



## THE HIDDEN WATERFALL AND AGRO-BUSINESS POTENTIAL

*“The greatest business potential is hidden from view.”*

In the [previous column](#), we discussed the differences in profit potential between different crops. We have seen that the difference can reach thousands of percent and tens of thousands of USD per hectare.

This time we will discuss the macro-economy and the profit differences between countries and continents.

In short, what is the fundamental agro-business potential, from investors’ point of view, between developed to non-developed economies?

Are you ready to be surprised?

# INVESTORS' PERSPECTIVE

There are many kinds of investors; however, they all care about one metric, the financial *Return On Investment* (ROI). ROI reflects the profit (\$) or gain of an advantage.

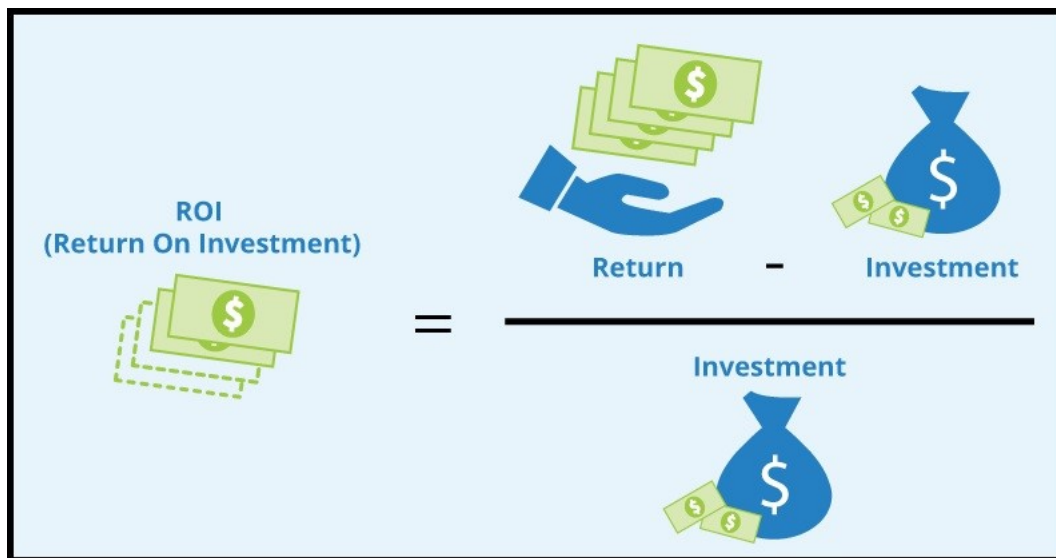
Note that ROI is measured in percentages (% profit/time), not absolute numbers.

This is why investors prefer investing in the stock exchange in companies that grow fast, e.g., startups, versus the biggest entities, which grow but with a lower ROI.

For example, when you invest \$ 1M in a company that increases its value in one year by 200%, versus a second company that is 100 times bigger but increased its value by only 2%, you end the year with \$ 2M in your pocket, versus \$ 1.02M if investing in the big company.

Once again, investments are about ROI, measured in percent (%) for a certain period.

When did you last think about agriculture and farmers in terms of investment, ROI, and significant long-term profit?



## ALWAYS FOCUS ON RESULTS

Understanding that ROI, measured as the percentage of profit per time, is critical to expose investors to invest in the agro sector, yet it was dismissed and overlooked.

When we don't understand the meaning of such potential for the involved parties, it hurts all; investors, farmers, nations, world efforts to fight poverty and hunger, and even world peace.

Hence, let's ensure it is understood.

## **BASIC**

What do real estate traders, stock traders, VCs, entrepreneurs, companies, and countries invest in?

You may say or think they invest in land/houses, startups, dreams, technologies, machines, people, etc.

Not at all.

Though they pay for those things, what they have in mind and what they pay for is the ROI. The ROI expresses the RATE OF CHANGE (%), which, when high, rapidly increases their wealth and relative advantage.

