



A HOLISTIC VIEW OF SMALLHOLDER POVERTY

"Before you start the game, ensure you know its rules"

There is an Indian parable about a group of blind men who had never encountered an elephant before. Each touches a different part of the animal and describes their experience. One grabs the leg and claims it feels like a sturdy pillar; another touches the tail and insists it is a rope, while a third, feeling the trunk, believes it to be a snake. Each blind man is convinced of their interpretation, yet none grasp the whole reality.

This story illustrates how limited, subjective perspectives can lead to incomplete or inaccurate conclusions. Each person is convinced they possess the absolute truth while missing the bigger picture.

The elephant parable presents both a problem and a solution: the problem stems from relying on narrow, individual perspectives, while the solution lies in broadening our viewpoint. By examining the "creature" from as many angles as possible or using tools that allow us to zoom

out and gain a more comprehensive, objective perspective, we can move beyond subjective interpretations.

Such a broader approach enables us to understand the whole picture more clearly and unbiasedly. Once we recognize that the "creature" is, in fact, an elephant, we can address it appropriately—very differently than if we were mistakenly addressing a sturdy pillar, a rope, or a snake.

Zooming out and intentionally changing perspective is something I don't just take as a metaphor—it's a tool I've employed time and again in my career to better understand challenges and develop effective solutions.

For example, as a young plant protection officer working in apple, pear, and nectarine orchards, I started, like most farmers, by learning to identify fruit flies and recognize the damage they cause. Through my bachelor's degree in plant protection, I refined these skills. However, I soon began asking broader questions, such as: "Why is the infestation rate not uniform within trees, with certain heights and areas more affected?"

My inquiries didn't stop there. I started exploring more fundamental questions on a larger scale: "Why is the infestation uneven across the entire orchard, with some trees more affected than others? And why do some orchards within the same region experience more damage than others?"

My curiosity to uncover the root causes by understanding the broader context led me to study fruit fly spatial ecology and continue zooming out until my study area encompassed most of Israel, from the Dead Sea to the Mediterranean. This wider perspective allowed me to finally address the critical question: "Why do fruit fly populations and infestation levels vary across regions within the same country?" This, in turn, enabled me to understand the overarching mechanisms driving the Mediterranean Fruit Fly (*Ceratitis capitata*) population dynamics.

What began as a simple task of identifying infested fruits evolved into a deeper understanding of fruit fly population dynamics within and between orchards, eventually leading me to pursue a Ph.D. in meta-population ecology (the study of populations of populations). This deeper knowledge helped me answer the most fundamental question in science—*why*—and based on this understanding, I developed models to predict population behavior accurately. These models also answered smaller-scale questions with practical implications for farmers, such as when and where infestations would occur.

This journey illustrates how adopting a macro perspective on micro-events can lead to significant breakthroughs. I had to step back, zoom out to understand the broader overriding mechanism, and then zoom in to find solutions based on this big-picture perspective.

In the context of our discussion, the "elephant" is - poverty among smallholders - a complex and elusive challenge, much like the creature in the parable. Like the elephant, poverty comprises many interrelated and interacting parts, each with its unique structure, role, and impact.

To fully understand the mechanics of poverty, we must zoom out and see the big picture rather than focus on isolated elements. Concepts like the Agricultural Package, the Prosperity Formula, the Prosperity Model, the Industrial Revolution, and the Ltd-era are all individual pieces in one big puzzle.

Without recognizing how these components relate, merge, and interact to perpetuate poverty, we risk misunderstanding the entire reality and, like the blind men with the elephant, forming incomplete or misguided conclusions. Only by taking a step back and examining the broader connections between these parts can we develop comprehensive solutions.

ELEMENTS AND INTERACTIONS

Like notes in a symphony or letters in a book, the essential elements we've discussed—such as the Agricultural Package, the Prosperity Formula and Model, the Industrial Revolution, and the Ltd-era—never operate in isolation in the real world. Yet, just as we can't compose a symphony without understanding each note or write a book without mastering each letter, we can't solve poverty without fully comprehending each of these key components separately and as part of the whole.

