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WHY REPLACING SELF-INDEPENDENCE WITH TOGETHERNESS TRANSFORMED ISRAELI FARMERS FROM POVERTY TO PROSPERITY?

"Addressing and fixing symptoms can only take you so far, but understanding the root cause always leads to transformative solutions"

THINK DIFFERENT

Stagnation leads to system failure and collapse. The antidote is change through innovation, which results from imagining a different future. To cultivate different thinking, an environment that honors disagreement and enables the execution of non-orthodox ideas is essential.

The Ltd-era excels in fostering "different thinking" and challenging conventional concepts. Gladiators were admired in ancient Rome; today, youth aspire to be entrepreneurs like Steve Jobs and Elon Musk, who dared to think differently. However, some societies resist any form of innovation, some are partially open, and others accept it as part of life. Here are two

approaches to "thinking differently" and "acting differently." Note that change results from thinking and acting differently.

Argumentation (Pilpul in Hebrew) is an ancient Jewish method in which students deliberate debate, presenting opposing views to tackle complex issues. This practice sharpens thinking and analytical skills. Pilpol is not meant to cause students to change their behavior but as mental gymnastics for the mind.

The Kibbutz model fosters an environment where open and fair discussion is paramount. Disagreement is a core principle, much like in startups. Everyone has the right to voice their opinions, while decisions are made collectively during the weekly member meetings. In such meetings, my father, a Kibbutz member, would vote and protect the opposite of any unanimous decisions, emphasizing the importance of allowing, encouraging, and accommodating disagreements and different thinking.

In the Kibbutz system, while thinking differently and debating ideas are crucial for innovation, it is equally important that once a decision is made, everyone commits fully to its execution, regardless of prior differences of opinion.

In 1910, a pivotal moment occurred when <u>a group of eight individuals</u> dared to "think differently". They presented their radical idea to their manager, Dr. Arthur Rupin, who gave them the green light and the land on the other side of the Jordan River to implement their unconventional plan to resolve a significant disagreement. Although they didn't articulate it in the same terms, they proposed introducing a novel Ltd-era agricultural package, which later became known as the "Kibbutz." This innovative model, effectively combining the rural lifestyle with the Ltd-era principles, transformed the pre-Israeli agricultural landscape and enabled, 38 years later, the establishment of the State of Israel, where all farmers had risen to the middle class.

THE AGRICULTURAL PACKAGE

Throughout our journey, I've emphasized the importance of The Agricultural Package, which, like in any other industry or business package, consists of three essential components: (a) ecosystem, (b) business model, and (c) technologies/services.

These components are reflected in the Prosperity Formula, which helps us to understand the differences between various Packages, e.g., The Agricultural Revolution and the Ltd-era, and the significantly different outcomes they produce.

To grasp the profound impact of an advanced agricultural package, one whose parts are fully aligned, versus an old, outdated one, consider the Israeli pioneers. They lived in poverty in traditional villages (Agricultural Revolution-oriented era). However, pioneers who embraced the innovative Kibbutz model, invented in 1910, experienced an immediate shift from financial loss to profitability and soon after prosperity. This transformation highlights the dramatic, swift difference a modern, integrated, advanced agricultural package can make.

Prosperity =
$$\int \left[\frac{\text{External Integration} + Social Integration}{\text{Internal Disintegration}} \right]$$

This shift happened even though the resources such as technology, knowledge, land, water, finance, workers, experts, and markets remained the same. This is nothing short of extraordinary.

While the Prosperity Formula guides us on what we should do to enhance prosperity and offers insights into alternative options, the Agricultural Package represents the actual implementation. However, the elements of the Prosperity Formula are rearranged and presented differently within the Agricultural Package, which is quite confusing.

For example, the Ecosystem component of the Agricultural Package integrates elements from all three aspects of the Prosperity Formula: External Integration, which involves market access and supply chains; Social Integration, which involves community collaboration and support systems; and Internal Disintegration, which involves managing risks and inefficiencies within the system. In contrast, the Business Model and Technologies/Services components primarily align with External Integration, focusing on connecting farmers to markets, capital, and resources.

Although the Agricultural Package concept effectively differentiates between business models and technologies/services, it overlooks the critical role of social factors, e.g., belonging and togetherness, in achieving prosperity. This complexity highlights the need for a flexible and dynamic approach, which the Prosperity Formula provides.

