



IS AGRO MEGA-PROJECTS THE SOLUTION TO DEVELOPING COUNTRIES CHALLENGES?

"Do what is needed, not what is easy."

I was always interested in doing things the big way, in a manner that could help many people and change their lives for the better.

This is the reason I left the comfortable life in the Kibbutz. This is why I founded the Biofeed company that developed crop protection solutions suitable for everyone and everywhere. This is why I founded Dream Valley company, which offers a complete value and supply chain based on the Israeli model yet adjusted and dedicated to all farmers and smallholders in developing economies.

Therefore, I have always seen agro mega-projects as an exciting subject and the only thing that could save smallholders from poverty.

But, as they say, God is in the details, and the question is behind the words "agro mega-projects."

AGRO MEGA-PROJECTS

For years, and more than ever those days, **mega agro projects** in developing economies seem to be the easy and most obvious solution to the painfully slow progress, stagnation, and poverty spread along their agro sector.

After all, what could be better than a 50,000-hectare agro-project involving globally leading agrotech or agrochemical companies who bring their state-of-the-art technologies, practices, know-how, and a basket full of promises to jump-start the local agro sector?

For countries whose agro sector employs over 50% of the national workforce from which over 50% suffer poverty, such a promise is valued more than gold.

The math is simple; by promoting agro mega-projects, the government hopes to solve several strategic challenges at the same time –

1. **Hunger (SDG 2)** – We will produce enough food to ensure enough calories for our people.
2. **Self-reliance** – Following the project, you will control your food supply and future.
3. **Supply chain** – Reducing dependence on global supply chain events, e.g., COVID-19 and the Ukraine-Russia war.
4. **Jump-start of the agro sector** – Using state-of-the-art agrotech, methods, and know-how.
5. **Poverty (SDG 1)** – The project's ripple effect will cause smallholders to escape poverty.
6. **Food price** – Locally grown food cost less than imported.
7. **Export and source of income** – Exporting surplus production will result in a flow of foreign currency income.
8. **Pride** – Successful mega projects are a source of national pride, inspiration, and motivation to succeed.
9. **Scalable** – Mega-projects are big, scalable, and simple to copy-paste to other agro sectors.

Mega-projects have a long list of advantages that make you ask, why didn't we do more of it until now?

THE DARK SIDE

Previously, I spoke enthusiastically in favor of agricultural projects, though not necessarily mega-projects, stating that ["the present is the best time ever for non-developed economies to improve, revolutionize, and re-establish their agro sector as a pivot in their national economy."](#)

Nevertheless, it is imperative to have a realistic view of what a mega-project can achieve and what it can't.

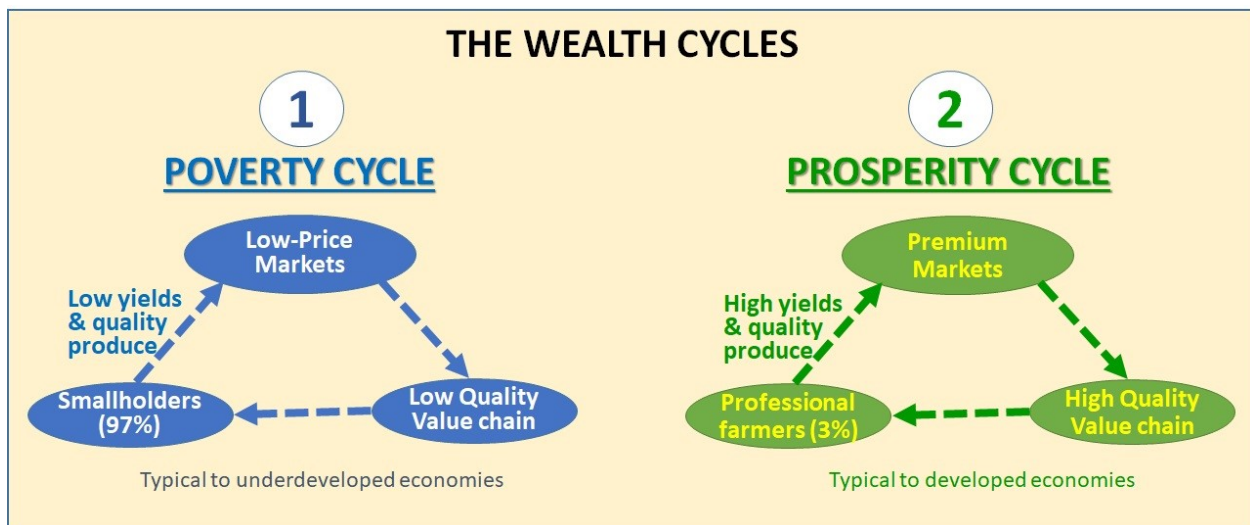
So, let's go through the above wish list and see how each paragraph is in reality.

