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From left: Hon. Ambassador Copper-Zubida S., Dr. Nimrod, I., and Hon. Dr. Akoto O.A., Ghana Minister of Agriculture

THE SURPRISING WAY OF TURNING HIGH-LEVEL MANAGEMENT INTO HIGH-VALUE (CONCLUSIONS)

Before we will discuss how your country can make more money from export, let me share with you – **My personal** *WHY*, or at least part of it.

I was fortunate to grow as a farmer and a fruit grower in Israel, an agriculturally leading country.

I invested 15 years in the academy (agriculture, ecological-entomology), and 20 years in the Agri private sector, and by that, I received a broader knowledge and perspective of the entire agricultural value chain.

In 2000 I founded Biofeed with the vision and goal of -

"IMPROVE FARMERS' LIVELIHOOD BY INCREASING QUALITY PRODUCTION, FREE OF BIO AND CHEMICAL HAZARDS, GROWN IN A SAFE ECO-FRIENDLY ENVIRONMENT, TO ENABLE THE CONSUMERS TO ENJOY BETTER AND HEALTHIER FOOD AND LIFE."

Personally working with thousands(!) of farmers in Israel, Africa, and Asia, closely working with decision-makers, politicians, scientists, and businesspersons gave me a unique in-depth look and understanding of the entire agro-industry value-chain and its many aspects.

I always wanted to help farmers, wherever they are, to improve their life, health, economy, and future. That is true especially for those who suffer the most, like African and Asian farmers.

To achieve the above targets I share with you, weekly, my knowledge, the experience, and the resulting professional wisdom I gained during my intensive and diversified career.

I hope you will use those insights to advance farmers, and the agri-industry in your country, so together we can soon bring a significant change.

This week I share with you my insights on how to continue fresh fruits' export from countries that already are, or risk of, being under *Export Ban*.

THE SUPREME GOAL

Those days of COVID-19, more than ever before, we understand how critical it is for our nations to have a good, sustainable, strong economy.

Every strong economy relies on stable and significant exports. At the global level, export is and will continue to be the engine of global economic growth.

The above statement poses many questions:

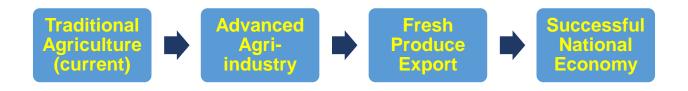
- Can any country or all countries export fresh produce?
- Is it possible to turn the agri-industry into an export-oriented industry?
 If so, what does it takes to do so?
- Is agri-export open (mainly) for developed countries or also for farmers in the emerging markets where over 50% of the workforce is living out of agriculture?

Most of the Asian and African countries would like to take part in or increase their fresh produce export and benefit from the huge economic advantages inherent in exports.

For many African and Asian countries, the road to a thriving economy will require

fundamental conceptual changes and significant transformation from the current situation and way of doing things.

Not an easy task, but based on other countries' success, e.g. Israel – it is possible, worthwhile, and profitable.



WHY AGRI-EXPORT IS MANDATORY?

Simple, when over 50% of the workforce depends on their livelihoods in agriculture, you must involve them in the effort of improving the nation's economy.

The alternative is that you will need to support and feed them. Hence, spend more money!

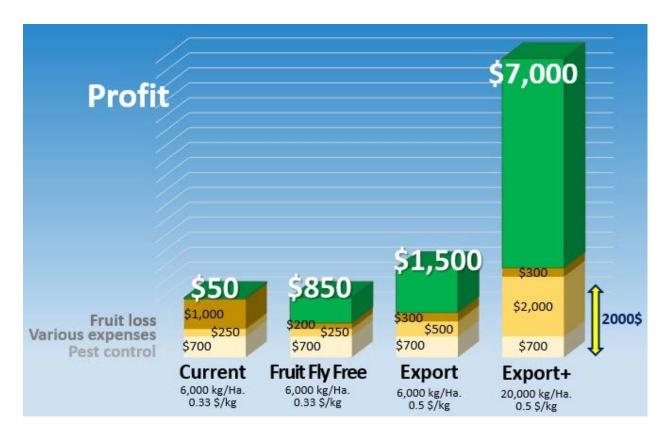
Previously (note the link below to a previous article) we saw how farmers could increase their income by changing their focus from local-markets toward export-markets.

In the example below, you can see how mango growers can **increase their income by 140 times!** Once again, by *one hundred and forty times* (<u>link</u>).

In another article, I presented how such a change can transform the national economy; from **losing money** on agriculture, to **bringing money** and turning the agri-industry into a national economic engine, an engine that is pumping foreign currency into the country.

We saw that a *Production Unit* of 10,000 hectares of mango plantation produces annual *losses* of over \$ 1M to the country's economy when the target market is – local. This happens when the local market is the only option, often as a result of Export Ban.

However, when the export is done, the country moved to an annual *benefit* of over **\$127M** (link).



