



## TWO CHOICES: DOMESTIC OR EXPORT-ORIENTED ECONOMY

There is a story about a man whose ship was wrecked at sea. He was lucky. Then he saw a piece of wood to hold on.

After a while, a fisherman boat notices him and offers help. The man answers, "*Thanks, but God will save me.*"

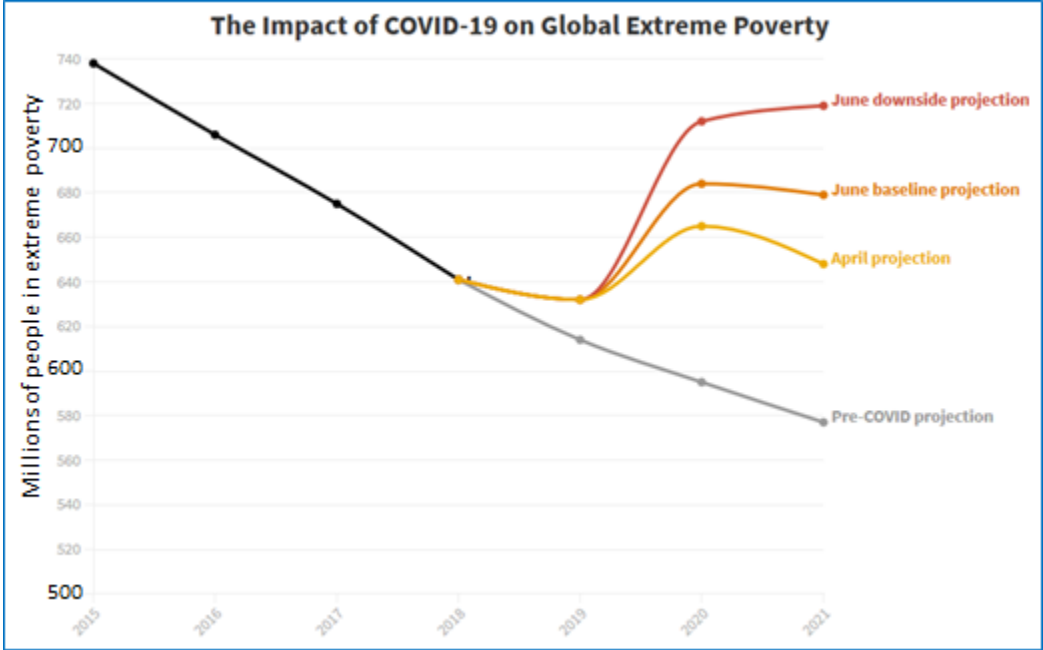
Then a helicopter located him, and a rescue boat found him, both offering help, and both get the same answer "*Thanks, but God will save me.*"

Finally, the man drowns and gets to heaven. He says to God, "*I trusted you; why didn't you save me?*"

God answers - "*I sent help in three ways to save you, and you refused them all.*"

*Salvation may come from different directions.  
The most important one is what you do, and your actions.*

Because of COVID-19, over 100 million people around the world, will fall into *Extreme Poverty*, earning less than 1.9 \$/day.



COVID-19 will result in the addition of 100 million people to the *Extreme Poverty* category [ $\gg\ll$ ].

The crisis causes the trade and global economy to change at a dizzying rate, including significant changes in the trade of agricultural commodities.

A global crisis of this magnitude requires intervention and management at the international (not existing) and national level, to prevent unprecedented colossal damage to local economies.

In most countries, there is an attempt to carry out such intervention. Unintentionally, such intervention may get economies into years of stagnation or even acute recession.

But it can also be used to change and even leverage economies that will benefit from a structural change and execution of dramatic Game-Changing plans that will bring change that was needed long before the COVID-19 crises.

# WHAT OPTIONS EXIST?

Governments provide immediate financial relief to businesses to prevent a colossal collapse of the economy.

At the same time, we witness an attempt to invest in the long run while stimulating the economy. That effort is taking two very different directions -

**1) Encouraging autarky-oriented economy - *Maintaining stability*** through encouraging production and trade for the domestic markets. Often the source of motivation is bringing fast results in improving *food security* by increasing the production of staple crops (to avoid hunger), reducing unemployment, and reducing foreign currency spending on food procurement.

[Autarky - a country, state, or society that is economically independent.]

**2) Encouraging export-oriented economy - *Developing and perfecting the economy***, and its stability, by encouraging export to increase the influx of foreign currency. The target of such activity is to see the country coming out stronger from this crisis – with nice ROI by the Government.

For the moment, it looks as if the poorest countries are the ones to be most impacted by the economic crises created by COVID-19.

Incapable of increasing exports or due to ideology, many choose to take the first path, as described above, eager to maintain governmental and economic alive and hope for food stability but with no vision of a better future.

