

**START-UP
NATION
CENTRAL**



ISRAELI AGRIFOOD-TECH & WATER-TECH SECTORS CONCLUDE RECORD-BREAKING YEAR



MAIN TAKEAWAYS

- 1 2021 was a record year for investments in the AgriFood-Tech sector, with 150% growth, and the biggest exit ever for a startup in the sector. The overall amount of funds raised, the growing median size of early and late-stage rounds, and the number of exits all signal the continued maturity of the sector.
- 2 For the first time, FoodTech companies raised more and larger rounds than AgTech companies. FoodTech funding increased by 400% compared to 2020, while AgTech funding increased by only 5%. This change is mainly due to the huge global interest in Israeli alternative protein companies and the mega-rounds raised by [Future Meat](#) and [Aleph Farms](#), both of which develop cultivated meat products.
- 3 The AgriFood-Tech sector is in an advantageous position to benefit from the growing awareness of climate and sustainability-related technologies. Solutions associated with beneficial environmental impact show untapped potential to unlock new investment and growth opportunities, which in turn, can add value and resources to the entire ecosystem.





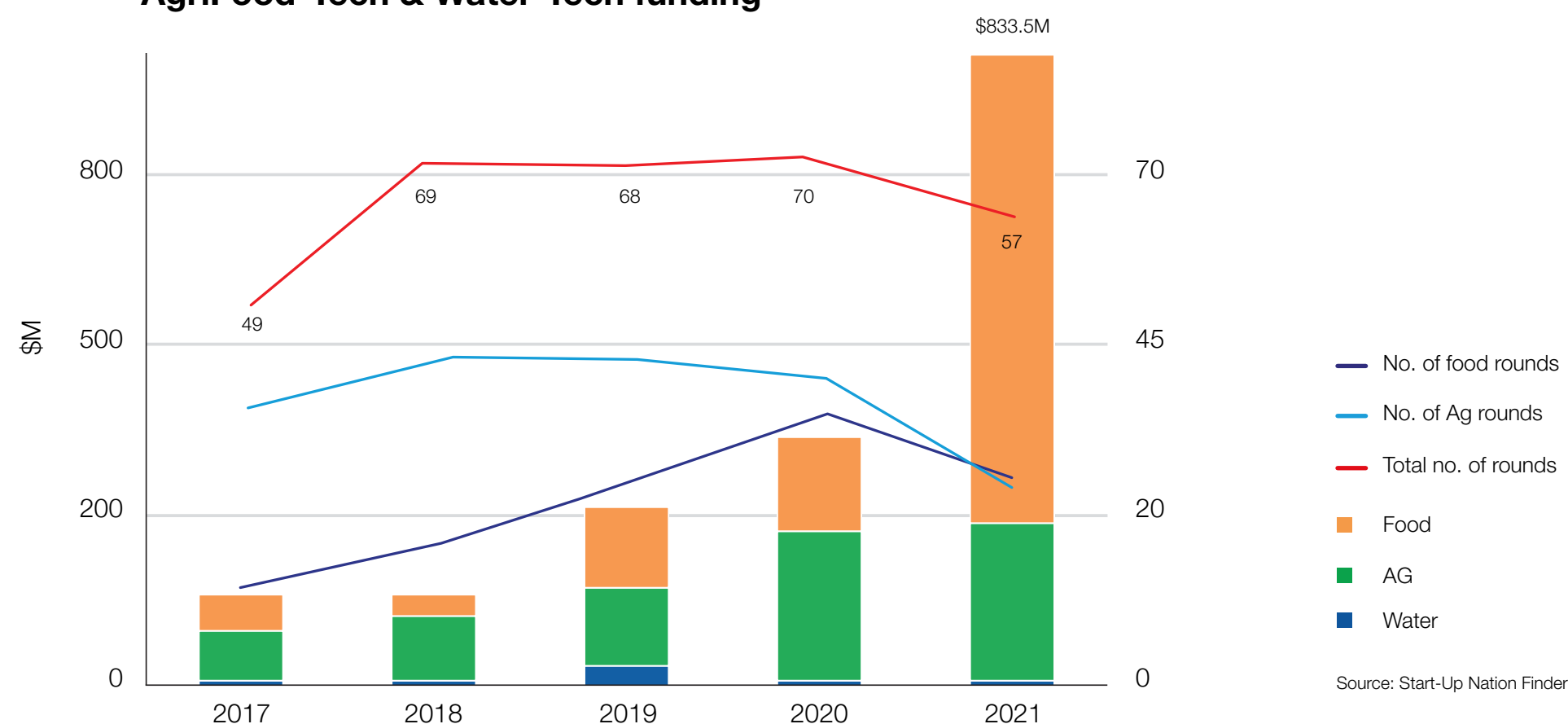
INVESTMENT ROUNDS IN THE AGRIFOOD-TECH SECTOR

A record of \$833.5M invested in the sector



- Total AgriFood-Tech and WaterTech sector funding in 2021 reached a record \$833.5M – 150% growth compared to 2020.
- The number of investment rounds in the sector decreased by 19%, from 70 in 2020 to 57 in 2021.
- This decrease reverses the previous 3-year trend, but could be the result of time lag in reporting on early-stage funding data.

AgriFood-Tech & Water-Tech funding



INVESTMENTS PER EACH DOMAIN – AGRICULTURE, FOOD, AND WATER

FoodTech is taking the lead with a 400% growth YOY



- FoodTech startups have raised more than AgTech startups in both volume and number of investments. However, while numbers of deals are almost identical, the amounts raised by FoodTech startups is significantly higher.
- Investment in FoodTech startups increased by 400% YoY, while AgTech startups funding showed a modest 5% increase.
- In contrast to the growing investment totals, the number of investment rounds has fallen, with a more significant 27% decline in AgTech investments.
- While FoodTech startups are benefiting from growing global interest and disruptive potential, accompanied by an influx of funds, AgTech startups are battling low adoption and product-market fit challenges. Nevertheless, new successful AgTech companies are still emerging and a group of Israeli AgTech leaders are spearheading the evolution in the sector with significant global commercial traction and investors trust.

