



## **How Is Fighting Poverty Linked To Investors' ROI?**

*“Sustainable prosperity is the result of a successful business model.”*

It is 1994; I am a fruit grower, spraying a lot and dreaming of an alternative, eco-friendly solution for the never-ending fruit fly sprays. I start “playing” with some ideas and concepts of how I can do this.

Fast forward. It is 2018; Biofeed developed the most awesome non-spray technology for fruit fly control. This technology, when properly applied, as part of the *Fruit Fly Certified Trade Zone* (FFCTZ) protocol, reduces fruit fly infestation of the most dominant fruit flies of Asia, Africa, Australia, and Europe, by over 99%.

Field results indicate ZERO sprays, NO infestation, ALL weather, FULL season protection, SAFE and EASY to use, and the list of advantages and benefits it brings goes on and on.

In short, it is better than any good DREAM, wish, or desire I ever had, and it came true.

Because the technology works so perfectly well, I quickly notice that the "regular" business model of selling the costly technology through distribution will not serve the **smallholders well**. This is due to three reasons:

- (a) Distributors can't provide the necessary complementary professional service.
- (b) The cost of the *FreeDome* technology (only) will be hard for smallholders to bear.
- (c) The farmers will have no way of getting a better income for their produce unless they export those. But, who will help them to export the higher quality produce, and get a better price?

I wondered what I should do next.

Then I had an insight; THE PROBLEM is not the technology but rather the business model.

If the standard business model of selling through distribution channels is not relevant, then what other business model options are there?

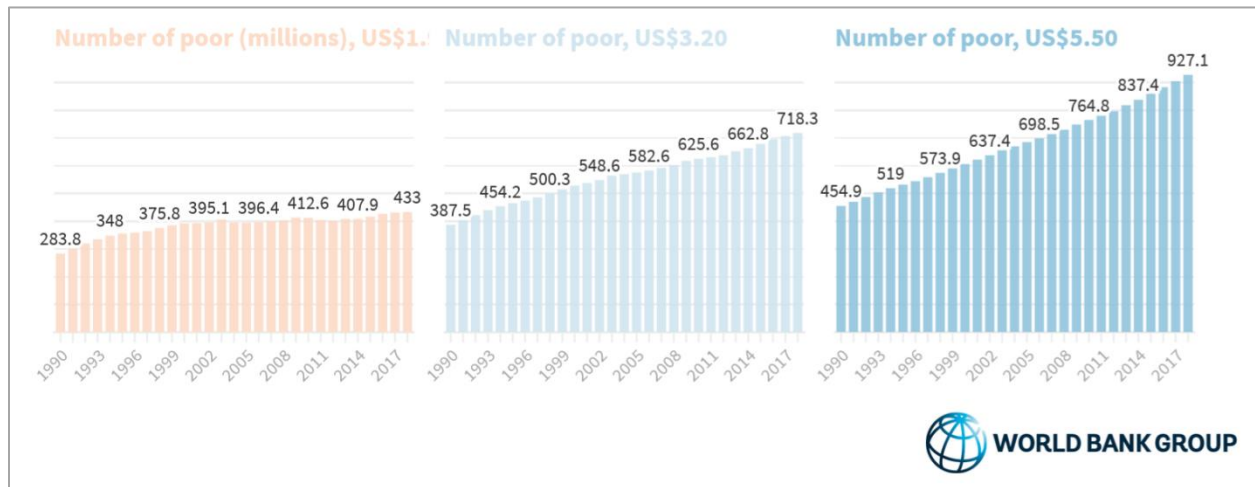
I started studying the various business model options and their back-track history.

Oblivious to the meaning of the profound insight, I was blessed; I kept studying the world of the business models used in agriculture in emerging economies.

