

Mapping the Australian agritech investment landscape: a report



Australian agritech investment landscape

Australia's agritech sector presents a promising investment opportunity. Its world-class research drives innovation and attracts leading agricultural talent world-wide to Australia. It offers scalable solutions to the pressing global challenges of food security delivering both impact and results for investors.



Strong research expertise and local capability

Australia ranks within the top 10 countries globally for quality of research in robotics and related fields.



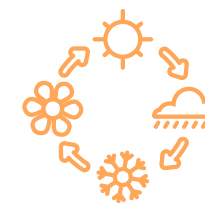
Collaboration across value chain

A collaborative value chain supports Australia's agrifood sector, with its premium exports forecast to reach USD \$46 billion in 2023–24 to meet global demand.



Harsh climate conditions drive innovation

Challenging climatic conditions compel farmers to develop sustainable solutions.



Diverse testing environment

Six climate zones and counter-seasonal conditions to the US and EU.



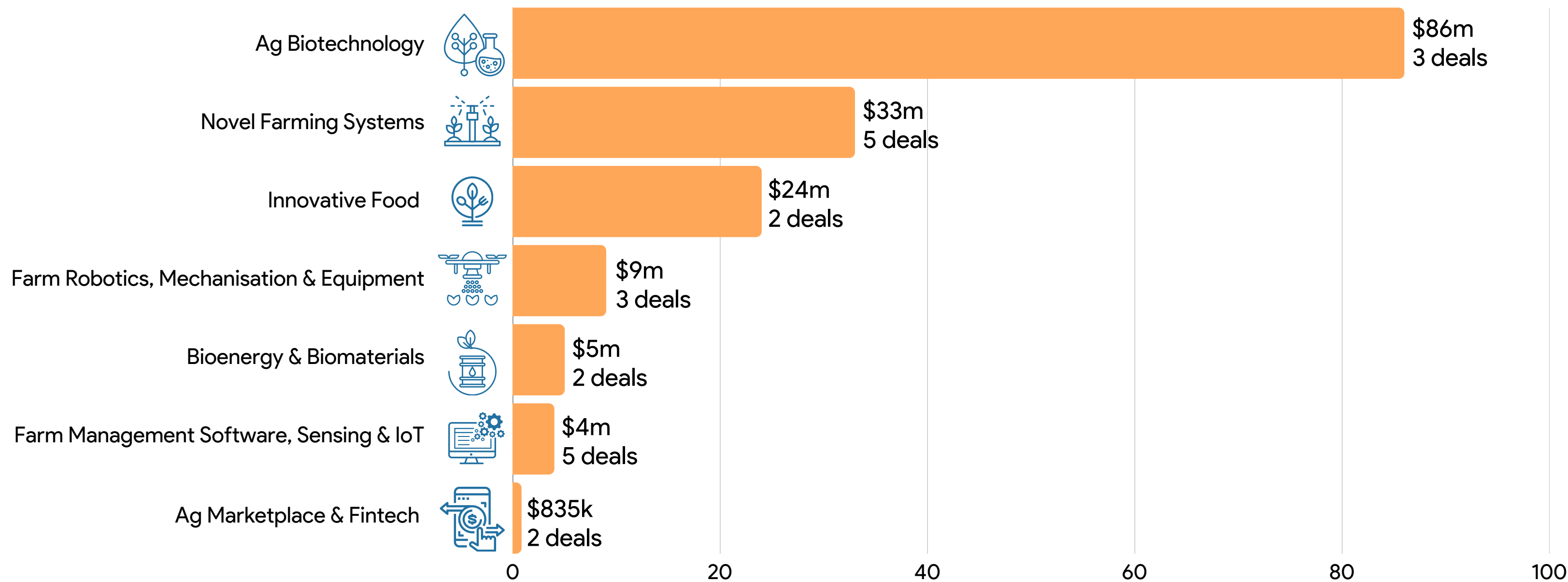
Unique co-investment model

The model led by Rural Research and Development corporations (RDCs), aligns government, industry, universities, leading research institutions and producers to reduce risk and drive scalable innovation.

