



WHAT CAN WE LEARN FROM AMAZON IN THE WAR ON POVERTY, AND HOW DOES IT RELATE TO DREAM VALLEY?

“Amazon delivers goods from small businesses but not produce from smallholders. Let it sink in.”

ONCE

Thirty years ago, when you wanted to purchase a product made overseas, you could buy it through Established Channels, usually a single expensive local importer or representative agency.

Still, many manufacturers and suppliers did not have a representative in your country, and SMEs had little chance of having a local rep or agency abroad.

Those were the days when the business world was concentrated and reduced to a small number of huge companies. Only they could afford to build expensive marketing and export channels.

E-COMMERCE COMPANIES

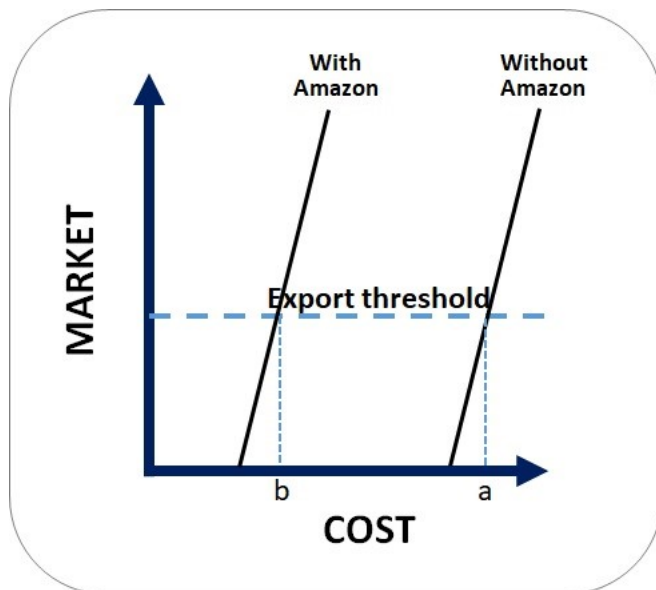
The business world has changed in the past twenty-five years as e-commerce companies became accepted and a competitive alternative to physical shops.

AMAZON was established in 1994, became profitable in 2001, and its current market cap is over \$1.5T.

What is the secret of giant companies like Alibaba, Amazon, and eBay?

They help connect countless suppliers of goods to a vast worldwide customer base.

Amazon, and similar companies, have changed the value chain structure to **lower the threshold of entering global markets**.



Export of goods with and without an e-trading platform, e.g., Amazon

Thanks to them, it became easy, simple, and accessible for everyone to trade with any partner, regardless of their size or location.

The enormous advantages of marketing and exporting directly through e-commerce channels (or by drop shipment method), including convenience, accessibility, and wide availability, made them the choice of millions of consumers and particularly small businesses.

The economy of China is booming thanks to billions of production orders delivered to companies of all sizes.

Is there anyone who has not yet ordered something from e-commerce suppliers?

Yes, consumers, including companies like ours - Biofeed and my family, enjoy quick, easy, and inexpensive access to goods sold on international markets.

When you order online, you always face several options for each product. Do you have a way of knowing the size, experience, and reliability of each company? NO!

On a computer or mobile screen, everyone is equally perfect. Small companies use this to promote themselves equally to the big companies.

WHO IS LEFT OUT?

The celebration of e-trading is flooding the world and bringing prosperity to entrepreneurs and small business owners, who are finally competing as equals against giant companies.

E-trading has turned millions of tiny, poor manufacturers into wealthy or at least financially well-established.

The SME movement is booming, doing more good to poor people and equality than any government annuity, subsidies, unemployment benefit, or grant.

But, an entire sector is left out of the game, an industry for which these trading conditions are unsuitable.

Of course, I refer to the agricultural sector that trades with fresh produce.

DIFFERENCES

The differences between trading and shipping books, toys, electronics, clothing, processed food, etc., to trading and distributing **fresh perishable produce** are many and substantial.

To understand this, let's imagine that you are asked to ship 100 books from one warehouse to another and 100 kg of mangos from the field to the supermarket shelf.

Sending books is easy, with no special requirements, you put the books in a box and send.

However, as you prepare to ship the mangos, you find a never-ending list of conditions and requirements, including post-harvest treatment, limited shipment time (hours/days), fixed temperature requirements, phytosanitary inspections, etc.

Do you start grasping the differences between the supply chains?

In short, this long yet partial list of requirements has so far limited **agriculture SME** (small producers), **whom we call smallholders**, from marketing their produce to international premium markets.

Keep in mind that 95% of global farmers are smallholders. Can you grasp the extent of the unaddressed population, as well as the enormous business potential?

If we look at the example of Amazon and Alibaba, we will see what can happen when we succeed in "connecting" small businesses (smallholders) directly to global markets.

We expect that introducing such service to the agro-industry will bring prosperity to farmers (small producers) and unparalleled abundance to consumers.

IS IT IMPOSSIBLE?

Now is your time to say, *“This is an excellent concept. But, there is no way it can be done. It is too difficult, complex, and expensive to deliver.”*

Is it really so?

Let's look at what needs to happen, to change so that smallholders can export like professional ones.

Today, there are exports of fresh agricultural produce from the emerging economies of Africa, Asia, and LATAM.

However, it is almost always limited to exporting from professionally managed farms.

Exports from smallholders are done occasionally. Rarely do smallholders receive dedicated, tailor-made training, access to financial support together with professional protocols and technologies to help them bridge the gap between their current state and that required to meet export requirements.

Since this does not happen, smallholders' overall condition remains unchanged and deteriorates. It is easy to see why smallholders are in despair under the current business model environment (tailor-made for professional farmers).

