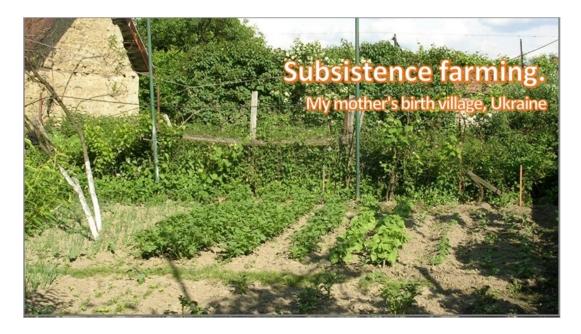


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HISTORY PROVES "RURAL COMMUNITY INNOVATION" IS THE KEY TO FARMERS' PROSPERITY

"A stable core of inner identity enables fearless adaptation to a changing world."

During my childhood, all the income (100%) of the Kibbutz where I was born and raised came from agriculture.

As a child, those working in agriculture, including my parents, were my heroes, and I looked forward to joining them when I grew up.

In those days, farming was highly profitable; the Kibbutz prospered like never before.

Therefore, we, the children, didn't see the logic in going to school when all we dreamed of was to follow in our parent's footsteps and become farmers.

In the 1970s and 80s of the 20th century, this was the state of mind among Kibbutz children, which some applied by quitting high school to work in one of the Kibbutz agricultural branches.

I remember one particular conversation in which a few of my friends, who were 14 to 15 years old, discussed quitting high school.

A Kibbutz member and father of one of the children heard our conversation and intervened.

He then said, with the stern tone of a disappointed father,

"You want to stop studying? Stop, but know that the job opportunities that open before you when you are older will be those at the bottom of the social ladder, those with minimal income."

I heard that and translated his message into my own words,

"The business landscape evolves rapidly; what led my parents and fueled the Kibbutz's success will inevitably shift. I must prioritize acquiring relevant knowledge and skills to prepare for the future and sustain prosperity. Now is the time to prepare for the future."

PREPARING FOR MORE POVERTY OR POVERTY?

When I see the models proposed to deal with poverty among smallholders in developing countries, I see models that treat the world as if it will never change - not the global and local markets and not the farmers.

It results in proposals of "more of the same" solutions, which focus on solving existing problems.

Several African Ministers have shared their goal with me: to increase the number of people employed in agriculture.

Again - to increase the number of employed people.

To increase the workforce in the agro sector in a country where 70% of its population's livelihood depends on agriculture.

How would you answer such a request?

When reviewing proposed poverty alleviation models for smallholders in developing countries, I often encounter approaches that operate under the assumption that the world will remain static, ignoring shifts in global and local markets and evolving farming practices.

These models tend to offer repetitive solutions to address current challenges while partially or fully blind to the consequences of achieving their goals. Yes, it is possible to "achieve tactical goals" and fail to achieve the strategic goal and mission.

For example, if farmers in the project increase their income by 50% in five years, e.g., from 1.5 \$/day to 2.25 \$/day, will it solve the poverty problem?

An income increase of 50% is considered "a great achievement," but unfortunately, such farmers will remain poor (even if a bit less).

Many African Ministers have expressed their aim to boost agricultural employment—a goal that, upon closer examination, essentially advocates for increasing the workforce in a sector already supporting 70% of the population's livelihoods.

What would you advise such a Minister?

RURAL MODELS' FLEXIBILITY

To help impoverished smallholders escape tomorrow's poverty, we must use models predesigned to carry that mission.

As a child, my friends and I believed that the Kibbutz income would continue to be based mainly on agriculture and that all/most Kibbutz members would continue to be farmers.

The entire Kibbutz movement is less than 2% of Israel's population.

I estimate that over 80% of Israel's population is **not** involved in agriculture, meaning only 0.4% of the country's population supplies about 40% of its food needs.