Key verticals for investment

Australia's agritech sector is building momentum, with over 550 agrifood tech businesses driving innovation. In 2023, 87% of agrifood tech funding focused on sustainability solutions, reflecting the industry's growing commitment to tackling global challenges.

Investments by category in Australia, 2023 (in million \$ USD)



Recent deals in Australia (\$ USD)

  Ag Biotechnology \$ 73.2 m Series B Lower Carbon & Wollemi Capital	  Farm management software \$ 38 m Series B Galvanize Climate Solutions	  Novel farming \$ 26.7 m Series C Tayside Investments Australia
  Fintech \$ 16.8 m Series B Square Peg Capital	  Innovative food \$ 15.5 m Series A Main Sequence Ventures	  Farm management software \$ 13.6 m Series C Germin8 ventures
  Ag Biotechnology \$ 12 m Seed Breakthrough Energy Ventures	  Farm robotics & mechanisation \$ 12 m Series A Emmertech	

Funding opportunities

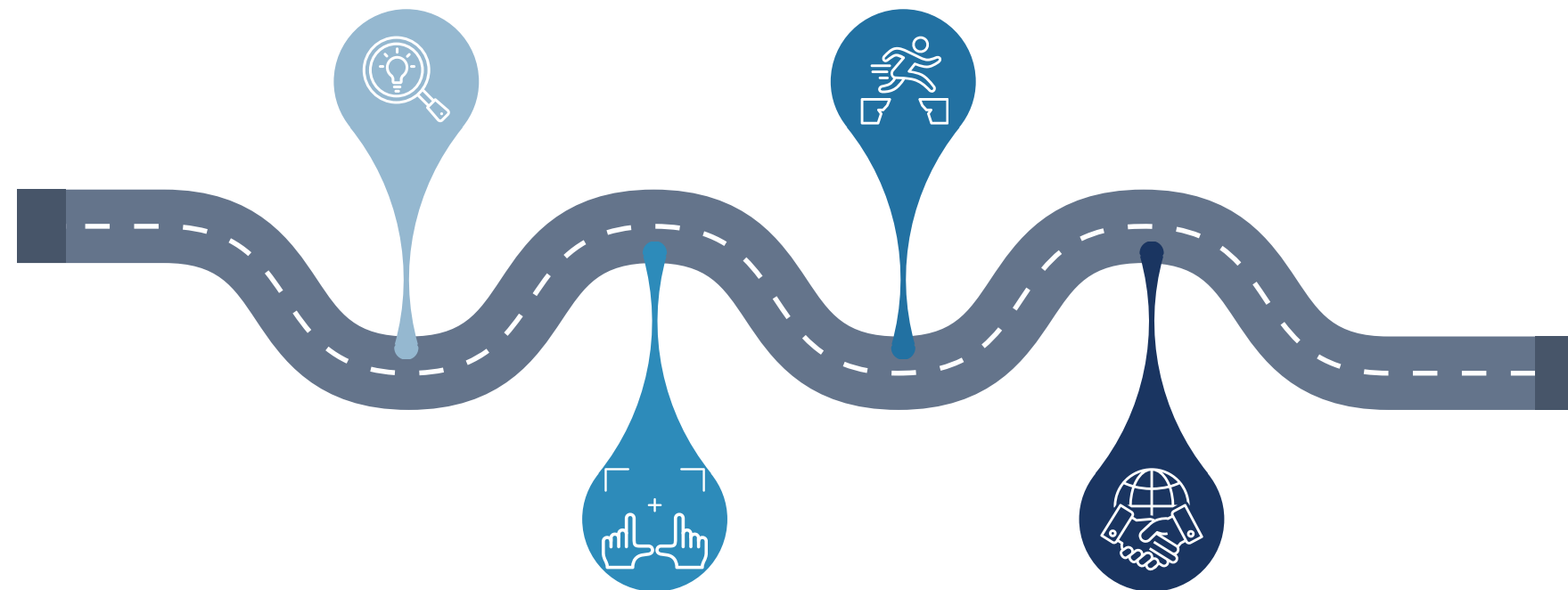
Australia's agritech sector offers substantial growth potential. Its funding gaps present an opportunity for strategic investment.