## **THE DOUBLE-EDGED SWORD BUSINESS MODELS**

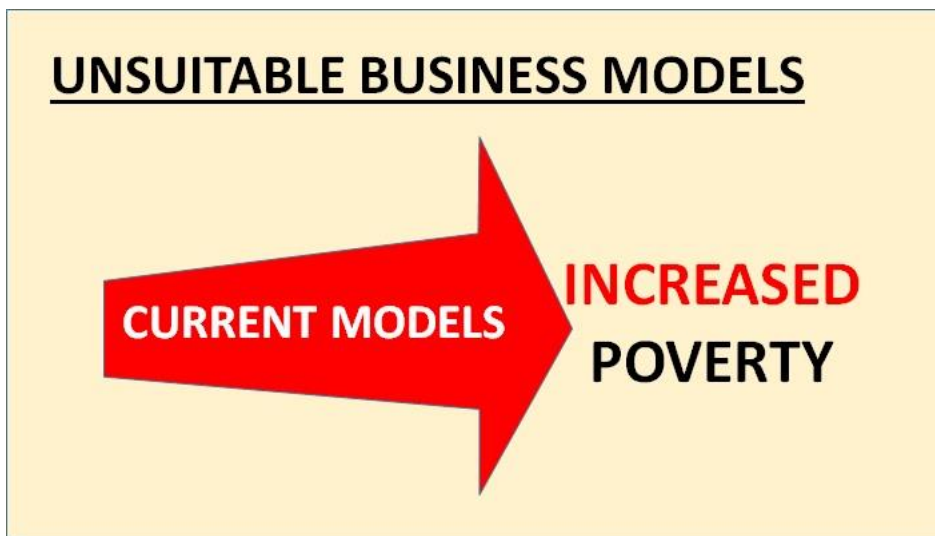
It took me time to understand that by using the wrong business models with smallholders, we don't increase prosperity as desired, but instead, unintentionally, we increase poverty.

**Numbers don't lie; current business models are increasing poverty among smallholders in emerging economies!**



*“The number of poor people continues to rise in Sub-Saharan Africa”.*

Decades and billions \$ of investments in African (and other emerging economies) agriculture by various organizations, including; the private sector, governmental, NGOs, international organizations, and yet, poverty rises **regardless of the type of investment or investment model.**



In sub-Saharan Africa, most people living in poverty are smallholder farmers, and most smallholder farmers live in poverty.

Is this acceptable?

Should we agree this situation go on?

If not, then what can we do to change?

As the access to technologies and money (finance) is far better today than it was 50 years ago, it will be too easy to say that the problem is lack of one of them.

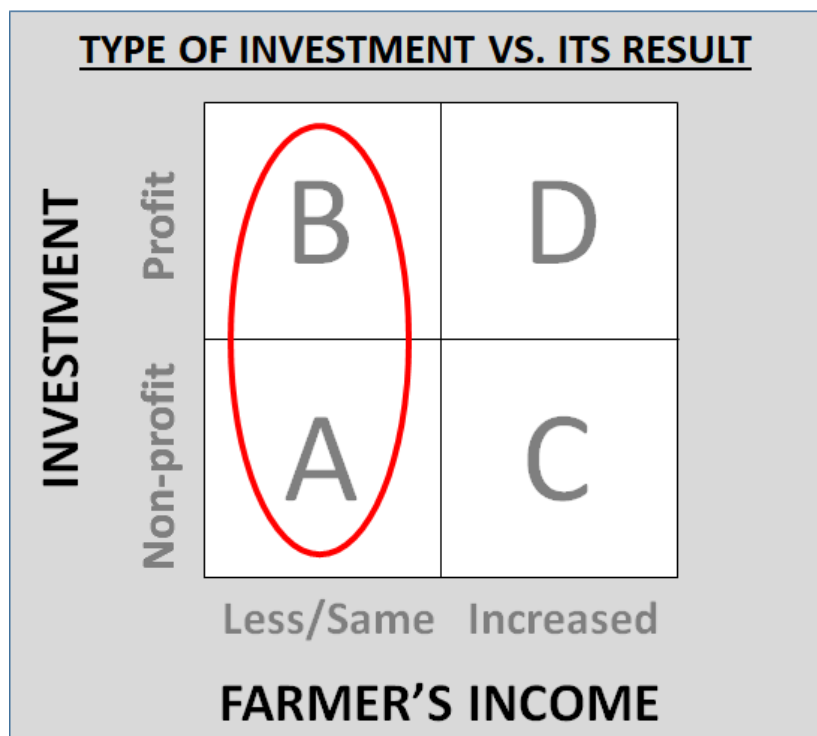
So, if the growing poverty is not correlated with the availability of finance or technology, what could it be?