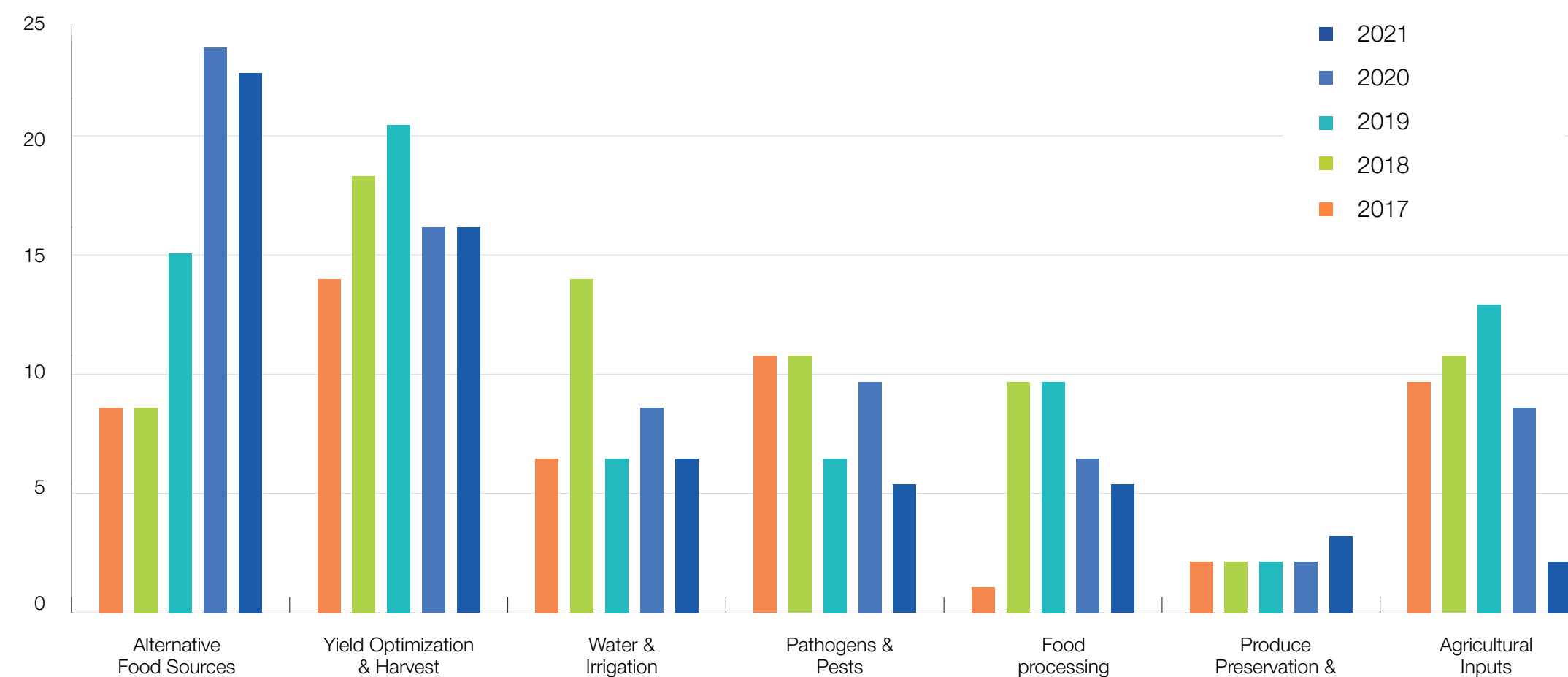


INVESTMENT PER SUBSECTOR

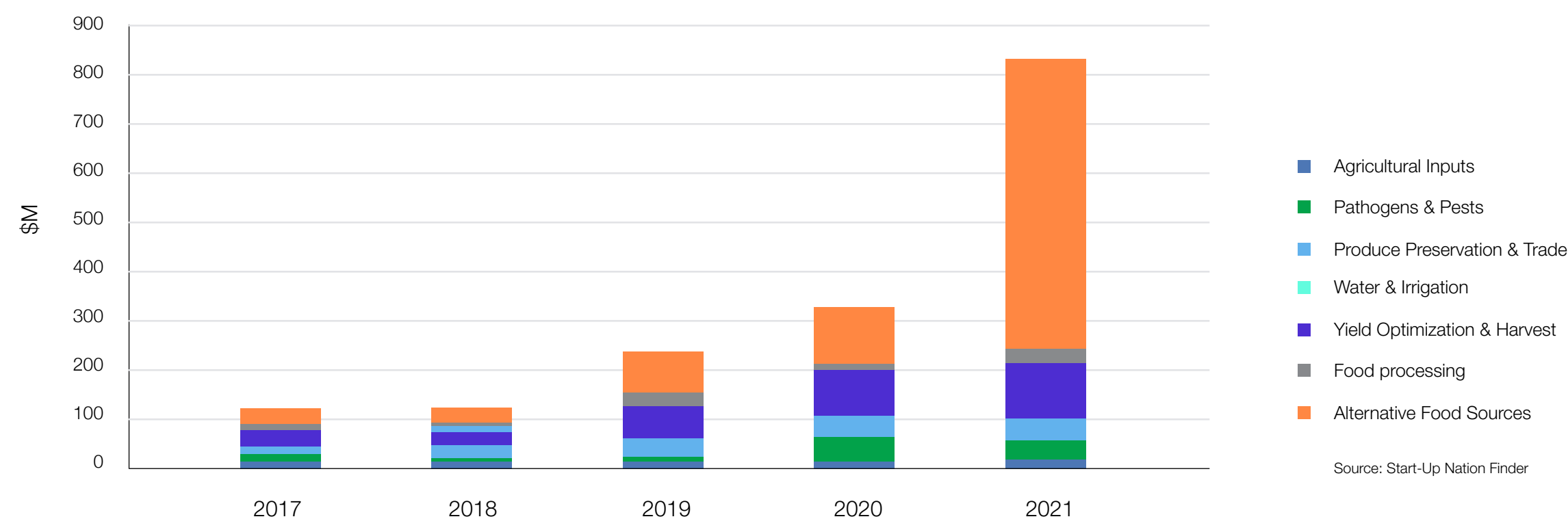


- Consistent with the growth in FoodTech investments, the most prominent subsector in terms of investments in 2021 was Alternative Food Sources, which includes all FoodTech companies producing edible products and ingredients. Companies in the subsector have raised close to \$600M, more than 70% of the total investments in the overall sector and a more than 430% increase compared to 2020. However, 76% of the total amount was raised by only two companies, [Aleph Farms](#) and [Future Meat](#), who raised the first mega-rounds (>\$100M) by AgriFood-Tech companies in Israel.
- The Yield Optimization & Harvest subsector is continuing to trend upwards, raising \$115M in 2021, a 12% increase compared to 2020, making up 14% of total investments in the sector. In this case too, 58% of the investment was raised by only two companies, [FieldIn](#) and [Blue White Robotics](#).

