



## THE HIDDEN ENGINE OF THE KIBBUTZ SUCCESS

*"The root causes of major problems are often hidden; if obvious, they'd be solved"*

If we can't see, touch, hear, or smell gravity, does that mean it doesn't exist, impact us, or is insignificant? Clearly not. In fact, invisible forces are what keep Earth at a precise distance from the Sun, bind the stars in the sky, and hold molecules and atomic particles together. Just like these celestial and molecular forces, human societies are also shaped and influenced by invisible forces, even when we are unaware of them. The Kibbutz is no exception to this—its success and resilience are driven by these intangible forces that work silently beneath the surface, a fact that should intrigue us all.

While researching the Kibbutz model, I encountered numerous articles, TV programs, books, and podcasts discussing it. The more I delved into these resources, the more I realized that something crucial was missing from their narratives. It struck me—they all focused almost exclusively on the social, psychological, and emotional aspects of Kibbutz life, particularly on:

1. The separation of children from their parents.
2. The communal sharing of physical goods and belongings.
3. The individual's exposure, vulnerability, and lack of privacy within the community.

These undeniably fascinating topics spark meaningful discussions about community life and human nature, so it wasn't surprising that they were the focal points of most conversations. In my 35 years in the Kibbutz, the social aspects were often at the center of our discussions from childhood to adulthood.

In contrast, we never once examined the root causes of our economic success—the unique Kibbutz business model and its distinctive ecosystem. Without fully grasping the underlying reasons, we simply trusted in our methods, whatever they were, and attributed any business failures primarily to 'human errors,' much like what can occur in any management scenario, even within the most successful enterprises.

However, while the Kibbutz's social aspects were mesmerizing, brought it fame, and could provide topics for thousands of TV series, its unmatched economic viability and against-all-odds prosperity allowed its social experiments to exist and thrive. The Kibbutz model survived primarily due to its economic success, which coexisted with its unique social framework.

Since its inception in 1910, the Kibbutz economic model has continuously evolved, introducing multiple disruptive innovations with a business-oriented focus in addition to social innovations. In simple terms, it created novel rural ecosystems that seamlessly integrated cutting-edge Ltd-era business models into communal life. This integration effectively transformed farming and rural communities from the traditional agricultural framework of the Agricultural Revolution era into a dynamic force within the modern Ltd era.

Remarkably, this transformation took place without introducing new technologies, advanced agro-knowledge, or innovative agro-services. Yet, it reshaped the economic landscape of pre-state Israel, elevating Israeli farmers to the forefront of the emerging nation and later enabling Kibbutzim to excel in industries far beyond agriculture.

The Kibbutz's economic engine was so efficient, free of unique challenges (especially when compared with Ltd-era corporations), and so successful and profitable that it often went unnoticed and perceived as 'dull and boring.' It received little attention for the same reason people focus on their pains at the doctor's office rather than on what's going well.

The Kibbutz's business operations were far better than just 'fine'; they were a grand success. That is precisely why most discussions about the Kibbutz focused on its social aspects, with few highlighting the 'boring' but remarkable economic and business achievements it introduced and even fewer exploring the why and the reasons behind these successes.

Without sensational stories to share about the Kibbutz's business aspects, people gravitated towards the 'juicy' social and psychological aspects—topics that were emotionally charged, easier to relate to, and which constantly provoked unrest and debate within and outside the Kibbutz movement. Interestingly, over the past 40 years, all Kibbutzim have undergone social

transformations, shifting towards greater personal responsibility, privacy, and freedom of choice at the expense of the communal model.

(Note that the situation is quite the opposite when discussing smallholders in developing economies; the focus is often on the painful financial issues, with little attention paid to the social aspects.)

Today, Kibbutz children no longer sleep communally but in their parent's homes, and members are no longer required to share all their belongings or expose their innermost thoughts and feelings. Despite these changes, and with varying degrees between communities, Kibbutz members remain committed to the community's success and overall well-being.

This moderation and openness in the social community did not weaken the Kibbutz; on the contrary, it proved its vitality and aspiration to live thanks to its ability to adapt and change continuously. It has strengthened the Kibbutz's economic capacity, aligning it with the evolving norms of the 21st century.

## **The Silent Operation That Drove the Kibbutz Success**

I admit that as long as I lived in the Kibbutz, and in fact, until I conducted this research, I never questioned why the Kibbutz was so successful from a business and economic perspective. Like my peers, I was utterly oblivious to the critical importance of ecosystems and business models. Instead, I attributed the Kibbutz's economic success to state-of-the-art methods, technologies, and knowledge. The following is an example of that.

