

## THE SURPRISING ROOT CAUSE OF FARMERS' POVERTY

*“Repeated failure reflects a misunderstanding of the underlying root cause problem.”*

Is there importance in understanding the root cause of a problem, and more so, of a recurring problem?

Malaria, the sickness that shaped the history of Africa, and killed millions of children, can provide an answer.

For hundreds of years, people thought Malaria resulted from “bad air.” Hence, the name Malaria is derived from mal aria ('bad air' in Medieval Italian). The result was an ineffective battle against it.

Then, a little over a hundred years ago, Major Ronald Ross discovered that mosquitoes transmitted Malaria.

Thanks to this, the US army entomologists designed a far more effective control program to manage mosquito-borne diseases, i.e., Malaria and Yellow Fever.

This program enabled the US to reduce hospitalization and death rates among workers constructing the Panama Canal by nearly 90%. With fewer workers sick or dying, it was financially and logistically possible to complete the project.

Knowing the Root Cause is the first step to coping with a problem and providing an effective solution.

In human history, the most magnificent failures and successes resulted from misunderstanding or deep understanding of the subject of matter.

## POVERTY AMONG FARMERS

550 million small-hold farmers support 2.2 billion people, most of whom live in poverty. That is 27.5% of the world's population!

This persistent and widespread poverty display is the most glorious failure of the modern economy of our times. This shame has many parents.

When I asked on the LinkedIn social network, "*Why the agro-sector in emerging economies lags?*" as a gentle way of referring using the word Poor, I received dozens of answers.

### Why the agro-sector in emerging economies lag?

- Bad leadership.
- The missing Know-how.
- Low-income and low profitability per hectare.
- Involved companies Cartels.
- Corruption (repeatedly mentioned)
- Poor planning.
- Lack of sound agricultural policy.
- Dependency on the world food program.
- Dependency on Western governments (support).
- Lack of capital support to Farmers.
- Nepotism.
- Favoritism.
- Farm ownership size (meaning, small size farms).
- Practicing conventional tillage.
- Lack of accountability (corruption).
- Missing the mix of: land, technology, financial tools and 'good down to earth farmers'.
- Lack of proper education.
- Lack of trust.
- Cultural differences.
- Political (in)stability.
- Crude implements.
- Lack of sustainable agricultural practice.
- Wars.
- Lack of infrastructure (such as roads and electricity).
- Research.
- Knowledge of what to do with the produce (marketing).
- Agricultural skills.
- Business skills.
- Start-up capital.
- Operation capital.
- An administration that does not care about the farmers.
- Land ownership.
- Distance to market.
- Not understanding the value chain.
- Lack of consistent policy.
- The young generation does not want to work in agriculture.
- Locking agriculture mobility (a valiant form of an older feudal system).
- Agriculture is not taken seriously.
- Low financial and technological investment.
- Dwindling soil.
- Poor quality inputs.
- Poor operational systems and procedures.
- Lack of technology.
- Low level of acceptance of new information and technology by the farmers.



Look at the answers above. Do you agree with any?

Of course, many things **contribute** to farmers' poverty, but do you see in that list **The Root Cause** for farmers' poverty!?

Bill Gates, the force behind the AGRA (Alliance for a Green Revolution in Africa) program, led investments in Africa's agro sector of **\$60 billion(!)** in the past 15 years.

They offer a straightforward solution to poverty among farmers – more subsidies to buy what they view as "advanced technologies," e.g., chemicals (fertilizers and pesticides) and genetically modified seeds.



Indeed, AGRA's, i.e., Bill Gates's solution, is **the common perception** that the Root Cause of poverty among smallholders is the lack of technologies due to lack of money.

Hence, the solution to poverty, when led by one of the world's richest and most technological people, shouldn't surprise anyone; money and technologies are the combined answer to any problem, including poverty.

If this was the correct Root Cause of poverty, then \$ 60 B and 15 years after the inception of AGRA, we should have seen AGRA's farmers live in economic prosperity.

Guess what? If you didn't hear of African smallholders getting rich, it is because it didn't happen under the AGRA program. We see little difference between farmers under the programs to others!

**So, if farmers' poverty is NOT due to a lack of technology and finance, then what is the cause!?**

To answer that critical question, let's use a tool that helped Toyota become and keep a world leader in car manufacturing.