Data is based on *Current* Scenario (left) where Mango production is 6 tons/Ha., and the price is 0.33 \$/Kg on the local market. Whereas under *Export*+ scenario (right) the yield is increased to 20 tons/Ha., and the price is 0.5 \$/Kg on the local market (link).

Just imagine what could be the physical and the mental impact on the national economy and peoples' state of mind when the nation will rather stop losing money on farmers work and agri-produce and move to gain and earning huge sums for the benefit of all?

How would that affect farmers, stakeholders, decision-makers, and the international image of your country? How would it feel?

CAN ANYONE ENJOY IT?

In principle, YES, anyone can enjoy it.

But, in practice, the path to the Export of fresh produce is open only for very few countries, and within those countries, it is open for just a handful of farmers (<u>link</u>).

Why?

Because even if a country or a farmer decides to export fresh produce, such as mangos or avocados, they cannot do it. They are prohibited from doing it!.

Why?

Because most Asian and African countries are under Export Ban of fresh produce.

Why?

Because of the existence of Quarantine fruit flies in their territory.

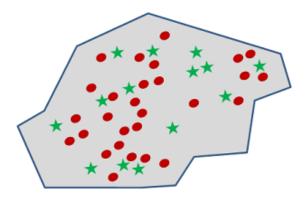
Why don't they just "uplift" the Export Ban?

Because most farmers in those countries are unable to effectively control those quarantine fruit flies. Hence, regulators in the importing countries are not ready to take the risk of the introduction of any extremely dangerous quarantine pests.

Please explain...

If not all farmers, again - **all farmers**, can't meet the high regulatory demands of the Export Markets, then it means that some fruits, infested by fruit flies, may sneak in through the local inspection just to be intercepted a few days later at the Export Markets.

In other words – **all farmers** must meet the highest regulatory demands of Export Markets.



Current status: The figure represents a country with all the farmers that wish to Export mangos. However, only the farms with a green star are suitable for Export, while the ones in the red circle are not. Hence, eventually infested fruit will find its way into the export markets and then **exports from the entire country are banned**.

And what happens if 'some infested fruits are intercepted'?

If that happens, it is a catastrophe for farmers and the country's economy!

Even if a single fruit is found infested out of a container of 20 tons, the entire container is to be exterminated (or send back), and the country is risking of getting under

immediate Export Ban, which will include **all farmers** in the entire country, which brings a long-term loss of income!

Once the country is under *Export Ban* it may take many years and enormous effort to open the Export markets back (note Kenya's example below).

How do you prevent it?

To avoid it, some countries may put self-constrains and stop export until they are secured in their ability to stand up to the required regulations of quarantine fruit flies.

One example is Kenya that has adopted that strategy and 6 years ago stopped exporting Mangos to premium markets, such as the EU, and the US. Unable to achieve effective fruit fly control, export to those markets is still banned to this day(link).

What if I am a good farmer and I can produce and export fresh mango fruits completely free of fruit flies?

If the country is already under Export Ban you will **not** be entitled to start Exporting, and then, regardless of how good you are, you will **stop any** export activity.

And what if I will join all the leading farmers?

Nothing changes even if 99% of the farmers are great, and stand up to all regulations. Export Ban is imposed on an entire **territory**, in most cases a country.

How do you re-open export markets?

To remove an Export Ban you need to assure the regulators in the importing countries that **all farmers** involved in Export, wherever they are located in the country, will stand up to the stringent demands. You will need to show that you can monitor and enforce the regulators' requirements.

Now I got it;

it is difficult to keep Export Markets open for us because you need ALL FARMERS who wish or may export to stand up to the highest standards.

At the same time, the country needs to monitor and assure the regulators that all shipments meet the required quality. That is not easy to achieve and therefore, it is a huge obstacle to overcome!

True. You got it!

CURRENT APPROACH LEADS TO A DEAD END

We see that under the current approach most farmers in most African and Asian countries cannot access the international markets (link).

The outcome is a perpetuation of poverty to millions of farmers, and a huge economic loss to many nations.

In the case of fresh Mango export, it means that as long as export to premium markets is prohibited -

- 1. Farmers are losing thousands of USD per hectare, and
- 2. The nation is suffering an economic loss of over \$ 127M per 10K Ha, annually (link)!

IS THERE A WAY OUT?

There is a way out, and it is called the *Fruit Fly Certified Trade Zone* (FFCTZ).

To explain the uniqueness of the FFCTZ, let's repeat the principles behind the current approach to enable Export.

The Current approach -

The approval for Export is territorial for the **entire country**. It means that either the **entire country** is open to Export or the **entire country** is under Export Ban.

Under the Current approach, it is meaningless if 1% or 99% of the farmers can meet export demands. In both cases, it is enough that a single farmer exported produce infested by fruit flies and everybody (the 100%) will suffer the consequences of Export Ban.