## STAPLE CROPS

Staple crops such as rice, wheat, and maize comprise part of the basic food ingredient in many African and Asian countries.

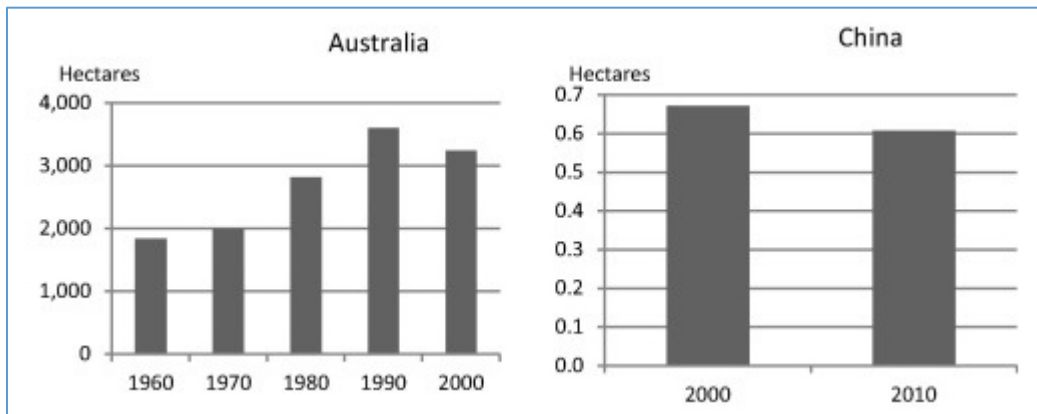
In countries where poverty is the greatest, it is often interrelated to a low level of development of the agri-sector. As a result, the quality and quantity of yields per hectare are much lower compared to the developed countries.

For example, in the South-Sahara African countries (SSA), the wheat yield is about 2 tons/ha [ >><< ] versus 8tons / ha in Western Europe [ >><< ].

The international price per ton of wheat is 200 \$, meaning an annual income no more than 800 \$ for smallholder farms, slightly more than \$ 2 a day, and doomed to live in extreme poverty.

Low yields mean low annual income for **570 million smallholder farms** (<2 hectares) around the world, supporting over 2 billion people [>>><<].

It means that the local supply and the availability of food for the local population will continue to be low, both quantity and quality, while the price will be high. Under such circumstances, export is not an option, and foreign currency influx remains an unrealistic goal or a faraway dream.



Average farm size over time in Australia and China [>>><<].

In 2019, Australia's global agricultural export valued at \$ 50.7 billion, out of it \$ 14 billion to China.

Is there any reason why African and Asian countries will not become major exporters of agricultural goods and enjoy the economic flourish that comes with it?

Based on my observation, my personal interactions with many decision-makers, experts and farmers, during my many visits to Africa and Asia, **there is no justified reason** why African and Asian countries will not become major exporters of agricultural goods.

But it requires them for leadership, to take action and make decisions that will lead to changing the current situation.

Intensification of wheat and other staple crops is part of what governments should be focused on before continue doing more of the same, which is supporting, financing, and investing in smallholder farms.

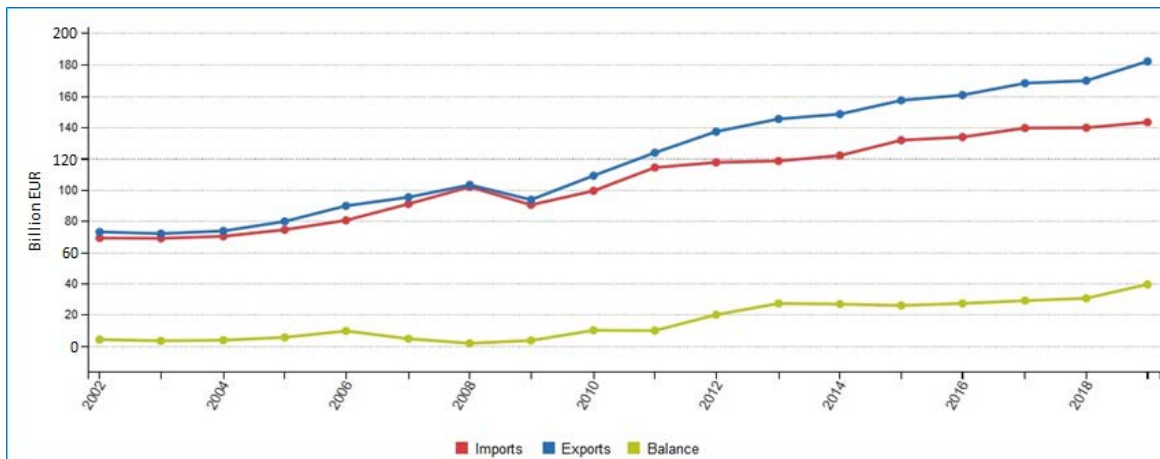
Continuing to investing in traditional ways of growing staple crops, in small plots, may prevent starvation in the short run, but also may became the reason for maintaining poverty.