Rising stars

Global trends like AI and CRISPR are fast evolving, enabling technology that is revolutionising agrifood systems by enhancing precision or reducing diagnostic costs.

Quality startups

The maturing agritech scene produces promising solutions, but is still in need of investors able to lead investment deals.



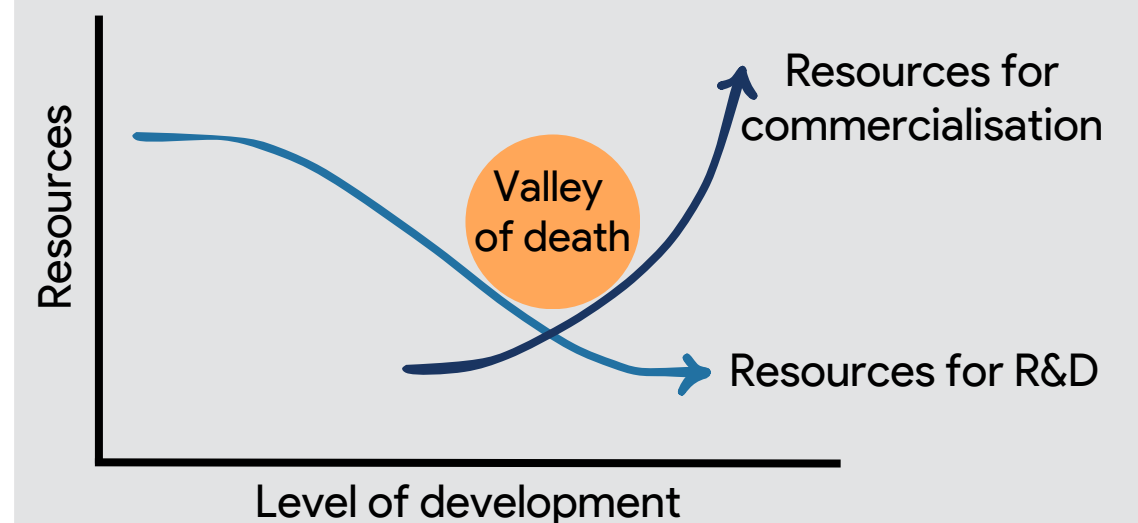
Expand focus

While some areas like climate-focused technologies are receiving significant attention, areas like resource optimisation and autonomous solutions are attracting investment but require greater funding to reach their full potential.

Global potential

Australia is a strong launchpad for agritech solutions with potential for global expansion, supported by long standing regional partnerships.

Scaling up in agritech is uniquely challenging due to long development cycles, regulatory hurdles, and the complexities of biological systems.



This creates a valley of death where promising innovations struggle to secure funding to transition from development to large-scale commercialisation.

Case study

Navigating agritech investment in Australia with Rob Russell, Partner of Emmertech

Emmertech is a Canadian venture capital firm specialising in agritech and agribusiness innovation, investing in high-quality businesses developing novel technologies in their early growth stages.

Investing into Australian agritech

Although seasonality, farming practices, and language similarity were considerations, they were not the primary drivers behind the firm's decision to invest in Australia. Instead, the opportunity arose from identifying a high-quality company. Agriculture in Australia is facing challenges similar to those in Canada, making it an attractive investment destination.

Navigating foreign investment in Australia

Foreign Investment Review Board (FIRB) regulations are a crucial consideration for international investors. Emmertech identified the importance of understanding these requirements early, as securing pre-approval can assist transactions, reduce legal costs, and save time. To navigate the investment framework effectively, the firm engaged both Canadian and Australian legal counsel, highlighting the need for investors to be well-versed in local legal differences.

Emmertech
emmertech.ag

Find out more about Emmertech's investments and partnerships.



Image Source: Swarm Farm Robotics, swarmfarm.com

Case study cont.

Navigating agritech investment in Australia with Rob Russell, Partner of Emmertech

Key lessons for international investors



Physical distance is a perceived barrier

Capital allocators tend to overlook Australia due to the distance and overlook the actual value potential lying beyond these boundaries.