In a deep valley south of my Kibbutz, there was an apple orchard we called "The Jungle." The trees were spaced 5x4 meters apart and grew as tall as 11 meters, with densely packed rows that allowed only a sliver of sunlight to penetrate the thick canopy and branches. My father, the expert in charge, suggested pruning the trees down to 4 meters or lower, allowing us to perform most tasks, including pruning, thinning, and harvesting, from the ground without needing ladders. Initially, the team was apprehensive about the outcome but recognized the potential benefits and followed his advice.

Contrary to what many might expect, the yield did not drop by half. Instead, the increased light reaching the lower parts of the trees stimulated new branches and fruit to grow—fruit that was easier to manage, more colorful, and of superior quality overall. Though it seemed counterintuitive, the bottom line was that managing such an orchard became easier and more efficient, and the fruit quality improved. This led to maintaining or even increasing our income, with a significantly improved profit margin.



At a Kibbutz celebration, my father, Ilan, stands on an elevated platform and shows off a long pair of secateurs used for pruning high trees.

This example reminds me of the countless changes in technologies, procedures, and methods I've witnessed in my Kibbutz orchards. Some seemed revolutionary at the time, *for example*, transitioning from overhead sprinklers to drip irrigation, using computers and sensors for precision irrigation, or evolving crop protection methods, pesticides, fertilizers, logistics, fruit packing, cold storage, and more.

These technical improvements were continuously made to ensure, as any business would, that we stayed in tune with consumer demands for quality, quantity, and trends (like organic farming, IPM, crops, and varieties) while improving overall system efficiency.

Every professional decision was carefully monitored and measured to ensure it was both economically viable and sustainable. Far from conflicting with Kibbutz values, this industrial-business orientation was integral to the Kibbutz economic identity, as it is part of every business rooted in the Ltd-era economy. This type of innovation is called Sustaining or Efficiency Innovation; it will help you sustain what you have but will not create the 1,000% income increase smallholders must have to escape poverty, and it wasn't what created prosperity for my Kibbutz members or others.

You might think the most significant income boost for the Kibbutz came from adopting advanced technologies and methods, such as the ones mentioned above, but it didn't. The ability to generate an income of \$30,000 to \$60,000 per hectare is directly linked to the ecosystem the

Kibbutz model provides and the capitalist Ltd-era business models used by all Kibbutz income-creating branches.

Many don't realize this: When you operate within a top-tier ecosystem and sound business model, your success is almost guaranteed, even if you're not always on the cutting edge of technology. The reverse, however, rarely yields the desired results.

Advanced technology is only valuable when supported by modern, up-to-date ecosystems and business models. If these foundations are outdated—based on old frameworks like those from the Agricultural Revolution—the process of improving the agricultural package should follow this sequence: first, update the business models, which are impactful and quick to implement; next, focus on the ecosystem, which is more strategic but also complex, time-consuming, and costly; and finally, integrate advanced technologies and services.

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Sign up to be part of [the Nova Kibbutz Stewardship Community](#).

If you enjoyed this column, please share it with a friend who will enjoy it too.

[Dream Valley Fruit Export Program 2025](#) is now officially open for new exporters from developing economies who wish to export to Europe. Text me.

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## TAKEAWAY MESSAGES

- **The unseen elements** are the most impactful for sustainable prosperity.
- **What is painful** isn't always what drives prosperity when 'fixed.
- **Prosperity starts** with advanced ecosystems and business models, followed by technology.

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More on the October 7th genocide in South Israel:

[Humanity is one organism](#)

[Videos - The October 7 genocide](#)

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

\* **Nova Kibbutz and consultancy** on rural communities' models.

\* **Local & National programs related to agro-produce export models - [Dream Valley](#)** 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: [Biofeed](#)**, an eco-friendly zero-spray control technology and protocol.

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](#).

*"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, "[How Black Swans, Kibbutz, and Smallholders' Prosperity Are Interconnected - Part 2.](#)"

**P.P.S.**

## **OPEN BUSINESS OPPORTUNITIES:**

- 1) Exporting fresh fruits from Africa to the EU under the Dream Valley regenerative protocol brand for the 2024 season.
- 2) Joining the Nova-Kibbutz concept project or establishing a similar initiative in your region.

Kindly provide your background and credentials to receive tailored next-step instructions.

## **P.P.P.S.**

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

You can follow me on [LinkedIn](#), [YouTube](#), and [Facebook](#).

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