

GREEN REVOLUTION 2.0

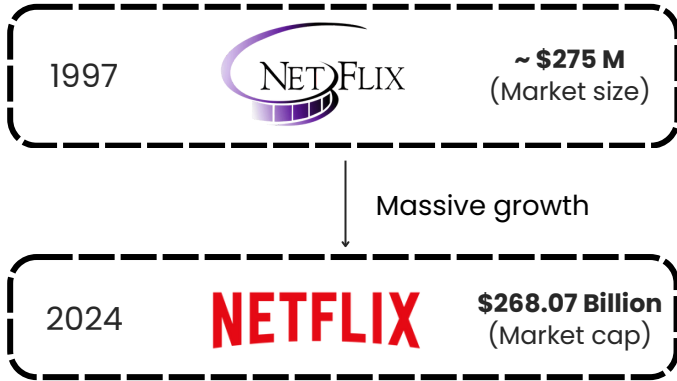
INDIAN AGRITECH SECTOR NEXT START-UP GROWTH



Whitepaper

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INTRODUCTION



The agritech industry, akin to the video streaming market of 1997, is in its nascent stages and poised on the cusp of explosive growth!

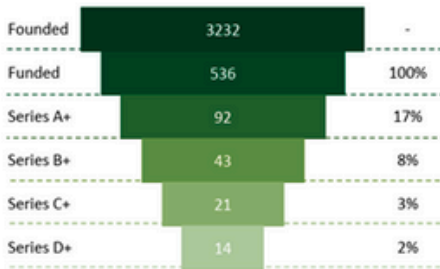
Back in 1997, Netflix was just starting out, with less than 1% market share (~ \$275 Million). It was something only a few people could use. Today, almost everyone knows and uses Netflix. The same goes for online shopping; I made my first purchase in 2008, but it took until 2018 for my mom to try it out.

These stories share a common thread: early investors in these trends reaped 200x–300x returns.

This white paper explores the Indian Agritech sector, a field ripe with potential, standing where e-commerce and video streaming once did. We'll unpack the sector's innovative ideas, business models, and market strategies to pinpoint where the future of Agritech investment lies.

AGRITECH MARKET OVERVIEW

Companies by Stage

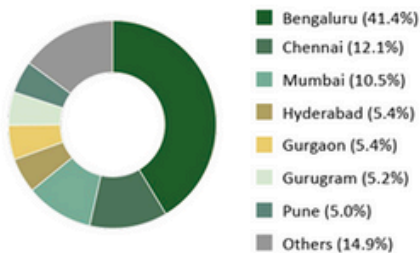


Y-o-Y Funding

Total Funding: \$4.4B



\$ Funding by Cities



Top Exits

Type	Company	Acq. Price/IPO Mcap
Acq.	Devgen (1997, Secunderabad)	\$554M
	Seedworks International (1998, Hyderabad, \$2.5M)	\$40.0M
IPO	Polimeraas (2016, Hyderabad)	\$33.2M
	Advanta (1994, Hyderabad, \$50.0M)	\$252M
	Godrej Agrovet (1992, Mumbai, \$105M)	\$28.3M

Top Funding Rounds in last 2y

Company	Round Details
Licious (2015, Bengaluru, \$490M)	\$150M-Series F
FreshToHome Foo.. (2015, Bengaluru, \$292M)	\$104M-Series D
Absolute (2015, New Delhi, \$116M)	\$100M-Series B
LeadsConnect (2009, Noida, \$61.0M)	\$60M-Series A
DeHaat (2012, Gurugram, \$222M)	\$60M-Series E

Top Investors

Stage	Investor	# Portfolio
Seed Stage	ILF	24
	a-IDEA	17
	CIIE	13
Early Stage	Omnivore	13
	Wellfound	8
	LetsVenture	7
Late Stage	Accel	4
	Innoven Capital	4
	Omnivore	4

