

Global FoodTech investment report 2024



Contents

DigitalFoodLab	3
Executive summary.....	5
What is FoodTech?.....	7
About the data / create your own reports.....	8
I - Investments and state of the ecosystem.....	9
II - Geographic distribution & innovation hubs.....	18
III - Distribution by categories and trends.....	27

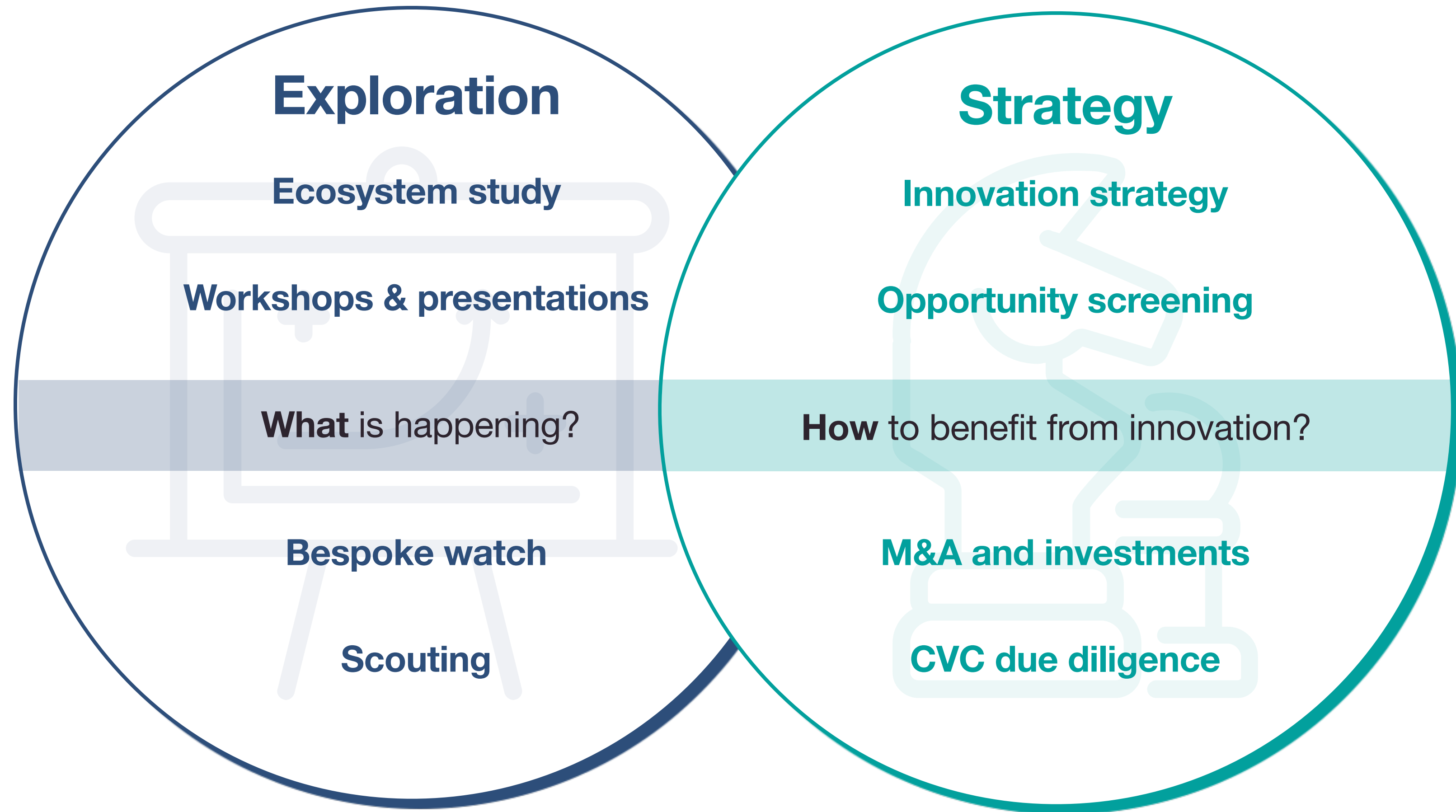


DigitalFoodLab

Insight and strategy consulting to help you be part of the future of food

DigitalFoodLab works with a broad array of clients (food companies, retailers, banks, investors) on consulting missions to help them:

- 1 - explore innovation ecosystems
- 2 - define their innovation strategy
- 3 - identify the right partners and targets



50+ clients

DigitalFoodLab

Our territories of exploration

Global approach

We look for innovation all over the world



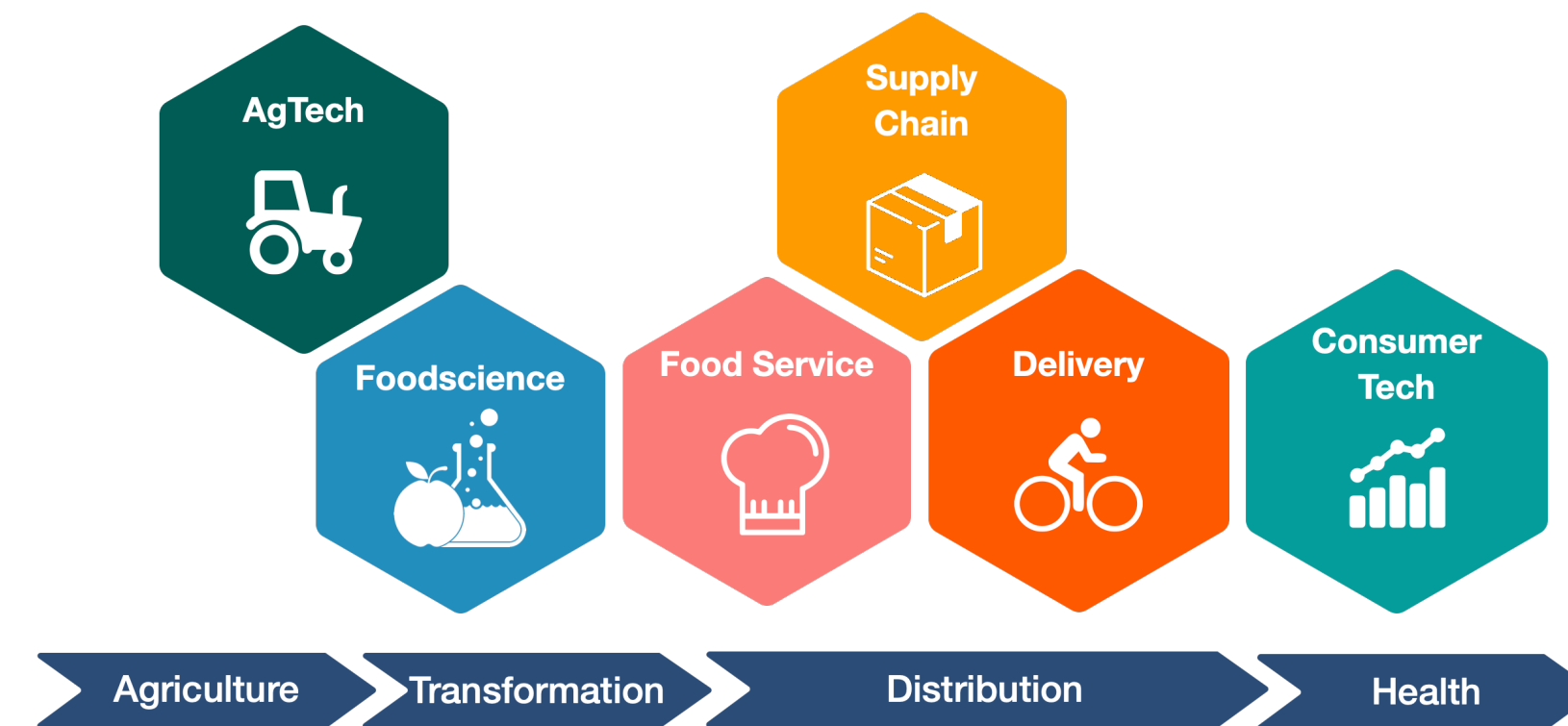
Through our network of partners, databases, and expertise, we can source innovation globally.

Innovation from startups to large corporations

We look for innovation where it happens: startups, corporations, and research labs.

Among our key indicators are regulation, funding, and new products.

All along the food supply chain



Some examples: alternative proteins, functional ingredients, agtech, decarbonisation, new brands, digital retail/restaurant, healthy ageing.

Hello,

**72% less investments
in FoodTech startups
in two years, but a
bounce back is in
sight**

First of all, we thank you for reading this report. This is **DigitalFoodLab's first global FoodTech investment report**. While we started with our European investments report, it was becoming increasingly important to provide a global perspective on the AgriFoodTech ecosystem to help our clients identify the best startups and the best partners. This report focuses on investments in FoodTech startups from 2014 to the first half of 2024, with specific attention to the last 18 months and what they can tell us about the evolution of the agrifood innovation ecosystem.

FoodTech startups raised \$15.1B in 2023, 48% less than in 2022 and an impressive 72% decrease from the highs of 2021. However, for the first half of 2024, FoodTech startups have already raised \$7.9B, showing the first hint of a bounce back.

Investments in delivery startups have long been the cornerstone of the FoodTech ecosystem, accounting for up to 74% of all funding. In 2023, however, it reached a low point, with only 21% of the money invested in FoodTech startups going to delivery players. While we observe both a relative and absolute bounce back in 2024, it is mainly driven by a handful of players raising massive amounts of money. In the meantime, the share of investments in upstream and midstream startups has increased beyond 50%, notably for AgTech startups focused on sustainability and for Food Science startups.

Investments in upstream and midstream startups increased

Seed investments have decreased dramatically in the first half of 2024. While early-stage (seed and Series A) investments remained comparatively strong during 2022 and 2023, they are now to be severely affected. The funding strength observed in early 2024 was indeed due to late-stage deals. This is only a point of attention, but it could become worrying if it continues, as early-stage investments are fundamental in developing a healthy ecosystem.

Beyond investments, we also currently observe a surge in partnerships announced between startups and leading companies, notably for AgTech and Food Science startups. Delivering value through these deals could be fundamental to creating a new cycle of trust and investment growth in FoodTech.



What is FoodTech?

DigitalFoodLab’s definition is: “FoodTech is the ecosystem made up of all the agrifood entrepreneurs and startups (from production to distribution) innovating in terms of products, distribution, marketing or business model.”

Foodservice: startups reinventing the hospitality industry. They improve the management of out-of-home businesses today. They also create the conditions for the restaurant of the future with robotics and cloud kitchens.

