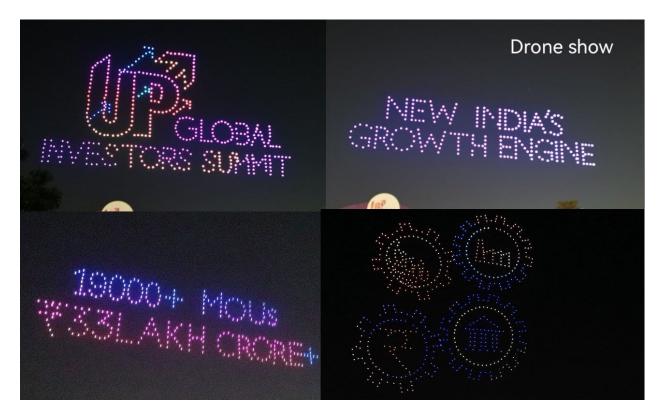


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Is India Changing Its Attitude Toward Agriculture and Economic Development?

"There is no economic prosperity without foreign investors and companies. Willingly and gladly embrace them."

In 1991 I visited India for the first time. I had a backpack I carried with me for a year-long world trip. Many things were in my bag, but not a trace of responsibilities or worries other than a burning desire to see the world as it is.

In this column, I share my experience and insights from the *Uttar Pradesh Global Investors Summit 2023* (UPGIS23), which took place on February 10-12, 2023, at the state capital, Lucknow.

I focus on this event as it represents a significant stage in the economic development of India and other developing economies.

FROM FEAR TO PROSPERITY

In the 31 years I have known India, it went thru three key phases related to agriculture and its national economy.

STAGE ONE - The India I met in 1991, 31 years ago, was modest and "simple," in a positive way, as we all were thirty years ago.

It also had intense fears of "foreigners' invasion" coming from other countries, companies, and investors that would "steal" the fortune of India, as the UK did in the past.

The leadership of that India saw the world with fear through the scope of the post-colonialism era, where everyone that is not Indian was suspected of being anti-Indian and wanting to enslave it once again.

That India has had over 70% of its population's livelihood depended on farming and was poor (over 500 M people).



STAGE TWO - Twenty-six years later, in 2016, I arrived in India as the CEO of Biofeed, an Israeli aggrotech company that won *The Grand Challenges Israel* competition.

Our task was to help Indian Mango growers (as a model for other crops) get rid of the chemical pesticides they used for crop protection.

The way to achieve this was by improving the control of the #1 fruit pest, the fruit flies.

Those pests cause 30% to 80% yield damage and economic loss, and due to using many pesticide sprays for their control, they also pose a risk to farmers' and consumers' health.

The India I have met on my many trips from 2017 to 2019 saw **Technology** as the answer to **all** problems of any sort.

The mantra was simple; *more technologies, fewer farmers' poverty*. So what do you do? Focus on "pushing" as many agrotech products as you can.

Did it result in a boom in farmers' prosperity? By now, you know the answer. It is a big NO!

This was reflected in a long list of national conferences, summits, and exhibitions in India, all dedicated to promoting AgroTech.

It was also reflected in the words of Israeli PM Mr. Netanyahu to the Indian PM Mr. Modi, "everything is technology."

Biofeed completed the technological development plus field trials, versus crop protection with sprays, by reducing pesticide sprays by 100% (!) and fruit loss by 99%(!).

As a token of appreciation, I was invited to meet both PMs, Mr. Modi and Mr. Netanyahu.



Biofeed completed and achieved its technological mission. After the meetings of the PMs, many Israeli agrotech companies, backed by the Israeli Innovation Authority and the Economy Ministry, tried to initiate business activity in India.

Unfortunately, they found (the hard way) that **Technology alone**, even if the best, is not enough for business success.

That led to a massive failure of the efforts of those companies to enter the Indian agro sector. It was, and still is, a lose-lose attempt...