Hence, instead of being rigidly defined, the Agricultural Package can be more effectively understood and applied when viewed through the lens of the Prosperity Formula or at least when considering its insights.

The table below illustrates the differences between three agricultural package models: smallholders (Agricultural Revolution oriented), industrial farming (which acts like a Ltd-era factory, but in agriculture), and the Kibbutz (which correspond with the Ltd-era principles, with a solid social emphasis).

Pay attention to the differences between packages and how well each part aligns with its other parts within a package.

	Smallholders	Industrialize	Kibbutz
Agro-Package era	Mix: Subsistence & Industrial Ltd-Eras	Ltd-Era	Ltd-Era
Management & Workers	M&W: Self-employed	M.: Businesspeople W.: Employees	M&W: Self-employed
(a) Ecosystem (coherent value network)	Mix: Subsistence & Ltd-Era	Ltd-era global-oriented	Ltd-era global- social-oriented
(b) Business Model orientation	Mix: Subsistence & Ltd-Era	Ltd-era	Ltd-era
(c) Technologies & Services	Mix: Subsistence & Ltd-era	Ltd-era	Ltd-era

Subsistence = The Agricultural Revolution era agricultural package.

Ltd-era = The Industrial Ltd-era agricultural package.

To fully grasp why technological innovations alone fail to alleviate farmers' poverty, it's crucial to understand the implications of the table above: a prosperous and sustainable Agricultural Package depends on the cohesive alignment and integration of ALL its components, ensuring they remain competitive with the latest state-of-the-art advancements.

Let me explain with an example. Consider a smallholder with 10 hectares of cotton, generating an annual income of \$1,000. One day, this farmer receives an unexpected gift: a cotton-picking combine worth \$500,000. This combine can harvest 100 hectares per day but comes with significant maintenance costs—\$100 per day when idle and \$1,000 per day when in use. Although the combine was a gift, can the farmer truly benefit from this advanced technology for his 10 hectares? Can he afford the maintenance costs? Does he have the skills and staff to operate such complex machinery? Moreover, does he have the logistical and marketing capabilities to utilize the combine on additional farms? And if he does, has he transitioned from being a small-scale farmer to becoming a service provider?

The table reveals a reality often overlooked: smallholders operate within a mixed Agricultural Package. Their family, colleagues, and village are still rooted in the Agricultural Revolution era's ecosystems and business models. At the same time, the surrounding world speaks the language of the Industrial Ltd-era's ecosystems, business models, technologies/services.

This blend of Agricultural Packages—combining elements from the Agricultural Revolution and the Industrial Ltd-era—inevitably leads to clashes, misalignments, and inefficiencies. The result is always predictable: advanced, cohesive packages consistently offer better livelihoods than

those that rely on outdated or mismatched elements. Resisting this historical shift is as futile as trying to revert to a hunter-gatherer economy instead of modern agriculture.

When we attempt to modernize an outdated agricultural package rooted in the Agricultural Revolution, such as those used by smallholders, by introducing advanced technologies like GMO seeds and fertilizers, we risk exacerbating existing mismatches and imbalances within the package's components, leading to potential failure. As demonstrated by the cotton combine example, farmers can only fully benefit from technologies and services when these elements are aligned with the other components of their agricultural package.

This mismatch highlights why repeated efforts to introduce advanced technologies and services often fail. To create meaningful and lasting change, it is essential to simultaneously cope with and upgrade all components of an Agricultural Package.

The Kibbutz model exemplifies this principle by seamlessly aligning and upgrading the entire Agricultural Package. It transforms the traditional village system, rooted in the Agricultural Revolution, into the innovative Kibbutz model. In this model, everyone collaborates like a modern company, community, or startup—fully committed to the organization's mission and aligned with the most advanced package of the Industrial Ltd-era. This cohesive and resilient foundation was pivotal in Israel's emergence as the "startup nation" it is today.

SHIFTING THE PROSPERITY NEEDLE

As we now understand, the prosperity of organizations and societies lies on a continuum—the Poverty-Prosperity Scale—where their position is determined by their degree of togetherness and integration on the Isolation-Togetherness scale.

Isolation: Numerous programs aim to teach impoverished farmers self-reliance, promoting the idea that survival depends on independence and isolation. However, by encouraging them to embrace isolation, we inadvertently push them toward the lower end of the Isolation-Togetherness scale, trapping them in a cycle of poverty. Consider North Korea, which emphasizes self-reliance and isolation; has this led to increased prosperity?

