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Agritech investing reaches US\$17bn

Global investment in food tech and agritech has been the highest in 2018 according to a report by AgFunder



Increasing 43 per cent year-on-year from 2017, global investments in food tech and agritech reached US\$17bn in 2018.

In the 2018 AgriFood Tech Investing Report released by AgFunder, growth in investments was visible particularly at the earliest stages, reversing a decline reported in 2017.

Deal sizes also increased at the later stages, with the median series D round deal totalling US\$73m – US\$23m higher than the cross-industry average.

In the report, AgFunder said the agrifood tech industry is a small but growing segment of the start-up and venture capital universe that's aiming to improve and disrupt the global food and agriculture industry.

"As with all industries, technology plays a key role in the operation of the agrifood sector, a US\$7.8 trillion industry, responsible for feeding the planet and employing well over 40 per cent of the global population. The pace of innovation has not kept up with other industries and today agriculture remains the least digitised of all major industries, according to McKinsey," the report stated.

Robotics and automation were also a notable growth areas and AgFunder cites increasing concerns around labour shortage as a reason for this trend. On the production end, gene-editing drove a 50 per cent increase in ag-biotech investment, reaching US\$1.5bn.

Marketplaces connecting growers to buyers and offering farming services

is a global phenomenon identified by the report, as well as alternative meat and dairy innovations.

The most amount of funding was brought in by restaurant marketplaces and grocery e-commerce, which saw a 30 per cent increase in the number of deals, alongside some very large late-stage deals. Agfunder said the increasing number of deals indicates new company creation in the category, despite a wealth of options already available.

Activity spread more evenly across the globe in 2018, with China particularly active in the areas of robotic retail and online marketplaces, and large deals across India and Brazil.