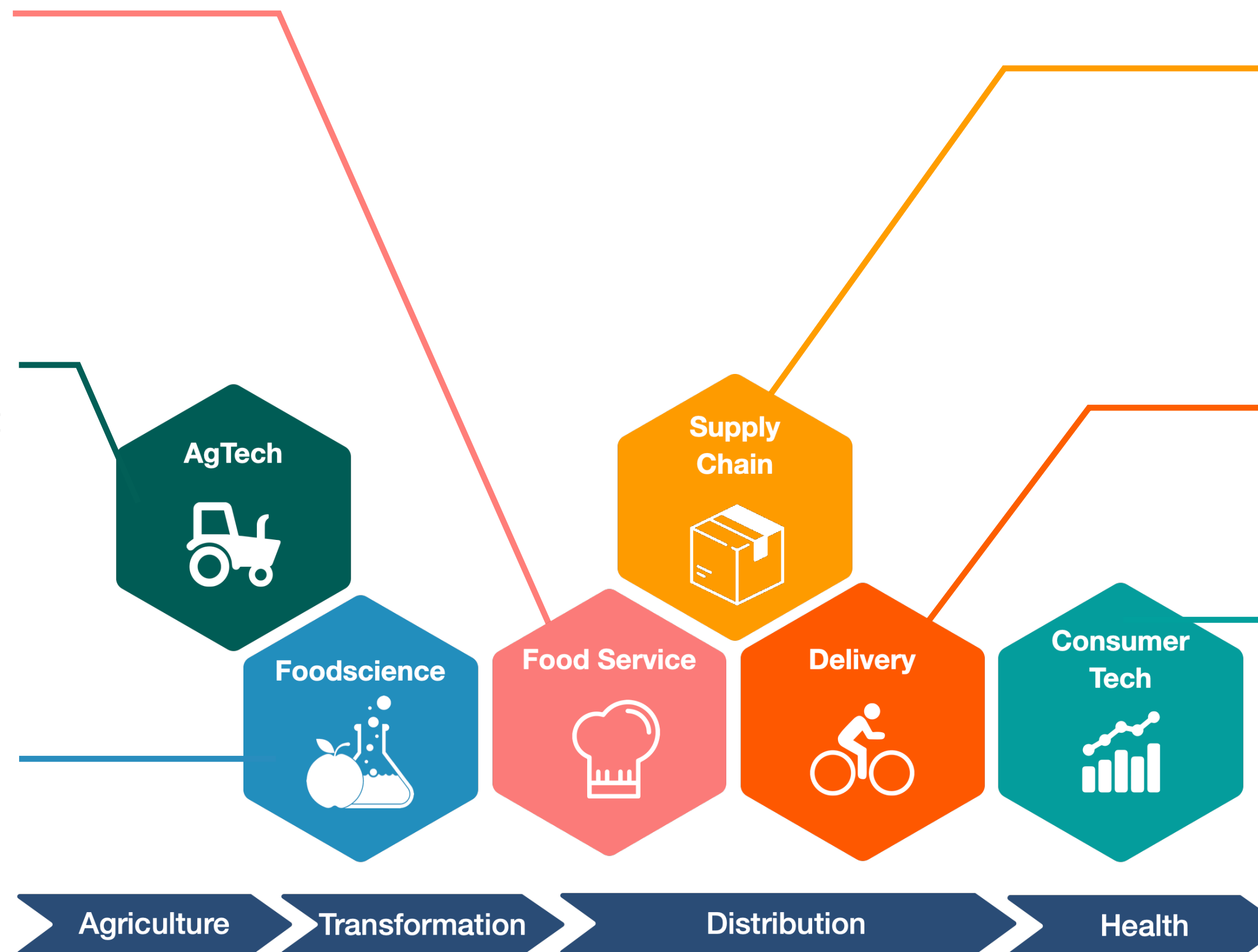
AgTech: startups disrupting agriculture. They come up with solutions to improve farming output and quality using drones, sensors and farm management software. AgTech is also about new farm products, next-generation farms and urban farming.

Food science: startups developing new ingredients and food products.

Supply chain: startups developing solutions for the food supply chain and food retail industry, from digitalisation to automation.

Delivery: startups developing services to order and deliver groceries and meals.

Consumer tech: startups developing services and devices to help consumer cook, identify the best foods for them and help them reach their personal goals.



About the data

DigitalFoodlab's database

This report is based on DigitalFoodLab's proprietary database and also uses Crunchbase data as an input. It contains the most comprehensive data about FoodTech startups and investors.



We gather data all year long with machine learning tools and with our network of partners. This report displays investments in dollars with currency conversions made at the time of the deals' announcements.

Create your own reports

In-house FoodTech reports

We create dedicated investment and innovation reports for clients seeking regular and reliable updates on agrifood innovation trends in specific geographies and categories. We add an extra layer of analysis personalised to the client's business focus.



See our report on Denmark's FoodTech [here](#).

We have also worked on reports on other countries and regions, such as Sweden and Asia.

Co-branded public reports

We create personalised reports on specific regions or countries.. The goal is to help you communicate your actions in the region and / or to promote the region's FoodTech potential for foreign investors, companies and entrepreneurs.



Investments and state of the ecosystem

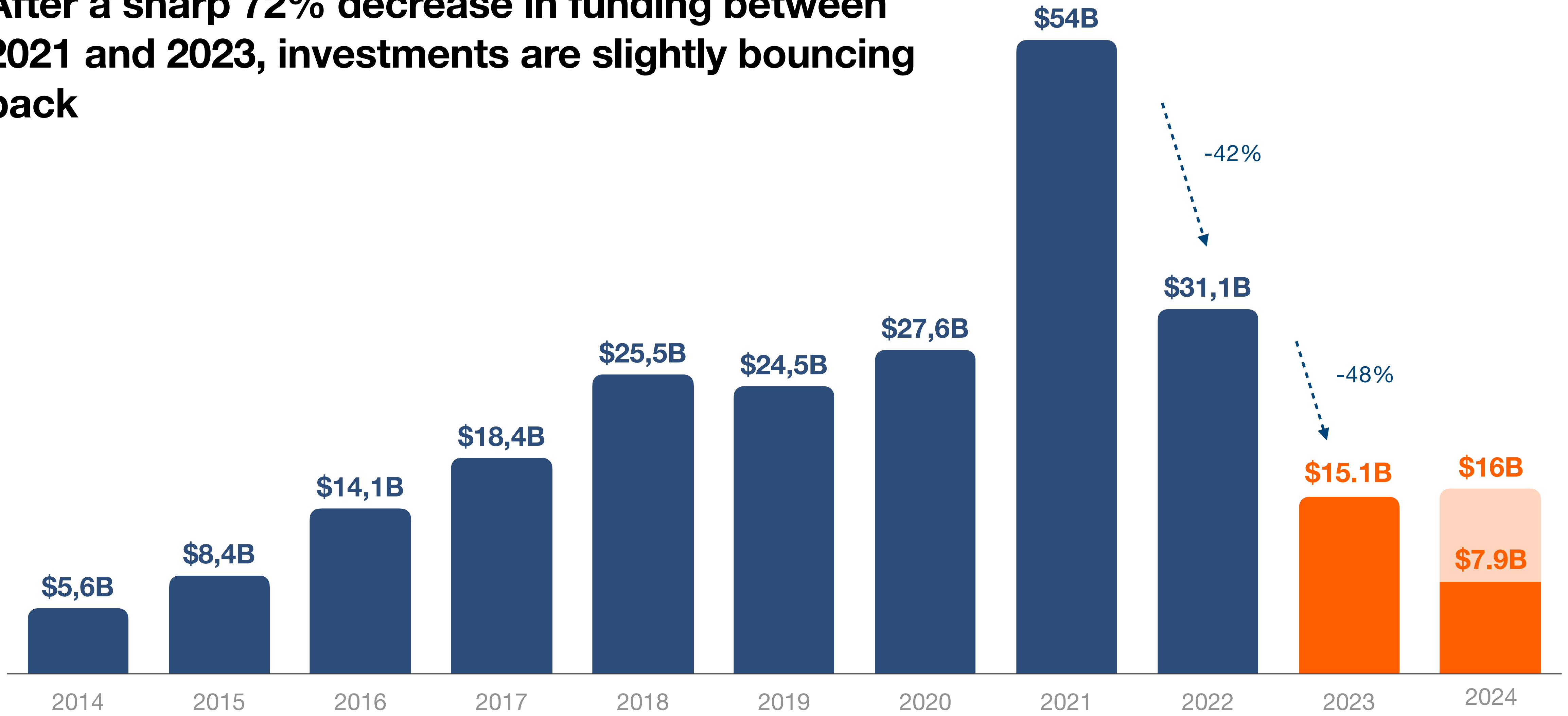


DigitalFoodLab

BE PART OF THE FUTURE

Investments in FoodTech startups

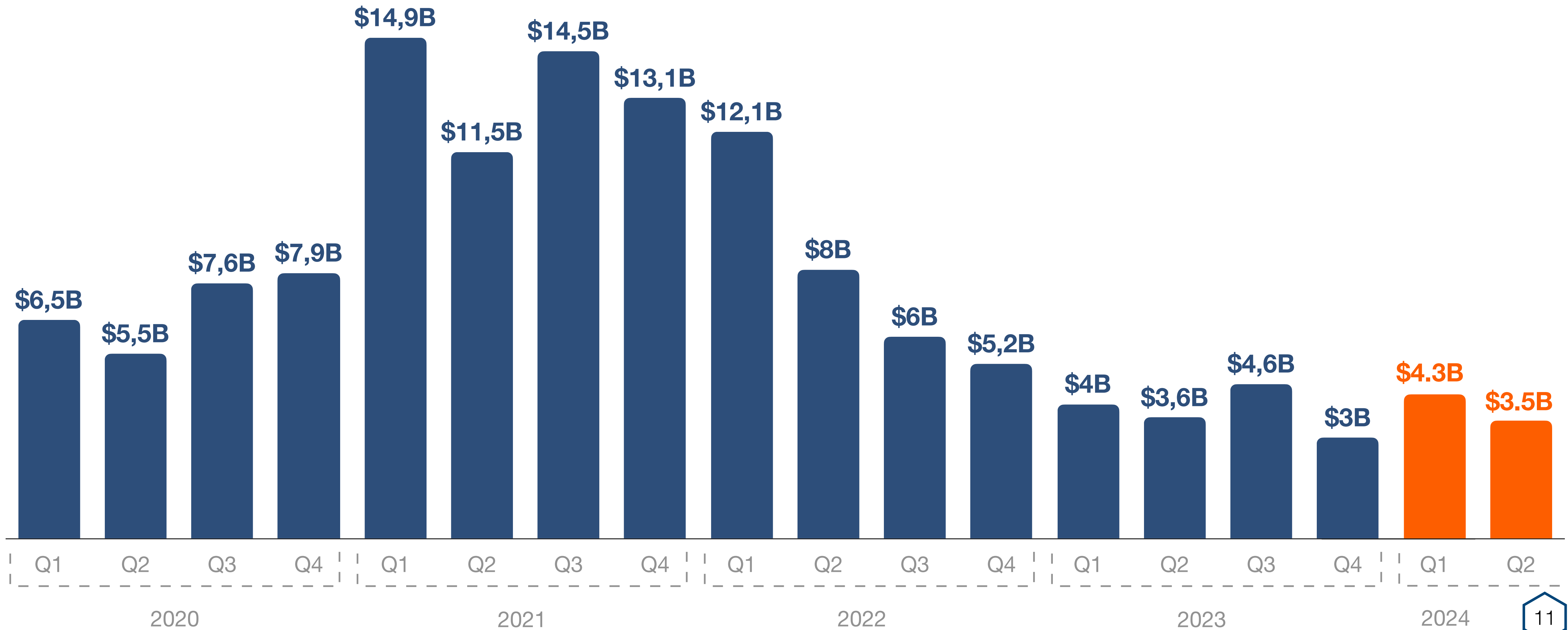
After a sharp 72% decrease in funding between 2021 and 2023, investments are slightly bouncing back