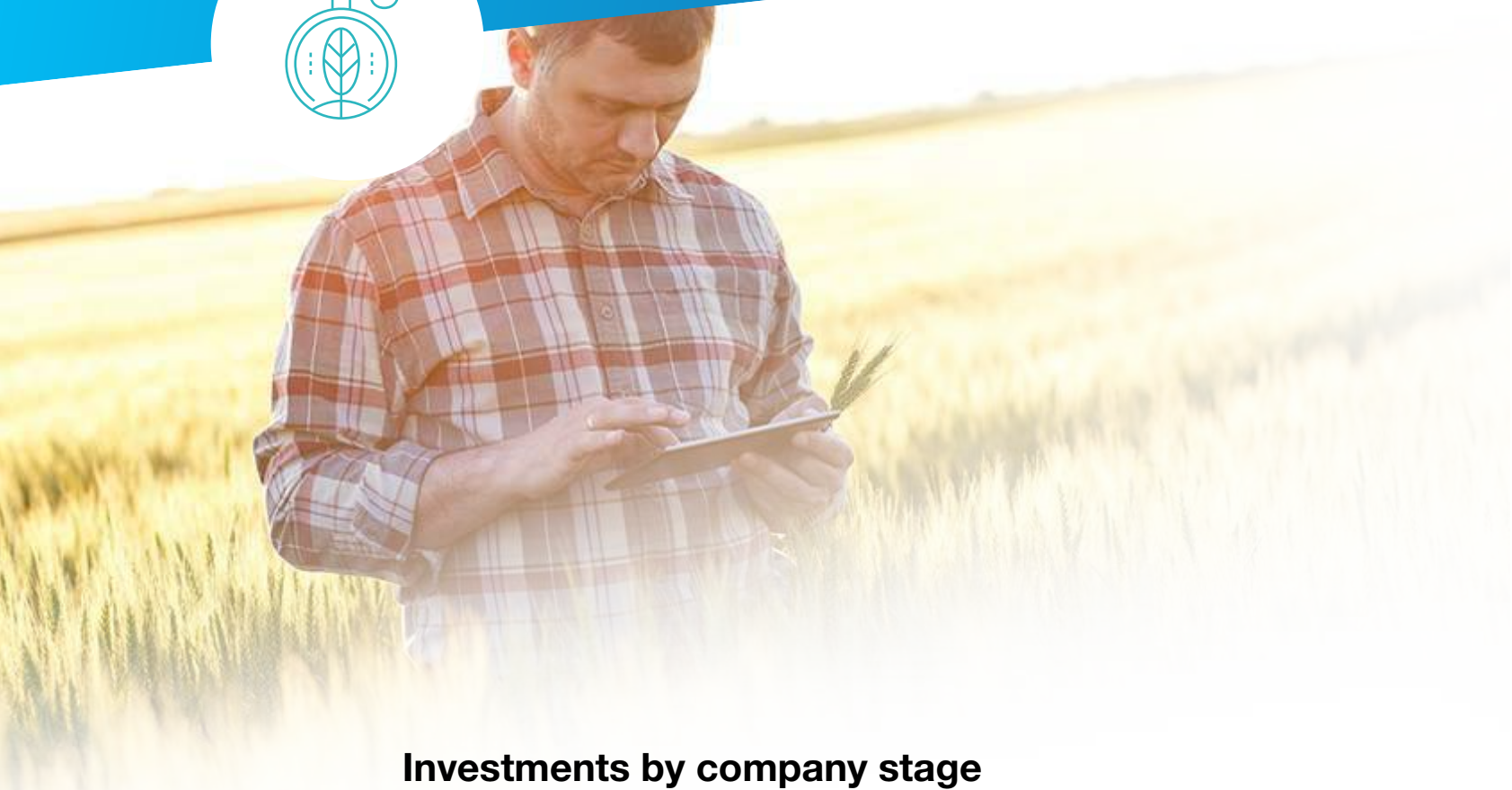
Number of investments per subsector



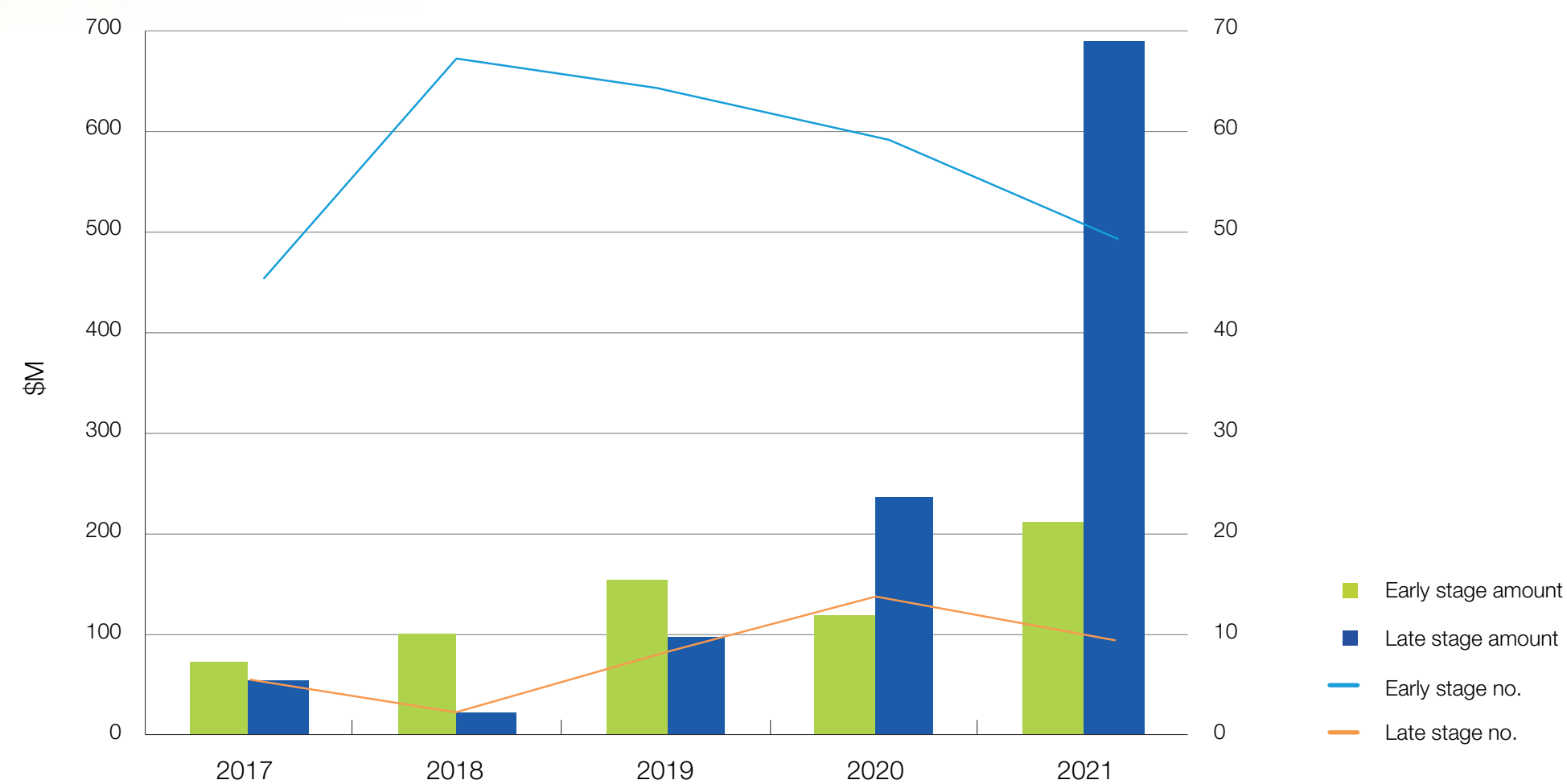
Total investments per subsector



Source: Start-Up Nation Finder



Investments by company stage

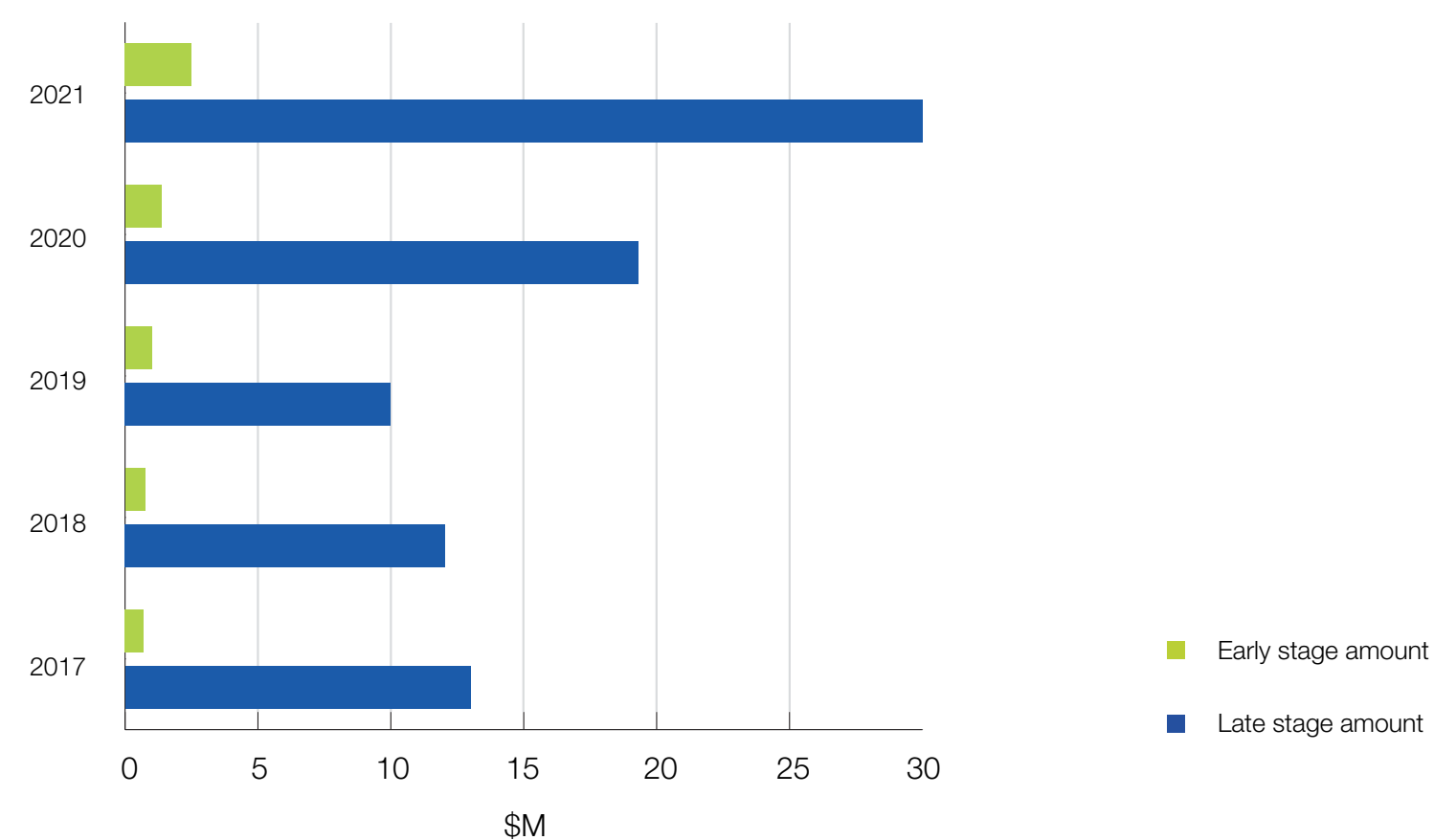


EARLY-STAGE VS. LATE-STAGE INVESTMENTS



- Fewer rounds but each one is bigger. Despite a decline in the number of rounds, the huge increase in their size led to an overall increase in the median round size. This was partially due to the 190% leap in funds invested in late-stage rounds in 2021 compared to 2020.
- Larger, later-stage rounds (B or later) are signaling the sector's increased maturity. However, while the investment volume is higher, the number of late-stage investment rounds in 2021 is showing a 33% decline relative to 2020. This is the result of the two mega-rounds mentioned earlier.
- Early-stage investment value in the sector showed an 80% increase compared to 2020, a 15% decrease in the number of rounds, and an 83% increase in median round size.

Median funding round in each stage per year













TOP 10 AGRIFOOD-TECH INVESTMENTS 2021



- Cultivated meat companies [Future Meat](#) and [Aleph Farms](#) raised the largest rounds in the sector. Future Meat announced the completion of two rounds over the course of 2021, both of which made it to the Top 10 list.
- [Ukko](#), developing unique, non-allergenic proteins, raised the third-largest round, in 2021.



- [Redefine Meat](#), which was very fast in penetrating the market with its plant-based meat alternatives, is the last company from the FoodTech domain entering the 2021 Top 10 list.
- [Blue White Robotics](#) and [FieldIn](#) are taking the lead for AgTech companies' investment rounds.
- [GreenEye Technologies](#), N-Drip, and [Equinom](#), AgTech companies with solutions targeting different stages in the value chain, round out the Top 10.









