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WHY IS THERE HUNGER, AND WHAT IS THE SURPRISING SOLUTION?

"Tunnel vision slows our progress by limiting our vision to a narrow spectrum of causes, effects, and solutions."

Let's start with a positive statement:

There is enough food in the world to feed all the people today, and there will be no shortage in the future.

PART 1

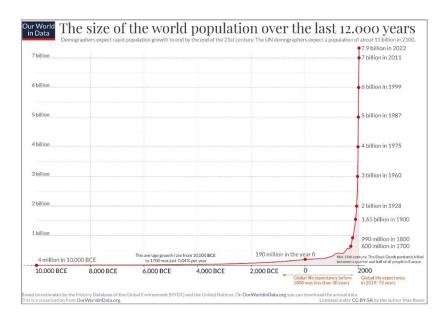
THE REASON FOR HUNGER

For sure, when reading the above opening statement, you are saying;

"If there is plenty of food, why is there hunger in the world?"

Because hunger is not the result of a lack of food, it is the result of food's unequal distribution.

You see, some people have plenty of food and variety, and others have limited amounts and variety.



The global population has been growing rapidly for decades, yet there is no massive hunger.

Is there a way of knowing or predicting who's got more food and variety and who's got less?

Yes, the "lucky ones" have plenty of food, and the "unlucky" have less food and less variety.

"Lucky," "Unlucky"... can you explain?

Sure. It is only luck that you are born in one place instead of another. You did nothing, and you can't influence where you were born or who your parents are.

From an economic point of view, if you were born in the so-called developed economies, most probably, you will have plenty of variety of quality food.

However, if you were born in any of the other countries, there is a high probability that you will have access to less food of lower quality and smaller variety. The combined effect of that combination would be that you are less healthy and have a shorter life expectancy.

What stops us from increasing food production for the "unlucky" ones?

Though today there is plenty of food, and thanks to technology and knowledge, we can nearly instantly increase its production; you still need to **pay** for it.

Unfortunately, many people in non-developed economies can buy and pay only for essential food products, but not more than that.

I see. Does that mean that if those people had more money, they could pay for more food of better quality and variety?

That's right. Having more money in their pockets or the banks is **the only** thing that would enable them to improve their access to more food of better variety and quality and thus have healthier and happier lives with a longer life expectancy.

And where will that food come from?

Does it matter? A person buying food in a local supermarket in New York, London, Paris, Berlin, New Delhi, Beijing, etc., doesn't care too much who grew the food and where it is coming from.

As long as consumers are ready to pay enough to cover costs plus profit, farmers are incentivized to answer their demands by growing more and better quality.

Do you mean that what determines the quantity, quality, and availability of food products are monetary incentives, meaning how much money you have, i.e., your income?

It may sound unfair and unsocial, but YES, the quantity, quality, and variety of food you can buy depend **only** on your income. That fact is true for all people, wherever they are.

If you have little income, you have little "monetary incentives" to influence "the market" to get you what and when you want.

You can pay more and buy other foods when your income is higher.

Furthermore, when you have more money, you have "monetary incentives" to buy other types of goods and services for your work. You can then also improve your housing, transportation, education, etc.

And how is that related to hunger?

People with more income have greater purchasing power, hence the ability to INCENTIVIZE, by paying the market to supply them with what they want, including more food of superb quality and variety.

So IF those who suffer hunger have a higher income, they will not suffer hunger anymore?

Basically, yes.

Let me see if I understand you correctly. To eradicate hunger, we need to focus on increasing people's INCOME, and it doesn't matter what crop they grow!?

YES, the reality is as simple as that.

Is this happened to be related to poverty?

Those two phenomena are closely related. Hunger is a private case related to extreme poverty.

Hunger happens when the income is so low that people can't buy essential products to feed their families.

So poverty and hunger are the results of low income?

Once again, you are correct.

Is there a reason that most people in poverty and hunger are farmers?

Yes, in particular, when we refer to farmers in non-developed economies.

You see, for an outside observer, it may seem that all farmers are the same. On the face of it, if you grow an orange tree, why should it matter if the farmer grows it in a developed or non-developed economy!?

But when we dig deeper into the topic, we see that each distinctive group requires DIFFERENT BUSINESS MODELS adjusted to its abilities and needs.

In reality, smallholders in non-developed economies use the same business models as advanced farmers.

Well, what is wrong with using business models designed for advanced farmers? Isn't it that business models for advanced farmers are better!?

Have you ever thought about what would happen if you tried to drive a private car with a Boeing 747 jet engine?

I never thought of it.

The car and the jet engine are both excellent, but connecting them will cause the car to be crushed under the heavy weight of the engine, unable to drive on the roads or fly. Stuck to the ground and completely immobilized.