# THE FIVE WHYS METHOD

The Five WHYs (or The 5 WHYs) is an iterative interrogative technique to explore the cause-and-effect relationships underlying a particular problem. The technique was originally developed by Sakichi Toyoda and was used within the Toyota Motor Corporation during the evolution of its manufacturing methodologies. (*Wikipedia*)

If you have ever asked five WHYs about any issue, you know it is challenging and complex.

Practicing the 5 WHYs on a critical issue requires an in-depth knowledge of the field and openness to suggest and accept “uncomfortable” answers.

The power of the five WHYs lies in its ability to uncover the Root Cause of a problem, though sometimes it requires more than five WHYs.

This method provides in-depth answers and insights that allow a transition from a “technical” problem, e.g., lack of technologies, to a deeper explanation, reflecting; a flawed process, a wrong perception of a problem, a needed different way of thinking or practice.

Unlike a technical problem, fixing **a process** holds the mighty force of changing the outcome dramatically in ways we never imagined or could have foreseen.

For example, for millennia, people were sure we must have feathers and wings to fly. However, in modern times we discovered flying has to do with “lift force” and “thrust power.”

This in-depth understanding resulted in the ability to build airplanes and rockets that could fly higher, faster, farther, and longer distances than any bird could.

Understanding the Root Cause is a SUPER POWER to cope with and solve Global Challenges, such as Poverty and Hunger.

In the past, I used the Five WHYs to ask, “[\*Why do South Sahara Africa Mango growers struggle to make a living?\*](#)” In that case, it took 16 (!) WHYs before we discovered and defined the Root Cause.

In this column, I apply the method for getting the answer for the UN SDG #1 Poverty and #2 Hunger goals – **Why do farmers live in poverty and often in hunger?**

Are you ready to dive in and get answers you may not like?

Do you accept that “more of the same” is not the way to prosperity, and it is time to [Think Differently?](#)

# WHY ARE FARMERS IN DEVELOPING ECONOMIES POOR?

You are correct if you claim that each small-hold farmer is different, with a unique life history and hence personal reasons for being poor.

However, the solution to an individual's problem is often found in a thorough understanding of the underlying cause affecting the many, i.e., the Root Cause of a problem.

The Root Cause sheds light on the macro problem/challenge and, therefore, how to overcome it, which impacts the individual.

Using the Five WHYs method, we temporarily generalize small-hold farmers' problems only to provide better solutions for individual farmers at the end of the process.

Surprisingly, like in Malaria and flying, understanding macro processes often provides a better answer for individual cases.

## **Discovery of the Root Cause of poverty**

Small hold farmers (SHF) in developing economies suffer poverty.

### **WHY?**

Their income per day is below the poverty line.

### **WHY?**

Their income per hectare is low (and, by definition, small hold farmers have few hectares.)

### **WHY?**

(a) SHF yield per hectare is low, and produce quality is low.

(b) SHF income per kg is low.

### **WHY?**

(a) SHF have no availability and access to advanced technologies, services, and protocols.

(b) SHF sell their produce in local, low-price markets.

### **WHY?**

(a) SHF can't pay for those technologies, services, and advanced protocols.

(b) SHF can't reach premium markets, and their produce quality doesn't meet premium markets' required standards.

### **WHY?**

(a) SHF can't provide payment assurance to input providers, e.g., payment after harvest.

(b) Reaching premium markets and their standards are costly and challenging, keeping them out of reach for most farmers and local traders.

### WHY?

(a) Input providers know SHF's low income and hence don't trust they will pay after harvest; they want the money up-front.

(b) To enter premium markets, traders need to show consistency in supply volume and quality, which they can't do when working with SHF in developing economies.

### WHY?

(a) There is no **proper business model** to back and support the construction of such trust.

(b) **Reliable value and supply chains** to premium markets are missing. Hence, each trader needs to form its own value and supply chain from scratch, making it costly and limited in market reach and overall capacity.

