



WHAT FUTURE AWAITS SMALLHOLDERS WITHOUT DISRUPTIVE INNOVATION, AND HOW CAN YOU CHANGE THIS?

"Change occurs when our fear of not changing outweighs the fear of changing."

The previous post was dedicated to the worldwide ongoing technological and scientific innovation decline.

We learned that innovative technology is not necessarily Disruptive Innovation and that Disruptive Innovation can happen based on “ordinary” technology.

What Is Disruptive Innovation?

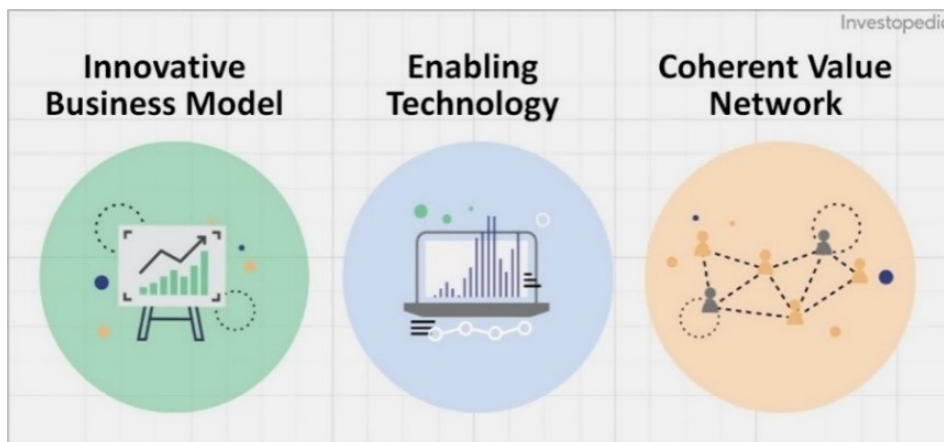
“Innovation that transforms expensive or highly sophisticated products or services—previously accessible to a high-end or more-skilled segment of consumers—to those that are more affordable and accessible to a broader population. This transformation disrupts the market by displacing long-standing, established competitors.” [source](#).

The minimal requirements for Disruptive Innovation are the following three components:

(A) Innovative business model.

(B) Enabling technology.

(C) Coherent value network where upstream and downstream business partners benefit from a successful disruption.



A QUESTIONNAIRE

An “**innovative** business model” is a mandatory requirement to have an agro Disruptive Innovation.

But how do we know if we have or use an “innovative business model”?

It seems easier to know when you **don’t have** an “innovative business model.”

By answering the following YES/NO questions, you will find out quickly if the farmers you know use or not an innovative business model.

But first, please think of a specific small-hold farmer (preferably someone you know) in a developing country.

If you have such a person in mind, you can proceed to the YES or NO questions:

- 1) Does the farmer pay for the agro-inputs he uses (for example, fertilizers and pesticides)?
- 2) Does he pay for the inputs when he gets them?
- 3) Does the fruit trader pay the farmer when or before collecting the produce?
- 4) Is the price/cost of inputs related to the farmer's business success?
- 5) Will the farmer's income increase if the trader's income increases?
- 6) Did the farmer's income increase in the past three years by 100% or more?

Now let's see what we have got.

From questions 1-3, did you answer YES to at least 2 of the questions?

From questions 4-6, did you answer NO to at least 2 of the questions?

If you answered the two questions above affirmatively, this farmer's business model is NOT innovative.

With a high probability, it is based on the typical business model structure where the farmer pays when he buys inputs and receives money when he sells his outputs (produce).

This structure is the most common and usual, even if done online or through an application. Hence, don't expect significant improvement; poverty will prevail.

WHY INSIST ON DISRUPTIVE INNOVATION?

Some believe that disruptive innovation refers only to high-tech - that is incorrect.

Out of the three types of innovation, i.e., *Sustainable*, *Efficiency*, and *Disruptive*, the developing countries mainly use the first two to develop their agro sector.

The reality leaves no room for doubt; these types do not advance us to a better future.

Being blind by innovative science, we failed to notice that it is not Disruptive Innovation and is incapable of providing what we hoped for, a better livelihood and future.

NOTE.

Large, established companies and organizations excel in Sustainable and Efficiency Innovation but rarely introduce Disruptive Innovation!

When analyzing the agro sector in developing economies' challenges and needs, it stands out that they don't need "more of the same" but a tailor-made Disruptive Innovation to jump-start the agro-industry.

Disruptive Innovation is the best tool we have to change reality into one that favors us better by doing the following -

- It creates additional new jobs.
- It rapidly grows sales and revenues.
- It enables one to compete against market leaders.
- It creates new markets!
- It creates new and more profitable value chains.
- It converts an expensive, complex product/service into an affordable and broadly available one.

There are even more benefits, but the abovementioned ones are enough to understand that developing economies would do wisely by aiming toward this type of progress.

WHAT IF developing economies continue as it is today without using disruptive innovation to promote agriculture?

This will preserve the current state of persistent poverty and hunger for decades ahead. It also means the economies of developing countries will continue to struggle to grow.

You may say,

“Okay, I got your point, but how could I apply “Disruptive Innovation” to the agro sector? There is no shop where I can get “Disruptive Innovation.”

Correct, there are no shops for "Disruptive Innovation," but there are several things you **can do** to ensure your country will benefit from the blessings of this attitude.

Depending on your goal, here are three possible starting points –

- 1) **LEARN:** Study the theory in the academy/business school.
- 2) **KICK IN:** Participate in the IBMA conference, designed for people like you and aimed at sharing information and promoting the use of advanced business models.
- 3) **APPLY:** Bring the Dream Valley (DV) Package to your country, to your farmers and move to action.

The Dream Valley Package is a dedicated complete value chain model that enables small-hold farmers to market/export more perishable fresh produce to premium markets.

TAKEAWAYS

- **DISRUPTIVE INNOVATION** is a necessary and critical element to accelerate small-hold farmers' and national economic growth.
- **MOST, IF NOT ALL**, of the innovations used with smallholders, are non-disruptive.

* If you enjoyed the column, share it with friends/colleagues and share your insights with me.

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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 State of Disruptive Innovation In Agriculture.](#)"

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, **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***