A considerable positive rate of change will make investors (regardless of the investment objective) invest and vice versa if the expected rate is small or negative.

**WE INVEST IN THE POTENTIAL FOR A CHANGE, WHICH WILL CREATE A POSITIVE ROI. NO CHANGE, NO POTENTIAL, NO ROI.**

When we take the initiative and introduce change, we create a potential for positive ROI. When we focus on a significant positive change, we can expect high ROI and big profits.

## **THE WATERFALL METAPHOR**

A river with a waterfall or a dam with a hydroelectric plant is an excellent example of natural or artificial CHANGE, which causes energy release.

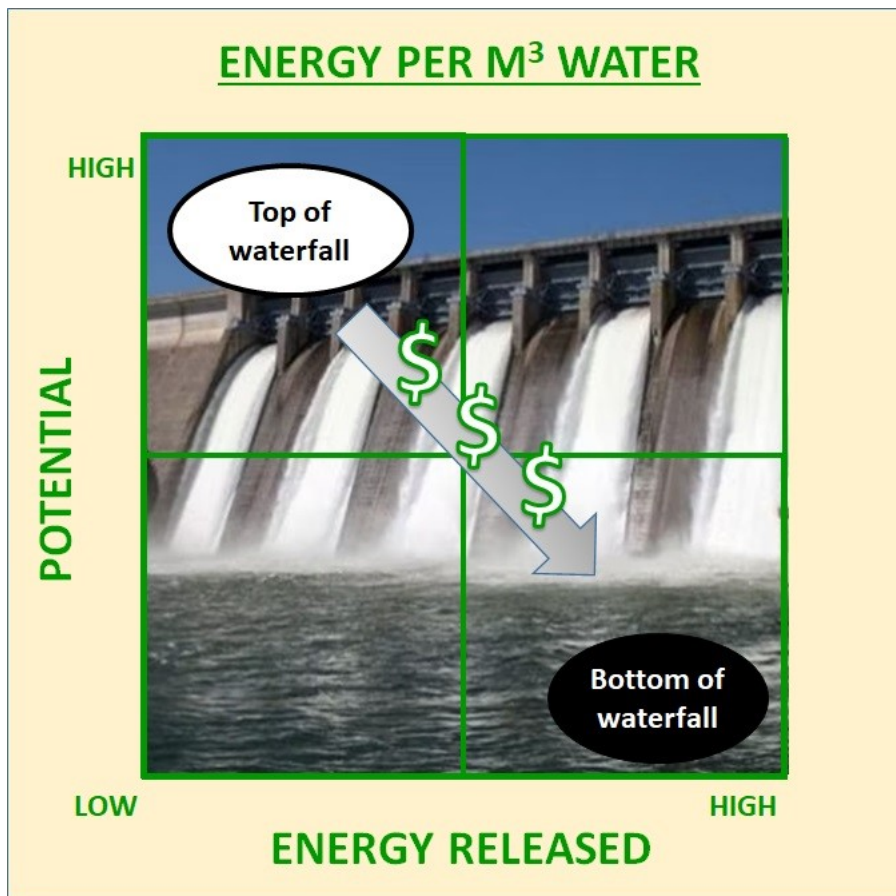
A hydroelectric plant harnesses the energy released when water drops due to gravity from high altitude to lower. We then trade with the energy harnessed and create income and wealth.

A hydroelectric plant creates income and profit thanks to the *change* it creates, which generates turbines that produce electricity. The change, electricity, and income are created simultaneously, at the waterfall itself, not before or after.

Change triggers a chain of events, which eventually we can harness and profit from when we know how. Hence, the rule is – the best business/investment opportunities await at the waterfall.

**LOOK FOR THE WATERFALLS.**

But not all waterfalls are the same.



Let's use the waterfall metaphor to describe three principles, which we can then extrapolate to study any business/investment opportunity in any field.

This seemingly simple technique that I share with you helps locate business opportunities that, at first, don't look "attractive," or maybe you didn't even notice existed.