## CONCLUSION

The Root Cause of farmers' poverty in developing economies is

**(a) The lack of proper dedicated business models,**

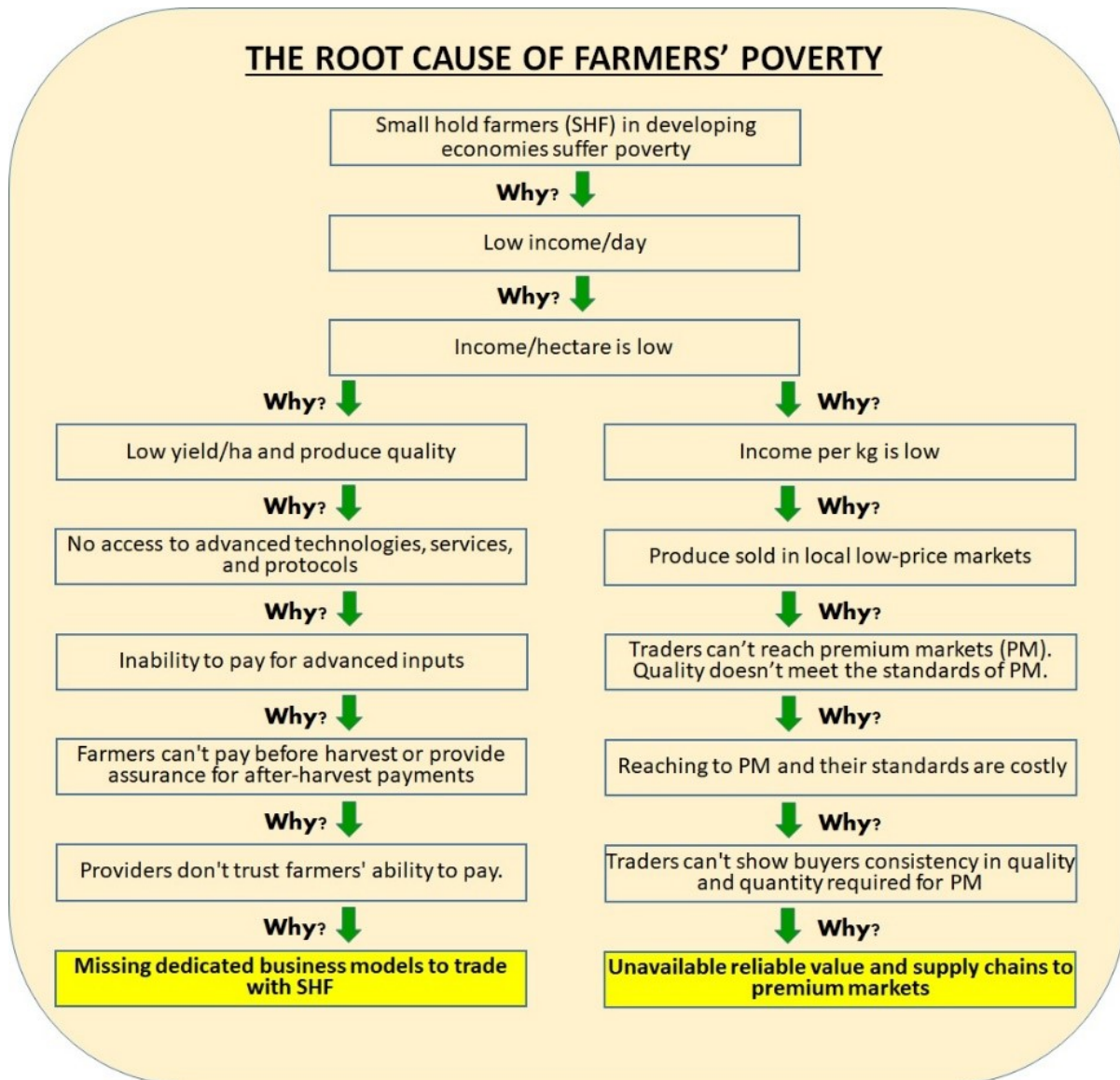
AND

**(b) The unavailability of reliable value and supply chains to premium markets.**

When we analyze the global challenge of small-hold farmers' poverty, without prejudice, we see that technology, finance, logistics, etc., are indeed part of the problem but are not its Root Cause. Therefore, focusing on those never solved the problem and never will.

What are your 5 cents?

## THE ROOT CAUSE OF FARMERS' POVERTY



## THE FUTURE BELONGS TO THOSE WHO CHANGE

Being "right" is not a legitimate goal and will take you nowhere except for satisfying your ego.

