Israeli AgriFood-Tech & WaterTech Sectors Conclude Record-Breaking Q3

1. 2021 is the new record year for capital investments in the AgriFood-Tech & WaterTech sectors, already exceeding FY/2020 amount after only three quarters.

2. Q3/2021 saw the largest investment total ever recorded in a single quarter in the Israeli AgriFood-Tech & WaterTech sectors.

3. Alternative food sources – and alternative proteins specifically – continue to lead the sector’s funding charts highlighted by the record-breaking $105M investment in Aleph Farms.

4. Blue White Robotics’ $37M Round B is raising the bar for AgriTech companies within the sector.
Total AgriFood-Tech and WaterTech funding in Q3/2021 has more than doubled compared to Q3/2020 and Q3/2019. At the end of Q3/2021, YTD total funding has already surpassed FY/2020 investment totals.

The increase in funding within the sector – both in Q3 and throughout the year – can be explained by several factors:

- The overall inflow of funding to the Israeli startup ecosystem
- Rising awareness of the need for change in global food supply chains and farming practices in the face of the global climate change crisis
- Global supply chains and food security concerns brought to light by the COVID-19 pandemic
- The rise in commodity prices and the shifting supply & demand balance

Subsector performance

At the end of Q3/2021, investment in most subsectors had already exceeded FY/2020 investment. Prominent subsectors with significant growth in Q3 include Alternative Food Sources, Yield Optimization & Harvest, and Pathogens & Pests. Alternative Protein companies, within the Alternative Food Sources subsector, have continued to be a main target for investors within the whole sector.

**Total AgriFood-Tech & WaterTech funding by quarter**

**Subsector investments by quarters 2021 (YTD) VS. 2020 full year**
Number of rounds

Later-stage investments in Q3 are showing higher growth compared to H1/2021. Additional investments in the past quarter doubled the total number of later-stage investment rounds in 2021 YTD.

Median round size, particularly in later-stage rounds, is showing a significant growth trend in 2021, with median round size increasing by a factor of 2.5. The strong growth is mainly attributed to record-breaking investment rounds in both the Agriculture and Food sectors during Q3.
In Q3/2021 we have seen record-breaking investment rounds in both the Agriculture and Food sectors. In July, Aleph Farms raised a staggering $105M, surpassing all previous investments in these sectors and strengthening the dominance of Alternative Proteins as the leading subsector within the FoodTech sector. Additionally, during September, two AgTech companies raised substantial amounts. FieldIn, a successful smart-farming company, announced the completion of a $30M Round B at the beginning of the month. Blue White Robotics, a developer of autonomous farming machinery, announced a $37M Round B, breaking the record for the largest round ever raised by an Israeli AgTech company. The (relatively) high investment in the startup was likely encouraged by the exit of US-based Bear Flags Robotics, acquired in August 2021 by John Deere for $250M (added to John Deere’s past acquisition of Blue River Technology for $305M in 2017).

### Largest rounds in Q3/2021

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount, $M</th>
<th>Subsector</th>
<th>Description</th>
<th>Funding Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aleph Farms</td>
<td>$105M</td>
<td>Alternative Food Sources</td>
<td>Cultivated whole-cut steak</td>
<td>B</td>
</tr>
<tr>
<td>Blue White Robotics</td>
<td>$37M</td>
<td>Yield Optimization &amp; Harvest</td>
<td>Robot-as-a-service Platform for Autonomous Systems</td>
<td>B</td>
</tr>
<tr>
<td>FieldIn</td>
<td>$30M</td>
<td>Pathogens &amp; Pests</td>
<td>Farm Management Platform</td>
<td>B</td>
</tr>
<tr>
<td>AgroScout</td>
<td>$7.5M</td>
<td>Pathogens &amp; Pests</td>
<td>Crop Monitoring for Early Detection</td>
<td>A</td>
</tr>
<tr>
<td>MetoMotion</td>
<td>$5M</td>
<td>Yield Optimization &amp; Harvest</td>
<td>Robotic System for Greenhouses</td>
<td>Undisclosed</td>
</tr>
</tbody>
</table>

Source: Start-Up Nation Finder

During Q3, a Migal spin-off AgriTech company, Ripe-Guard, which is developing a technology platform for predicting the shelf-life of fruit and vegetables, announced a $930K seed round.
Since the beginning of 2021, six Israeli FoodTech companies have raised funds through IPOs, five on the TASE and one on NASDAQ. TopGum Industries’ IPO in August 2021 has continued the growth trend of funds funneled into the Alternative Food Sources subsector, specifically targeting the global trend of sugar-reduced and supplement-enriched foods.

In Q2/2021, the AgriTech company Prospera Technologies marked a significant milestone for the Israeli AgriTech ecosystem, with its $300M acquisition by Valmont, the highest value exit in the sector.

Looking ahead, global ClimateTech and CleanTech trends are expected to have an impact on AgriFood-Tech and WaterTech investments. The sector is one of the major targets for impact investors looking to invest in technologies that will help combat climate change and environmentally harmful agricultural practices.
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.

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