In this section, we will reintroduce the critical elements driving both poverty and prosperity. We'll zoom out to better understand the context in which these elements operate and observe their interactions.

THE PROSPERITY FORMULA AND MODEL

The **Prosperity Formula** is a conceptual framework that helps analyze and enhance the success of organizations and communities. It revolves around three key factors:

- **External Integration (E):** The ability to connect with and leverage external opportunities, resources, and markets. This involves engaging in trade, adopting modern practices, and integrating with the broader economy.
- **Social Integration (Si):** The strength of social bonds, community cohesion, and the sense of belonging among members. High social integration ensures collaboration, support, and unity within the community or organization.
- **Internal Disintegration (I):** Refers to internal conflicts, inefficiencies, and relationship breakdowns. Minimizing internal disintegration is critical for maintaining stability and achieving long-term success.

This formula is represented as: **Prosperity = f (E + Si) / I**

The **Prosperity Model** translates the formula into actionable strategies. It involves four key steps:

- **Diagnosing Current Conditions:** Assess External Integration, Social Integration, and Internal Disintegration levels within an organization or community.
- **Strategic Planning:** Develop strategies to enhance External and Social Integration while minimizing Internal Disintegration. This may involve adopting new operation and business models, building new community ties and structures, and implementing conflict resolution mechanisms.
- **Implementation:** Apply these strategies to align with the community's needs to achieve its goals. The focus here is on making practical changes to increase prosperity.
- **Monitoring and Adjustment:** Continuously monitor the outcomes and make adjustments to ensure ongoing success. This iterative process ensures adaptation to changing conditions and sustainability over time. The Prosperity Formula and Model thus serve as tools for

understanding the dynamics of success and providing actionable insights to foster economic and social well-being within organizations and communities.

Note that the formula and the model are not constrained by time or geography; therefore, they are a reference point that enables constant systems improvement.

THE AGRICULTURAL PACKAGE

Like any business package in any industry, **the agricultural package** comprises three main components: **ecosystem, business models, and technologies/services**. In the agro sector, this package contains a specialized set of tools, practices, and technologies designed to improve agricultural productivity and market access for smallholders. It focuses on the practical aspects of farming, such as crop protection, yield improvement, and access to premium markets.

- **The Ecosystem**, i.e., a coherent value network, refers to the natural and market environment and resources in which agricultural practices operate, including value and supply chains, natural resources, and local conditions.
- **Business models** dictate how farms operate—individualistic, cooperative, commercial, etc.—and how value is created and distributed throughout the chain.
- **Technologies and services**, such as innovations in farming techniques, crop protection, irrigation, and premium market access, help farmers boost their productivity and income.

While the concept of the Agricultural Package is timeless and global, as the concept of any package in any industry, the potential of an Agricultural Package is determined by how well its components align and work together relative to alternative packages available at the same time. Unlike the fixed nature of the Prosperity Formula and Model, the Agricultural Package is dynamic and adaptable, tailored to the changing local and global contexts. However, a misaligned package will trap farmers in inefficiency, while a well-aligned package can unlock their potential and drive prosperity.

THE INDUSTRIAL REVOLUTION AND ITS LEGACY

The **Industrial Revolution** reshaped the global economic landscape by introducing significant advances in production capacity and creating a vibrant global economic market. However, it also laid the foundation for disparities affecting smallholder farmers today.

Economy of Scale:

- **LTD: Large-Scale Production:** The Industrial Revolution enabled mass production, allowing companies to produce goods more efficiently and at lower costs. This economy of scale provided a competitive advantage for larger enterprises and industrial-oriented farming.
- **SH: Smallholder Disadvantage:** Smallholders (SH) operating on limited land and resources cannot benefit from such economies of scale. Their inability to produce large quantities at lower costs makes them less competitive in the global market.

Assembly-Line Principles: Efficiency and Specialization:

- **LTD: Efficiency Through Task Repetition:** The assembly-line principles introduced during the Industrial Revolution increased efficiency by assigning workers or machines to specific,

repetitive tasks. This structure allowed even less-skilled workers to become proficient through repetition, improving overall productivity. Focused task repetition streamlined the production process, minimizing errors and maximizing speed, even without highly specialized knowledge and unskilled workers.