There is nothing wrong with helping up smallholders, but it is not the Game-Changing activity that we are looking for.

## IT IS WORTH IMITATING THOSE WHO SUCCEEDED

About 30% of the EU rice is imported. Nevertheless, as long as the EU has enough hard currency in its banks, it can afford themselves to import the rest from other places.

That enables EU farmers to focus on growing even more profitable crops. As a result, the EU agricultural goods balance is **more export** than imports.



EU-27 trade of agricultural products, 2002-2019, in Billion € [[>>><<](#)]

## FOCUS ON VALUE PER HECTARE AND PER MARKET!

Based on current situation analysis, focusing on growing staple crops, in the hope of preventing hunger, produces more poverty, and then more hunger.

Why?

Because with small land size to grow, low yields per hectare, and above all – low potential income per hectare from staple crops (typically tens to hundreds of \$ per hectare), there is little chance that those farmers or their children's will escape the cycle of poverty.

Hence, we should ask; what would happen if agrarian countries would start supporting farmers to grow crops with a potential income in the range of thousands of \$ per hectare, say 10,000\$?

When a country export high-value crops, it gains plenty of foreign currency, and its farmers end up making far more than 1.9 \$ a day.

When that happens, farmers start believing in themselves; they nurture hopes, desires, and trust in their ability to secure a successful future for themselves and their offspring. This kind of change is what we should look for and work to make a reality.

Let us decide that from today, emerging countries will start **focusing on growing high-value export-oriented crops!**

And what about “standard-basic” food?

When you have plenty of hard currency in your pocket, you can buy as much food as you like.

Furthermore, you can import advanced technology and better know-how that will further increase your abilities and will stop your economic dependence on others.

## THE OPPORTUNITY

A crisis is also an opportunity, an opportunity to restructure the economy and transition from a domestic, autarky-oriented economy to an export-oriented economy.

This is possible everywhere, but it is a **MUST TO HAPPEN** in agrarian countries if they want to feed their people and develop as a modern country.

Setting a goal of increasing farmers' income from 1.9 \$ a day to 2.2 \$ is not the right challenge.

But setting a goal of increasing farmers' income to 22 \$ a day is not only A CHALLENGE, but it is ***the only right thing to do***. It is a necessity, essential, possible, and reasonable for the prosperity of billions of people in emerging economies.

This, however, cannot take place without the state and its leadership's decision to focus on it.

Agrarian countries that wish to see economic success with significant return on investment (ROI) must be willing to allocate and invest the required human, administrative, and financial resources; in order for it to become a successful endeavor. Naturally, such a goal should be part of an overall national plan.

**Green Valley National Export Project** is a blueprint that Biofeed created and which can be used to facilitate this kind of great and positive transformation – as part of an overall national plan [[>><<](#)].

In this hour of a global challenge, I see it as my mission to harness Biofeed's capabilities together with that of my Israeli colleagues, to assist and help any country and any leader who wishes to bring NOW the agri-industry revolution to his country.

For the sake of farmers'; agriculture **MUST** change, food supply **MUST** be secured, and the economy **MUST** become export-oriented.

Moments of great opportunities are scarce in life, and even less so in the history of nations. Make sure you understand that we are now standing in the midst of such potential glory moments.

Make this challenge your opportunity for the success of the coming generations.

Forward this article to someone who should see it. Use this link - [press here](#).

And one more thing... share with me your thought about this topic; it means the world to me. E-mail me to [nisraely@biofeed.co.il](mailto:nisraely@biofeed.co.il) or text +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 introduces a “new normal” routine and brings great business opportunities, needs, and chances – especially in the food and Agri-sector.

Changes always create opportunities for those who think and act fast.

**P.P.S.**

Biofeed exists for many years; our experience brought us to understand that *a full solution* must include a state-of-the-art crop protection 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, i.e., the know-how supported by qualified and experienced management.

The Key Stages (elements) are:

1 - *FreeDome* to ensure effective fruit fly control.

2 - *Fruit Fly Certified Trade Zone* to enable regulators, exporters, importers, and farmers to gain mutual trust, confidence, and peace of mind in their present and future.

3 – *Green Valley National Export Project* – made to enable participants in the Value Chain to extract higher financial benefit from the value they have created.

4 – Field tested and proven results – experienced professional team.

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

On-line additional information –

\* Join me on [LinkedIn](#) for many more posts and updates [\[>><<\]](#).

\* Previous articles [\[>><<\]](#).

\* The unfinished historical series *The Agricultural Gap*; discussing the 12,000 years history of agriculture, starting with *The Agricultural Revolution*, moving 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***