Leverage local investors and organisations for stronger deal flow

Local investors or organisations like Queensland Investment Corporation (QIC) and Grain Research Development Corporation (GRDC), can help play a crucial role in generating deal flow and connect you with high potential agritech opportunities.



Understand legal and financial hurdles

Corporate governance and documentation practices in Australia differ from North American standards. It's essential to engage legal professionals and invest time in understanding Australian legalities before proceeding with investments.



Understanding the Australian agritech market

Agriculture's extended innovation cycles offer unique opportunities for patient capital, enabling transformative, long-term growth and lasting sustainable impact in this vital sector. In agritech, patience isn't just a virtue - it is a strategic advantage.



Global powerhouse in agriculture

Australia's 85,000 farms manage 51% of land, export 72% of production, and employ 1.6 million people.



Australian agricultural businesses are predominantly Australian owned

Decisions prioritise long-term sustainability, considering future generations and investing in technologies that ensure longevity and environmental stewardship.



Resilient and adaptive farming

Facing a harsh climate, Australian farmers prioritise technologies that enhance decision-making, increase resilience, and maximise returns on investment.



Aligned R&D ecosystem

Rural Development Corporations (RDCs) align public-private funding to target investment in solving industry-wide challenges and opportunities

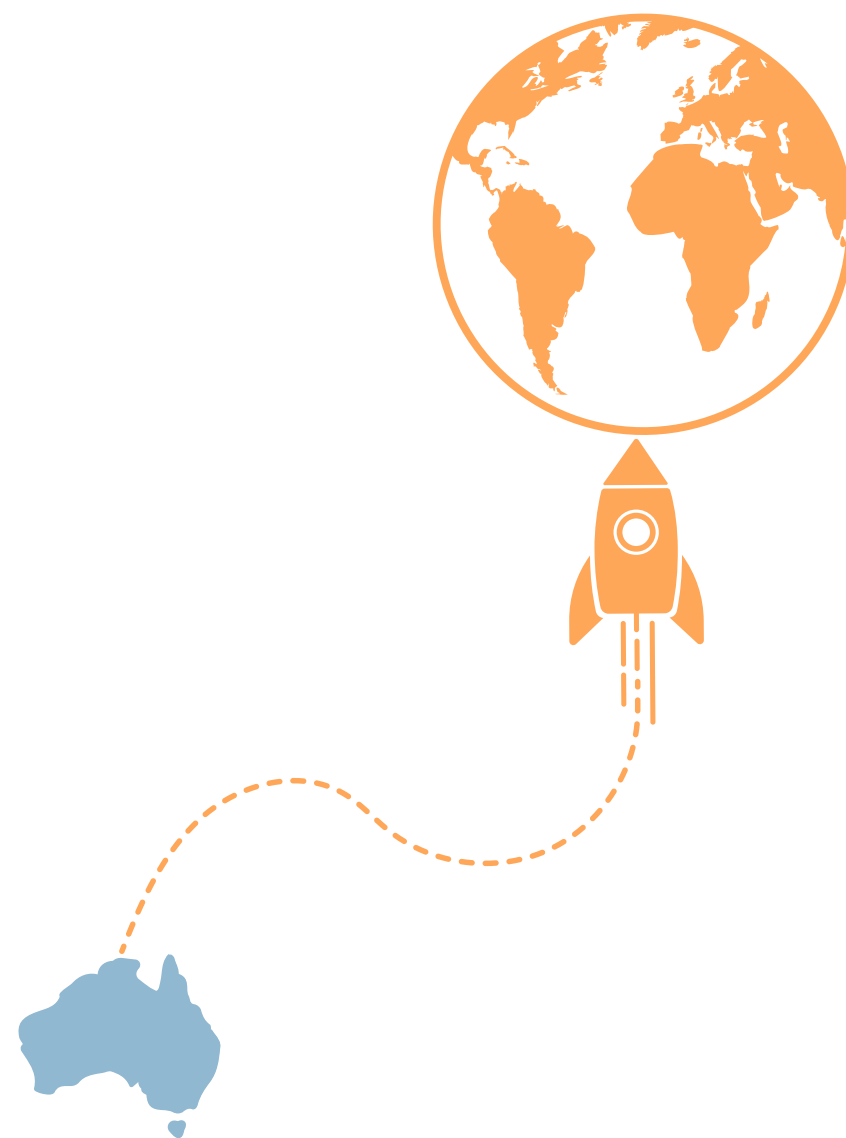


Gateway to global markets

Proximity to Asia and extensive free trade agreements position Australia as a hub for agrifood exports and market connectivity.