Now, think that instead of the car, it is a smallholder farmer, and the Boeing 747 jet engine is a dedicated business model designed for advanced farmers in developed economies.

Like the private car, smallholders in non-developed economies don't stand a chance to speed up and compete, i.e., increase income, using an unsuitable approach or business model.

Farmers are crushed under the weight of the "heavy" business models designed for other types of farmers.



Wait, this is too much. Let me go back and see if I understand.

You say that -

- (1) There is no shortage of food in the world, and there is no technical problem to keep increasing food production, as we did when the world population increased from 1 billion 200 years ago to ca. 8 billion today.
- (2) People are hungry and in poverty, because they don't have the means, meaning the money, to incentivize the market to supply them with the food that already exists but elsewhere.
- (3) Hunger is an extreme form of poverty.
- (4) To solve poverty, hunger, and other related problems, we need to increase the purchasing power of the poor. We must shift our focus from "increasing field yields" to "increasing farmers' income."
- (5) Smallholders in non-developed economies are using heavy weight "Boeing jet engine" business model that fits well to the needs and ability of advanced farmers but is not suitable, i.e., tailored, for their needs. This heavy-weight jet engine business model is "crushing" smallholders, leaving them no chance ever to increase their income. And that explains why smallholders worldwide remain in poverty for generations.

Did I get it right?

WOW, I couldn't say it myself better. That is precisely how it is.

Let me see if I understand the chain of events that can fix those problems and impact hunger, poverty, and other global challenges.

When we fight poverty, we also fight hunger, which is a private case of poverty. It means we should focus on fighting poverty.

The way to fight poverty is by helping farmers increase their income (versus focusing on yield increase). It means that increasing income would solve poverty.

But farmers can't increase their income using this "jet engine" business model, which is ridiculously "crushing" them instead of lifting them. It means that a dedicated fitter business model would increase poor farmers' income.

Those are bad news! It's a dead end, and we are stuck. What do we do about this "jet engine" business model?

Yes, we are "stuck," and it is a "dead end" IF we insist on using the unfit business model.

But, this can also be the dawn of a new day and era) because we finally understand the root problem, which held us back and caused endless suffering and sorrow to hundreds of millions.

Understanding a problem is 90% of its solution. Only then can we achieve effective solutions.

Armed with this insight and understanding, we stand a chance to defeat poverty and hunger and replace those with prosperity, thus bringing light to the lives of millions.

Wait, what can we do with that business model issue!? It remains unsolved!

Not at all! As I stated, now that we have effective solutions, we intend to share them with everybody.

There will be a conference entirely dedicated to business models in agriculture.

This will expose decision-makers, business owners, CEOs, entrepreneurs, investors, and leaders to understand better the downs and upsides of business models in agriculture and, most importantly, how to improve farmers' income.

Interesting, I have never heard of a conference dedicated to business models in agriculture. Please, where and when is it? Can I participate?

The <u>International Conference On Business Models In Agriculture</u> (IBMA) 2023 is in Kigali, Rwanda, from March 27th to 29th, 2023.

The conference is for those mentioned above; decision-makers, business owners, CEOs, etc.

I love it, but... IBMA is about theories, not practices.

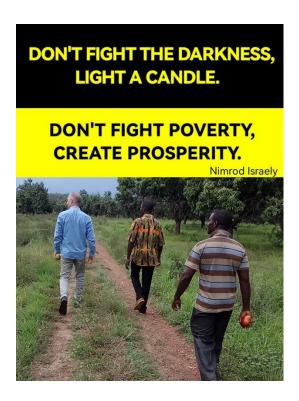
Not at all! Speakers at the conference will introduce novel business models and share their experiences.

This way, you can learn directly from the experts and thus save yourself years of frustration and wasted investments. It will enable you to choose the best path for your activity.

And that's it, no other options but the IBMA conference!?

The Dream Valley is an existing, tested, and working Business Model. It is field-proven, running, kicking, and full-of-life.

So why didn't you start with that!???



PART 2

CREATING PROSPERITY

A successful model is a pre-condition for disruptive innovation, which creates economic prosperity.

The basic model on which Dream Valley relies is the *Israeli Agricultural Model*, which has already proved capable of creating prosperity for Israeli farmers. The three pillars of the model are:

- Business model
- Ecosystem
- Technologies/Services

The Israeli model has worked successfully for over 80 years in all crops, climates, and conditions.

Thanks to this model, Israeli farmers, who once were poor and uneducated, are now global leaders.

Those farmers, like my parents, can export whatever they want to wherever they want, get a high price, and continuously increase their income.

They are not poor or hungry, like some farmers in countries surrounding Israel, but part of the successful Israeli middle class. The well-being of their families is secured.

The Dream Valley team worked in Asia (India) and Africa to learn and adjust *The Israeli Agricultural Model* to the current specific local conditions, needs, and requirements of non-developed economies.