The answer is clear: Isolation—whether as a lone individual, like Robinson Crusoe, or as a nation like North Korea—does not lead to prosperity and, at best, leads to 'survival mode'.

Togetherness: Instead, the key to prosperity lies in moving the needle towards togetherness. We can accelerate and enhance prosperity by fostering cooperation, collaboration, and integration among farmers and value chain partners, who collectively form the ecosystem of the desired package. The principle is simple: the more "together" we are, the faster and more effectively prosperity will manifest.

Working together presents challenges, particularly in establishing the necessary organizational structures—such as cooperatives or Kibbutz models—but it also opens the door to introducing innovations and successfully utilizing existing advanced business models, technologies, and services that drive prosperity.

Adopting organizational structures and models that foster togetherness, collaboration, cooperation, a sense of belonging, and integration paves the way for prosperity and happiness.

With this insight, imagine you are tasked with increasing prosperity and happiness among smallholders. In the past, you might have turned to agrotech companies, believing that new tools or technological innovations would solve all problems, boost farmers' income, and enhance the national economy. However, the actual impact does not lie in "what type of technology" but in "how we enhance societal togetherness and integration" – the "how" precedes the "what".

As professionals in this field, we are responsible for strategically steering our communities and organizations toward greater togetherness, thereby unlocking the full potential of prosperity and happiness.

THE TOGETHER NEVER-ENDING JOURNEY

I was born into the world of a Kibbutz, where farming was revered as the noblest of professions, and farmers were viewed as leaders—the elite—responsible for shaping the future, sustaining prosperity, and enhancing happiness.

As I grew older, experts taught me that technological advancements drove success and prosperity. This belief led me to pursue a Ph.D. in agriculture, establish an agrotech company, and develop advanced agricultural technologies to foster this promised future of prosperity and happiness.

However, the experts' theories soon collided when faced with the harsh realities, and reality won. Despite continuous efforts to alleviate poverty by providing access to advanced technology and knowledge, these initiatives failed to uplift impoverished smallholders, leaving me confused and disillusioned.

Like a child, I began to ask questions, challenging long-held assumptions about the role of tangible factors, like technology, which were assumed to drive fundamental positive change. At the same time, I revisited the elements behind successful historical transformations—such as the Kibbutz, the Agricultural Revolution, the Industrial Revolution, the invention of the Ltd company, and the end of slavery and colonialism—and uncovered the pivotal role of intangible factors like core values, vision, mission, and guiding principles. These intangibles foster a powerful sense of togetherness, ultimately leading to sustainable prosperity.

This process taught me not to take "established truths" at face value, especially when addressing persistent issues like poverty. It also highlighted the power of questioning unproven "truths", the importance of basing predictions on models, preferably those based on universal laws instead of patterns, and the significance of intangible elements like ecosystems and business models.

We are often conditioned to accept answers and directives from experts or those in authority while viewing those who challenge these answers as naive or uninformed. Yet,

relentless questioning, challenging assumptions, and re-examining core beliefs have fueled humanity's progress.

Let this journey be a call and honorary salute to those who dare to see the world differently, question, disagree, challenge what seems obvious to everybody else, and rethink yesterday's assumptions, including their own. Let's celebrate the marginalized, the unconventional thinkers, the undisciplined outliers, and the outcasts—those who see the world differently. Their perspectives and contributions have made and will continue to make this world a better place for all of us.

Suppose we recognize that each of us is marginalized, unconventional, undisciplined, an outlier, and an outcast in our own way. In that case, we will see how successful we can be when working together toward a shared vision and mission.

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.

<u>Dream Valley Fruit Export Program 2025</u> is now officially open for new exporters from developing economies who wish to export to Europe. Text me.

TAKEAWAY MESSAGES

- ➤ The Agricultural Revolution is over—clinging to it perpetuates poverty.
- Tailored organizational structures and business models are vital for smallholder prosperity.
- Prosperity relies on tailored organizational structures and business 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 <u>Subscribe</u>.

See you soon,

Nimrod



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P.S.

If you missed it, here is a link to last week's blog, "<u>The Quiet Force Behind The Fall and Rise of Empires and Nations</u>"

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.

<u>Dream Valley</u> 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.