



WHAT MAKES AGRA'S MODEL A MILESTONE IN AGRICULTURAL HISTORY, ONE TO STUDY IN BUSINESS SCHOOLS?

“In the long-term, empathy and in-depth understanding always win over power, money, and technology in solving Root Problems.”

I often write about business models because of their critical importance, yet underappreciated, to business success.

Business models are the cornerstone to any business operation's success, which includes a successful transformation of traditional agriculture economies into prosperous ones.

Being a part-time-scientist, I am continuously looking for ways to examine, validate, and improve the theories and implementation of business models in the agro-sector.

But, how do you examine the quality of a business model?

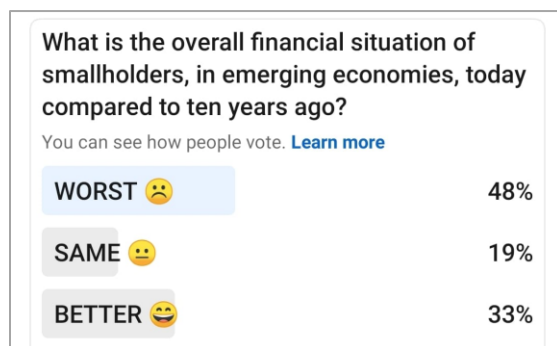
We can't measure a business model success in a lab, in theory, under the neon light of a fancy office or in air-conditioned conferences halls.

The only way of studying and measuring business models is under real-life field conditions.

In high cost and hard work, lessons learned in the field should be shared with many so that others can repeat or avoid practices based on experience.

To this end, I took it upon myself to lead the *International Business Models & AgroTech Conference and Expo* (IBMAT).

I also asked you on LinkedIn for your opinion, based on knowledge, regarding the results of current business models in emerging economies.



Business results of current business models. A LinkedIn survey, February 2022.

It may not be surprising for those of you who spend their days meeting farmers that 67% think today's smallholders' situation is **the same or worse** than ten years ago!

This figure should be alarming to all, but primarily to decision-makers and stakeholders in relevant countries.

ONCE IN A BLUE MOON

It is rare, but sometimes you get a report that reflects the success or failure of a particular business model. Luckily this just happened a couple of weeks ago.

The Alliance for a Green Revolution in Africa (AGRA) recently released a report with field results presenting the effectiveness and impact of its model of operation.

This is an excellent opportunity to jump in and learn about AGRA, which is serving as a pan-African arm to bring change into Africa by fighting hunger and poverty in its agro-sector.

AGRA's numbers are staggering - established in 2006, it has been active for 16 years in 11 African countries (originally 13), involving 30 million smallholders, with an annual budget of ca. \$2B!

This long history seems more than enough to learn and analyze AGRA's fighting hunger and poverty model. Don't you think so?

AGRA's list of donors includes the Bill and Melinda Gates Foundation (B.M.G.F.); the U.K. Foreign, Commonwealth & Development Office; the Rockefeller Foundation; the U.S. Agency for International Development (U.S.A.I.D.); and Germany's Federal Ministry for Economic Cooperation and Development.

AGRA'S CHARACTERISTICS

The living spirit behind AGRA is Bill Gates. His approach was to solve hunger and poverty by helping farmers grow more food, meaning staple crops, mainly maize and rice.

Let's have a look at AGRA's background, main characteristics, and goals:

- **AGRA's original goals:** to double yields and incomes for 30 million smallholder families while cutting food insecurity in half.
- **AGRA's updated goals:** *“to increase incomes and improve food security for 30 million smallholder farm households in 11 African countries by 2021.”*
- **Interim goals:** increasing staple crops yields.
- **Population and Countries:** 30 million, 11 countries.
- **Way of increasing yield:** providing stallholders with an advanced Package of (mainly) “advanced” seeds and fertilizers.
- **Crops:** mainly maize and rice (two cereal staple crops).
- **Target Market/s:** self and local consumption of the production.
- **Funds and subsidies:** annual ca.\$2B.
- **Primary beneficiaries:** wealthier male farmers.
- **Ability to copy-paste to other crops:** limited to none
- **Business model:** donations and subsidies!
- **Sustainability without donations and subsidize:** None.

