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HOW CAN WE MAKE WEALTHY CONSUMERS BUY FROM SMALLHOLDERS?

"Business people and smallholders need novel business models to benefit mutually."

Marie Christmas and Happy New Year!

FACTS

This year, too, there will be hundreds of millions of poor and hungry people in the world.

Do you consider it God's will, OR can you do something to change it?

Let it be clear; there is **no food shortage in the world**! If you have enough money in your pocket, you will never be hungry, and you will always have a roof over your head.

Hence the answer to the *problem of poverty* lay in answering the question of, "*How do we increase prosperity*?"

QUESTIONS

Is poverty a result of unemployment?

Although unemployment can cause poverty, most people who live in poverty are smallholders who work hard to make a living.

Can we help them to prosper or even become "wealthy"?

Yes, we can. We can do it by "transferring" money, i.e., wealth, from those who have to smallholders who have much less.

How can we do it, and what will be the result?

There are two main ways to transfer wealth between people and nations -

<u>1. Non-business-oriented money transfer</u>: This involves a direct transfer from wealthy people/nations to poorer ones.

The transfer can be of money (alms, donations, funds, gifts, loans with no expectations of repaying, etc.) or worth money products and services.

Although this option involves the transfer of money, it doesn't transfer wealth or the ability to create wealth. Instead, it turns the rich to richer and the poor to poorer.

<u>2. Business-oriented transfer of wealth:</u> Increasing sales of goods and services to wealthier people/nations.

This path is sustainable and has proven to be highly successful in creating sustainable wealth and prosperity, resulting from genuine added value creation.

"Easy Money," which is not the result of work and the creation of value, is like a bandage and not a sustainable solution (cure) to the problem (disease) of poverty.

The long-term solution is, therefore, TO INCREASE THE INCOME. This can be done by EXPORT OF HIGH ADDED VALUE PRODUCTS AND SERVICES!?

That's right!

PRINCIPLES FOR PROSPERITY

As a farmer, I know that farmers respect themselves and want to make a living from their hard work and not from other people's money or favors.

Therefore, the best option to eradicate poverty and create prosperity is through THE CREATION AND MARKETING OF HIGH ADDED VALUE CROPS from the emerging economies to wealthy consumers in premium markets.

For this purpose, *Green Valley* has defined, designed, and implemented an innovative business model based on solid ground and field-proven principles.

Here are some of those basic principles:

1. The goal: Enabling "poor sellers" (smallholders) to sell to "wealthy buyers" (Premium Market).

2. The agreement: in exchange for a "profit share" with the "seller," *Green Valley would help to increase his income per hectare (significantly).*

3. Farmers' Relative Advantage: Farmers should focus on growing crops suitable for marketing for a premium price at a premium market, where they can gain global leadership (even if it doesn't yet exist).

4. Green Valley's Relative Advantage: Preference for focusing on crops where *Green Valley* technology and knowledge creates a significant competitive, sustainable advantage and hence the highest added value.

5. Focusing On Increasing The "Value per Hectare": The main parameter and indicator of success is the farmer's income per hectare.

6. Main Ways Used to Increase farmers' "Value per Hectare":

- * Increasing the Yield (Quantity).
- * Increasing the **Quality** of the yield.
- * Increasing the **Price** per kg.

The combined impact is the increase of income per hectare by tens, hundreds, or even thousands of percentage within a short period.

THE UNPARALLEL ADDED VALUE

Mango is a premium crop, enjoying premium prices, and with about 60M tons annual volume, it offers a vast market potential.



However, the main obstacle to success is that most mango growers suffer from a high percentage of fruit loss due to fruit fly infestation.

Typically, even while using sprays and early harvest of the produce, the rate of **fruit loss would be 30%** to 80%!

Such a loss could be devastating to any business and even more to poor smallholders who experience it every year.

Biofeed noticed the above as the Root Problem of the mango industry. Hence, it developed a technological solution (the Freedome) and a protocol (FFCTZ) to control fruit flies that attack mangoes.

The FFCTZ protocol typically reduces (read eliminates!!) 100% of the fruit fly sprays AND 98% to 99.9% of infestation versus the so-called "commercial treatment."

The FFCTZ protocol and the Freedome non-spray technological solution are part of the Green Valley production protocol, providing an unparalleled – <u>field-proven</u> - added value compared to any other mango production protocol.