- **LTD: Creation of Expert Layers:** While unskilled workers could now perform tasks previously requiring skilled labor, the assembly line also enabled the development of a layer of experts. These specialists focused on improving the individual parts of the system and the overall function, driving continuous improvements in both the quality of production and the efficiency of operations.
- **SH: Lack of Specialization in Smallholders:** In contrast, smallholder (SH) farmers are obligated to perform various farm tasks, from planting to marketing, without the benefits of task repetition or access to a layer of experts. This limits productivity and prevents smallholders from scaling or improving the quality of their output.

THE TRANSITION TO THE LTD-ERA

The development of the **limited liability company model (Ltd)** in the 1850s marked the transition to the **Ltd era**, which was characterized by modern business practices, advanced organizational structures, and a focus on profitability and efficiency.

Organizational Structure and Leadership:

- **LTD: Advanced Organizational Models:** Ltd-era companies benefit from clear organizational structures that support professional management, strategic decision-making, and leadership aligned with mission and goals.
- **SH: Traditional Village Structure:** Smallholders often operate within village-based structures that lack professional management aligned with modern principles of good governance. This deficiency makes it difficult for them to compete in today's global market.

Access and External Integration:

- **LTD: Global Market Reach:** Ltd-era companies are designed to integrate into international markets, allowing them to scale operations, reach broader customer bases, and negotiate better deals.
- **SH: Limited Market Access:** Smallholders usually operate within local or regional markets, with limited access to global trade. Their smaller scale and market knowledge lead to lower prices and restricted growth opportunities.

Innovation and Continuous Improvement:

- **LTD: Commitment to Innovation:** Ltd-era companies invest in research, technology, and continuous improvement to stay competitive and drive long-term growth.
- **SH: Stagnation in Practices:** Smallholder farmers often rely on traditional methods passed down through generations, with limited access to new technologies or modern farming practices. This stagnation hinders their ability to improve productivity and income.

Access to Advanced Technologies:

- **LTD: Technological Advantage:** Companies in the Ltd-era have access to advanced technologies that enhance production, improve efficiency, continuously introduce innovation, and reduce costs—key components of success.
- **SH: Technological Disparity:** Smallholders frequently lack access to innovative, advanced technologies due to financial constraints, inadequate infrastructure, or education. Even

when available, these technologies may not be suitable for small-scale operations, widening the gap between smallholders and larger enterprises.

The limited liability company model is such a critical element in shaping modern life that I named the entire period after it, calling it the Ltd-era, rather than naming it after industrialization, communication, or innovation.

ADDITIONAL FACTORS

Beyond the direct impact of the Industrial Revolution and the Ltd-era, several other factors exacerbated the challenges faced by smallholder farmers:

Risk Management and Resilience:

- **LTD: Diversified Risk Management:** Ltd-era companies manage risks effectively by being highly professional, diversifying portfolios, using insurance, and creating contingency plans. This resilience helps them weather economic downturns and market fluctuations.
- **SH: Vulnerability to Risks:** Smallholders, however, are highly vulnerable to risks such as natural disasters, pests, and price volatility and typically have no contingency plan. With little to no safety nets, a single adverse event can devastate their income and livelihood.

Human Capital Development and Internal Integration:

- **LTD: Investment in Human Capital:** Ltd-era companies invest in education, training, and career development, ensuring a skilled and motivated workforce aligned with the company's goals.
- **SH: Lack of Training and Education:** Smallholders often have limited access to education and training, resulting in low literacy and technical skills, which prevent them from increasing productivity or adopting new technologies.

Togetherness and Collective Action:

- **LTD: Collaborative Models:** The Ltd-era fosters collaboration and teamwork, encouraging collective action to achieve shared goals and driving organizational success.
- **SH: Isolation and Fragmentation:** Smallholders frequently work in isolation, competing with each other, with little collaboration or collective action. This fragmentation leads to inefficiencies and missed opportunities for joint ventures, bulk purchasing, or shared marketing efforts, limiting their economic potential.