Now it becomes apparent that the issue of poverty may be closely related to the use of INAPPROPRIATE BUSINESS / INVESTING MODELS.

**“I think historically, where we, venture capitalists, fail, is when we backed technology. Where we succeed is when we backed new business models ”.**

Bob Higgins, the co-founder and managing partner of  
Highland Capital Partners

When inspecting currently used business models, we see that regardless of the type of investment (as listed above), i.e., for-profit or non-profit, the results are the same from farmers' perspectives. It means poverty continues for decades with no change in sight.



Regardless of the purpose of the investments, farmers remain in poverty, i.e., losing.

Interestingly, in many cases, investments are made into low added value crops, such as staple crops. Detailed description and explanation why this is not supporting the cause of fighting poverty were given in a previous article, "[Why Farmers In Emerging Economies Should Not Grow Staple Crops?](#)"

We should also note that private investors, who invest in getting profit and positive ROI, often lose money when investing in smallholders' agriculture. It explains the lousy reputation and the unwillingness for further investing in projects related to smallholders.

Based on the actual situation, where the private sector fear to invest in smallholders, and the increased number of people living in poverty, we conclude that **the current business models miserably failed in:**

- (a) Bringing the desired result of increasing farmers' income or profit.
- (b) Facilitating a scale-up mechanism for sustainable transformation from poverty to prosperity.

Hence, current business models **do not and will not provide the basis for fighting poverty.**

As if the above is not enough, current business models are risky for investors and often brings investors to lose their investment.

To summarize, current business models may provide income and employment to the mechanism associated with them but fail to enable farmers or investors to increase their revenue and profits safely and sustainably.

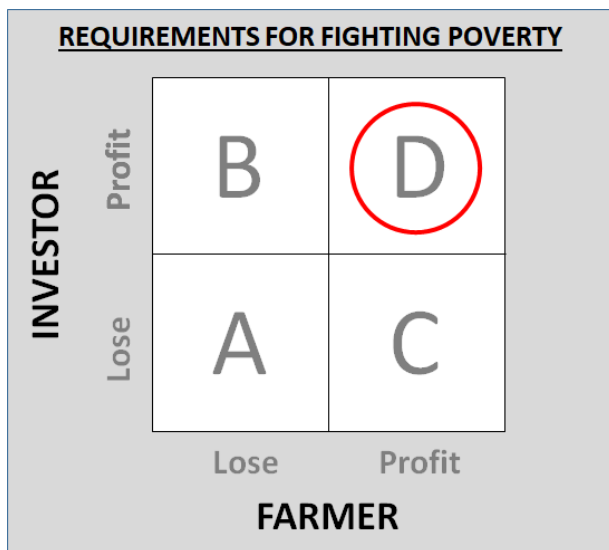
Ultimately, current business models failed to bring the change they promised, create prosperity, and pull smallholders out of poverty.

## THE TYPE OF BUSINESS MODEL WE NEED

It is self-evident that the private sector must be more involved, like it is with other sectors, for smallholders to see a fundamental and sustainable, positive change in their livelihood.

However, the private sector will increase its involvement **ONLY** if and when the business activities (investments) are profitable and offer an attractive alternative to other opportunities.

Hence, to get rid of poverty and bring prosperity, we must have a business model that enables investors, farmers, and other stakeholders, to profit simultaneously (win-win-win situation).



Fighting poverty is directly related to the ability of investors to earn.