H1 / Projection

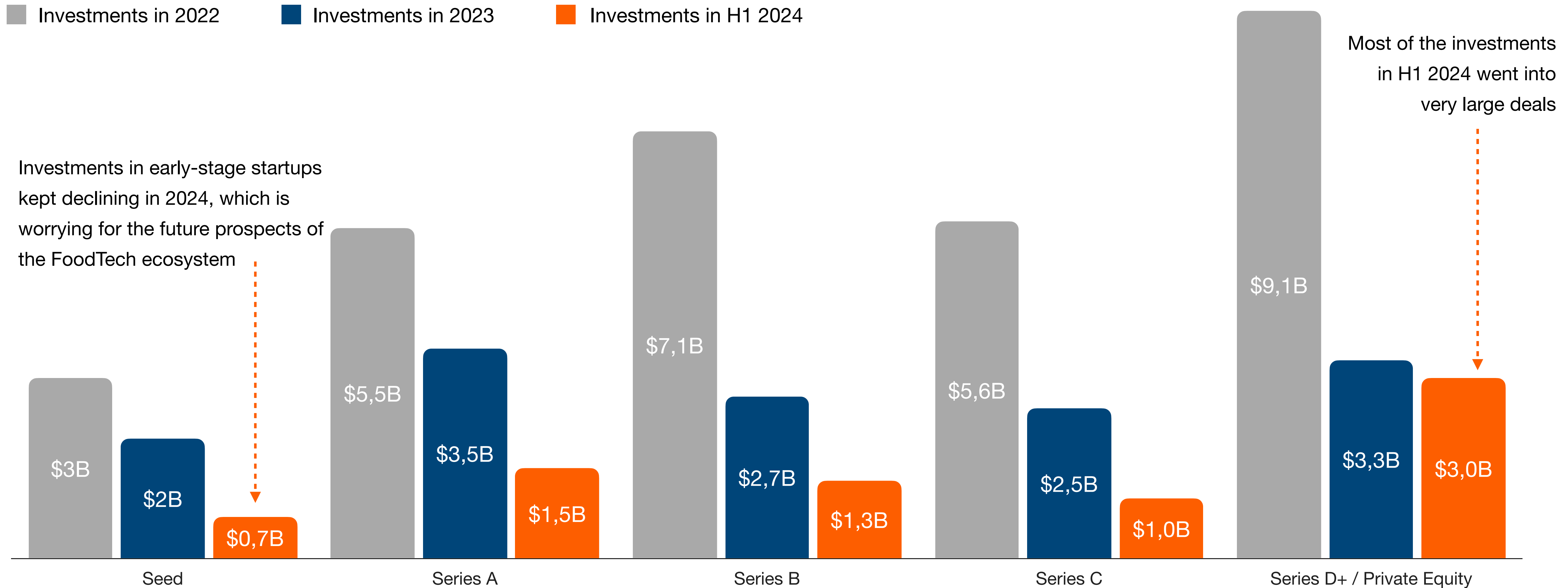
Quarterly investments

Even with this small bounce back, we are far from the levels of investments of 2020



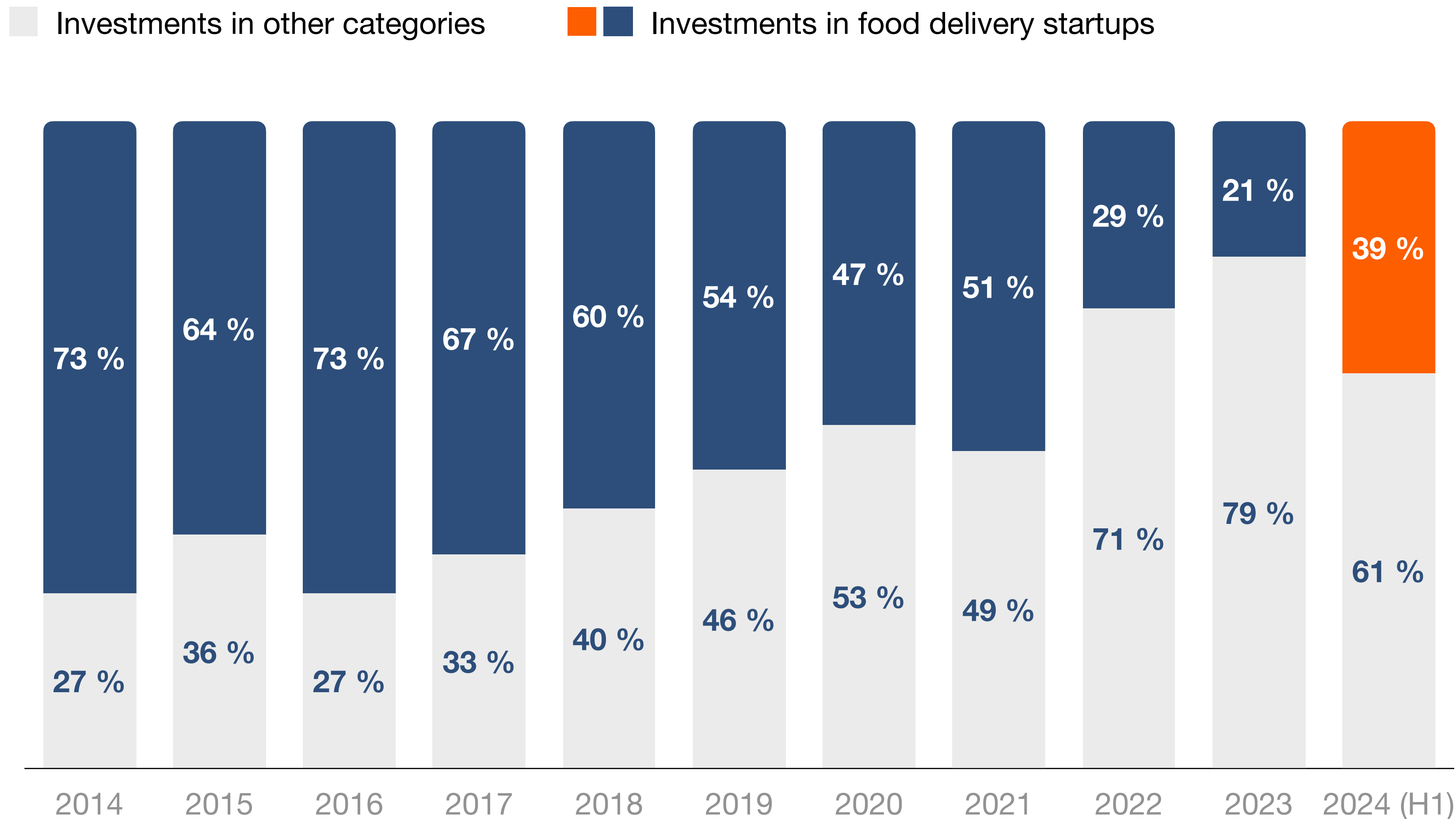
H1 2024's increase is mostly due to late-stage deals

Distribution of investments across stages



Delivery is back

While investments in delivery startups declined, notably, we observed a new surge in H1 2024



Over the past decade, the share of investments going to delivery startups has continuously shrunk to reach a bottom low of 21% in 2023.

With a handful of mega deals (\$100M+ investments) in the first half of 2024, delivery is again increasing its weight in the overall FoodTech ecosystem.

Unlike what we often hear, there is still room for innovation, growth, and then investments in delivery, both in developing and developed economies.

Going back to normal times

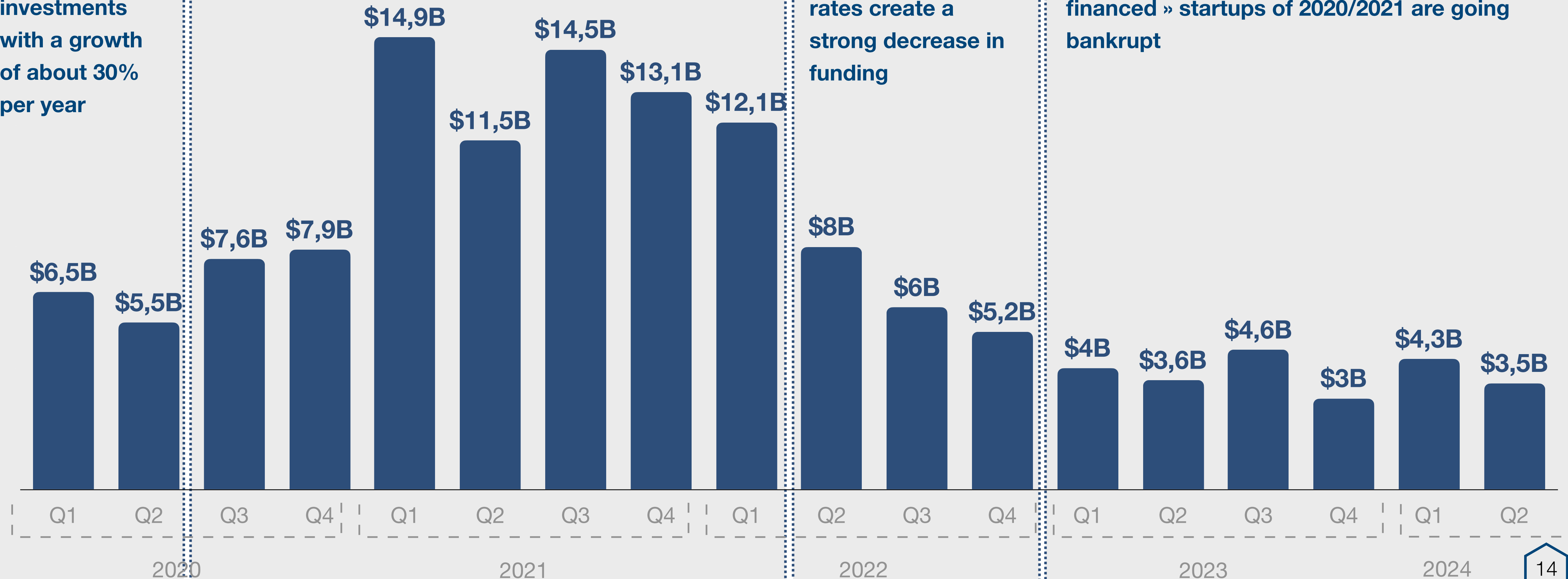
So, now, what's next?

Pre-covid levels of investments with a growth of about 30% per year

Peak of excitement with an unprecedented increase in funding in all categories

Inflation concerns and high interest rates create a strong decrease in funding

A new plateau has been reached. As the situation normalises, many of the « over-financed » startups of 2020/2021 are going bankrupt



Predictions for 2024/2025

Adjusted for inflation, we are back to 2016 levels of investments

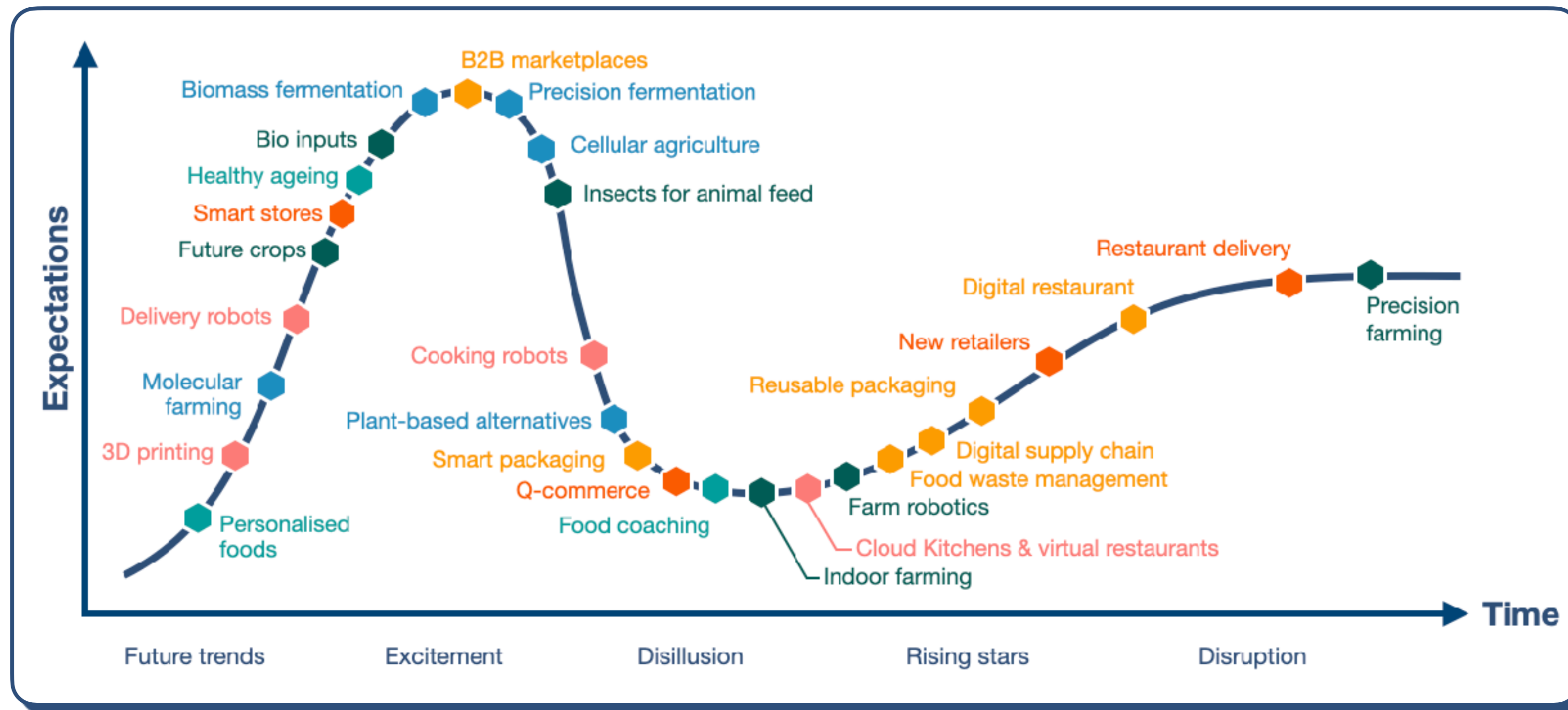
Due to uncertainties in the broader economy, we don't expect much change in investments and trends by the end of 2024. However, this doesn't translate into a loss of appetite from larger companies. As observed in the first part of the year, we expect the number of meaningful partnerships and collaborations between leading companies and startups to keep increasing.