AGRITECH MARKET OVERVIEW

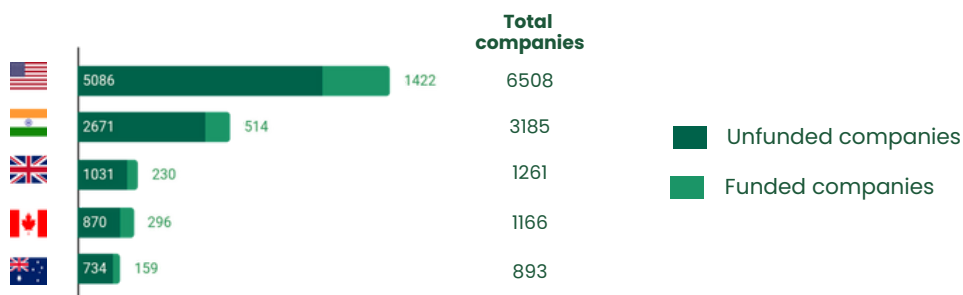
Top Companies



Key stats



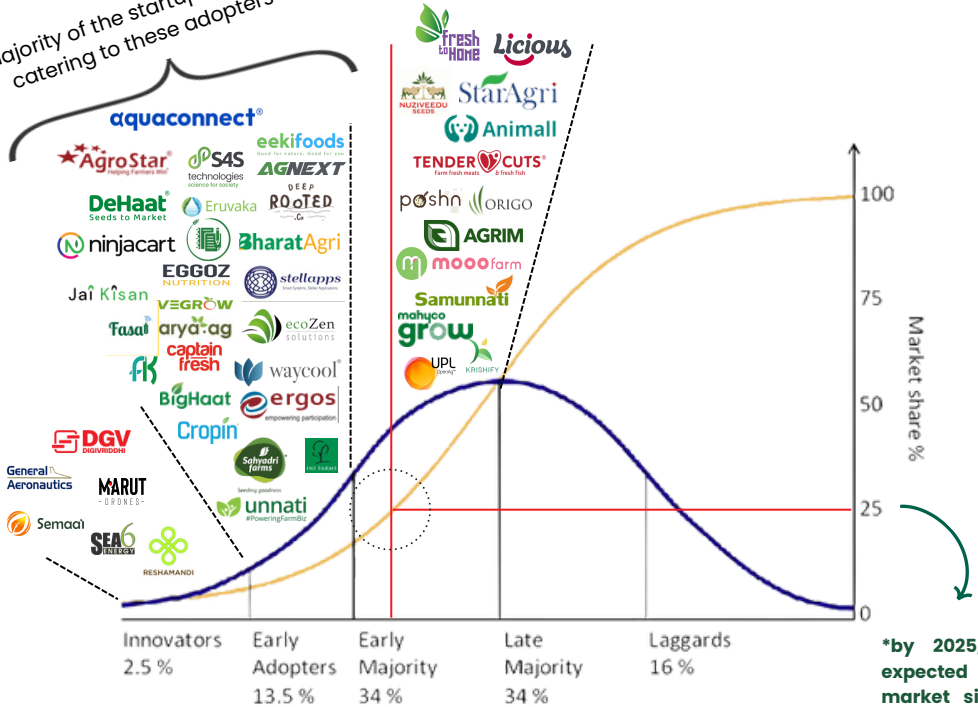
Top Geographies by Companies



Why do we believe agritech is a viable business?

The Adopters Curve

Majority of the startups are still catering to these adopters



*by 2025, the expected market size to be \$24 Billion, implying we are about to witness at least a 3-4x market potential over maturity.

The Indian eCommerce had a similar curve between the years 2009 to 2018. Currently, the Market size is projected at \$111 Billion (2025)

	Innovators	Early Adopters	Early Majority	Late Majority	Laggards
Persona	Tech-savvy pioneers, often professionals with urban exposure, bridging urban & rural knowledge to innovate farming.	Competitive landowners with a knack for tech, they swiftly adopt digital solutions to maintain a competitive edge in the farming industry.	Cautious tradition-keepers gradually embrace tech as it goes mainstream in farming.	Skeptical followers adopting tech once it's tried, tested, trusted, and widely adopted	Older, tradition-bound individuals unaware of tech's farming potential.
Funding raised by startups (cumulative top 100)	\$155.2 Million	\$2.420 Billion	\$1.361 Billion		
Top categories of startups in each Section	Drone startups: 2	eCommerce Startups: 24 (includes B2B, B2C, B2B2C)	eCommerce Startups: 10 (includes B2B & B2C)	-	-

CONCLUSION

Early adopter's curve



1. Agritech is witnessing hard early adoption, driven by a need-based market, leading to more robust and serious adoption across the sector. This isn't about adopting technology for novelty but for tangible benefits and efficiencies. We are at the cusp of adoption breakthrough.