WE CREATE VALUE

Mango is probably the most important export crop for Senegal's smallholders and the state itself and holds the highest revenue potential per hectare.

Here are some facts about Senegal's mango industry current status-

- * About 95% of the mango growers in Senegal are smallholders.
- * The average yield per hectare is about 5 tons.
- * Fruit flies infest 30% to 80% of the mangos before harvest.

* The mango season is between May till August (usually 12 weeks), with a potential for a 24 week season (THIS can happen IF fruit flies are well managed).

* Ten years ago, smallholders' growing mangos earned about 2000 € per hectare, while today only 500 € per hectare (for comparison, the value of the mango products of an Israeli farmer is 50,000 Euro per hectare).

* Senegal's export stagnates for a few years at ONLY 13K to 15K tons.

* Senegal is under constant risk of "Export Ban" from the EU if fruit fly interception increases.

2021 GREEN VALLEY PILOT IN SENEGAL

In 2021 several hundred smallholders, with a total area of 2,500 hectares, participated in the *Green Valley* pilot.

Farmers under the *Green Valley* program enjoyed the protection of the FFCTZ protocol.

None of the farmers used ANY sprays or other chemical control.

As a result,

- 1. There has been a 99% reduction in the rate of fruit fly infestations.
- 2. Mangos were harvested when optimal ripping (better taste, color, and size).
- 3. Longer harvest period.
- AND (most importantly)... -
- 5. Regaining the ability to export high quality and quantity (almost double) by sea and air freight.

AND...

6. Get a nice income from the hard work and the high added value created.

7. Increasing consumers' satisfaction and readiness to pay a premium price for the high quality.

We estimate that 8,000 tons were exported from the Green Valley growers AND smallholders reported income increase in the range of 50% to 500%!

THE BUSINESS OPPORTUNITY

Today's situation -

1. The income per hectare of African/Asian mango growers (smallholders) ranges from 300 € to 1,000 € per hectare. In Senegal, the average is 400 € per hectare.

2. In 2021, in Senegal's pilot, farmers already increased their income to the range of 1,000 – 2,000 €/hectare.

3. Income of Israeli mango growers is ca. 50,000 € per hectare.

To bring a brighter future for smallholders, we aim to increase the income of smallholders mango growers to 5,000 to $10,000 \notin$ hectare within five years.

We believe that this number can go up to 20,000 €/hectare in some cases.

Yes, based on an income share agreement *Green Valley* will benefit from the farmers' income increase.

The income of the farmers and *Green Valley* are interconnected.

THE BUSINESS OPPORTUNITY

Because there are millions of hectares of mangos and other high-value crops, *the Green Valley* model is prone to bring prosperity to its farmers and investors.

Smallholders' salvation and way out of poverty will come from doing "Good Business," which all value chain partners benefit from, and Creating Value, and not collecting charities and donations.

In contradiction to the suppliers of the "standard spray or ... tools", *Green Valley* member is NOT paying the initiative and hoping that the methods or tools he will use – will bring him good results.

Green Valley is an integral part of the activity and shares the responsibilities as well – and yes, enjoy from income increase as well.

Become a Green Valley investor partner today.

To learn more about the business opportunity – don't hesitate to get in touch with me directly.

TAKEAWAYS

- POVERTY in emerging markets is not the outcome of "not working" or laziness but the result of applying improper business models.
- > SMALLHOLDERS need a unique, different, tailor-made business model.
- **EXPORT** of high added value crops is the fast track to increased income and prosperity.
- **BUSINESS MODEL** is what links smallholders with wealthy consumers in premium markets.

Follow me on LINKEDIN.

If you enjoyed the article, please share it with friends and colleagues.

SUBSCRIBE TO THE WEEKEND COLUMN.

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

See you soon,

Nimrod



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P.S.

If you missed it, here is a link to last week's blog, "<u>Isn't This The Most Important Event of</u> <u>The Year?</u>"

Links to earlier articles are on the blog of <u>VALUE CHAIN LINKS</u>.

P.P.S.

Based on your interest, follow the following links to learn more about the Kibbutz system, emphasizing; <u>Education</u> or <u>Values and Business</u>.

P.P.P.S.

Please take a look at the video series, "<u>The Agricultural Gap</u>." 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.S.

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

<u>Green Valley Package (1)</u> 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.S.

<u>Green ValleyPackage (2)</u> 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, enabling export quality. It is used as part of the FFCTZ-365 (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 RealityIs A Choice and Not A Decree of Fate