HOW THEY WORK TOGETHER

To effectively address smallholder poverty, it is essential to understand how the Prosperity Formula, the Prosperity Model, and the Agricultural Package work together. These components should not be seen as isolated concepts but as complementary elements that form a sustainable framework for prosperity within the context of the Industrial Ltd-era.

- **Complementary Roles:** The Prosperity Formula provides a high-level conceptual understanding of what drives prosperity, while the Prosperity Model translates that understanding into practical strategies. The Agricultural Package provides the tools to implement those strategies effectively.
- **Different Perspectives:** The Prosperity Formula and Prosperity Model focus on the social and economic structures needed for prosperity, while the Agricultural Package centers on

the technical aspects of farming. Together, they provide a comprehensive approach to tackling poverty, ensuring that both the social dynamics and practical farming needs are addressed.

- **Mutual Reinforcement:** By integrating the Agricultural Package into a community that follows the Prosperity Model, both external and social integration are enhanced, making the community more resilient and capable of sustaining long-term prosperity.

SMALLHOLDERS' PATH TO PROSPERITY

The Prosperity Formula provides a comprehensive framework for addressing the root causes of poverty among smallholder farmers. By focusing on the following components, smallholders can transition from poverty to prosperity:

- **External Integration:** Smallholders must find ways to integrate with larger markets, leveraging collective action to gain better market access and improve their negotiating power.
- **Social Integration:** Strengthening social ties and fostering a sense of community is critical. Collaborative efforts, such as cooperatives or Kibbutz-style communities, enable smallholders to pool resources, share knowledge, develop expertise, and collectively overcome barriers.
- **Internal Disintegration:** Minimizing internal conflicts, social fragmentation, and inefficiencies in group collaboration is vital for ensuring stability and long-term success. Building trust, improving communication, and establishing cohesive organizational structures help reduce disintegration, allowing smallholders to work more effectively as a unified community, better aligned with their shared goals and mission.
- **Innovative Business Models:** Modern business models aligned with the Ltd-era offer the structure and leadership frameworks that can guide smallholders toward economic success.
- **Human Capital Development:** Investing in education and training is critical for smallholders to improve productivity and embrace new technologies.
- **Technological Advancement:** Once foundational elements such as social and external integration are in place, smallholders can adopt advanced technologies suited to their specific needs and scale. This integration enables them to boost productivity, reduce inefficiencies, and compete in the global market.

CONCLUSION: THE FULL PICTURE

Zooming out to see the whole picture reveals that smallholder poverty is not the result of a single factor but a combination of outdated systems, fragmented value and supply chains, and inefficiencies in both social and economic structures. Solving these interconnected challenges requires a holistic approach that blends the strategic guidance of the Prosperity Formula and Model with the practical, implementable solutions provided by an aligned and well-executed Agricultural Package.

Orchestrating The Symphony of Prosperity: In the next chapter, we combine all these components and explore how, like an orchestra, each element must be perfectly timed and aligned to produce a harmonious symphony. This final stage will provide practical steps to harmonize the Agricultural Package, the Prosperity Model, and the external global forces, guiding smallholders toward a future of prosperity.

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[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

Smallholder poverty results from outdated systems and fragmented structures.

Solving poverty requires a holistic approach integrating social, economic, and technical frameworks.

Aligning the Prosperity Formula with the Agricultural Package fosters sustainable prosperity.

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More on the October 7th genocide in South Israel:

[Humanity is one organism](#)

[Videos - The October 7 genocide](#)

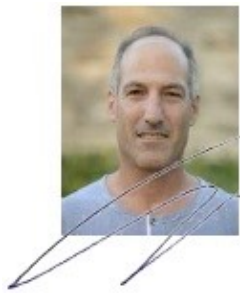
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"Mental and Economic Freedom Are Interconnected"

See you soon,

Nimrod



Dr. Nimrod Israely is the CEO and Founder of [Dream Valley](#) and [Biofeed](#) companies and Co-founder of the [IBMA conference](#). +972-54-2523425 (WhatsApp), or email_nisraely@biofeed.co.il

P.S.

If you missed it, here is a link to last week's blog, "[The Root Causes of Poverty and ... Prosperity](#)"

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.

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