



Why the agtech market is 'primed to thrive' in 2024: investor

By Oliver Morrison

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It is no secret that global agtech investments were hit in 2023. But Fiona Choppe-Magal from Cukierman Investment House stresses the reasons to be cheerful in the coming year.

More risk-averse investors are prioritising fundamentals, Fiona Choppe-Magal, Partner, Foodtech and Agritech, at [Israel-based](#) Cukierman Investment House, told AgTechNavigator. We are “undeniably navigating a period of uncertainty”, she said. It started with a substantial 40% funding decline in 2022, according to PitchBook. This prompted market players to [adapt to a new normal](#) and acknowledge necessary valuation adjustments, she said. “Investors, exhibiting heightened caution, are directing their attention to bolstering their existing portfolios and prioritising short-term profitability.”

Notably, many investors, who initially focused on the agrifoodtech sector have broadened their scope and now consider agrifoodtech as part of a wider climate space, she added. This transition is also evident in conferences which often now serve as a climate tech event uniting founders and investors not only from the food and agriculture space, but also energy, carbon, materials, and transport.



With agriculture contributing a third of global greenhouse gas emissions, this shift “aligns sensibly with the increasing investment in climate solutions - a promising development for our industry”, she noted. In just two years, for example, climate funding nearly doubled between 2020 to 2022, according to the Global Landscape of Climate Finance, with half of it originating from the public sector.

“The agritech ecosystem has been flourishing in the past decade,” Choppe-Magal said. “A significant number of startups around the world have created innovative solutions aimed at making our food supply more sustainable, environmentally friendly, and considerate of the animals in our surroundings.

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“After ten years of active engagement, networking, investments, and the migration of talent from other industries, such as life sciences, alongside collaborations with governments and industry giants in traditional agriculture and food sectors, this marks a pivotal year to draw conclusions, learn valuable lessons, and strategize on improving the agrifoodtech ecosystem for coming 10 years.”

Boosting yields of crops

This convergence between agtech and the wider climate space is influencing the trend the Israeli investment house is eyeing. One, for instance, is the promise of AI integration in agricultural biotechnology to boost yields. “There is a crucial need to reduce the risk of droughts and soil toxicity,” the investor told us.

“Thanks to global developments in artificial intelligence, genetic algorithms and machine learning techniques such as CRISPR new crops are being developed which have an improved nutritional value, more resilience against diseases and result in higher yields in the field. In addition, there is an increase in the development of eco-friendly solutions of biofertilisers, bioherbicides and biopesticides which are better for the environment.”

'Water is our most precious resource'

Another trend is water recycling, she revealed. "Agriculture is currently utilising 70% of the planet's freshwater resources," she claimed. "By 2050, feeding the growing global population will require a 50% increase in agricultural production. Doing the math, it becomes evident that water scarcity is a significant and pressing issue.

Cukierman is therefore watching those start-ups that are putting their efforts into addressing water scarcity challenges. Technologies to reuse water wherever possible include greywater recycling, harvesting rainwater, treating water pollutants and seawater intrusion in aquifers of coastal regions.

"For example, smart irrigation – thanks to moisture sensors placed at different locations and depths in fields allows agronomists to create better irrigation planning which results in saving significant amounts of water. Another sub-sector helping save water is alternative crops - which are varieties that are more resilient to drought."



Fiona Choppe-Magal, a partner at Cukierman Investment House. With over US\$10.2 billion in completed transactions value, Cukierman is active in the life sciences, high tech, foodtech and agritech, climate tech and real estate industries.

Waste management and reducing food waste

According to the FAO, a "staggering" 1.7 billion tonnes of food is wasted annually, noted Choppe-Magal. Thankfully, advancements in AI and data analytics are uncovering significant benefits and opportunities in addressing the global food waste issue. AI stands as a "transformative force" in the grocery sector by facilitating more precise inventory management, for example. "This allows for accurate stocking and ordering of exact quantities needed, effortlessly reducing the occurrence of expired products due to its automated nature."

2024 a pivotal year

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market therefore becomes pivotal in attracting funding, said Choppe-Magal. "Now is the opportune moment to showcase revenues, craft outstanding upscaling strategies that emphasise scalability and expansion potential and foster strategic partnerships."

There is still a considerable number of unmet market needs in agriculture, she added. "Beyond the surface, there lies immense potential for deeper-tech products like precision fermentation, yet to be fully explored. Expect significant traction for B2B-focused."

Considerable capital is actively seeking exceptional companies that are scaling up while demonstrating robust fundamentals in terms of customer demand and unit economics, she concluded. The year 2024 is therefore "the opportune moment to display revenues, elaborate on scale-up strategies, and forge ahead confidently. The industry is primed not just to thrive but to achieve remarkable success."

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