



## **HOW THE ISRAELIS SOLVED THE AGRO-POVERTY CHALLENGE WITHOUT THE NEED FOR INNOVATIVE TECHNOLOGIES?**

*"People always benefit by improving organization and cooperation levels."*

This is a two parts tale of a truly remarkable historical story. Though we can't take time back, we must learn from history so we don't repeat the same mistakes to prevent unnecessary suffering.

### **PART I. DIVIDED, WE FALL**

Once there was a country whose farmers were poor, hungry, sick (malaria, fever, typhoid, etc.), and consequently measurable.

It happened that a rich French businessman heard about those farmers' situation and decided to help them.

Over the following years, he gave each farmer's family money/subsidy and sent them everything required to turn their agro-business into a great success; new technologies, advisors, the best crops, and varieties.

As if direct financial, technological, and knowledge support was insufficient, the rich businessman built the farmers' industrial and public buildings.

How did it impact farmers' livelihood?

Farmers with guaranteed income no longer cared to work as hard as before or go the "extra mile" to improve results. It results in poor professional and business results and the continuation of poverty.

The plentiful money financed many officials, generating a culture of dependency on the officials and the donor and corruption, which didn't serve the purpose well.

Does this remind you of similar stories?

Where do you think the story took place?

How did agriculture develop in that country?

## **PART II. UNITED, WE RISE**

A few years passed, and a new and different form of agricultural organization began to develop in that same country.

Farmers were still poor, but they organized the agro-production and agro-business units differently than in a typical (supported) village.

Instead of facing the production and business aspects as individuals, they formed a **collective** that worked the land, harvest, market, etc. All activities, including management, were agreed upon and done together.

This form of organization was characterized by a high level of internal organization, trust, and intensive cooperation and collaboration.

Once there were several such organizations, they formed alliances to strengthen the bonds between those who shared the same business and social attitude.

As they improved their business models and ecosystems, they became more and more successful in every dimension of their activity.

Organizations of this type did not receive financial or technological support from millionaires.

Still, they were helped by external support for the organization and the establishment of infrastructures and institutions that served the general public, such as R&D, marketing, professional training, financing, etc.

How did the different organization form impact farmers' livelihoods?

The new type of organization flourished and enjoyed high professional, business, and social success. Soon there were many more of them all over the country.

In the same country and people, one type of agro-organization struggles to survive though it gets plenty of support (financial, professional, advisors, technologies, etc.), while the other agro-organization flourishes thanks to a different and higher level of organization.

Would you like the farmers in your country to have access to the knowledge that enables the second (successful) form of organization?

## THE AGRO-CINDERELLA STORY

The main part of the two stories mentioned above occurred in Israel from 1880 to 1950.

In the first part, the rich banker Benjamin Edmund de Rothschild supported Israeli farmers in an establishment called "Moshava."

**Moshava** is an Israeli type of agro-organization with characteristics similar to a village in other countries.

\*\*\* Don't mix Moshava with **Moshav**, a later form of agro-organization unique to Israel, which is like Moshava but holds a higher cooperation and organization level between farmers. \*\*\*

## Moshava (early days)



Farmers in Moshava act as **independent individuals** living in the same village; each farmer is responsible only for his fields and business.

In a Moshava, the level of cooperation and mutual support between individual farmers is more than between neighbors in a city neighborhood – if agreed, they share some equipment and operation.

The second story tells the story of the Kibbutz, which began in the early 20 century.

A **Kibbutz** is a communal settlement in Israel in which all wealth is held in common and profits are reinvested in the organization. The Kibbutz members work **together** to promote agro-business (later, there were also industries) and social goals.

## Kibbutz (early days)



The Kibbutz community acts like a big family; like in a family, some work in income-generating activities, e.g., producing, marketing, and selling agricultural and industrial products. Others work in services, e.g., education, preparing and serving food, healthcare, etc.

A critical part of the Kibbutz's profitability comes from managing and operating all the community resources and means by an elected professional team trusted by all individuals.

The Kibbutz “community” type of managing resources is highly effective and efficient and enables the advantage of size and volume.

Example of the differences - in a Moshava (i.e., village) with 1,000 farmers and 1,000 hectares, each farmer manages 1 hectare. In comparison, a Kibbutz with the same land size and the number of people would create larger fields, orchards, livestock, etc., and manage those with one management team and only a few professional teams. This creates long-term strategic advantages for the Kibbutz versus the Moshava.

These advantages led to the establishment of many more such organizations throughout Israel.

The government noticed the Kibbutz's survival abilities and established many in remote areas and places challenging to live in. Nevertheless, almost all Kibbutzim survived and reached economic and social prosperity quickly.

In the Moshav agro-business organization, unlike the historical Kibbutz, where the community is an independent economic unit, each family is a separate independent economic unit that operates within the framework of mutual aid rules.