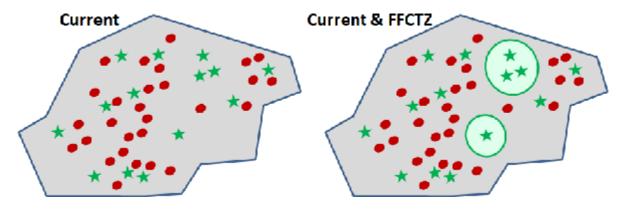
The FFCTZ approach -

The formal approval for export remains territorial, but it is restricted to a **delimited certified territory** (zone) within the entire country.

The FFCTZ is managed by an independent team of experts, and hence authorization for export is independent and disconnected from the situation in the rest of the country.

Therefore, export depends only on professional performance within the delimited, fruit fly free, project zone.

Farmers within the FFCTZ can continue exporting as long as they stand up to the FFCTZ stringent protocol rules, even if the entire country is still under Export Ban!



Under Current Status, all farms cannot export (left figure). Under Current & FFCTZ status, while many farms still under Export Ban, the farms in the FFCTZ (in green circle) keep on exporting.

The (delimited) target area for FFCTZ-

Any territory having farmers with a particularly high potential to meet the requirements of the dedicated FFCTZ protocol of pest control, and hence to enjoy export to premium markets can be considered for execution of the FFCTZ.

The realization of the FFCTZ is possible thanks to those components -

- **1.** *FreeDome* A breakthrough product (by Biofeed) for a non-spray effective control of fruit flies, in particular quarantine fruit flies, such as *Bactrocera dorsalis* (<u>link</u>).
- **2. FFCTZ Protocol** The FFCTZ is having its unique Protocol. The relevant regulatory bodies approve the Protocol and thus authorize the project management to implement and enforce it.
- **3. Authorization** to prevent the introduction of infested fruits to the export markets, and consequent Export Ban, the FFCTZ is authorized by the country's authorities together with the relevant authorities at the target markets to manage and enforce the project's Protocol, and to approve/disapprove produce for export.

4. Certification Label - produce exported from FFCTZ will be labeled and branded as *Green Valley Fruits*, to enable consumers to appreciate its quality and value.

Upsides of the FFCTZ model

➤ **Independency**—zone disconnection from dependence on the export status of the entire country or any other territory.

The ability to export from an FFCTZ does not depend on the number of interceptions from any other place in the country or any other crop.

Only the data obtained from the specifically authorized project itself is considered for deciding whether to enable or not the export of fresh produce.

- > **Time** -possible to implement in a short time.
- > Investment considerably more cost-effective than alternatives.
- Management concentrating management and professional resources under a unified and focused project.
- ➤ **Model** Farmers in the area of the project serve as a model for the rest of the state's farmers and demonstrate that advanced and profitable agriculture is possible and that fresh produce can be exported and create a respectable income.
- > Scalability Projects can be easily duplicated or enlarged.
- Flexible Easily adapt to a wide range of areas, crops, number of farmers, plot size, geography, climate, mini fruit flies, and more.
- ➤ **Robust** pooling resources, and in particular experts, allows ensuring the stability of the project for all involved and contributing parties, including farmers, the state, and the importers.

Myself and the Biofeed team, we are ready to cooperate with you and your country decision-makers. We will actively assist you in moving toward FFCTZ so you can start exporting profitable fresh produce as soon as possible.

To learn more please visit bit.ly/FreeDomeOutlook

* Please share and forward the article to someone who should /need to see it. You can use the - *Press here* - link on the top.

And one more thing... I VALUE your feedback and thoughts! So don't squint and share them with me. A reply to this email with a few words of your own will be great.

For questions regarding a particular country/situation please contact me at nisraely@biofeed.co.il or text me +972-5423425 (WhatsApp).

For a greener world Free of sprays Full of joy

See you soon, Nimrod



P.S.

The greater the threat/danger is, the greater is the change to come. Hence, opportunities also become greater.

The COVID-19 crisis creates great changes. Changes always create opportunities for those who think and act fast.

P.P.S.

For many years, Biofeed understands that *a full solution* must include a state-of-the-art technology combined with a suitable protocol. Therefore, we tailor-made a solution to a situation, where there will always be the usage of the Technology plus Protocol and support in its Management –

- 1 FreeDome to ensure effective fruit fly control, and
- 2 Fruit Fly Certified Trade Zone to enable regulators, exporters, importers, and farmers alike to gain mutual trust, confidence, and peace of mind in their present and future.

P.P.P.S.

In 2020 we will apply an area-wide multidiscipline *Fruit Fly Certified Trade Zone* project. Now is the time to contact us and make sure your country will have its own *Fruit Fly Certified Trade Zone* project in 2021.

P.P.P.S.

Available on-line additional information –

- * Join me on LinkedIn for many more posts and updates.
- * Previous articles.
- * The unfinished historical series <u>The Agricultural Gap</u>. About the 11,000 years history of agriculture, starting with *The Agricultural Revolution* all the way to nowadays and the Agri-industry Revolution.

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