Most Kibbutzs' income, including the Kibbutz of my childhood, comes today from services, tourism, and a wide variety of industries.

That is a dramatic shift in the Kibbutz members' occupations in a relatively short time.

While most rural community models do not encourage or support a rapid change of occupation, the Kibbutz model presents exceptional flexibility.

The low workforce participation rate in the agro sector is not unique to Israel; it reflects most developed economies, where less than 5% of the population is involved in agriculture, such as the UK, France, the US, Japan, and Israel.

Yet, such countries do not suffer food shortages or hunger.

We can conclude that whatever model of change we choose to shift smallholders in developing economies from poverty to prosperity must be "field-proven" in increasing agricultural income and shifting part of the workforce to alternative, more profitable sectors.

RIGID VS FLEXIBLE MODEL

As a child, before I went to sleep, my mother shared stories from her childhood in Hungary (early 40's of the 20th century).

I vividly remember the story about the cows going out to pasture in the morning and returning in the evening on the main road that crosses the village.

Fifty years later, my mother visited her childhood village for the first (and last) time.

Now, past WWII, the village was in Ukrainian territory, and I went there with her.

We arrived at the village at noon, and as evening came, as my mother told me in her stories, I saw the cows walking on the main road, returning to the village as they did over 50 years ago, in my mother's childhood.

The cows crossing the village symbolized the little change that had taken place over 50 years.

The farmers' poverty in this village expressed what happens when "little" is changed.

This village's foundations were based on conservatism and resistance to change, which made it a time capsule for those wishing to know how things were before WWII.

Fifty years ago, those farmers were doing well; however, their social-organizational model lacks the flexibility to change as fast as the global economy changes, thus leading them to perpetuate poverty.

Unfortunately, the outcome was catastrophic for the members of this rural community.

The inability to increase agricultural yields and quality caused low income, and the failure to shift occupation to other more profitable sectors made them poorer than they were 50 years earlier.

As you can imagine, young people don't stay in such villages but leave for the big cities. The old stay until they die, and then the village is abandoned. It doesn't have to end that way.

On the other end of the scale, you find the rural community model that my mother and her friends followed, that of a Kibbutz.

With all odds against them, i.e., orphans, a new country, language, no money/family to support their initiative, surrounded by enemies, etc., they founded a Kibbutz.

However, unlike her childhood village, the Kibbutz she established was founded and based on values and tested concepts (see my previous articles), where changes are welcome and embarrassed, and the community continuously invests in adaptation to a changing business environment.

In its first thirty years, the Kibbutz that my mother founded earned its living almost entirely from agriculture. Then, it expanded its income sources to other business sectors.

Thanks to the Kibbutz internal flexibility model, the community and its members continued to enjoy prosperity even when farming ceased to be their primary source of income.

"When we invest in technology, we invest in the moment; when we invest in community models, we invest for eternity."

THE MODELS WE USE

Whatever models we choose to offer impoverished rural communities, we must ask ourselves what future these models prepare them for.

(A) Rigid. Is it a rigid community model that prioritizes the past and views changes negatively, thus leading to stagnation, worsened economics, and poverty, as happened to my mother's childhood village?

We know such models assure perpetual poverty.

(B) Flexibility. Alternatively, we should ask if the community models we presently use or newly introduced are pre-designed to accommodate and advance changes in evolving economic landscapes.

My mother and her friends were lucky to have the Kibbutz flexible community model, developed less than 40 years earlier (a very short time in the history of community models), which they could emulate, thus ensuring ongoing prosperity.

THE IMPACT OF THE RURAL COMMUNITY MODEL ON FARMERS' ECONOMICS

START MODEL	Tangible enablers	END MODEL	Economics
Traditional Farmers	Low	Traditional Village (Smallholders)	Poverty (continues)
	High *	Private Enterprise	Prosperity
	Low	Moshav	Prosperity
	Low	Kibbutz	Prosperity

^{*} Industry (efficiency)-oriented agro-business: large land, access to finance, technologies, and premium markets.