1. **Hunger** – When a country produces more food, its risk of experiencing hunger is lower.
(Score: +++)
2. **Self-reliance** – Producing your food is the highest state of self-reliance. Yet, you remain reliant on foreign technologies, knowledge, and experts. Furthermore, copy-paste and scale-up a project that worked elsewhere doesn't mean it will work in your country due to culture, business environment, and other considerations.
(Score: ++-)
3. **Supply chain** – The supply chain is shorter and less susceptible to interference. However, the local supply chain is still connected to the global one, as farmers and nations found during the COVID-19 pandemic when African farmers couldn't get seeds to grow staple crops and pesticides to fight the locusts from companies producing those on other continents or even moving them within the country.
(Score: ++-)
4. **Jump-start of the agro sector** – Experience shows that mega-projects are like satellites; the state owns them, but they hover above, disconnected from their social environment. While over 90% of local farmers are non-professional smallholders acting under the "Poverty Cycle," mega-projects are always industrial-professional businesses operating under the "Prosperity Cycle." As presented in previous columns, those are two different "languages" with multi-barriers that prevent them from effectively working together. Hence, we can't expect any significant positive impact on the local smallholders. However, we may see a positive effect on other sectors, e.g., logistics and international trading.
(Score: ---)
5. **Poverty** – Due to the above reasons, mega-projects will not positively impact smallholders. Looking at countries already having mega-projects, we don't see the expected ripple effect, and smallholders remain in poverty.
(Score: ---)
6. **Food price** – As often with government and mega-projects, the project's final cost could be 1.5 to 3 times above planned, making its production more costly than expected. Furthermore, the project company has a contract with the government (i.e., a premium client) and ensures their payment is based on profitable food prices. It could result in a situation where buying from a foreign producer (unprotected by gov. agreements) will be less costly. Remember, in an agro mega-project, we replace the import of food, e.g., grains, with the import of the Agricultural Package that produces that food. In both cases, the process involves import.
(Score: ---)

7. **Export and source of income** – Reaching the point where the project produces enough surplus that it can export and compete in global markets is the Holy Grail. However, it is rare to see an export from a mega project in a developing country.
(Score: +--)

8. **Pride** –This is an important issue that should not be underestimated. National pride will increase if the project is successful. However, since many projects fail, the effect is often the opposite of that desired.
(Score: +--)

9. **Scalable** – Theoretically, they are scalable, but most mega-projects are short-lived in practice. If maintaining them is difficult, imagine how expensive and complex it is to scale or copy them to other areas and agro sectors.
(Score: ---)



Each Wealth Cycle is based on a dedicated, unique, fundamentally different Agricultural Package.

POVERTY

The most significant downside of the agro mega-projects, as defined and run today, is that **they are not designed to solve poverty**.

Since developing countries' #1 problem is **poverty**, not solving it while investing \$ millions in agro projects could be viewed as a problem or failure.

From smallholders' perspective, the country would ensure they don't die of hunger but does nothing to improve their livelihood and long-term prosperity.

According to the UN SDGs, Poverty is #1, while Hunger is #2.

OPTIONS FORWARD

Dealing with hunger, there is room, in a limited dose and multi-stage growth, for agro mega-projects to be carried out by multinational companies on a business basis.

In doing so, there must be full awareness that those projects are not intended or designed to solve smallholders' poverty, and their overall contribution to the local agro sector is limited.