For 2025, all things being equal, **we expect a bounce back in investments that should start in the US and eventually materialise in Europe.** It will certainly be slow to materialise as the number of « fundable startups » has decreased, at least for significant investments. Also, investors have increased their requirements, and we may have to wait for 2026 (at least) to see a substantial uptick where we could come back to the levels of funding of 2020.

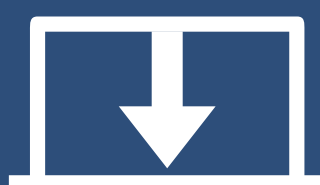


FoodTech trends & investments

Beyond the decrease due to inflation and other factors external to FoodTech, we can also point to another explanation. As you can see on the graph below depicting DigitalFoodLab's trends curve, which showcases all current trends shaping the future of food, we are in a very specific configuration.



Indeed, many are reaching or are currently sitting in the « disillusionment » stage, where many are questioning their long-term potential. Previously, massive investments made in startups acting there have now been severely reduced.



[Download DigitalFoodLab's trends report here.](#) 100-pages packed with insights on the trends shaping the future of food.



Digitalfoodlab use case

Ecosystem study

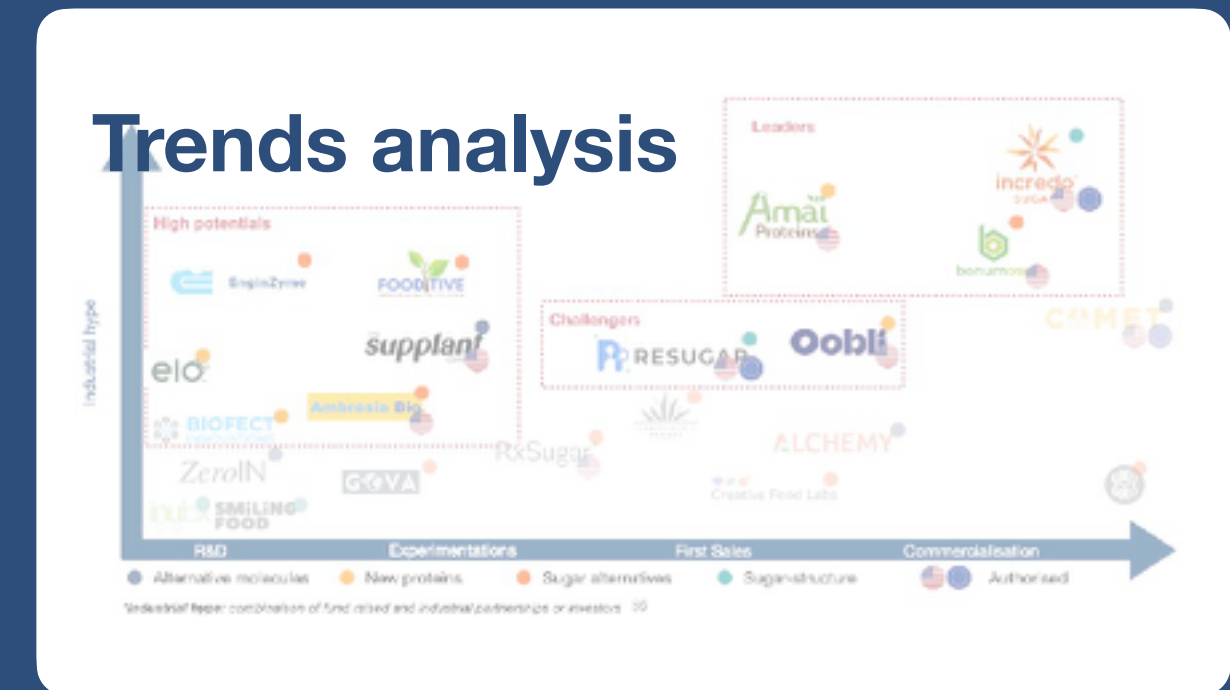
Project for a global F&B company looking to map the innovation ecosystem around coffee and the best startups to partner with.

What we did:

- 🏠 Mapping of the innovation ecosystem around coffee: startups, research regulators, and other leading companies.
- 🏠 Analysis of the information to reveal the trends and a model to analyse eventual partners.
- 🏠 A workshop will be held to validate the opportunities based on our recommendations.
- 🏠 Scouting of relevant partners (startups, incubators).

Results:

- 🏠 Mapping the different categories of innovations in the coffee business that should be considered now to create long-term benefits for the business.
- 🏠 Identification of key partners (an incubator and a couple of startups).



Arevo | Lien

Scouting

Country: Sweden
Date of creation: 2022
CEO: Niklas Astrom ([linkedin](#))
Stage: experimentation
BM: B2C

Business description

Value proposition: The purpose is not to fertilize plants but to stimulate root growth. By harnessing nature's own processes, the startup's specialized nutrition produces robust plants with strong long-term growth.

Technology: Arevo's technology is based on world-leading and ground-breaking research in plant nutrient uptake. At its core is an insight in how plants can use the amino acid arginine as a natural source of nitrogen.

Products: liquid and granular amino acid fertilizers (nitrogen fixer)