REPORT'S MAIN FINDINGS

In short, the media outlet Devex, chose to present the report findings under the headline, "[AGRA has failed to improve Africa's food security, report finds.](#)"

The investigating reporter, Mr. Timothy Wise, working for Institute for Agriculture & Trade Policy (I.A.T.P.), chose to present the report and his investigation findings under "[AGRA: Still failing Africa's farmers.](#)"

From the titles to the actual findings, following AGRA's fifteen years (15) of activity:

- The yield is up **only** by 30%.
- **No** increase in income.
- **More** smallholders live in hunger.
- The program-wide use of fertilizers creates a **negative** environmental and greenhouse gas (GHG) impact.
- Soil quality **degraded**.

The bottom line, after 15 years and tens of \$ billions in investment and subsidies, if AGRA were a standard business operation measured in terms of R.O.I. or according to its own original goals, then it would be considered a colossal failure.

One can't find a significant positive development or change from 15 years ago until now, and not between farmers in and outside the program. Furthermore, the program has a negative impact in some fields, e.g., environment and sustainability.

EVERYTHING MUST BE MEASURABLE

Let's remember the simple facts of Africa and its smallholders: The starting point of yield and income per hectare is very low!

Going down from the already low starting point is nearly impossible. However, there is a vast opportunity and margin for going up.

Under such circumstances, and after 15 years of activity with an annual budget of ca. \$2B, one would expect:

- (1) Immense progress for each of the smallholders under the AGRA program.

(2) To find a massive difference between farmers and countries under the program to those left outside.

(3) A successful program would make all smallholders and countries wish to become part of the initiative.

Anyone who walks around Africa talks with its farmers and sees with their own eyes the current state of smallholders knows well the answers to the above three points of expectations.

In short, the flagship of Africa's agricultural program has failed its farmers and the continent population.

In my view, it is of particular concern that the updated goals are vague, without any specific target or metrics, as if to prevent anyone from measuring and evaluating the program -

“To increase incomes (by how much and in what time frame N.I.) and

improve food security (by how much and in what time frame N.I.)

for 30 million smallholder farm households in 11 African countries by 2021”.YES, by 2021 !!

Targets to "increase income" and "improve food security" wouldn't survive any criticism of a first-year M.B.A. student or any actual life business operation.

Would you invest a single dollar in any enterprise that would declare that its goal is "to make the air cleaner" or "make transportation more efficient" without seeing any concrete numbers and deadlines?

I'm sorry to say, but it seems as if AGRA's attitude changed from "Fighting hunger and poverty" to "Fighting criticism."

In my opinion, fighting hunger is **the result** of fighting poverty by creating economic prosperity.

Surprisingly, someone like Bill Gates doesn't manage to measure the exact results of his flagship program in agriculture.

More surprising and disappointing is the lack of transparency.

THE AFTERMATH

Africa and its hundreds of millions of smallholders need an immediate income increase of 50% every year for the next 20 years!

A yield increase of 18% or even 30% in 12 years is far from Africa's leadership goals.

Hence, AGRA's model failure is not something to celebrate. People worked hard to make a change that never came.

Now is the time to pause, self-reflect, be brutal with ourselves, analyze, evaluate, and conclude WHAT and WHY happened. This has one purpose – to change for a better future for all.

More importantly, hundreds of millions of smallholders are waiting in vain to see the change they expect and promise by their leaders, who put their trust in AGRA's model.

While farmers of developed countries make giant steps into a far more developed agro-industry, smallholders are held back by unsuccessful models and leadership too afraid to admit the reality that everybody sees and knows.

We can't change the past, but we must ensure the future will be better. It is in our hands.

THREE PILLARS

We all want a better future for smallholders and fast-growing economies for the emerging economies. These are three practical activities we can do to ensure this change:

1) Aim high, not low!

When we aim to stop hunger and poverty, one may think that above 1.9\$ per day, say 1.91\$ per day, people are no longer in poverty. Or is it that one calorie above the hunger level, you are healthy and fine?

That is not sufficient. We should aim toward a level enabling decent life level and better future for our children. To that end, we need to strive for an income much higher than \$ 1.9 per day.

Hunger - *“when the population... quite literally does not have enough to eat.”* ([Link](#))

Poverty – *“living on less than \$1.90 a day.”* ([Link](#))

Since the link between hunger and poverty is clear, i.e., when you have enough money, you are not hungry; then the focus should be on – **creating stable and secure prosperity.**

Think about this; you send your child to school to be the best version of himself with the best grades. You wouldn't send your child with the goal of "not being lazy."