You might ask, "If farmers in developed countries thrive independently, why can't those in developing nations do the same?"

However, there's a stark difference between them. A farmer in a developed nation operates as an "Agro-business Industrialist", while one in a developing country is a "Subsistence Farmer" practicing traditional methods.

The disparity is immense, making traditional approaches to bridging the gap futile.

START WITH COMMUNITY MODEL INNOVATIONS

We need more than telling our children they must study to be ready for the future; we need a rural community model that supports the changes we must make to fit into the future economy.

Without such models, we can expect the awful alternative: the continuation of smallholders' present poverty and hardship for many more decades, maybe even centuries.

Meanwhile, there are no significant efforts to introduce novel community models. This field of innovation is as dry as a desert.

Instead, we see endless, continuous efforts to introduce more technologies, hoping it will overcome our lack of courage and failure to introduce novelty into community models.

I will be blunt and straightforward: If we provide a "robot farmer" to an "Agro-business Industrialist" and another to a "Subsistence Farmer," the first will increase its income while the second will remain poor.

That is because poverty is not the result of lack of technology.

Technologies never solved poverty, and they never will; my mother's childhood village, in the heart of Europe, is impoverished not due to a lack of technologies or access to such, as the Kibbutz, my mother helped to establish didn't start thriving almost immediately, over 70 years ago, only thanks to having state-of-the-art technologies, which they didn't.

For the prosperity of rural communities, keep this order of priority as follows: community model first, business models second, and technologies third.

Consider the "Community model" parallel to the essential need to design a company's operational structure.

Ultimately, the path to prosperity lies not in clinging to the familiar but in embracing change as a catalyst for growth.

As we confront the challenges of the 21st century, let us heed the lessons of the Kibbutz and forge a new paradigm of rural community mode, one rooted in resilience and adaptability to changing economic environment, leading to prosperity for all community members.

Here are four ways you can work with me to help your rural communities step forward to shift from poverty into ongoing prosperity:

- * **Consultancy** on rural communities' models: Why, What, and How, e.g., based on the Kibbutz and Moshav lifestyle models.
- * Local & National programs related to agro-produce export models <u>Dream Valley</u> global vertical value and supply chain business model and concept connects (a) input suppliers with farmers in developing economies and (b) those farmers with consumers in premium markets.
- * Crop protection: <u>Biofeed</u>, an eco-friendly zero-spray control technology and protocol solution, is most suitable for developing countries.
- * IBMA Conference To learn, share, and practice novel business models: the IBMA 2024 conference theme is "Reshaping Agribusiness Models for Building Prosperous Rural Communities." Register now or contact me.

TAKEAWAY MESSAGES

- > TO THRIVE, rural communities must never stop changing.
- > PRIORITIZE flexible community models over a rigid one.
- > ALWAYS START WITH community models.

More on the October 7th genocide in South Israel:

Humanity is one organism

Videos - The October 7 genocide

If you got to here, read this column, and enjoyed it, please be nice to your friends, share it with them, or help them Subscribe.

"Change begins with a decision that the existing reality is a choice and not a decree of fate."

See you soon,

Nimrod



Dr. Nimrod Israely is the CEO and Founder of <u>Dream Valley</u> and <u>Biofeed</u> companies and the Chairman and Co-founder of the <u>IBMA conference</u>. +972-54-2523425 (WhatsApp), or <u>email nisraely@biofeed.co.il</u>

P.S.

If you missed it, here is a link to last week's blog, "<u>The Critical Role of Successful Working</u>

Models In Reshaping Impoverished Rural Communities".

P.P.S.

<u>Dream Valley</u> is a field-proven disruptive business model based on the successful Israeli Model.

You can also follow me on LinkedIn, YouTube, and Facebook.

^{*}This article addresses general phenomena. The mention of a country/continent is used for illustration purposes only.