growth</li> <li>Exchange rates</li> <li>Interest rates</li> <li>Inflation rates</li> <li>Disposable income</li> <li>Unemployment rates</li> </ul>	<ul> <li>Population growth rate</li> <li>Age distribution</li> <li>Career attitudes</li> <li>Safety emphasis</li> <li>Health consciousness</li> <li>Lifestyle attitudes</li> <li>Cultural barriers</li> </ul>	<ul> <li>Technology incentives</li> <li>Level of innovation</li> <li>Automation</li> <li>R&amp;D activity</li> <li>Technological change</li> <li>Technological awareness</li> </ul>	<ul> <li>Weather</li> <li>Climate</li> <li>Environmental policies</li> <li>Climate change</li> <li>Pressures from NGO's</li> </ul>	<ul> <li>Discrimination laws</li> <li>Antitrust laws</li> <li>Employment laws</li> <li>Consumer protection laws</li> <li>Copyright and patent laws</li> <li>Health and safety laws</li> </ul>

PESTEL analysis describes a framework of economic macro-environmental factors.

The PESTEL components are relevant for any business sector.

For example, a businessperson would prefer to stay away from conflict or war zone. The same is true for areas under epidemic danger; by a virus, yellow fever, malaria, etc.

A businessperson would avoid such countries and the business sectors there because he is looking to conduct his business in a safe and assured environment.

# **AGRICULTURAL**

In most cases, agriculture is far from being Certain nor Stable or Predictable.

That is mainly due to two factors that are unique and inherent in agriculture and contribute to its high uncertainty – climate and pests.

Traditional Agriculture is the riskiest, for it has very few tools to deal with either of the uncertainties.

In contrast, Commercial Agriculture is using advanced technology and knowledge to minimize the dependency and uncertainty of climate and the risk of pests.

In most cases that works well for commercial farmers. It explains well why businessperson would prefer to invest in the more costly Commercial Agriculture and not in the low-cost Traditional Agriculture – it is all about Certainty and potential profit value.

# **EXCEPTION TO THE RULE**

But what happens when farmers completely lose control over climate or pests?

In such cases, it turns into a catastrophe. For example, when the weather gets extreme, e.g. droughts/floods, or when there is no effective control for a pest.

Quarantine pests are by definition – pests that have a huge potential for damage and without an effective control measure.

Therefore, the best protection from Quarantine pests is to avoid them by poising Export Ban on countries where they exist.

An export ban can be lifted if the country manages to prove that the quarantine pest is well controlled, and pose no threat to the importing country.

To **prove** so, the country should convince it can export produce, containing **zero** of the Quarantine pest.

With Quarantine Pests, all you need is a single infested fruit/vegetable coming out of your country to completely stop the fresh produce export to certain markets or regions, e.g. EU.

When a country fails to stand for this remarkably hard standard then it is a clear sign for a businessperson that the risk is very high. As a result, he may avoid doing business (and no investment) with that country or sector.

Unlike unfavorable weather, which typically reduces the yield, quarantine pests hold the potential to shut off the export in an instant, and causing the businessperson a 100% income loss, with no return on a full-year investment!!

## This threat is even greater than the risk of water shortage.

Hence, *Quarantine Pests* pose the most serious uncertainty to businesspersons, and as a result, also threatening the economy of countries that wishes to export high-value fresh produce.

Today, the greatest threat to the fruit growers of Africa, Asia, and Latin America is coming from - Fruit Flies: the #1 group of Quarantine Pests.

# OVERCOMING AGRICULTURAL UNIQUE UNCERTAINTIES.

In countries where 50% of the workforce is engaged in agriculture, it is imperative to ensure a stable, predictable, and safe business environment that will attract investors and business people (by that providing jobs to local people).

How can we deal better with the two major risks (and obstacles) standing in front of successful agriculture?

**Climate**- Climate cannot be controlled, yet. But irrigation systems or water recycling or desalinization can be used to reduce rainfall dependency and increase the Predictability and Stability of yields. Farmers, as well as business people, would love it.

**Pests**- Pests are always a cause for concern. However, two groups of pests should rightly receive a national priority and focus.

- **1.'Total Pests'**—Such are pests that hold the potential to **consume** the entire yield. Well-known examples include the Fall Armyworm and Locust. That may lead to food shortage and hunger.
- **2. Quarantine pests** Such pests hold the potential to **completely stop international trading** with fresh produce (which is the most economically worthwhile). The inability to export, and its outcome of less influx of foreign currency, may lead to national economic damage, including poverty and hunger to many farmers.

These two groups of pests are also unique in the sense that they have reached their 'unique' status because there is **no existing effective control**, or it is not being used.

Biofeed has chosen to concentrate on developing and manufacturing products for the protection from harmful insects that do not have an effective solution and have a devastating impact on the national economy level.

Among the Quarantine Pests that Biofeed already has a working solution is **Bactrocera dorsalis**, which is considered the #1 fruit fly pest (and risk) globally.

That is in addition to solutions for the following quarantine pests – *Bactrocera zonata, Ceratitis cosyra, Ceratitis capitata, Dacus ciliatus,* and *Bactrocera oleae.* 

For more information click her	e http://b	it.ly/Greer	Valley	<u>Interest</u>	or contact me.
	-	-			

Let me know what your take from it - <u>nisraely@biofeed.co.il</u> or text+972-5423425 (WhatsApp).

For a greener world Free of sprays Full of joy

See you soon, Nimrod



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

#### P.S.

Note, Dotan, our head of business, will be visiting Senegal on February 18<sup>th</sup>, and Kenya on the 20<sup>th</sup>. This is a great opportunity to meet him in person and discuss mutual interests. To schedule a meeting please send an email to: <a href="mailto:dotan@biofeed.co.il">dotan@biofeed.co.il</a>.

## P.P.S.

2020 just begun, which means that this is **the best time** to get in touch and discuss fruit fly control and *Green Valley* **for the 2021 season**.

## P.P.P.S.

I invite you to FOLLOW me on <u>LinkedIn</u>, where you will see many more posts and updates.

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

On *YouTube*, together with many videos I already released, you can find the historical series *The Agricultural Gap*. The 11,000 years history from the Agricultural Revolution to the Agri-industry Revolution. Subscribe to be updated on new chapters.

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.

Now available (free of charge), access from anywhere, and any time to the – <u>Weekly</u> EMAILS library.

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