STAGE THREE – This time (February 2023), I arrived in India also as the CEO of Dream Valley, a fresh produce export-oriented physical platform establishment, and as the Chairman and co-founder of the *International Conference On Business Models In Agriculture* 2023 (IBMA).

I dedicate both of my new initiatives to helping the investors and business community change their state of mind towards small-hold farmers. Help them see small-hold farmers not as an investment liability but as a significant, long-term fantastic business opportunity with a high RPI potential.

Luckily, during the summit, I heard the President, Prime Minister, and top Ministers of India, together with the CM (Chief Minister) of Uttar Pradesh and his leading team.



From left: Uttar Pradesh CM, Mr. Yogi Adityanath; India PM, Mr. Narendra Modi; Dr. Nimrod Israely

This time no one spoke about technologies; instead, the keywords they used were; Investors (with emphasis on foreign), export, jobs, and strengthening the economy from the bottom up.

All keynote speakers reflected that notion by delivering the message in the spirit of -

As if this was not enough, they present a long list of subsidies ranging from 40% to 80%.

[&]quot;We want you..."

[&]quot;India has a lot to offer..."

[&]quot;No more red tape, but now red carpet for investors..."

The India I have met this time is filled with confidence, knowing and sure of its value, and unafraid of anyone.

Hence, it loudly and happily invites ALL to come to India and grab one of the many business opportunities available.

This India knows foreign money and investors would only come with incentives and trust in the nation's leadership.

So now, instead of many conferences about tech, you will see many Indian states having an *Investors' Summit* dedicated to increasing and improving India's exports, industrial production, use of technological labor, and economic power.

And where is the agro sector in all this?

In 2023 the agro sector is remembered and mentioned; the economic growth must be inclusive and start from the bottom.

But, in reality, still, investments are going to sectors other than agro. Investments go to industries with a business and export-oriented resume. Investors are looking for low-risk with high and fast ROI potential.

Investors are looking for business models that enable rapid scale-up harmoniously with the industry standard and models.

They don't find the above characteristics in the agro-industry, so they refrain from investing in this sector.

Note that faster ROI is not always stable in the long term. This is unlike agriculture, where the ROI's long-term trajectory is highly predicted.

With its 1.4 billion people population, India wants to become an economic superpower. However, India's 60% agro sector is **a heavy burden** in achieving this goal.

India's STAGE FOUR would arrive when (not if) it becomes an economic superpower, equal to the USA, EU, and China.

INSIGHTS AND CONCLUSIONS

Seeing India now makes me happy, for I have seen the long road and the significant change India and I went through since our last "meeting" in 2019.

We, India and I, stopped viewing Technology as a solution to all problems, including farmers' poverty. Instead, we see the desired change and prosperity as a result of better-designed business models, particularly export-oriented ones.

Today's India focuses on industrial sectors that show high and fast economic growth, coupled with relatively low risk, thanks to using advanced business models.

Unfortunately, in agriculture, India, like other developing economies, still use old unfit business models for small-hold farmers that don't enable the nation to unleash its full agro potential.

Hence farmers remain in poverty, and the nation keeps struggling to develop.

On this trip to India, my goal was to learn if India is ready to bridge the wide business model gap between all industries and the agro-industry.

I came to learn the readiness of India's government, investors, and business community to adopt an advanced agro-business model – like Israel did over 70 years ago and *Dream Valley* does now.

I invite decision-makers from the sectors mentioned above to contact me if Dream Valley's activity resonance with their vision and mission.

As those who contacted me and asked to buy Technology already know, I do not sell Technology alone. Never!

This is how I prevent farmers and countries from wasting money on things that will take them away from sustainable prosperity.

Imagine a sailor in a sailboat wishing to reach his destination. He can swiftly reach his destination with favorable winds, while no winds or opposite winds will prolong his journey. In such a situation, there is an advantage for those with a map of the sea winds.

For farmers, Technology is like the sailboat, and business models are like the winds. Regardless of how advanced the Technology (e.g., sailboat) they use, without favorable business models (winds), they will not reach their destination, i.e., economic prosperity.