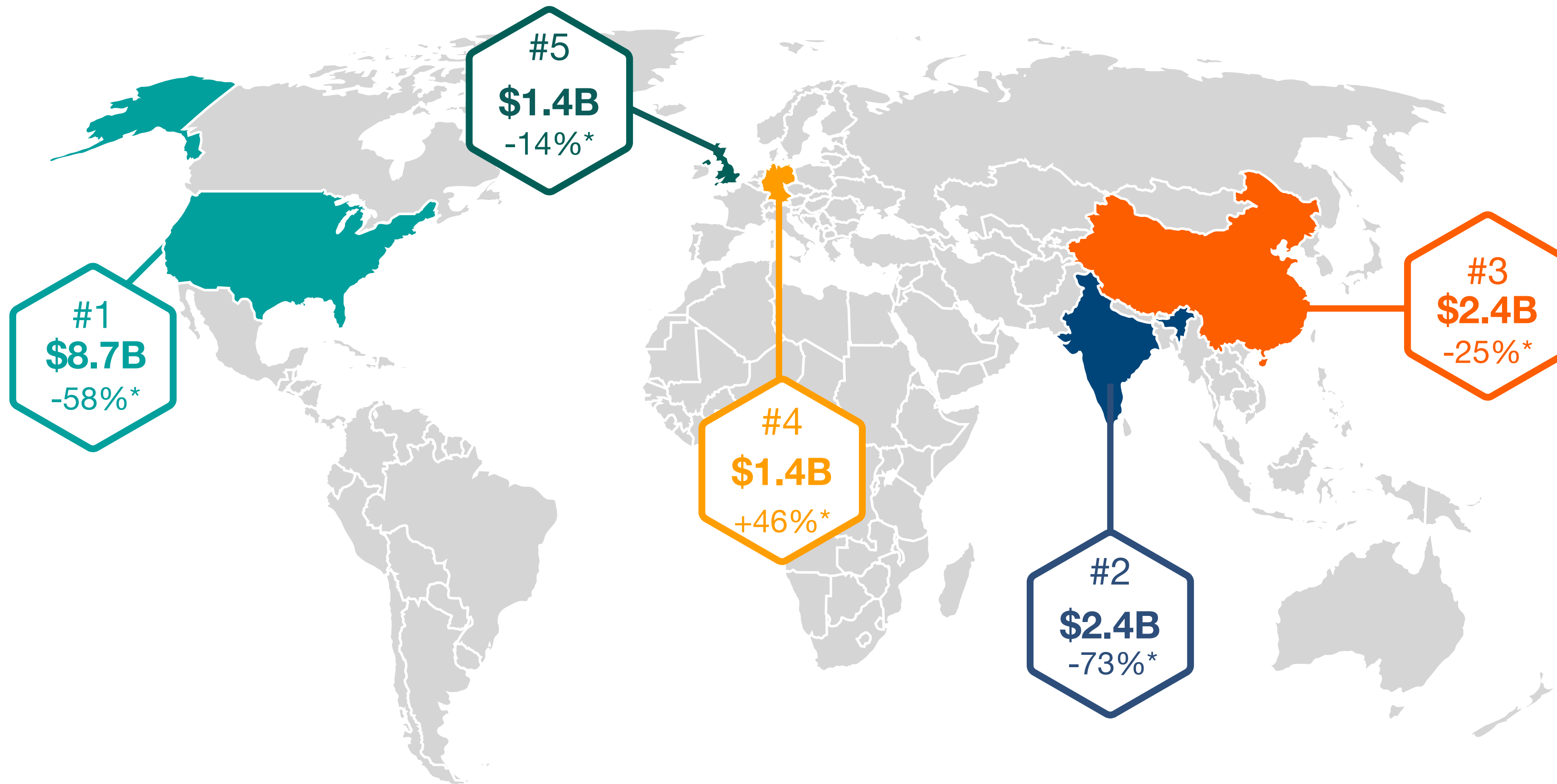
Target: unknown

2

Geographic distribution & innovation hubs



Top countries for investments in 2023 + H1 2024



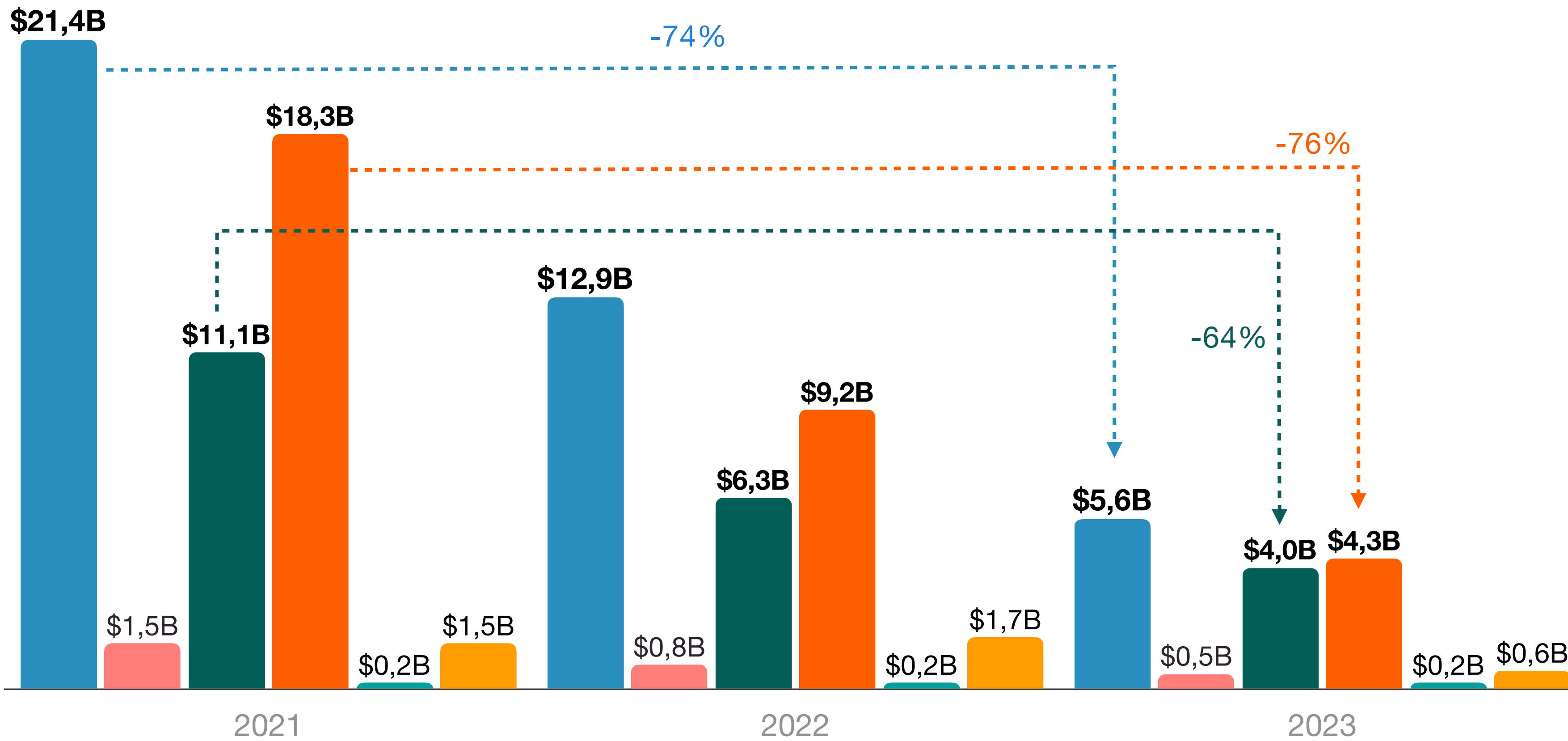
Country - Amount raised in 2023+H1 24

- 1 - United States - \$8.7B
- 2 - India - \$2.2B
- 3 - China - \$2.1B
- 4 - Germany - \$1.2B
- 5 - United Kingdom - \$1.2B
- 6 - France - \$0.9B
- 7 - The Netherlands - \$0.7B
- 8 - Switzerland - \$0.6B
- 9 - Israel - \$0.4B
- 10 - Brazil - \$0.4B
- 11 - Australia - \$0.4B
- 12 - Indonesia - \$0.4B
- 13 - Canada - \$0.3B
- 14 - Japan - \$0.2B
- 15 - Singapore - \$0.2B

*evolution of investments between 2022 and 2023

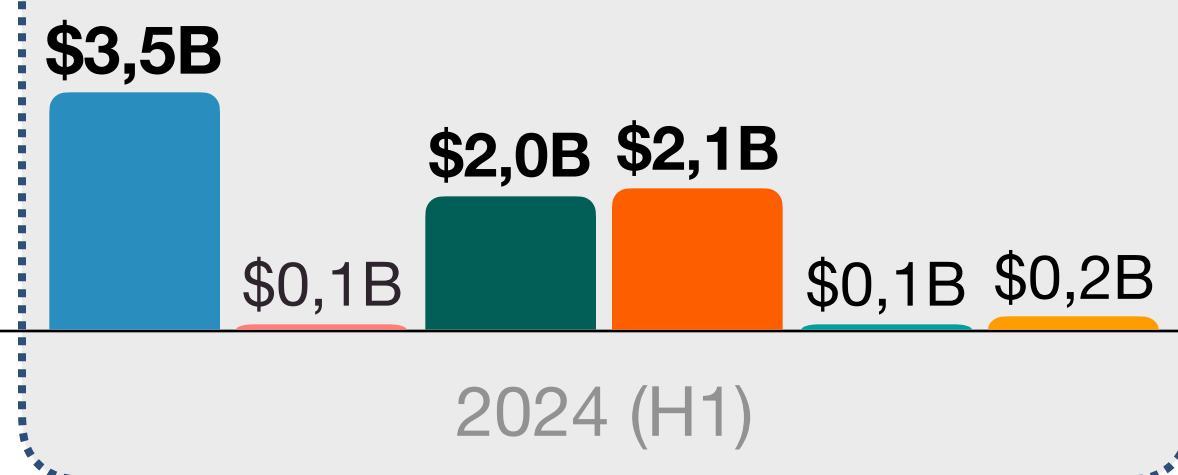
No region has been spared by the decline in investments

Evolution by region



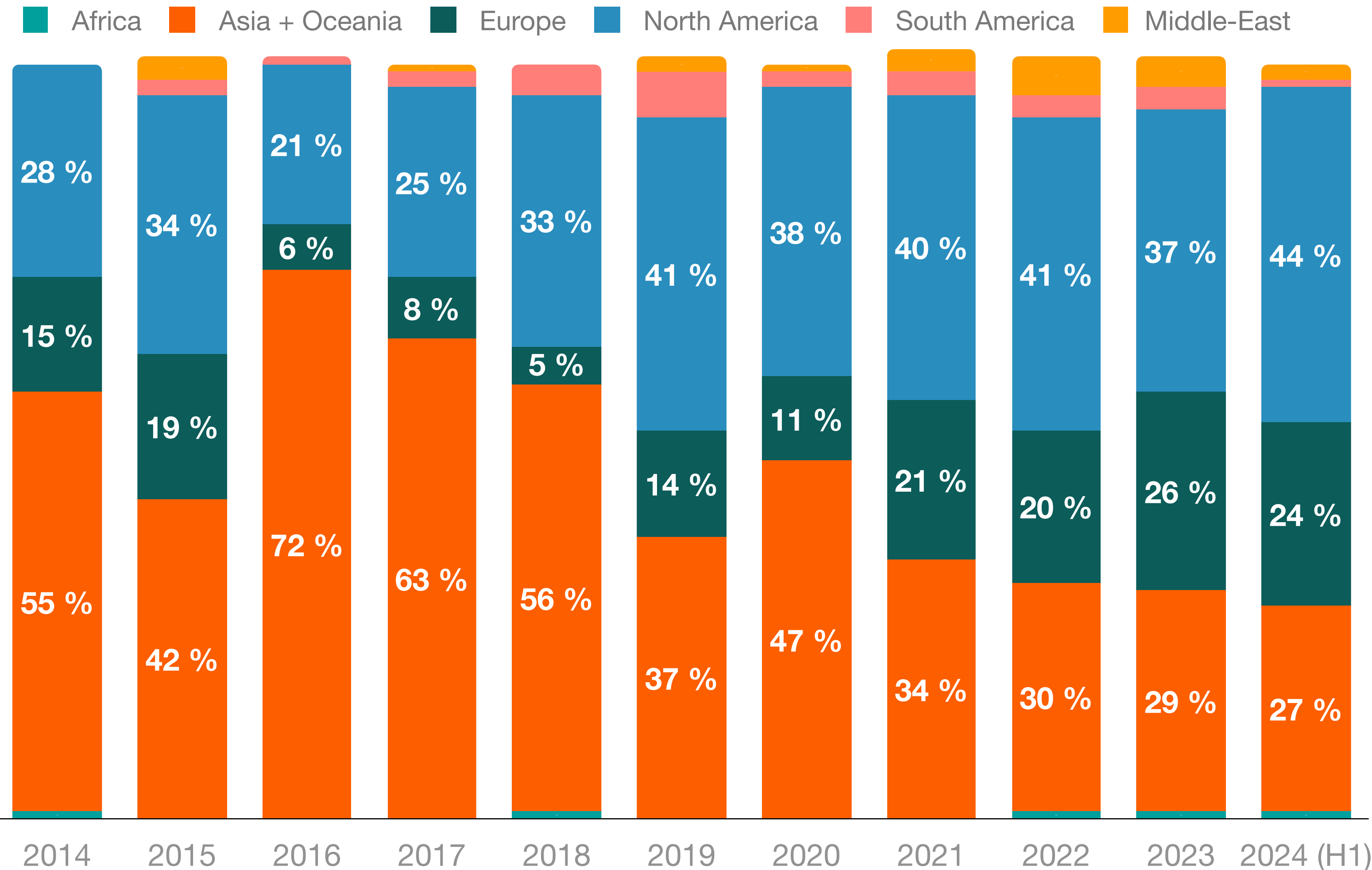
Distribution of investments in H1 2024

As shown by the data below, investments in North America have already reached a healthy level for the first half of the year, notably compared to other regions. Europe, slightly less affected by the decline, seems slower to bounce back.



Europe's up, Asia is going down

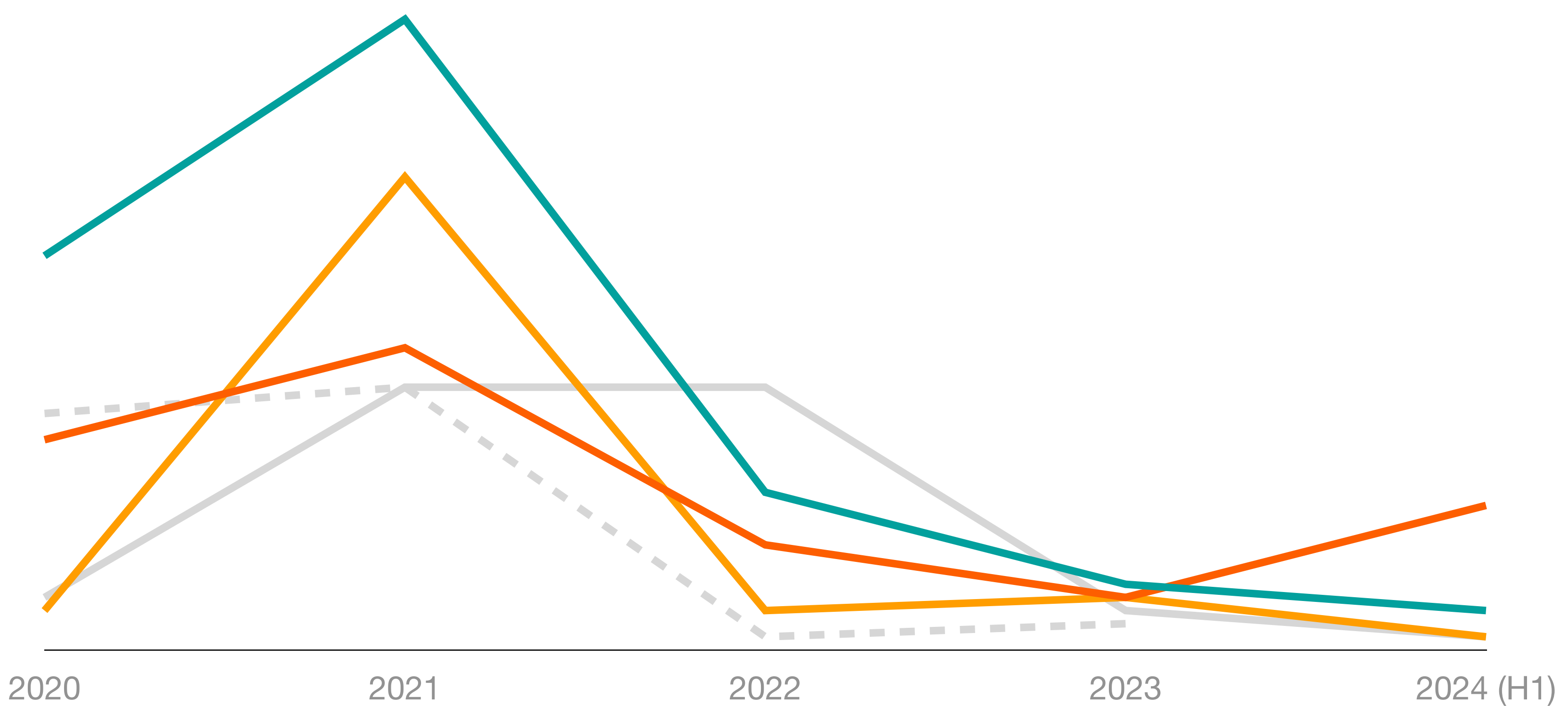
Relative evolution of investments in key regions



- The Opposite graph shows the relative evolution of FoodTech investments worldwide. We observe that the share of investments in the APAC (Asia Pacific) region is declining.
- Massive deals, notably in China, occurred between 2012 and 2020. These have now almost disappeared, explaining this change.
- More investments into new categories, such as sustainable proteins and agriculture, have profited tech-focused American and European startups.

