



ARE WE AFRAID OF SMALLHOLDERS' SUCCESS?

"People fear change, even from becoming successful."

I am sending you this column from Lucknow, India, where the *UP Global Investors Summit 2023* takes place (10-12 February). I am staying until the 15th for prescheduled meetings and have time for two more meetings. Message me if you want to meet, and we will (WhatsApp +972-542523425).

Which of the following reaction is the most common when I tell people –

*“Increasing small-hold farmers' yield and income by 10% or 20% is "nice," but due to their low starting point, what we **need** is to increase their income by 200% to 1,000%, and even more.”*

(1) Sure, our goal should be measured in hundreds of percent.

(2) Hundreds of percent income increase for small-hold farmers is impossible, and hence no need to discuss.

(3) Indeed, small-hold farmers need to increase their income. But what will we do with so much produce if they increase productivity by hundreds of percent?

(4) (How would you react?)...

I get all those reactions and a few more, but surprisingly, the third reaction is the most common; people show fear of what they view as "too much" yield increase.

Why do you think they react that way?

If you don't believe something is possible, you surely can't do it. Hence it is critical to understand that fear, relate to and cope with it to unleash small-hold farmers' potential and enable them to reach prosperity.

Otherwise, decision-makers and experts, held back by the fear of plenty, will keep the needed change from occurring.

Food for thought.

Now I will rephrase the statement I gave at the beginning. What if you knew that a small-hold mango grower's income is 500\$ per hectare versus 50,000\$ of an Israeli mango grower, which is only 1%?

And what if I now told you that we need to increase it to 2% (or 3% or 4%) of the income of the Israeli farmer? Would you still see it as crazy or impossible?

Don't fear change.

REALITY

The world's population is growing at about 1% per year or 83 million people. Meaning; many more people need food, and many want to buy better quality food.

Over 45% of the global population belongs to the middle class. Meaning; the global purchase power of quality products is the highest ever and keeps growing fast.

Poverty and Hunger are the UN SDG #1 and #2. Meaning; the world understands the importance of reducing poverty and increasing prosperity. Since most poor are farmers, this is most relevant to them.

Overall, we see a global trajectory of growing demands for more food of higher quality, properly cultivated, considering the environment, health, social impact, etc., with readiness to pay premium prices for such premium products.

THE SOURCE OF THE FEAR

I can relate to “*the fear of plenty*” expressed by traders, experts, and decision-makers. After all, they know their markets and what happens to market prices when many farmers harvest and then market (dump) a lot of produce at once.

I understand when experts express fear that prices will fall even further if we increase production.

This is true when we have a “tunnel vision” of the market, and our market is characterized by one or more of the following -

Logistics is a challenge.

Yield per hectare is low.

The produce quality is low.

The season is limited in time.

Your produce has no added value.

The domestic market is the only option.

Storage/cold chain is not a viable option.

Quarantine pests are not effectively managed (so you can't export).

Access and premium markets, whether export or domestic, is banned or limited.

Anyone who experienced one or more of the above characteristics knows the negative impact on trading and farmers' livelihood.

What if you could change and solve part or most of the problems expressed in the above list?

Is it possible?

How?

Can it mitigate the above list of fears?

The list above is a result of a system failure. No “magic” technology or Digital App could overnight fix a system failure. Still, we can do it if we understand that “technology” is part of the solution, but it is NOT THE solution.

THE SOLUTION

When we take a step back and view the **global** picture, we see that when we have products in access, there are other people somewhere in the world that do not have enough of them and would be ready to pay more than your farmers and traders currently get at the domestic markets.

If you manage to do this, you have widened your horizon and opened yourself to **opportunities**.

Now you understand that you can “balance” local surplus by exporting “the access.”

This constantly happens in exporting countries such as South Africa, Thailand, Peru, Israel, Brazil, Mexico, The Netherlands, etc.

Note that the farmers of the export-oriented countries are doing **better** than those in non-exporting countries.

How do we become an export-oriented country?

All you need to do is to change your state of mind, grow export quality and direct a minimum of 15% of the agro-products to export markets.

However, this is a great challenge as it requires facing and solving at least part of the abovementioned challenges.

We face those challenges, not one by one but as a whole. We do it by upgrading the three pillars of thriving agriculture (in this order):

Ecosystem.

Business models.

Technologies and services.

In previous columns, I spoke about HOW to make the change. However, here are three SUGGESTIONS/TIPS for you:

Ecosystem - Dream Valley is a Package that already contains the Concept and practice of the three pillars. For now, its focus is on Mango growers and high-added value crops.

Business Models - The *International Conference On Business Models in Agriculture* (IBMA) is an excellent opportunity to open the mind and share and exchange ideas about novel business models that are game-changers while understanding the problems and limitations of present business models.

Technologies - As you know, plenty of technologies are available to anyone. However, history proved that those would bring you little or no long-term advantage when applied without the proper ecosystem and business model.

There is no reason to “fear plenty” if you can sell “the extra” for better prices in export markets or even domestic premium markets.

Ensure you sell high-added-value products, and you will always have buyers.

Let’s change things and ensure this is the future of our agro sector.

TAKEAWAYS

- **ESCAPING POVERTY** into prosperity requires increased quality production and income per hectare.
- **NO NEED TO FEAR** "plenty" or the "too much." Instead, invest in creating significant added value and marketing, access premium markets, and sell your produce for a premium price.
- **FOCUS** on building a more suitable ecosystem with proper business models, and prosperity will appear.

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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 Myth of Technology Transfer](#)."

Link to [recent columns](#).

P.P.S.

[Start-Up Nation Central welcomes delegation of UN ambassadors for Israeli innovation](#)
(The Jerusalem Post)

P.P.P.S.

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

P.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.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, remember 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***