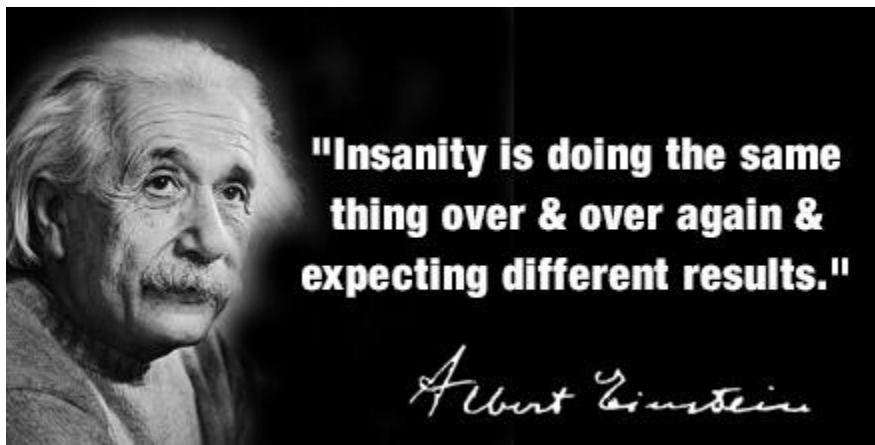
Why don't we follow the same line with smallholders? I mean, to be the best version of themselves, reaching prosperity.

"Not being poor" is the equivalent of "not being lazy." Is this what we want to wish our children and farmers? We should have positive goals, such as "Be prosperous" and "Be more diligent and educated."

2) Business model.

Timothy Wise (link below) emphasizes the importance of MODEL when saying, "*Time to change course away from a failing model.*"

What 15 years and tens of billion dollars didn't do, more money and time wouldn't change.



It is time for AGRA, and others, to consider the importance of using novel, suitable Business Models.

You already know from my previous articles and many posts; technology, money, and power, not supported by a proper business model, may have a destructive impact on the agro-sector.

Rapid economic growth would result from introducing a tailor-made business model. Otherwise, the change would be painfully slow and with low chances of ever occurring.

Every week I get calls and messages about this government or another in Africa and elsewhere that has plans to increase their export by five-fold in 3 years. The problem is that every three years, they have a new such program, but export and the agro-sector hardly advanced by an inch.

We already spoke a lot about the tailored model we designed and **tested** for smallholders, the [Dream Valley Business Model](#).

From 2017 to this day, we see that implementing that model increases smallholders' income within one (1) year by [50% to 500%](#).

In 2021 Senegal doubled its mango export, providing **hard currency** evidence of the immediate impact of a suitable business model on individual smallholders and simultaneously at the national level.

I believe that a business model is at least ten times more effective, impactful, and sustainable than a model based on donations and its kind, which, however, can serve as a supporting tool.

I make sure everybody knows that Dream Valley is not a donation or N.G.O. activity, although it sometimes seems like it is because of the immense good it brings and creates.

We designed Dream Valley to reach its full impact under a harsh international competitive business environment.

If business people and investors are reluctant to invest in your model, you should worry about its sustainability.

For prosperity, focus and work only with business-oriented models.



* If you have a field-proven winning business model, I invite you to present it at the *International Business Models & AgroTech Conference and Expo* (IBMAT).

Contact me for details. (nisraely@biofeed.co.il).

3) Cooperation.

AGRA has brought many good things to Africa, but it failed to get the change it aimed for. The lack of a proper business model, reflected in the program's poor results, is probably the main reason.

That could be solved by working together with other working groups. When facing challenging goals, cooperation is the only way forward.

Africa is working hard to improve its inter-continental cooperation, now is the time for everybody to join forces and hands and walk together.

For example, on 4-5 August 2022, there will be the [*International Business Models & AgroTech Conference and Expo*](#) (IBMAT) in Kigali, Rwanda.

As IBMAT Director, I would love to create and increase cooperation between leaders in the African continent.

I invite the leaders and stakeholders of AGRA and other organizations and countries to contact me to initiate strategic cooperation and step forward.

On my side, I promise to help anyone bring success and see smallholders' lives improving through the introduction of enhanced novel business models.

Please share my invitation with those who may find it interesting.

Note that I would be in Senegal from March 28th till April 2nd and in Rwanda from April 3rd till 6th. Contact me to set a meeting (nisraely@biofeed.co.il).

Through advanced agriculture and increased export, PROSPERITY is the way forward for Africa as it is for other emerging economies.