There are now 274 Kibbutz, 451 Moshavs, and no (zero) Moshava/village in Israel. Through the years, all Moshavas were converted to cities or Moshavs.

We can learn from this what was not strong enough in the face of time and economic demands, as well as the power of cooperation, community, and organization.

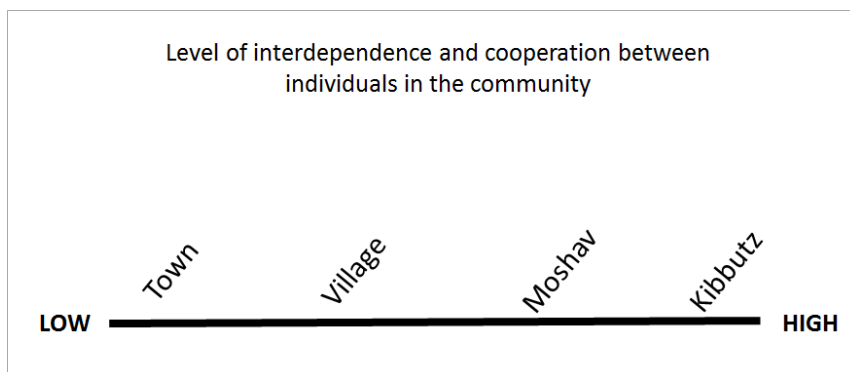


The rich banker, Benjamin Edmund de Rothschild, was convinced that the problem was the lack of money, professional knowledge, and technologies. Therefore, he invested in those domains.

As history teaches us, what eventually succeeded were other forms of agro-organization with different business models and ecosystems, where the level of organization and cooperation is higher.

We can't attribute the professional and business success of the Kibbutz and Moshav to having access to better people, lands, water resources, funds, technologies, crops, or locations.

**In contrast, it stands out that agro-organizations' major success factor is their internal and external organization levels.**



## SMALL-HOLD FARMERS

We should remember how the Israeli agro-success story began when we consider ways of shifting small-hold farmers from poverty to prosperity.

The beginning was nonrelated to innovative technologies but thanks to **innovative organization-operation, business models, and ecosystem** establishment, as presented in the Kibbutz and Moshav examples.

We see that even a hundred years ago, there was a strategic advantage to those who reached higher levels of intra-community organization, supported by inter-community collaboration and cooperation.

It is time for government and global organizations, e.g., Global Bank, African Bank, and AGRA, to invest in projects presenting novel business models with coherent value networks and stop the fixation on technologies and individual support.

African and other countries wishing to emulate (customize and adopt) the Israeli agro sector success should learn from historical experience how it began, evolved, and then create the best suitable concept of agro-business model for themselves.

Learning from the Israeli experience and projecting it on the current small-hold farmers' situation, we can tailor unique, novel "local" agro-business organizations suitable to shifting small-hold farmers from poverty to prosperity.

The focus of fighting poverty must switch from the individual poor farmer to the community and country levels.

The goal should be transforming the communities by reorganizing them and using advanced operational business models and ecosystems, as the Israelis did when they shifted from Moshava/Village to the successful concept of Moshav and Kibbutz business models and ecosystems.

Remember, in Israel, the use of advanced technologies came decades after the Israeli agro sector was already prosperous.

Israelis developed advanced technologies **after** having a thriving agro sector based on novel dedicated business models and ecosystems.

Advanced technologies are used to improve an already thriving industry to take it to its next level.

In developing economies, the agro sector has yet to thrive. Hence, we must begin by laying the foundation for success – dedicated business models and ecosystems to serve organized agro-business communities.

The Israeli lesson teaches us that a good predictor of future social and economic success is the level of the following community indicators;

- Freedom of choice
- Commitment
- Cooperation
- Equality
- Management
- Organization
- Government support

Important – note that technology is needed to improve agriculture success but is not one of the indicators to predict agro-business success.

Can we use some of the Kibbutz or Moshav principles and characteristics to help shift agro-communities in Africa, Asia, and LATAM from poverty to prosperity?

If your answer is positive - as an Israeli who grew up in a Kibbutz, became a Kibbutz member, knows the Moshav, and the challenges small-hold farmers face in developing economies, I will gladly assist you. Contact me at +972-542523425 (WhatsApp) / [nisraely@biofeed.co.il](mailto:nisraely@biofeed.co.il).

## TAKEAWAY

- **FINANCING FARMERS' ACCESS** to technology and professional support does not guarantee prosperity.
- **AGRICULTURAL COMMUNITIES** operating at a high level of organization and with suitable business models significantly improve their chances for sustainable economic prosperity.
- **DEVELOPING COUNTRIES** that want economic prosperity for smallholders should invest in implementing advanced business models in organized agricultural communities.

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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, [Prof. Galun - The Village Girl Who Brought Top Israeli Entomological Science To Africa And Saved Millions?](#)

Link to [recent columns](#).

**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)

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That The Existing Reality Is A Choice  
and Not A Decree of Fate***