THE “AMAZON” OF FRESH PRODUCE

Amazon changed the world of small business owners (and ours) by introducing a novel business model (Amazon’s business success is not thanks to technological novelty).

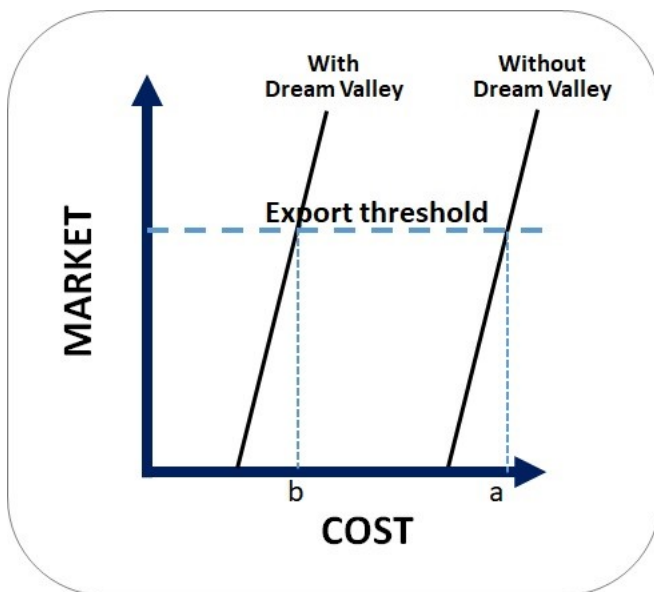
There is a need for a dedicated business model to change the world of smallholders (and ours).

Having in mind the **(a)** successful example of Amazon, **(b)** a list of requirements for marketing/exporting fresh produce, and **(c)** smallholders' current state enables us to design a business model of “The Amazon platform for fresh produce export from smallholders.”

Think about what would have happened if Amazon could have helped every farmer, and smallholder in the world to export.

To this end, the first goal of a dedicated smallholder trading platform would be to bridge the gap between smallholders' current state and the one required to meet export standards.

This task is not easy, to say the least. Not easy, but possible. In fact, this is precisely what the Dream Valley venture developed and is implementing in Africa (and earlier in India).



Export of fresh produce with and without the Dream Valley platforms.

HOW DO YOU DO IT?

At that point, you are probably asking yourself, “*What exactly Dream Valley business model platform is doing differently?*”

I am glad you asked!

The Dream Valley venture focuses on marketing high-value-added fresh produce, e.g., mangos, avocados, and citrus, grown by smallholders, to premium markets.

Dream Valley starts by focusing on marketing mangos. Mango's global market value is \$60B. It presents continuous growth, e.g., from 2005 to 2020, mango consumption doubled in the USA and far more in China. This is a good enough reason to start by focus on such huge market.

Yet, this market, sourcing its fruits from emerging economies, suffers from chronically export of low-quality mangos. A second good reason we decided to focus Dream Valley efforts on this market, with the goal of exporting Top Quality mangos.

But how?

We start by understanding the market. We know the market quantity demands and its unfulfilled demands, i.e., better taste, no sprays/pesticides, social/health/environmental awareness, availability, etc.

Then we analyze farmers’ and the value chain problems per geographic region where we are active.

Next, we make a detailed plan of addressing each of the challenges.

Last, in a well-planned manner, we apply our tools and methods as A Package. Dream Valley brings the long DESPERATELY NEEDED CHANGE.

When you do this exercise (i.e., analyzing the market, problems, and solutions) many times, you find out that all smallholders share

80% of the challenges.

These include a high infestation rate by fruit flies (i.e., 50%), low yield, logistics, strict financial limitations, unprofessional farmers, limited access to know-how and technologies, etc.

Dream Valley platform is designed to provide a solution to each of those critical challenges, and it does it through a tailor-made Package.

For example, Dream Valley deployed the Fruit Fly Certified Trade Zone (FFCTZ) protocol, which includes the Freedom technology.

As a result, and **without using sprays**, fruit fly infestation is reduced from an average of 50% to less than 1%!

Direct consequence of the above is that consumers get access to mangos free of sprays and pesticides harvested at the optimal time for the best taste, size, and color.

Did I already say that Dream Valley's mangos are "beyond organic"!?

Dream Valley covers its costs and makes profit by collecting fees from its overall scope of activities.

This includes providing protocols, know-how, connections, technology, method, and services (to value chain partners, e.g., QC) to increase and improve the produce quality and quantity, quality control, marketing, and branding.

We do this by understanding the needs and limitations of stakeholders and in cooperation with the farmer and the value chain partners.

Dream Valley's full name is Dream Valley National Export Program. Export programs benefit from the economics of scale. They also demand addressing national regulatory, logistics, etc., issues and managing international agreements.

Now you see how smallholders can benefit from working with Dream Valley, "the Amazon of fresh produce export."

You also understand why Dream Valley can't work like Amazon but had to develop a tailor-made business model for smallholders in countries interested in increasing farmers' prosperity through export increase.

TAKEAWAYS

THANKS TO A DEDICATED business model and expertise, trading platforms, such as Amazon, generates prosperity among small businesses.

SMALLHOLDERS REQUIRE a tailor-made trading platform, which includes a tailored operation model.

A DEDICATED TRADING PLATFORM for smallholders should include intervention throughout all crop growth stages and quality control of value chain partners from field to shelf.

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

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**** 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, "[Is It Possible To Bridge The Non-Technological Gaps Of Quality-Quantity?](#)"

Links to earlier articles are 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, 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 Reality Is A Choice
and Not A Decree of Fate***