Evolution of investments in the top five FoodTech hubs for investments

— San Francisco - Bay Area
 — New York
 — Berlin
 - - Beijing
 — Bangalore

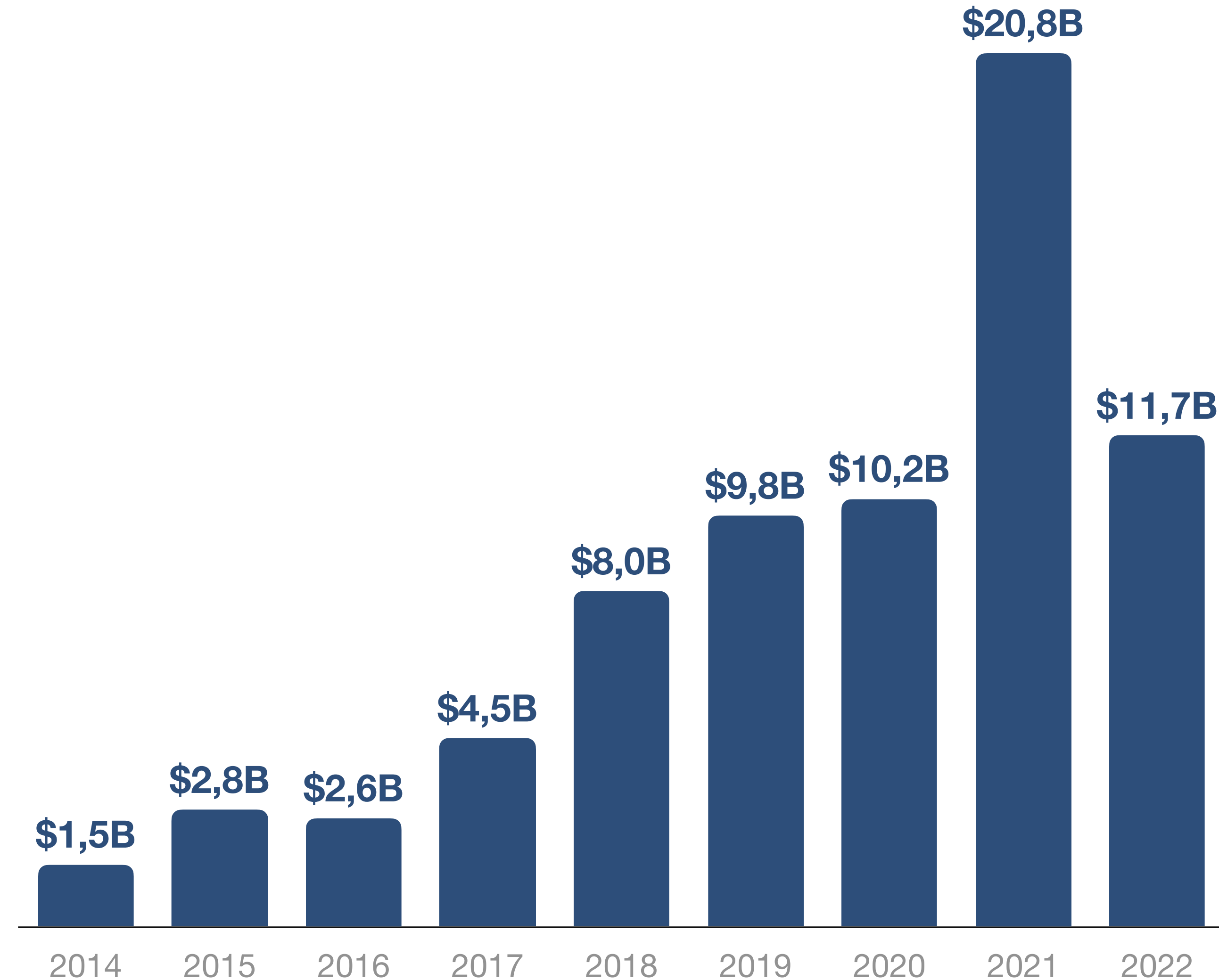


We can identify 12 cities that act as FoodTech hubs that attract the most investments over the past decade:

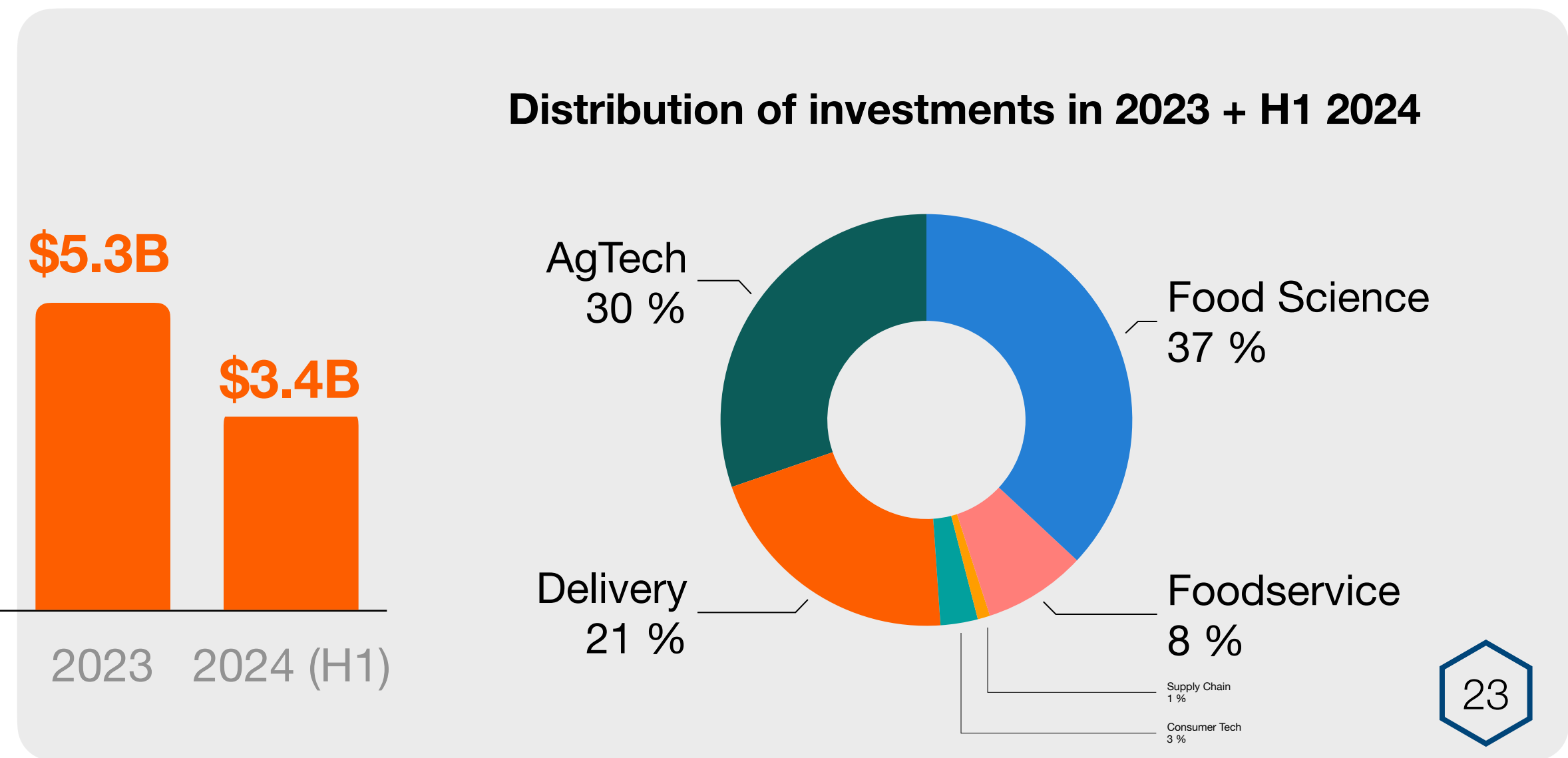
- ⦿ North America: San Francisco and the Bay Area, New York, Los Angeles, Boston.
- ⦿ Asia: Bangalore, Singapore, Jakarta, Beijing, Shanghai.
- ⦿ Europe: Berlin, London, Paris.

US focus

Leading FoodTech

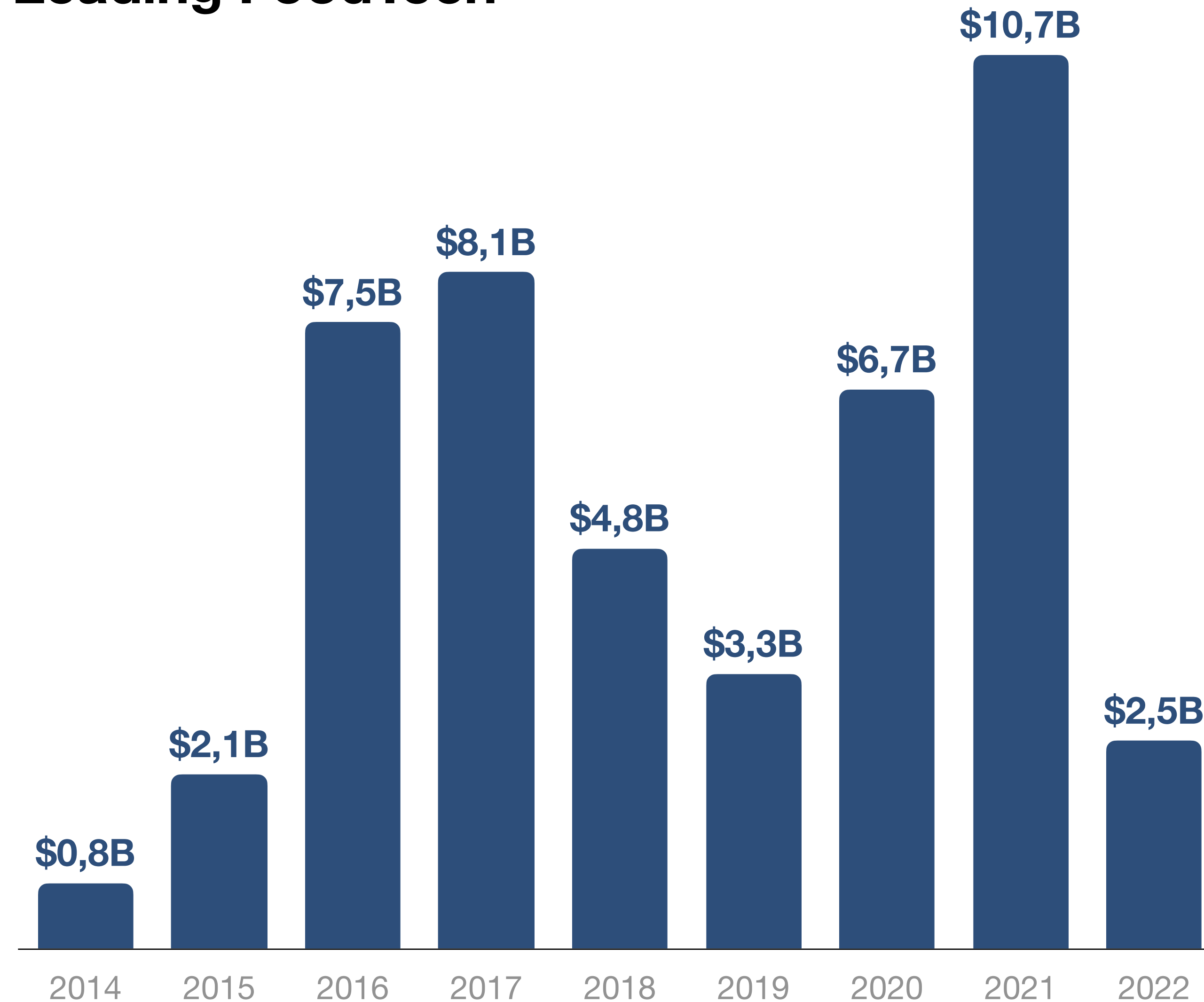


- While heavily impacted by the decline in funding, the US ecosystem remains by far the world's largest.
- As seen below, it is well balanced between the three leading categories of FoodTech, with still a large share of investments going into innovative food products (notably alternative proteins, but also new CPG food and drinks brands)