Bringing Australia's agritech innovations to the global stage

Despite its relatively low visibility and scale, Australia's agrifood tech sector continues to outperform global trends. While funding declined by 33% in 2023, lesser than the global average of 49%, Australian agritech funding saw an increase of 141% compared to 2022. This surge is driven by a strong focus on sustainability and climate solutions, aligning with global trends.



Global potential

Australia's local challenges are globally relevant but startups require cross-border partnerships and exposure. Without swift scaling, they risk being outpaced by better-funded international competitors. There is significant opportunity beyond traditional venture capital funding that can help companies scale.

Scaling challenges

Australia's agritech ecosystem has early-stage support but lacks later-stage funding critical to unlock international competitiveness.

Underfunded startups

85% of Australian agritech startups operate with investments under \$1M and self-funded SMEs dominate the landscape, limiting their scalability.

Case study

Unlocking Australian agritech opportunities with Isabelle Decitre, Founder and CEO of ID Capital

Founded in 2014, ID Capital is an agrifood tech sector-focused investment and advisory company based in Singapore.

Investing into Australian agritech

In 2017, ID Capital focused on APAC investments, identifying Australia as a key market with strong agritech potential but limited global visibility. Australia's agriculture sector provides a valuable test bed for new technologies, though its small, high-cost market requires careful scaling strategies. This meant designing a product or service aligned with pricing benchmarks in secondary markets.

A success story is Xsights Digital, an Australian startup that provides real time health and wellbeing monitoring for livestock through its patented tag. Xsights Digital have expanded effectively into Southeast Asia, with an ease that is uncommon for an agritech startup originating from a developed market. This demonstrates that agritech startups from developed markets can achieve broader market penetration.

ID Capital

idcapital.com.sg

Find out more about ID Capital's investments and partnerships.

Image Source: XSights, xsights.io



Case study cont.

Unlocking Australian agritech opportunities with Isabelle Decitre, Founder and CEO of ID Capital

Emerging agritech opportunities and trends in Australia

Australia is uniquely positioned to drive innovation at the intersection of biology, biotechnology, and big data. Startups like RapidAIM, a precision pest management tool that provides real-time detection and monitoring for producers, highlight this potential, showcasing how these fields can converge to create distinctive and defensible value propositions.

Superannuation funds are poised to drive agritech growth, with early signs of increasing interest that could encourage broader investment from family offices and private equity.

Key lessons for international investors



Ensure founders have clear global scaling plan

Assess whether founders have a well-defined strategy for international expansion, considering cost, market fit, and operational scalability beyond Australia.



Consider regional market differences

Agriculture is complex and region-specific; what works in Australia may not necessarily translate to other markets like the US. Due diligence on product adaptability and local industry dynamics is essential.



Emerging sectors with investment potential

Australia’s emerging agritech sectors offer attractive investment opportunities, with startups demonstrating early traction, driving breakthroughs but needing resources. This positions international investors to acquire or scale innovations with strong growth potential, leading to long-term returns in comparison to other markets.

Climate-resilient agritech

Australia’s harsh climate acts as a proving ground for innovations. The Australian Government has developed a \$2.17b (USD) Climate Solutions Package to reduce greenhouse gas emissions across the economy, giving farmers, small businesses and Indigenous communities to improve the local environment.

Biotechnology & advanced genetics

Innovative tools like CRISPR and computational biology enhance crop resilience and boost agricultural efficiency. The Australian biotechnology market is expected to grow at 17.5% CAGR from 2024 to 2030. Biotechnology plays an essential role in protecting Australia’s biosecurity, a sector valued at \$194b (USD) over 50 years, with a net return on investment of 30:1.