However, since poverty is of greater concern and by solving poverty, we solve hunger as well, we must invest more in doing precisely that by addressing it directly!

The obvious challenge is that we know how to solve hunger, e.g., mega-projects, but we see that nations still don't know how to solve poverty, which explains why governments invest in mega-projects.

Nevertheless, we must remember that by solving hunger, we don't solve poverty, but when solving poverty, we solve hunger as well.

For those reasons, we must prioritize projects that solve poverty.

I did this as the CEO of Biofeed when I shifted from the standard agrotech companies' business model that **focuses on yield**, i.e., producing more, to the Dream Valley model that **focuses on profit and increasing farmers' prosperity**, based on business considerations.

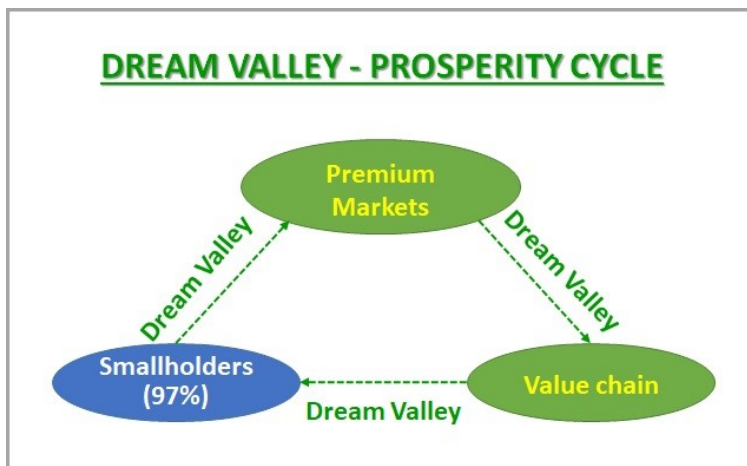


Dream Valley's projects increase smallholders' income and create added value for the value chain partners by exporting regenerative high-added value crops to premium markets.

I aimed to solve poverty on a scalable national project – but is it possible, and within how many years?

Yes, as Dream Valley presented in its Senegal national-scale program. Senegal doubled its mango exports in three months, and smallholders doubled their income.

Furthermore, 100% of the mangoes produced, including those not exported, were free of chemicals (no pesticides or fertilizers used), making them regenerative and of higher value for premium consumers.



The Dream Valley Package bridges the gap between the different parts of the *Wealth Cycle* to enable the inclusion of smallholders in the Prosperity Cycle.

People don't live only not to starve, but we strive for prosperity because we dream of doing more than fighting for our next meal.

Let's solve poverty first, based on regenerative scalable, tested business-oriented models, as Dream Valley does.

It is okay to invest in mega-projects, but let's be sure to invest sufficient amounts in solving poverty.

So, for every \$1 we invest in solving hunger through mega-projects, we will invest at least the same in solving poverty.

Does that sound ridiculous or unreasonable?

If you agree and if you don't, let me know what you think.

Want to change the rural community's development trajectory in your country or elsewhere? Are you unsatisfied with a running rural project or want to plan a new one? Message me +972-54-2523425

TAKEAWAY MESSAGE

- **AGRO MEGA-PROJECTS** are designed to increase food production.
- **AGRO MEGA-PROJECTS** does not reduce poverty.
- **IN AGRO MEGA-PROJECTS**, instead of importing food, we import the "factory" producing the food, i.e., The Agricultural Package.
- **REDUCING POVERTY** reduces hunger, too, but not vice versa.
- **THE DREAM VALLEY MODEL** is designed to create prosperity for smallholders rapidly.

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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 Secret of Western Agro Companies To Succeed In Developing Economies, and Why Is It Nearly Meaningless.](#)"

P.P.S.

[Dream Valley](#) is a field-proven disruptive business model based on the successful Israeli model.

To learn more and become a Dream Valley partner, contact me at nisraely@biofeed.co.il, +972-542523425 (WhatsApp/Text)

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***Change Begins With A Decision
That The Existing Reality Is A Choice
and Not A Decree of Fate***