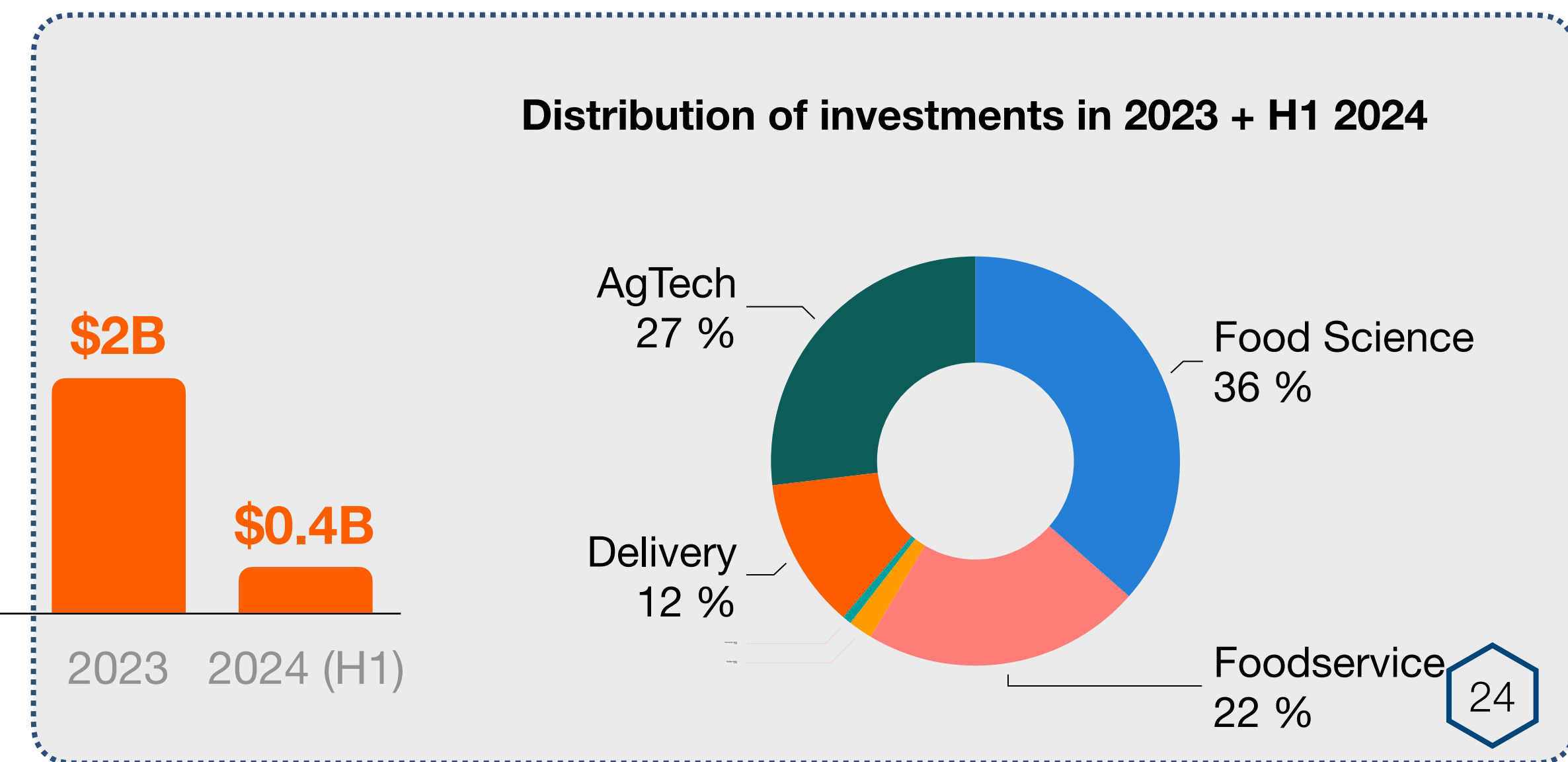


China focus

Leading FoodTech

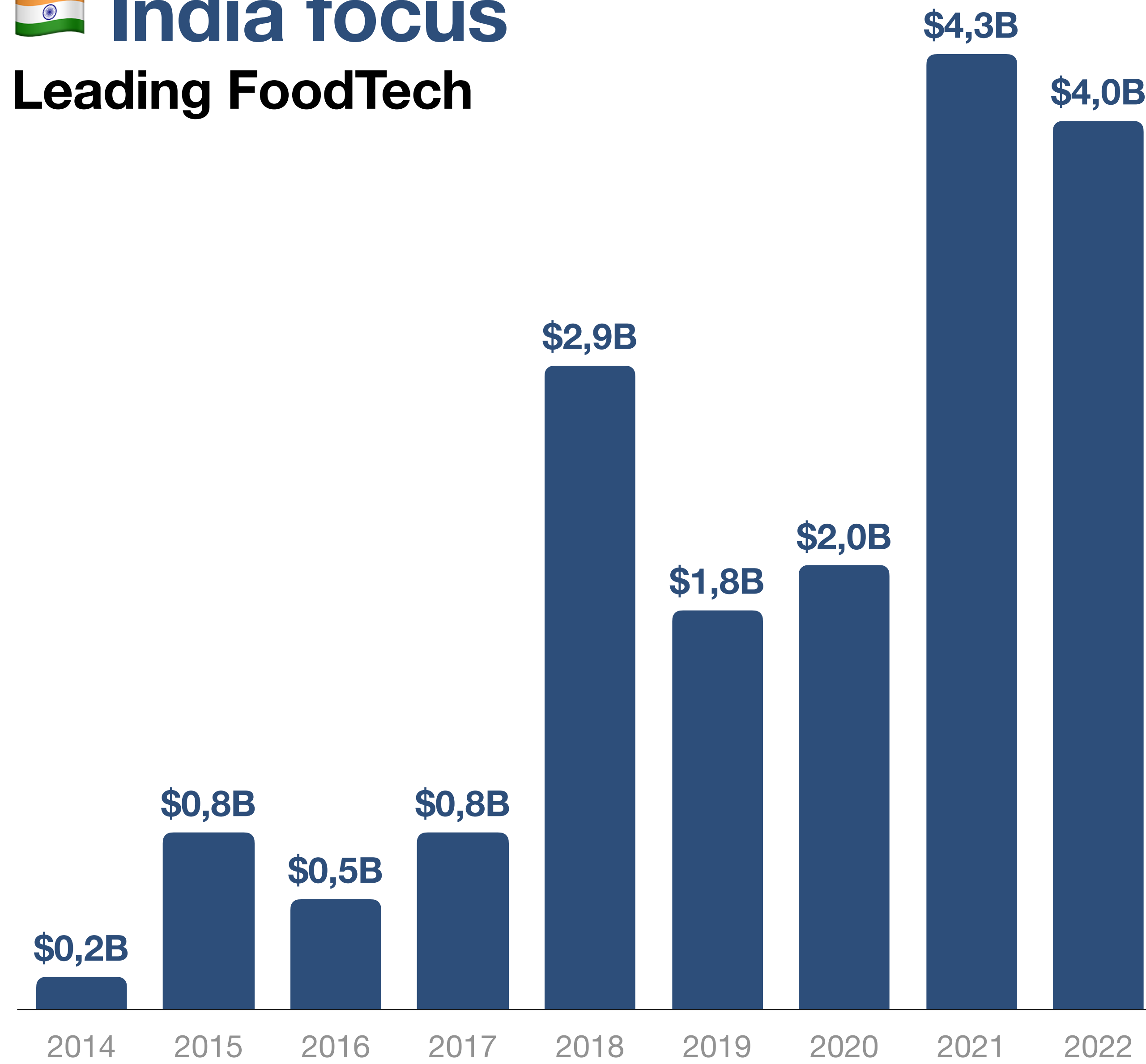


- After years of record-high investments in delivery startups (such as Meituan or Xingsheng Youxuan), investments have stalled quite dramatically in China.
- As seen below, investments in delivery now account only for a small share of the total, explaining the decrease.
- Unlike the rest of the main FoodTech hubs, we don't observe a bounce back or even a plateau as investments keep declining.

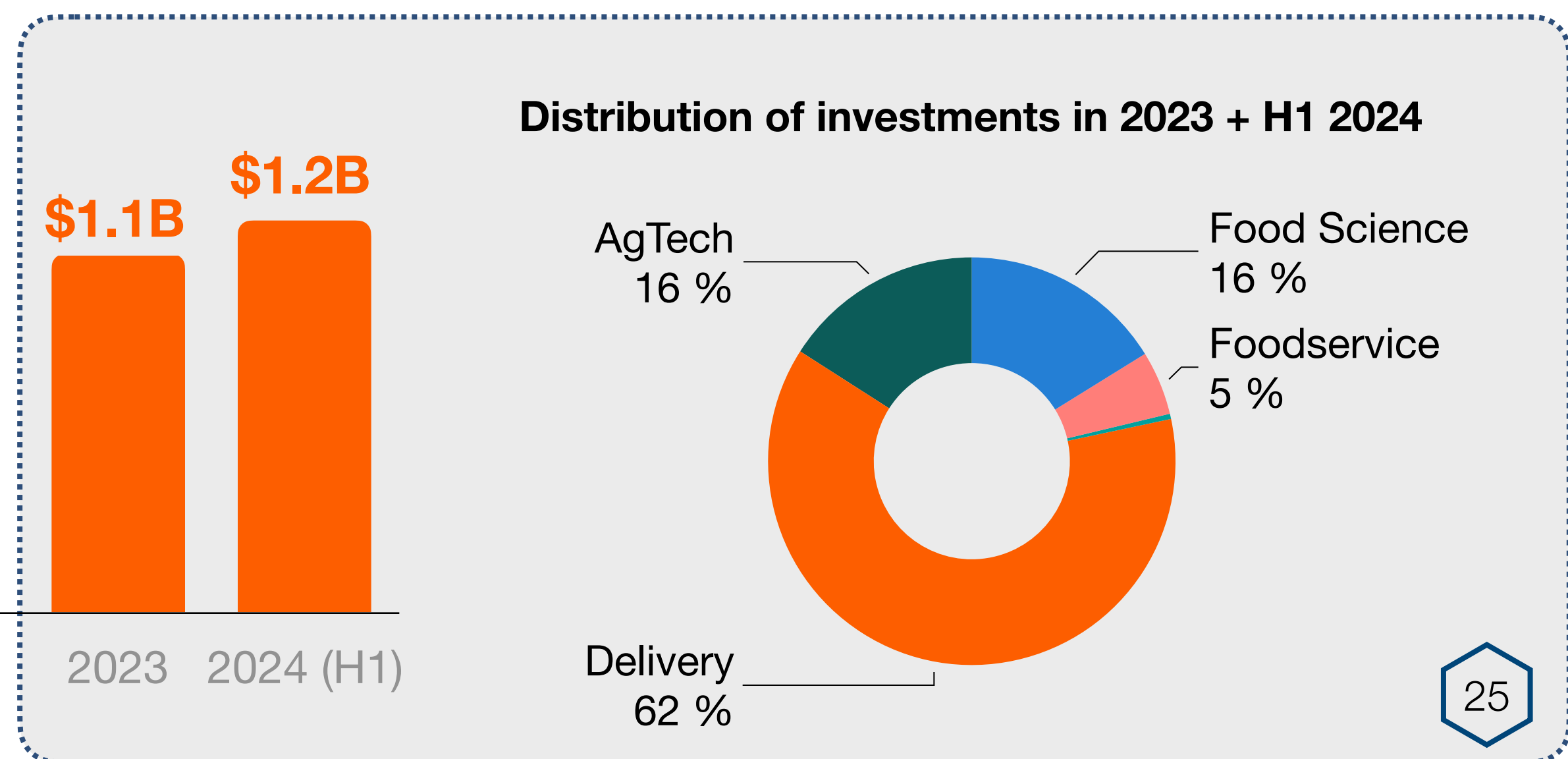


India focus

Leading FoodTech



- As for China, India's FoodTech is primarily a delivery ecosystem. However, unlike its neighbour, investments in Indian startups keep flowing, even at a slower pace.
- Also, we have observed that beyond delivery, significant investments are being made in new « trending categories », notably in agriculture. Many startups are targeting India's small-scale farms with tools to help them better access the market.