Business models are farmers' winds, and for decades Indian farmers have experienced headwinds, keeping them in poverty.

There is no agro-technology in the world to fight poverty, only dedicated business models.

The days of **advanced business models** have arrived in all industries, and now in the agro sector. Those models will bring prosperity to farmers, investors, and all other value chain partners.

Remaining with the same business models means choosing to keep farmers in poverty.

PM Netanyahu said, "Everything is technology," and I, the CEO of Biofeed, an AgroTech company, say today, "Everything is business."

If *everything is Technology*, then what we need are improved agro-technologies. Reality repeatedly proves again and again (i.e., the AGRA program) that introducing advanced technologies doesn't solve poverty.

However, if everything is business, we need improved agro-business models.

Based on over 70 years of Israel's thriving agro sector and the field-proven <u>Dream Valley's 2021</u> <u>national pilot in Senegal</u>, the reality demonstrates the immediate positive impact of dedicated business models on farmers' livelihoods.

India's agro sector will either become business-oriented and profitable or remain impoverished due to using old, outdated business models.

Dream Valley's model is based on the Israeli agro sector model and its three pillars, i.e., Ecosystem, Business Model, and Technologies/ Services.

Dream Valley brings **a Package** that includes technologies, provides an advanced ecosystem, and operates in the frame of a dedicated business model.

The **low** starting point of India's farmers could be perceived as positive for business people looking for significant business opportunities if they have access to advanced "Packages" with three pillars (field-proven and ROI-delivered); Ecosystem, Business models, and Technologies.

Equipped with an advanced Package, we can increase produce quality and yield and then sell the produce at a high price in premium markets.

By applying an advanced business model, this decade can be the decade of prosperity and high profits for ALL those involved in the agro sector of developing economies.

For India and emerging economies, prosperity would come from places and in ways that most people don't dare to look at or think about.

Innovation is not reserved for Technologies alone. Innovation is needed everywhere we wish to see change. Today, we have plenty of novel Technologies but need more innovation in Business Models and Ecosystems.

I will happily continue the conversation with investors who dare to think beyond Technology. Though Dream Valley is a platform for delivering plenty of state-of-the-art technologies to farmers, it is the business model we trust and put at the front line.

The most successful companies in the world don't necessarily have the most advanced technologies, but they have a business model that is second to none.

The <u>International Conference On Business Models In Agriculture 2023</u> (27-29 March, Kigali, Rwanda) is the place to be, learn, teach others, exchange ideas, find business partners and investors, and overall, be the first to break the stigma that small-hold farmers were poor always be poor and offer nothing but losses to investors and society.

Can you find a resemblance between India's Four Stages state and your country?

At what stage is your country? Do you want and do something to change this?

Contact me if Africa, Asia, or LATAM is on your activity radar.

My request from you; if you enjoyed the column, share it with three friends/colleagues and your insights with me.

TAKEAWAYS

- > INDIA is focused on increasing its GDP and industrial export.
- > INDIA cares less about agriculture, for it doesn't see it (yet) contributing to either.
- > INDIA has plenty of agrotech innovation and little agro-business model innovation.
- > INDIA'S agro-business opportunities are immense and call for investors.
- ➤ AGRICULTURE is a profitable, stable long-term business, which with proper business models, can contribute significantly to India's farmers, the national GDP and export, investors, and other involved parties.

Follow me on LinkedIn.

SUBSCRIBE TO THE WEEKEND COLUMN.

*** 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>Are We Afraid of Smallholders'</u> Success."

Link to recent columns.

P.P.S.

<u>Start-Up Nation Central welcomes delegation of UN ambassadors for Israeli innovation</u> (The Jerusalem Post)

P.P.P.S.

<u>The IBMA</u> conference provides the stage to share your experience with agriculture business models and learn from others.

P.P.P.S.

<u>Dream Valley</u> 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. <u>Email</u>, +972-542523425 (WhatsApp/Text)

P.P.P.P.S.

Please look at the video series "<u>The Agricultural Gap</u>." 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