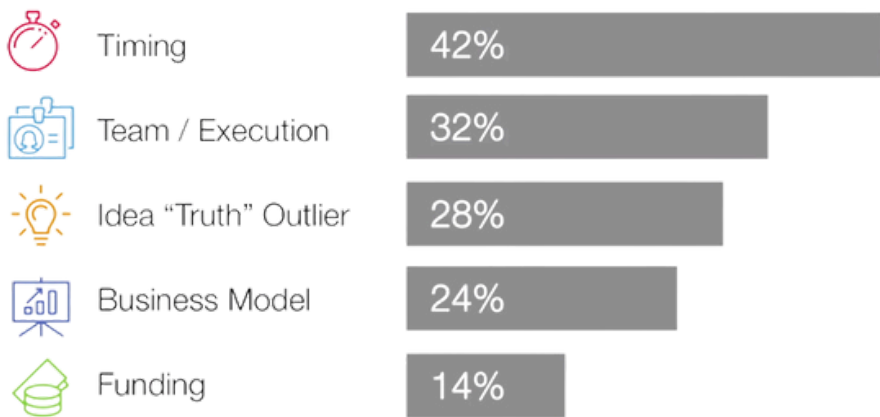
2. India is now a startup hub with 111 unicorns, over 112,718 DPIIT-recognized startups, having one of the most intelligent pools of engineers. On the other side, India's vast arable land and the pressing need to feed a high consumer market present a unique opportunity to build our own Silicon Valley.



**Factors included in the bifurcation of types of farmers in the adoption curve include household income, risk appetite, education level, social status/influence, and ownership of land/infrastructure.*

TIMINGS: "TIME" PLAYS A CRUCIAL ROLE IN BUSINESS!

Top 5 factors in success
across more than 200 companies



"Time" is the single biggest reason why startups succeed

~ Bill Ross

IS IT THE **RIGHT TIME**

TO INVEST IN INDIAN AGRITECH?

The foremost question is, "Is the world/market ready?" or succinctly put, "Do we have enough customers for the technology being developed?"



5 REASONS

WHY THE SOIL OF AGRITECH'S FIELD IS RIPE AND READY TO BE SOWED!

Huge untapped potential



India: 2nd largest agricultural producer, \$276 billion GVA in 2020

Agritech: \$34 billion market by 2027 (CAGR of 50%) - Need to address inefficiencies, wastage, low productivity, & poor quality

Ecosystem & Government support



Government: Supports agritech with policy initiatives and reforms, such as e-NAM, PMFBY, PMKSY, AIF, and the three farm bills.

Policies: facilitate ecosystem, market access, risk mitigation, & infrastructure

Rapid Technology adoption



Adoption: increased from 23% in 2018 to 43% in 2020, adopters reported higher incomes, lower costs, and better yields.

Curve: similar to that of e-commerce and streaming, at the early adopter stage, potential to reach the early majority stage in the next few years

Increased Internet penetration



Users: Rural internet users (299 million) surpassed urban internet users (295 million) in 2020, smartphone penetration in rural India increased from 9% in 2015 to 25% in 2020, expected to reach 36% by 2025

Population: digitally savvy and empowered, ready to adopt agritech solutions

Momentum of capital in-flow



Capital: Current market capital has created a snowballing effect.

Funding: agritech startups attracted \$1.2 Billion dollars in last 2 years. So far agritech has 1 Unicorn, 21 soonicorns, 30 minicorns.

CASE STUDY



Major pivot coincides with internet penetration

Agrostar A leading agritech startup that provides farm inputs & advisory services to farmers

Pivot From B2B to B2C model in 2013, launched a mobile app that directly connected farmers with input suppliers

Timing Perfect, coincided with the rise of smartphone and internet penetration in rural India, enabled Agrostar to reach millions of farmers

Success Over 1.5 million farmers on its platform, raised over \$40M in funding, expanded its product portfolio and market reach, became India's largest digital farmer network and agri inputs platform

Failure if not pivoted at the right time, would have failed to tap into the huge market opportunity and customer demand, faced stiff competition from other agritech startups, missed the chance to leverage the government policies and initiatives, struggled to raise funds from investors, failed to create value and impact for the farmers and the country.