Company	Amount \$M	Subsector	Description	Quarter	Funding stage
 Future Meat	\$347M	Alternative Food Sources	Animal-free cultivated meat	4	B
 Aleph Farms	\$105M	Alternative Food Sources	Cultivated whole-cut steak	3	B
 Ukko	\$40M	Alternative Food Sources	Healthier food and therapies for food allergies	1	B
 Blue White Robotics	\$37M	Yield Optimization & Harvest	Robot-as-a-service platform for autonomous systems	3	B
 FieldIn	\$30M	Yield Optimization & Harvest	Farm management platform	3	B
 Redefine Meat	\$29M	Alternative Food Sources	Plant-based meat alternatives	1	A
 Future Meat	\$26.75M	Alternative Food Sources	Animal-free cultivated meat	1	B
 GreenEye Technology	\$22M	Pathogens & Pests	AI-based targeted pest control for agriculture	4	A
 N-Drip	\$20M	Water & Irrigation	Gravity micro-irrigation solution	4	B
 Equinom	\$20M	Agriculture Inputs	Tailored seed cross-breeding for optimal ingredients	2	C

Source: Start-Up Nation Finder



EXITS IN 2021

- After a relatively dormant period for exits in the sector, the past year has shown signs of paradigm shift.
- The highest value exit for a startup in the sector was announced in May with the \$300M acquisition of Prospera Technologies by Valmont, a leading US-based irrigation equipment corporation.
- 6 companies in the sector went public on the Tel Aviv Stock Exchange, raising more than \$90M.

	Company	Date	Deal size (\$)	Acquired by / Stock exchange	Exit type
	Midnight Robotics	11/2021	N/A	FieldIn	Acquisition
	TopGum Industries	8/2021	\$31M	TASE	IPO
	Prospera Technologies	5/2021	\$300M	Valmont Industries	Acquisition
	Flying SpArk	3/2021	\$7.5M	TASE	IPO
	PlantArcBio	1/2021	N/A	TASE	IPO
	NRGene	1/2021	\$30.6M	TASE	IPO
	NextFerm	1/2021	\$9.2M	TASE	IPO
	SavorEat	11/2020	\$13M	TASE	IPO

*SavorEat's IPO was in November 2020 but included here as part of the trend

SUMMARY AND OUTLOOK

FoodTech is taking the lead with a 400% growth YOY



The AgriFood-Tech sector in Israel made a significant leap in 2021. More money was funneled to companies in the field with a particular emphasis on alternative proteins related FoodTech companies.

While Israel is retaining its position as a leading global hub for AgriFood-Tech, thanks to a multitude of local efforts and expertise, the increase in funds is consistent with global trends in the food value chain. The impact of the COVID-19 pandemic on the global economy served as a catalyst for funding opportunities for all technology sectors including AgriFood-Tech. Additionally, global supply chain challenges and the rising cost of commodities and fertilizers are also key drivers in the development and adoption of innovative solutions in the sector.

The biggest driver of the AgriFood-Tech sector, both in Israel and globally, is the increased global focus on climate change and sustainability practices. The Israeli AgriFood-Tech ecosystem has been quick to recognize the demand and develop solutions for battling global warming and advancing sustainable practices, from crop adjustments to desert climate to the reduction of carbon emissions from livestock and agriculture.

These global trends are expected to continue and drive the focus of new technology developments and sector funding. Climate-associated consumer demand for healthy and sustainable products presents a great opportunity for existing companies in the sector as well as for the development of additional supporting solutions.



Start-Up Nation Central is the address for corporations, governments and investors to connect with the Israeli tech ecosystem. We catalyze growth opportunities by bringing Israeli tech innovation to global business and societal challenges. Established in 2013 and headquartered in Tel Aviv, Israel, Start-Up Nation Central is a not-for-profit organization funded by philanthropy.

Start-Up Nation Finder is a free online platform for identifying and engaging Israeli tech organizations based on customers' specific interests. This Business Innovation Platform is a comprehensive knowledge hub on Israeli startups, investors, acceleration hubs, multinational corporations, and technology-based innovation associated with academic research. The open-source platform provides up-to-date information and insights into thousands of active Israeli tech companies.

For more information please contact:

Ido Yosovzon

Start-Up Nation Central, AgriFood-Tech sector lead

ido.yosovzon@sncentral.org

***START-UP
NATION
CENTRAL***