Instead, pursuing more profound knowledge and understanding, which means you need to admit you don't know everything and then change, will lead you to discoveries beyond your imagination.

In 2004 I founded Biofeed, an agrotech company, to advance crop protection solutions to form the foundation of agriculture free of pesticide sprays, where farmers enjoy better livelihoods by providing consumers with better quality food for a premium price.

The Biofeed team kept surprising me every year with new innovative technological advancements.

**Now Biofeed's solution provides small-hold farmers protection from pests without the need for sprays, i.e., mango growers in Africa and India reduced pesticide sprays by 100% and infestation by 99% (from 50% infestation to less than 0.5%), reaching top export quality produce.**

My goal was to help farmers reach better livelihoods based on advanced zero-spray technology.

In 2017, in recognition of Biofeed's Grand Challenges Israel achievement in a project in India, I met the PMs of India and Israel, Mr. Modi and Mr. Netanyahu. I was sure it signaled the completion of my mission as I reached my goal.

Furthermore, I expected this technological achievement to serve as a springboard for farmers to shift from poverty to economic prosperity rapidly.

However, that never happened!

At the time, I didn't understand why the best working crop protection technology, which does a far better job than pesticide sprays, without sprays, is not sufficient to provide farmers with the expected economic outcome.

It took me years to figure that issue out.

When I finally figured out the Root Cause of poverty, I understood why agrotech companies can't sell to small-hold farmers and why we hardly ever find small-hold farmers' produce on supermarket shelves.

That discovery was powerful enough to change my economic and business perception regarding the way we should deal with small hold farmers in developing economies to shift them from poverty to prosperity.

The understanding that technology, funds, etc., can help small hold farmers in developing economies but **are not The Root Cause of poverty** set me free to think differently. It helped me change and reshape my view, focus, and search for practical answers to the genuine Root Cause.





Understanding that I should focus on **Business Models and Value-Supply Chain** led me to found [Dream Valley](#), a company based on that fundamental understanding.

Dream Valley reflects the above insights in how it is designed and operated. It supplies small-hold farmers in developing economies with the needed state-of-the-art technologies, services, and working protocols, and then, with the ability to reach the premium – high price - markets.

In 2021 we received a small example of the powerful impact of that understanding when adequately applied on the national scale (2,500 hectares) with the mango growers of Senegal.

In three months, Senegal doubled its mango export to the EU, AND mango growers under the Dream Valley program doubled (!) their income.

And oh, one more thing, ALL production was free of pesticide sprays and other chemicals, with no infestation or interceptions of quarantine pests, i.e., fruit flies.

Dream Valley is now open and ready to launch national export projects in developing economies and work with visionary investors and business people.

If you want to create a national impact in the agro sector, Dream Valley is your only choice. I will be glad to discuss business opportunities with you.

The Dream Valley successful initiative made me see the urgent need to deliver the novel understanding to as many stakeholders and decision-makers in the agro sector as soon as possible.

This made me co-found the [International Conference On Business Models In Agriculture](#) (IBMA), where I also serve as its chairman.

The IBMA aims to spread the word about the innovative approach to creating economic prosperity among farmers in emerging economies.

The conference is intended for all parties involved in agriculture in emerging economies or related to this field. Contact me for registration or if you like to present as an expert.

IF YOU LIKE THIS COLUMN, PLEASE SHARE IT WITH FRIENDS WHO SHOULD KNOW ABOUT IT.

## TAKEAWAYS

- **TO FIX** a repeated problem, you need to understand its Root Cause.
- **LACK OF** technology and funds contribute to poverty but are not its Root Cause.
- **THE POVERTY** of small hold farmers in developing economies results from the lack of dedicated business models and the unavailability of reliable value and supply chains to premium markets.

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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, "[The Voice Inside You And The Actions You Take.](#)"

Link to [recent columns.](#)

**P.P.S.**

[The IBMA](#) conference provides the stage to share your experience with agriculture business models and learn from others.

**P.P.P.S.**

[Dream Valley](#) is a field-proven disruptive business model based on the successful Israeli model. Contact me if you view yourself as a potential investor, business partner, or client. [Email](#), +972-542523425 (WhatsApp/Text)

**P.P.P.P.S.**

Please look at the video series "[The Agricultural Gap.](#)" I explain the historical roots of the agricultural gap between African 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***