### **THE WATERFALL 3 PRINCIPLES FOR INVESTMENTS:**

- 1. High waterfall** = ROI - Big gap in a short distance from "start" to "end" ensures significant business potential.
- 2. Continuous and constant** = Sustainable long-term business.
- 3. Abundant (high volume) water** = Size of business potential.

We conclude that the best place to position a hydroelectric plant would be on a river with plenty of water, running year-round, where the height difference from top to bottom is maximal.

Can you see how this translates into business terms?

# LOCATING WATERFALL (ROI) IN THE AGRO SECTOR

Stock traders know it is best to buy a stock when it is **low** and sell it at its **peak**. Unfortunately, we never know ahead of time when a stock is at its bottom or peak.

Oh, and although it sounds good to be at the Top or Peak, the last thing an investor would do is invest in a stock at its Top or Peak.

**Fortunately, it is easy to know such things in the agro sector.**

We do it by comparing farmers' business performance per hectare.

Farmers with the best relative performance per hectare mark the Top/Peak results; relatively to them, we will rank the rest.

Counterintuitive, farmers at the Top/Peak are not a good investment subject.

According to the law of diminishing marginal profit, we will need further high investments to improve the income of the "Top Farmers." Ultimately this offers investors low ROI.

In short, "Top Farmers" hit the ceiling of income per hectare, leaving a meager margin for future ROI increase. This makes them unattractive to investors who prefer investing with high potential ROI.

In contrast, farmers close to the bottom of the Income Per Hectare (IPH) scale pose an attractive investment potential. And, it is relatively easy and low cost to increase those farmers' IPH by tens or hundreds of percent in a year or two.

Do you see the investment potential?

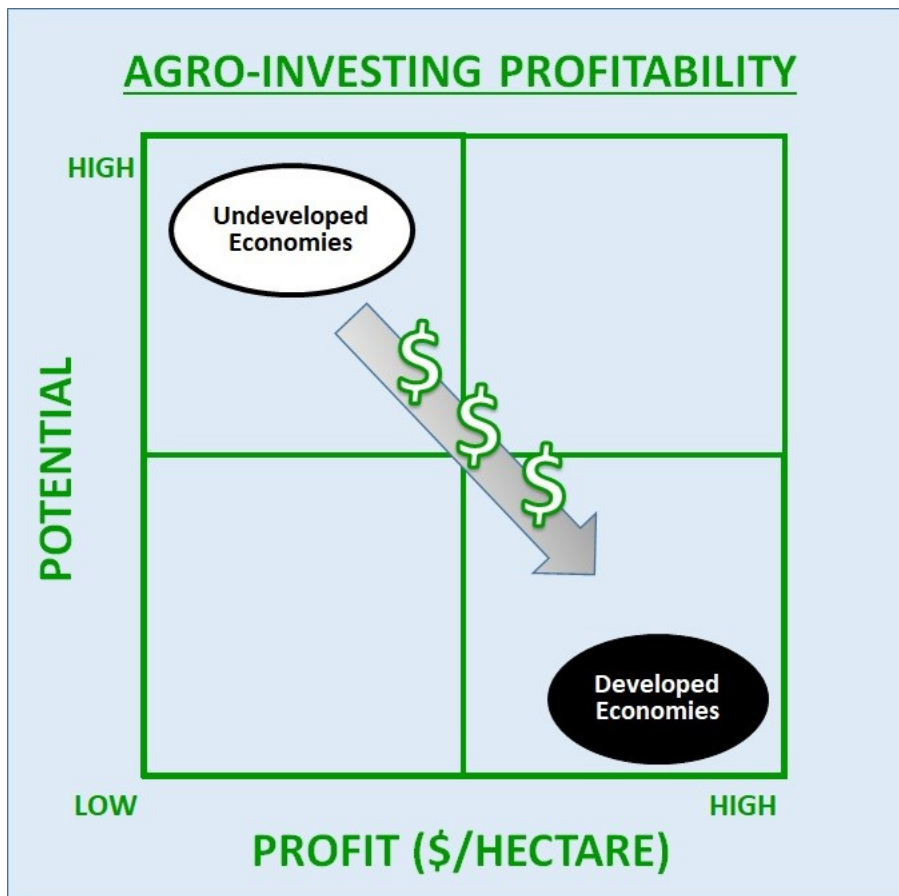
Big change, big potential; small change, small potential.

