Ag-Tech in India: Investment Landscape Report 2021
Indian Ag-Tech investments saw a slowdown in 2020
Pandemic’s impact buoys long-term prospects

Globally: Pandemic tailwinds boosted Ag-Tech investments by 50%
DownstreamAgTech corners bulk of investment
Ag-Techs increasingly operating across multiple categories

<table>
<thead>
<tr>
<th>Ag-Tech Category</th>
<th>Share of Inv (%)</th>
<th>Trend since 2019</th>
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<tbody>
<tr>
<td>DownstreamAgTech</td>
<td>81%</td>
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<tr>
<td>PrecisionAgTech</td>
<td>7%</td>
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<tr>
<td>AgInfraTech</td>
<td>7%</td>
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<tr>
<td>UpstreamAgTech</td>
<td>3.5%</td>
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<tr>
<td>AgFinTech</td>
<td>1%</td>
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<tr>
<td>AgAutomation</td>
<td>0.5%</td>
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<tr>
<td>AgBioTech</td>
<td>0%</td>
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Unique Deals maintain traction, mirror category breakdown seen in follow-on rounds

94% of invested capital goes toward follow-on rounds

Follow-ons vs Unique - Number of deals

Unique Deals vs Follow-ons by Category

- Output Supply Chain Tech
- Precision and Digital Agriculture
- Robotics and Mechanisation
- Ag Biotech & Biomaterials
- Ag Input Ecommerce
- Ag Finance and Insurance Tech
- Warehousing & Logistics
Mature Ag-Tech models are being identified
Reaching the scale milestones to access larger funding

Half of all follow-on deals more than doubled their investment value

Median investment in 2020 was 50% higher ($2.15 Mn) than in 2019

Ag-Techs with top 10 deals accomplished this in fewer years than corresponding group in 2019
Diverse sources of early and late-stage capital coming in Heralds growing attractiveness in Indian Ag-Tech

Ag-Tech Deals by Investor Type

*Includes investors who've done 2 or more deals or a single investment exceeding $5 Million in 2020

Note: These categorizations reflect ThinkAg’s analysis of these organizations’ operations and role in the Indian Ag-Tech investment landscape
Limited non-equity investments in Indian Ag-Tech Products for early-stage Ag-Techs yet to be developed

Non-equity Investments in Ag-Tech

- Equity Investment
- Venture Debt
- Conventional Debt

Non-equity funds from banks, NBFCs and Alternate Funds - undersized presence

Reflecting equity investments - venture debt fell since 2019 as conventional debt has increased

Non-equity products are yet to be developed for early-stage Ag-Techs

Note: These categorizations reflect ThinkAg’s analysis of these organizations’ operations and role in the Indian Ag-Tech investment landscape
Indian Ag-Techs are pursuing a variety of Paths to Scale

- Full-stack solutions
- Global B2B SaaS models
- Tech-enabled output supply chain solutions
- Freemium model

Note: These categorizations reflect ThinkAg’s analysis of these Ag-Techs’ operations
State of Indian Ag-Tech Innovation – A mixed bag

Emerging applications of 4IR technologies

- Physical: IoT sensing, spectral imaging, GPS/QR code, automation equipment
- Machine Learning: predictive analytics, produce grading, pest and disease detection

Lack of AgBioTech Innovation

Lack of ecosystem support for novel biotech and biomaterial solutions such as gene-editing, metabolic engineering, food shelf-life extension

No logistics innovation at scale

Early days for standalone agro-logistics solutions, far from offerings observed in comparable emerging economies
Low corporate engagement
Largely untapped with huge potential

Mutually beneficial partnerships
Low-cost access to scale for AgTechs and enhanced offerings via digital channels for agribusinesses

Mismatched expectations as a result of structural dissimilarities
- Robustness of existing solutions
- Level of sector knowledge
- Caution driven by brand risk
Ag-Tech Ecosystem Stakeholder Sentiments

- Diversification Solutions
- Scalability Concerns
- Low Corporate Engagement
- Optimism about 2021

*Results from ThinkAg’s stakeholder survey of Ag-Techs, investors and corporates*
Boosting adoption among India’s 124 million smallholder farmers

Solving for improved income
Post-harvest, value addition and market linkage services that mitigate distress sales and facilitate higher incomes

Having a phygital presence
On the ground presence that complements digital tools - crucial to build trust and adoption among smallholders

Leveraging aggregation channels
➢ Farmer Producer Organizations (FPOs)
➢ Next-to-last mile connectivity at frequent smallholder touchpoints
Collaborations to scale through greater access and affordability

Partnerships with public sector programmes
State-led agriculture programs can operate as a ‘plug-and-play’ platform for AgTechs to offer services to smallholders while ensuring adequate risk management

Engagements with agribusinesses
State-led agriculture programs can operate as a ‘plug-and-play’ platform for AgTechs to offer services to smallholders while ensuring adequate risk management

Integration with FinTech players
Farm- and land-level data, collected by AgTechs at low marginal cost, can be integrated with FinTech APIs to enable financing and risk mitigation for smallholders
Looking ahead

- Guarded optimism for AgTech investments in 2021
- Sustained dominance of supply chain innovations
- Platform solutions - AgTechs' approach of choice
- Partnerships – a promising way forward
- Need for an agri-specific innovation ecosystem
- Future focus with an AgriFood lens
- Enabling environment – public good investments
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