Dream Valley **IS NOT** about selling pipes, fertilizers, crop protection, or other technologies, though we use and sell technologies and do it well.

For instance, many of my meetings with PMs and Ministers were thanks to the Freedome novel technology (by Biofeed).

Dream Valley is about assisting non-developed economies to become prosperous by helping their farmers to improve their business results and become part of the middle class like my parents were.

Dream Valley's focus is NOT on selling technologies and services to farmers, though we use state-of-the-art technologies and services.

Dream Valley focuses on maximizing farmers' income per hectare, using an eco-friendly regenerative-oriented set of tools.

Dream Valley sees EXPORT as a powerful tool in creating economic PROSPERITY.

Hence, we concentrate on the Export of high-value-added crops, e.g., mango, avocado, etc., though (as stated above) the model is suitable for all crops.

Biosecurity is a critical issue when exporting. Therefore, we always start an Export Project by ensuring biosecurity hazards, i.e., fruit flies, are well managed and controlled.

Every country wishing its farmers to prosper must create a Fruit Fly Free Zone (FFFZ) or Fruit Fly Certified Trade Zone (FFCTZ). Those are essential to support a national effort to increase Exports and farmers' prosperity.

THE LEAN STARTUP MODEL

If you still haven't read *The Lean Startup* by Eric Ries, I strongly advise you to do it soon.

In this book, Eric explains how to validate your business idea, regardless of how "crazy" they are, using a technique he calls, Minimum Viable Product (MVP).

MVP is a product made with minimal effort (but still viable) and used to test specific assumptions regarding the value of an idea.

Using the same principles, I designed, built, and reached great success with Biofeed and now with Dream Valley.

We used the MVP concept to run many tests under field conditions. It helped us to design and improve the Dream Valley business model rapidly.

Below is a sample of MVPs from a much longer list of tests run in India and Africa. Note that Israel has remained our major model center all this time and before.

Important! Projects are never the same due to differences in their vision and goals.

Oh, and one more thing, regardless of the different unique MVPs, our primary focus was, and will be, farmers' livelihood.

The "side effect" of the projects/MVPs presented below was an average yield increase of over 100% in the first year... and income increase, although using zero sprays.

Do you still think mass starvation is a significant risk, or is it that the risk is the agrochemical companies themselves?

Note that before our intervention, all farmers and farms in all countries suffered an average 50% yield loss due to fruit flies with zero to limited export, although using an unlimited number of sprays.

EXAMPLE MVPs

<u>INDIA</u> - The Israeli government, the Innovation Authority, funded the project as part of Grand Challenges Israel. The project was presented as one that would reduce farmers' morbidity (fewer sprays/poisons) and increase income and food availability.

MVP: testing the assumptions that

- (1) We could develop an effective zero-spray crop protection solution for fruit flies, India's #1 group of pests attacking mangos and other crops,
- (2) In under two years. https://youtu.be/SEEdFyYBPQ8

<u>TOGO</u> - The project was initiated after a presentation to Togo's president and followed by a Presidential invitation. The project was funded by the Government of Togo and the Agriculture University.

MVP: testing the assumptions that

- (1) We could develop an effective solution for Africa's fruit fly species attacking mangos.
- (2) The solution would be effective for small/large orchards, short/high trees, and dry/rainy climates.

(3) And the overall results would enable the export of fresh quality mangos. https://youtu.be/Z2A3V8N5CtQ

<u>SENEGAL</u> - The project was initiated and financed by a businessman, then a private company. **MVP:** testing the ability to

- (1) Reach export quality fruits,
- (2) Under various climate zones,
- (3) Working with hundreds of smallholders,
- (4) Where the settings of the trees/orchards are in and between the village houses or outside it. https://youtu.be/omcQiYXMOnQ

<u>AUSTRALIA</u> (South Australia) - The project was initiated by the Ministry of Agriculture and financed by it.

MVP: testing the ability to eradicate a fruit fly population in an urban area. https://youtu.be/2GrNCH0CG74

After hundreds of MVPs, including over 80 years of real-life experience and results in Israel, the Israeli Model, adjusted and tailored to smallholders in non-developed economies by Dream Valley, is ready to launch and leave its mark on the history books of the economy and food production.

Dream Valley is a game changer, enabling smallholders to double their food production and, most important - their income.

Now you understand why the agrochemical companies "don't like us."

It's good we don't work for them but the benefit of farmers and our business partners.

TAKEAWAYS

- **FOOD IS NOT IN SHORTAGE** and will not be in the future.
- > THE CHALLENGE is increasing farmers' income. We leave them the decision of what to do with the extra income.
- > THE LACK OF PROPER BUSINESS MODEL prevents farmers in non-developed economies from increasing their income.

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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, "<u>Is The Agro-Industry Before Or After</u> *Its Peak.*"

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