How do we make all stakeholders increase their income and profit simultaneously? Is it even possible?

For this task, we clearly can't use the old inappropriate business models. There is a need for a new, novel, working business model. One that proved itself in the real-life, with real smallholders.

# THE WIN-WIN BUSINESS MODEL

Understanding the link between poverty and investors' inability to profit from doing business with smallholders, Biofeed and I focused on filling up the gaps through innovative developments containing three parts.

- 1) *Freedom* – a non-spray, breaking through, **technological solution** for fruit fly control.
- 2) *Fruit Fly Certified Trade Zone* (FFCTZ) – a state-of-the-art fruit fly management **protocol** enabling the EXPORT of branded high-quality fresh produce, free of sprays and bio-security risks, to premium markets for a premium price.
- 3) *Green Valley* – a novel tailor-made **business model** for smallholders in emerging economies. The *Green Valley* business model provides the safety net to investors and smallholders alike to cooperate in a way based on the mutual interest to simultaneously profit by creating significant added value (and not by exploiting the other parties).

*“Truly transformative businesses are never exclusively about the discovery and commercialization of a great technology. Their success comes from enveloping the new technology in an appropriate powerful business model”*

Reinventing Your Business Model  
by Mark W. Johnson, Clayton M. Christensen, and Henning Kagermann

If we want to fight poverty, we can't settle for income increase by small steps, such as 5%-10% a year, although even that is not achieved today. We must aim for tens and even hundreds of percent income increase per year!

In 2021, mango growers participating in the *Green Valley* project in Senegal have **increased their income by 50% to 500%!**



Keep in mind that the income of Israeli mango growers is € 50K per hectare, and that of an African is as little as € 500, i.e., before *Green Valley*, it is only 1% of the Israeli income.

From a business point of view, there is a considerable gap to bridge, and closing that gap introduces business persons with a huge business opportunity.

Significant opportunities are found where there is great pain! *Green Valley's* business model deals with one of the global greatest pains!

## A CONSUMER-ORIENTED BUSINESS MODEL

*Green Valley's* business model is consumer-oriented. But, WHY to be consumer-oriented?

Because we understand that the prosperity of smallholders will occur faster if consumers in premium markets would prefer to buy fresh, healthy produce coming from smallholders.

*Green Valley* model is therefore designed to facilitate that job while enabling investors a safe mode of action to impact the livelihood of smallholders while making a profit.

*Green Valley* fulfills its goal by enabling and facilitating fresh produce export at higher quality and quantities from smallholders to premium markets, where produce can fetch stakeholders the best premium prices.

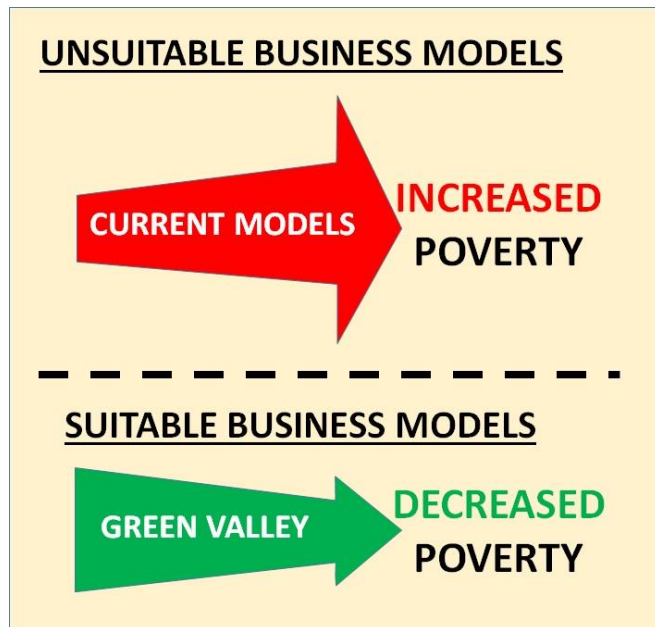
***Green Valley's vision and mission:  
"To improve farmers' livelihood by increasing quality production, free of bio and chemical hazards, grown in a safe, eco-friendly environment, to enable the consumers to enjoy better and healthier food and life."***

By bridging the professional gap, which separates smallholders from reaching premium markets, *Green Valley* projects swiftly (in the first season) create high-value ROI and inequivalent unique added value for its investors.