By understanding that investors are looking for high ROI, and based on our data, we can now suggest a counterintuitive investment; in farmers in non-developed economies instead of investing in advanced farmers.

**Nowadays, the most significant agro potential (waterfall) exists in non-developed economies.**

Unlike high-tech investments, agriculture offers a continuous long-term income, stability, and high ROI when done with experienced experts.

Oh, and unlike last year's high-tech gadgets that nobody wants today, food, particularly high-quality food, is always in demand.



## **A TEN THOUSAND PERCENT (YES! 10,000%) WATERFALL POTENTIAL**

In last week's column, I presented a gap of **\$ 49.5K per hectare** between the advanced and the less advanced mango growers. This translates to a roughly 10,000% (long-term) ROI gap potential.

Crazy. What industry offers something like this?

**NONE!!**

Not energy, not defense, not real estate, not electronics, and even not high-tech. Simple NONE of those ....

Furthermore, even if worse comes to worst and we realize "only" 10% of that potential, i.e., 1,000% income increase, will you call it a failure?

And, remember that from the current \$500 income per hectare, the smallholder farmer has zero (0) profit, which is why farmers are poor.

In practice, EVERY \$ above the current state - is a profit that can be invested in improving farmers' lives and ... invest back in the field to bring more and better results.

## AGRICULTURE IS BUSINESS

Based on working with a novel business model, Dream Valley views and presents agriculture as the most significant business opportunity of today, PLUS that it is a real game changer when it comes to ensuring our children's future, in harmony, on planet earth.

Before reading this column, you may only see the danger and high risk of investing and working with farmers in non-developed economies.

Now, you see the potential too, and how huge it is. You also understand it is possible to "dig it out," preferably with an experienced team of experts with a field working model.

And by the way, do you know big gain with no pain, i.e., mining, oil deep water drilling, high-tech, etc.?

As the data shows, investing in the agro sector in non-developed economies is worthwhile even compared to other high-tech investments.

Unlike high-tech, where investments are high, last shortly, and next year nobody remembers the gadgets of this year, in agriculture, once you invest, you can have recurring profit for many years. People would always need to eat, and the world population continuously grows.

Like any field and investment, you achieve high performance and low risk by working with an experienced and professional team having an appropriate tailor-made business model.

Contact me if you are interested in promoting the agriculture sector in your country or investing in agriculture through Dream Valley as a business investment with a social-environmental impact.

Nothing of what you read above is "theoretical." I am working with advanced and non-advanced farmers.

Some of the farmers I know and that work with me enjoy an income of \$ 50K per hectare, and others only \$ 500 per hectare.

I know farmers from both groups and have helped many increase their income by tens and hundreds of percent in a year.

You can continue to be faithless, fearful, and, by default, choose to do nothing. Doing nothing is also a decision.

And you can decide to follow your heart, your principles, and now also the **data**, and invest in agriculture in underdeveloped economies.

If you belong to the second group, consider doing it through Dream Valley.

# TAKEAWAYS

- **ROI** is how investors measure investment success.
- **THE MOST SIGNIFICANT** agro-business (and ROI) potential exists in exporting high-added value crops from non-developed economies to premium markets.
- **WE MAXIMIZE ROI** by marketing from poor farmers to premium markets.
- **THE INCOME PER HECTARE GAP** between advanced and non-advanced farmers lays the ground for successful and profitable investments.

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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, "[How To Maximize Farmers Revenue?](#)"



Link to [recent columns](#).

**P.P.S.**

Please look at the video series, "[The Agricultural Gap](#)." I explain the historical roots of the agricultural gap between Africa and Western countries with short videos.

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**.

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