Let's create the foundation for this by accepting that the current reality is not what we want, and for a better future, we need a tailor-made business model and improved cooperation.

SELECTED QUOTES

Below are some critical quotes from Timothy Wise's article [*AGRA: Still failing Africa's farmers*](#).

"AGRA's core theory of change, its entire Green Revolution rationale, proved false even in two countries in which maize yields increased. In other words, rising yields failed to translate into rising incomes for farmers. And improved maize sales alone are not proof that farmer incomes have increased, since the Green Revolution package of seeds and fertilizers is more expensive for farmers."

"The number of severely undernourished people in AGRA's original 13 countries increased by 31%, and that was even before the pandemic added to the suffering. We know now from United Nations data that the number of severely hungry people in Sub-Saharan Africa as a whole has increased 50% since AGRA was founded in 2006."

"The Gates Foundation and AGRA's goal for nitrogen fertilizer use would have the equivalent climate impacts of deforesting half a million hectares of Amazon rainforest (about 1.2 million acres) every year."

"Did not see evidence that many of the initiatives AGRA launched would be self-sustaining over time without continued donor support."

“The entire premise of the Green Revolution strategy is that yields will increase to the point that rising incomes from sales of surplus crops will not require continued government subsidies and support because farmers will have the money to invest in ongoing productivity improvements on their farms. That is not happening.”

“This evaluation found no evidence that governments would continue to design and execute the next generation of agriculture flagships without AGRA support.”

“AGRA did not meet its headline goal of increased incomes and food security.”

“Overall, yield growth for that basket of staple crops was just 18% over 12 years, roughly the same as before AGRA began.”

“The exclusion of African farmer and civil society voices by AGRA and its donors is an endemic part of the institution's lack of accountability.”

“Time to change course away from a failing model.”

“As A.F.S.A.'s Million Belay wrote last year, African food producers are not in favor of these and many of the other policies being advocated by AGRA and its public and private-sector partners: *“The strategy has indebted our farmers, ruined our environment, harmed our health and undermined our seeds and culture. We object to the flurry of initiatives to amend our seed laws, biosafety standards, and institutionalize fertilizer rules and regulations that seek to entrench Africa's overreliance on corporate agriculture.”*

“AGRA is making no significant progress toward its original goals of doubling yields and incomes for 30 million small-scale farm families while halving food insecurity by 2020.”

“The evaluation if anything confirms rather than refutes the findings from our comprehensive review of AGRA's progress toward its goals using national-level data:

- Yields for a basket of staple crops grew just 18% over 12 years through 2018, far below the goal of doubling productivity, which would be a 100% increase. Yield growth was barely higher than before AGRA
- There was no sign of significant increases in farmer incomes thanks to rising yields and marketable surpluses. Overall, poverty remained endemic in most AGRA countries.
- The attention to favored crops such as maize, supported by government subsidies for the purchase of Green Revolution inputs, resulted in a decline in the land and resources devoted to key staples such as millet, sorghum and sweet potato. This had negative impacts on soil fertility, as well as nutritional diversity.
- Excessive support to maize and rice contributed to unsustainable and destructive land use rather than productivity improvements, as I show in more detail in a recent study.
- Hunger rose dramatically, with the number of undernourished people increasing 31% across AGRA countries, not decreasing 50% as promised by AGRA”

“AGRA's donors should reconsider their support for such an unsuccessful and unaccountable initiative. They should shift their funding to agroecology and other low-cost, low-input systems. These approaches have shown far better results, raising yields across a range of food crops, increasing productivity over time as soil fertility improves, increasing incomes and reducing risk for farmers by cutting input costs, and improving food security and nutrition from a diverse array of crops.”

TAKEAWAYS

- **AGRA's MODEL** has failed to achieve its goals.
- **NO AMOUNT** of money or advanced technology can replace a proper tailor-made operation and business model.
- **TO THRIVE**, the African economy must promote its agro-sector.
- **AIM HIGH** and improved cooperation are a must for rapid development.
- **SMALLHOLDERS NEED** a tailor-made business model, as none of the currents delivers the desired results.
- **I AM READY** to help you develop and introduce an improved novel business model for smallholders.

[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



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, "[Three Mandatory \[Non-Budgetary\] Steps To Promote Agro-Industry In Emerging Economies.](#)"

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 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.

[Dream Valley Package \(1\)](#) supports 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.

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

The critical elements of *Dream 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) *Dream Valley National Export Project (Dream 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) *Dream 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***