Historical odds were never so favorite with smallholders, in particular now with the COVID-19 impact.



Nowadays, consumers are looking to invest their money "in smart purchases" that will allow them to buy fresh and healthy produce to positively impact social, health, and environmental issues that are dear to them.



## A BUSINESS OPPORTUNITY

Africa and Asia, on their vast land, offer the best business opportunities for those who will seize the moment and take advantage of it for their benefit while benefiting smallholders and humanity.

Whether it is as a value chain partner or an investor, this is the time for you to join *the Green Valley* program and impact the world as we know it.

I invite you to invest in African smallholders through *Green Valley* projects, thus becoming a *Green Valley* business partner.

Your **legacy** is the outcome of what you do and not your intentions or thoughts.

Join me for the 2022 mango season and get a front seat in the most profitable investment project and game (life) changing for smallholders and those who care for the UN SDGs.

## TAKEAWAYS

- **THE NUMBER OF SMALLHOLDERS** living in poverty is growing not because of the lack of advanced technology or funds.

- **CURRENT BUSINESS MODELS** does not answer the basic demands to enable farmers and investors to increase their income and profit safely.
- **GREEN VALLEY's** business model is consumer-oriented to maximize its income and profit for investors and farmers alike.
- **YOU CAN NOW INVEST** in *Green Valley* smallholders through *Green Valley* projects.

*Please, if you found value in this article, it would mean a lot to me if you sent me a comment and shared it with your friends.*

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**\*\*\* *Mental and Economic Freedom Are Interconnected.* \*\*\***

See you soon,  
Nimrod



Text me: +972-54-2523425 (WhatsApp), or [e-mail nisraely@biofeed.co.il](mailto:nisraely@biofeed.co.il)

**P.S.**

If you missed it, here is a link to last week's blog, "[Why Is It The President's Job To Solve The Problem of Fruit Flies?](#)"

Access and links to earlier articles is on the blog of [VALUE CHAIN LINKS](#).

**P.P.S.**

Based on your interest, follow the following links to learn more about the Kibbutz system, emphasizing; [Education](#) or [Values and Business](#).

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

Please take a look at the video series, “[The Agricultural Gap](#)”. With short videos, mostly 2 to 4 minutes long, I explain the historical roots of the agricultural gap between Africa and Western countries.

I see this video series as "uncompleted," as I am waiting to gain more confidence before completing the chapters with The Solution, as I perceive it.

If you like it, don't forget to *share* it with those who need to see it and *Subscribe*.

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

COVID-19 changes people's eating habits and raises awareness of several issues, including biosecurity, environment, fresh food, health, and chemical overuse.

[Green Valley Package \(1\)](#) is made to support your efforts to overcome those challenges and take advantage of the latest and promising open opportunities for those who seize the moment and wish to utilize the situation to improve their future.

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

[Green Valley Package \(2\)](#) is adaptive, enabling customization and, when needed, further content development.

**The key elements of *Green Valley* are:**

- 1) *FreeDome* – the **core technology** for fruit fly control, which enables export quality. It is used as part of the FFCTZ (see below).
- 2) *Fruit Fly Certified Trade Zone 365 (FFCTZ-365)* is a protocol and action model to enable regulators, exporters, importers, and farmers to confirm with premium markets export requirements.
- 3) *Green Valley National Export Project (Green Valley)* is based on an Israeli fresh produce export model. It is designed for governments interested in adapting their country's agriculture to the 21st Century requirements and demands.
- 4) *Green Valley Fruits Branding* – designated fruit certification label of **quality assurance**.

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