Automation & robotics

National labour shortages and efficiency demands drive adoption of autonomous farming technologies like drones and robotics as highlighted in Australia’s National Robotics Strategy (2024). It predicts annual productivity growth by 50% to 150% in Australia, adding a further \$105-\$372m (USD) per year to GDP by 2030.

Data-driven agriculture

Advanced analytics, AI, and IoT are revolutionising the agricultural value chain by supporting decision making, climate adaptation and traceability. Investment into these sectors will help support claims (eg. product integrity and animal welfare) and stay competitive in the international trading environment.

Alternative proteins & food system innovations

The shift towards sustainable food production and circular economy is driving demand for innovations at the farm level, particularly those that enhance resource efficiency, minimise waste and improve soil health.



Investment landscape and key partnership opportunities

While agritech solutions offer incremental improvements, they often fall short of delivering the substantial returns that VCs seek. These are examples of what investors are doing to capitalise on its opportunities:



Strategic investments

with immediate value to farmers and potential for corporate acquisition



Alternative funding approaches

such as revenue-based financing to address agritech's long timelines and unique challenges



Collaborative ecosystems

to co-invest and share insights, accelerating innovation



Disruptive businesses

that offer scalable and transformational suites of products

1 Direct investment opportunities

Direct investments allow investors to fund agritech innovation at various stages, from early seed rounds to established companies, offering flexibility and access to growth opportunities.

- Angel & VC investments
- Co-investment with local & international funds
- Secondaries and licensing deals



2 Collaborative & institutional models

These models present opportunities to leverage public and private sector collaborations. It allows access to the latest research and funded R&D, accelerating innovation in agritech with the support of trusted institutions.

- Rural Research and Development Corporations (RDCs): Industry-focused research bodies co-funding innovation in different agricultural sectors.



- Cooperative Research Centers (CRCs): Multi-sector partnerships between government, academia, and industry focused on long-term, transformative research to address complex challenges.



- Government supported initiatives.



- Commonwealth Scientific and Industrial Research Organisation (CSIRO): Australia's national science agency.



3 Incubation & innovation platforms

These partnerships bridge the critical gap in commercialisation and early-stage startup support by providing resources, networks, and expertise to transform promising ideas into scalable agritech solutions with real-world impact.

- Corporate venture studios or collaborations
- Licensing university innovations, Technology Transfer Offices (TTO)
- Venture studios, accelerators, incubators



Emerging and innovative investment models

The following models are becoming increasingly popular as they offer flexible ways for investors to engage with the agritech sector.

- Debt
- Secondaries and licensing
- SPVs (Special Purpose Vehicles)
- VCaaS (Venture Capital as a Service)
- Venture client model
- White-label funds

Future outlook and emerging trends

Australia's rural industries will face transformative change in the coming decade, driven by technology, environment, and geopolitics—creating opportunities for investors to fuel innovation in agritech.

Here are the key forces shaping the future, with examples of how agritech can drive innovation and resilience.

1

Rise of artificial intelligence

- Autonomous farming tools (e.g., AI-driven robotics).
- Precision agriculture using AI-based analytics.
- Large Language Model (LLM) AI for tailored agronomic advice.

2

Mandatory climate disclosures

- GHG monitoring systems.
- Life cycle assessment tools.
- Blockchain for transparent climate reporting.

Find out more

Read the AgriFutures report



3 Radically accessible remote production data

- Drone-based crop monitoring.
- AI tools for public data contextualisation.
- Cybersecurity for protecting data integrity.

4 Geoengineering advances

- Water-saving irrigation systems.
- Climate-smart crop genetics.
- Decision tools for geoengineering impacts on production.

5 From incremental to systemic changes in production systems

- Vertical farming and protected cropping systems.
- Climate-resilient crop and livestock genetics.
- Circular bio-economy integration tools.

6 Global conflict and deglobalisation shift trade trends

- Digital marketplaces for diverse trade access.
- Onshore processing tech (e.g., value-added food production).
- Supply chain risk monitoring platforms.