AGROSTAR
AGROSTAR

WHERE DOES THE MARKET LIE?

The market lies where customers have a strong need, demand, and willingness to adopt technology for their own needs and benefits.

5 criteria, according to us, to identify the most promising opportunities for agritech solutions:

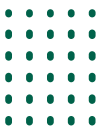
1 Experience or impact of technology in other sectors

When the customers are familiar with the technology and its benefits, and trust them, then they use it for their own sector.

Example: Supply chain industry: Exposed to technology in e-commerce, marketplace, social media, and cab services. Likely to adopt agritech solutions that connect them with buyers, suppliers, or service providers

Startups in this category:

Ninjacart, WayCool, DeHaat, and Sahyadri Farms



2 Minimum people to be aware or ROI per acquisition is large

When the customers are niche or high-value, and have a clear and compelling need or problem that can be solved by the technology

Example: Cold chain industry: Few players, easier to educate, and have high-value proposition.

Startups in this category:



3 Startup plays with their strength, if it is easy to create, they first create it irrespective of market.

When a startup has a competitive advantage or a unique value proposition and can create a superior or differentiated product or service.

Example: SaaS solutions like Khatabook – Khatabook, the 2021 unicorn's strong strategy ensured that the unorganized merchant category adopted their tech solutions.

Startups in this category:





4 Startups that solve the most common issue that bothers everyone but is hard to solve

Customers have a widespread and persistent pain point or challenge, that has not been adequately addressed by the current solutions

Example: Quality of food: Affects the health and well-being of the consumers, as well as the reputation and profitability of the producers

Startups in this category:

AGNEXT  **stellapps** Smart Systems. Smarter Applications. **Cropin**  **aquaconnect**[®]

5 Startup solves one crucial challenge of farmers and shows the impact then try to give solutions for other challenges.

Startup has a customer-centric and problem-solving approach, and can build trust and loyalty with the customers, by delivering value and impact

Example: Farm services and market linkage - Solve one crucial challenge of the farmer, such as improving productivity, reducing costs, or increasing income.











Startups in this category:

DeHaat[®]
Seeds to Market

 **AgroStar**[®]
Helping Farmers Win

BharatAgri



Business Model	Top Company	Investor Insights	Impact
eCommerce	 bigbasket	High demand with significant investment appeal. Scalability and efficiency are key.	Streamlines supply chains.
Farm-to-Fashion	 RESHAMANDI	Sustainable fashion's rise boosts market outlook. Offers traceability and sustainability.	Improves farmer incomes.
B2B Fruits Marketplace	 VEGRÖW	Optimistic due to tech's potential to connect fragmented markets.	Enhances supply chain efficiency.
Precision Farming	 absolute	Bullish sentiment for AI and IoT solutions enhancing yield and reducing costs	Increases crop yields.
Supply Chain Optimization	 ninjacart	High interest in waste reduction and efficiency improvements	Reduces wastage & improves prices.
Cold Chain Solutions	 TESSOL Innovate. Preserve. Grow	Critical for food security, with a focus on scalable, energy-efficient solutions.	Extends shelf life of perishables.
Agri Payment Gateway	 payAgri	Agri-Fintech sees rising traction for streamlining value chain transactions.	Streamlines transactions.
Data Analytics	 Cropin	Positive sentiment for startups offering localized, scalable insights	Empowers data-driven farming.
Farm Monitoring	 Fasa	Growing interest in IoT for real-time farm management insights.	Enhances farm productivity.
Precision Agriculture	 AGNEXT	Optimism for analytics and machine learning solutions in sustainable farming	Improves crop quality & efficiency.



DON'T STOP HERE!

There are numerous emerging business models and ideas within the industry. We will track each one and create concise articles to understand their impact.

If you wish to analyze a specific startup or market, please request to connect.



----- Motivation to Network with Us -----

If you're interested in investing in startups, we are backing startups recommended by 600 incubators or angel investors that have demonstrated market growth through our Next Generation Fund, "FoodSeedTech". Supported by India's leading business figures, kindly connect with us at

grow@foodseedtech.com
to explore opportunities for growth.