7 Growing risks from climate, human, and animal interactions

- Automated incursion detection systems.
- AI-based pest and disease prediction tools.
- Vaccination tech for animal disease outbreaks.

8 Cybersecurity threats escalate

- Threat detection and monitoring software.
- Incident response and recovery platforms.
- Cyber training programs for rural industries.

9 Rare earth mineral demand grows

- Recycling technologies for rare earth elements (REE).
- Alternatives to REE-based equipment.
- Resource efficiency optimisation in machinery.

10 Climate refugees emerge

- Workforce integration platforms.
- Tools for labour efficiency (e.g., automation).
- Predictive models for food demand shifts.

Key legal considerations

Maximise your opportunities by leveraging Australia's stable, innovation-driven ecosystem, which is designed to support agritech growth. Australia's IP laws and practices are generally aligned with international standards and conventions. While IP rights are similar internationally, there could be some slight differences between countries.



Benefits to establishing a business in Australia



Research and Development Tax Incentive (R&DTI)

A generous and highly competitive tax offset for companies conducting eligible R&D activities.



Ag2030: growing the sector to \$100 billion by 2030

The total agricultural R&D funding in 2023-24 was \$4.74 billion (USD), with the Australian government committing over \$377 million (USD) to reach its target.



Business-friendly laws

A strong network of Free Trade Agreements (FTAs) with many countries, strong IP protection and stable economic environment contributes to making Australia an attractive destination.



Collaborative infrastructure

The Government, RDCs, research institutions, accelerators, and venture capital form a supportive ecosystem for agritechs.

Legal and regulatory considerations

Legislation



Adherence to laws to ensure smooth operations, conduct due diligence to familiarise yourself with relevant laws and guidelines.

- Australian Pesticides and Veterinary Medicines Authority
- Biosecurity Act 2015
- Environment Protection and Biodiversity Conservation Act
- Food Standards Australia New Zealand
- National Livestock Identification System
- Office of the Gene Technology Regulator



Australian Government
Department of Agriculture,
Fisheries and Forestry



Australian Government
Department of Climate Change, Energy,
the Environment and Water



Australian Government
Australian Pesticides and
Veterinary Medicines Authority



Australian Government
Department of Health and Aged Care
Office of the Gene Technology Regulator



FOOD STANDARDS
Australia • New Zealand
Te Mana Kounga Kai – Ahitereiria me Aotearoa

Intellectual Property (IP)

- IP Australia is the government agency responsible for administering and enforcing IP laws in Australia
- Engage an IP professional for advice or to help navigate processes



ipaustralia.gov.au



Australian Government
IP Australia

Foreign Investment Review Board (FIRB)

Allow ample time for understanding legal requirements and approval reviews prior to your investment.

- Investments are assessed for national interest alignment
- Understand sector-specific compliance obligations
- Engage a legal professional to help navigate processes



foreigninvestment.gov.au



Australian Government
Foreign Investment Review Board



How to get started



Engage with local experts

Partner with insiders who understand the market, regulations, and culture and leverage local funds, RDCs, and incubators for guidance and risk-sharing.



Leverage government support

Collaborate with entities like Austrade or State government departments to access matched funding, tax incentives and grants designed to amplify private investment.



Collaborate and participate in the ecosystem

Consider collaborating with local partners, engaging in public-private partnerships or participating in key industry events and incubators. These avenues can increase deal flow and uncover exclusive opportunities not readily accessible in the market.

growag.com
connect@growag.com

Connect with us to learn more about available opportunities.



austrade.gov.au

Connect with an investment specialist or trade advisor

business.gov.au

Find grants and programs such as the Venture Capital Limited Partnerships (VCLP) and the Research and Development Tax Incentive (R&DTI) that offer tax benefits.



Australian agritech events and networks

AgriFutures[®]
grow AG

AgriFutures[®]
evoke AG

**DIGITAL
AGRIFOOD
SUMMIT**

meetup

**Food &
Agribusiness
Network**

**AUSTRALIAN
Agritech
ASSOCIATION**

**HORT
CONNECTIONS**





Have a question?
Need guidance?

The grow^{AG.} team is here
to support.

Contact us by emailing
connect@growag.com

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