Digitalfoodlab use case

Innovation strategy

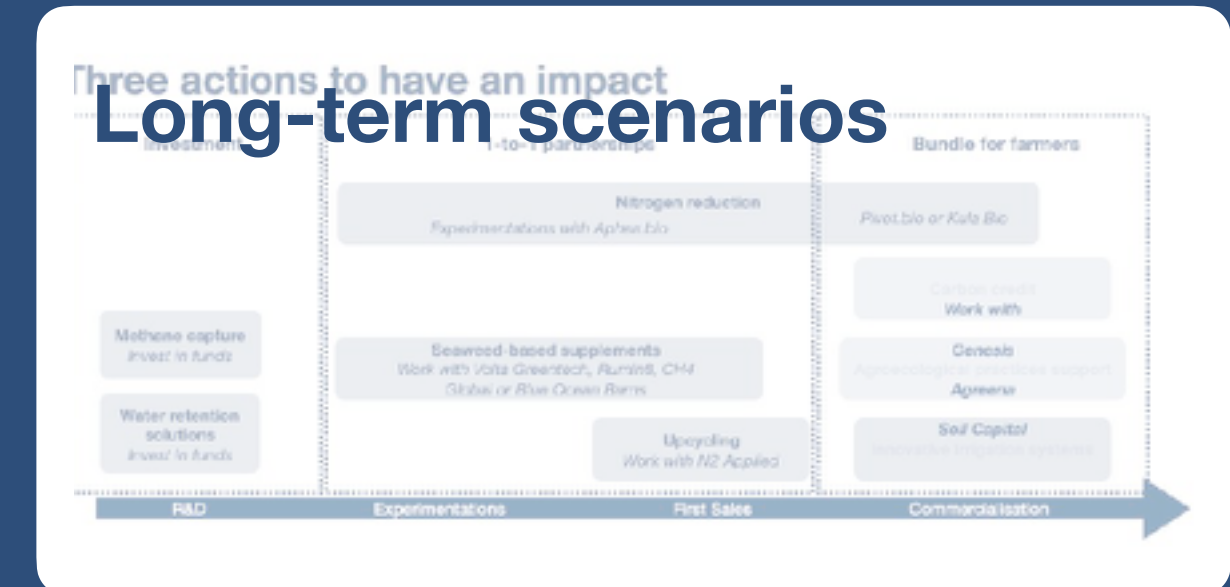
Project for a CPG company on the healthy ageing ecosystem

What we did:

- Step 1: mapping and identification of startups
 - Kick-off to understand the specific challenges and capabilities of the client
 - Opportunity screening: mapping of the healthy ageing ecosystem, presentation of the main categories, recommendations on the most relevant categories
 - Scouting: identification of the best startups (global scope) for the client
- Step 2: long-term strategy
 - Mapping of the relevant partners to establish a long-term open innovation strategy (from incubators to universities).
 - Recommendations and presentation of the best potential partners.

Results:

- Creating a consensus on which categories to prioritise and how to address them.
- Implementation of an open innovation strategy through the development of partnerships.



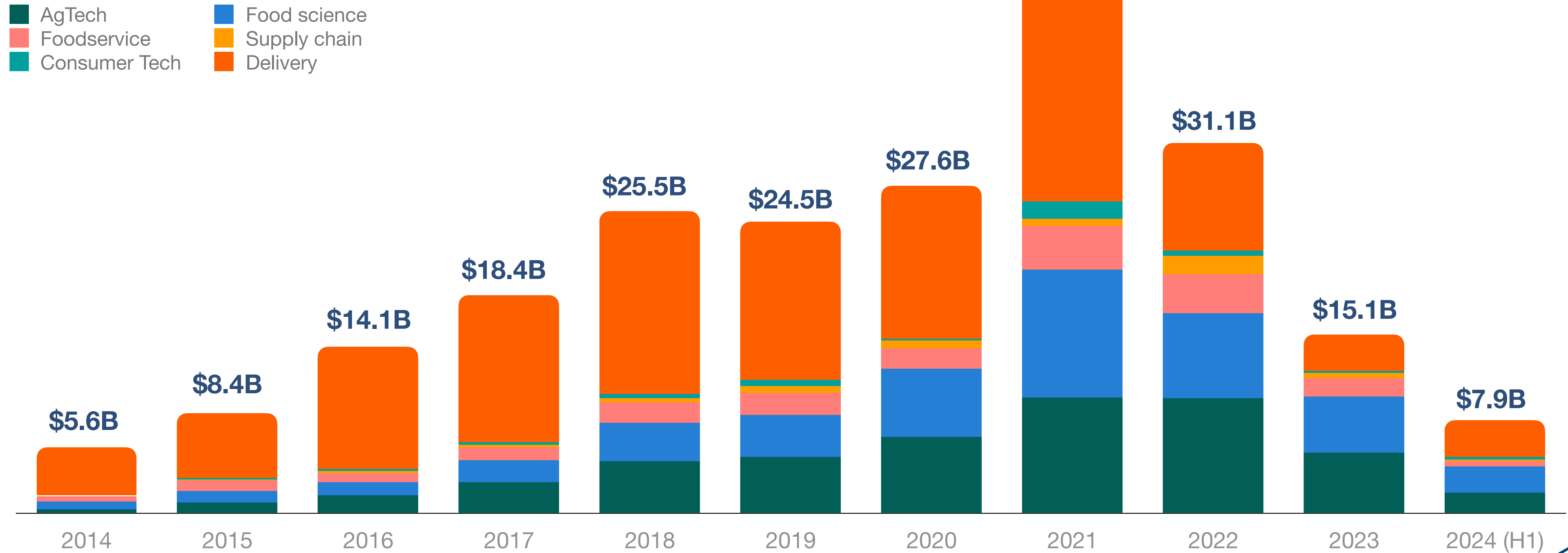
3

Distribution by categories and trends



All categories are affected by the current investment decrease

Distribution of investments by categories



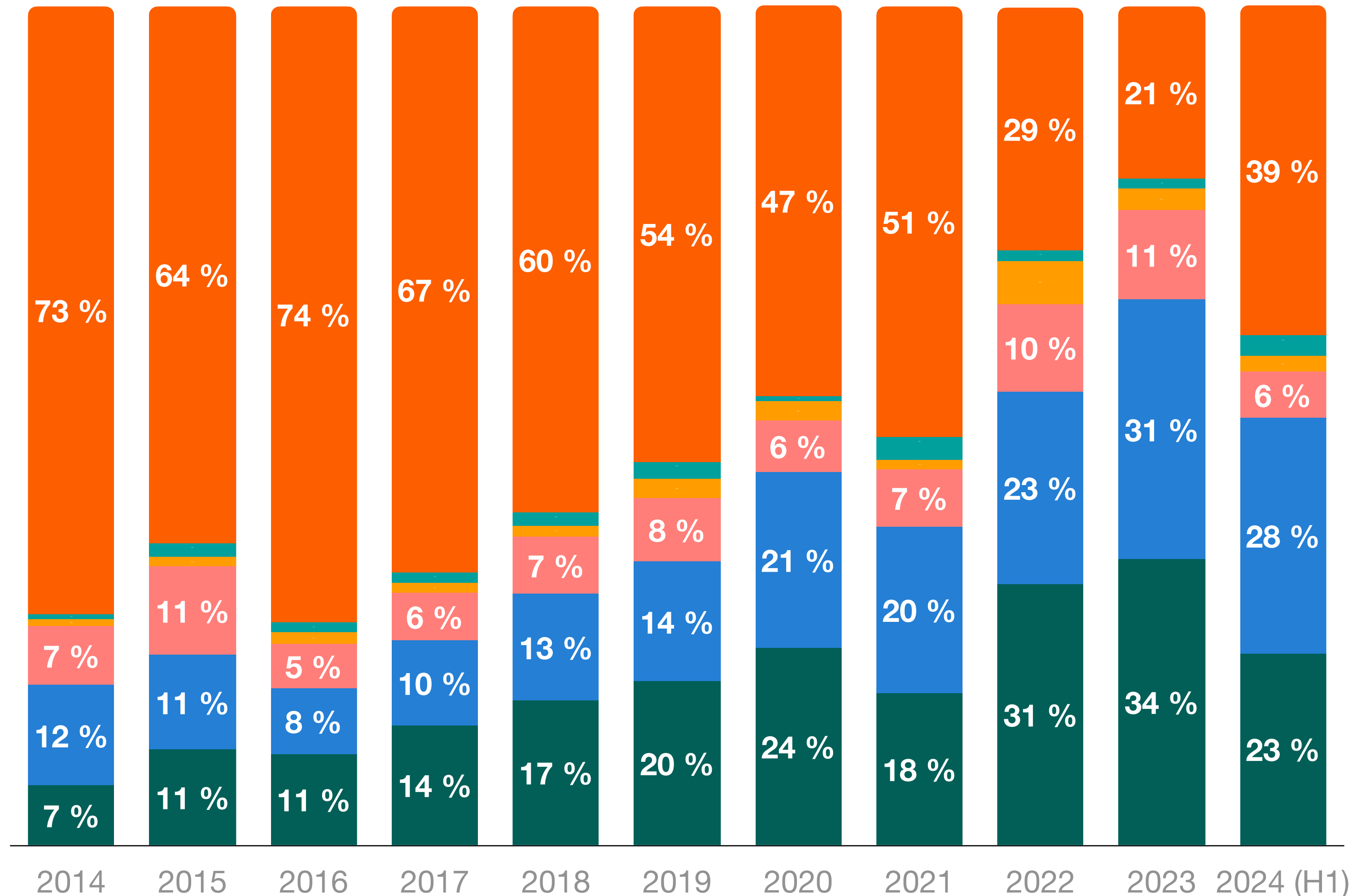
Upstream and midstream rising

While initially, investments were concentrated mainly in downstream innovations (delivery, restaurant tech), this now only accounts for a third of all the money going into FoodTech startups.

First investments in upstream startups (AgTech) rose, and more recently, mid-stream investments (startups focused on transformation, from new ingredients to packaging)

Evolution of the distribution of investments

■ AgTech
 ■ Food science
 ■ Foodservice
 ■ Supply chain
 ■ Consumer Tech
 ■ Delivery

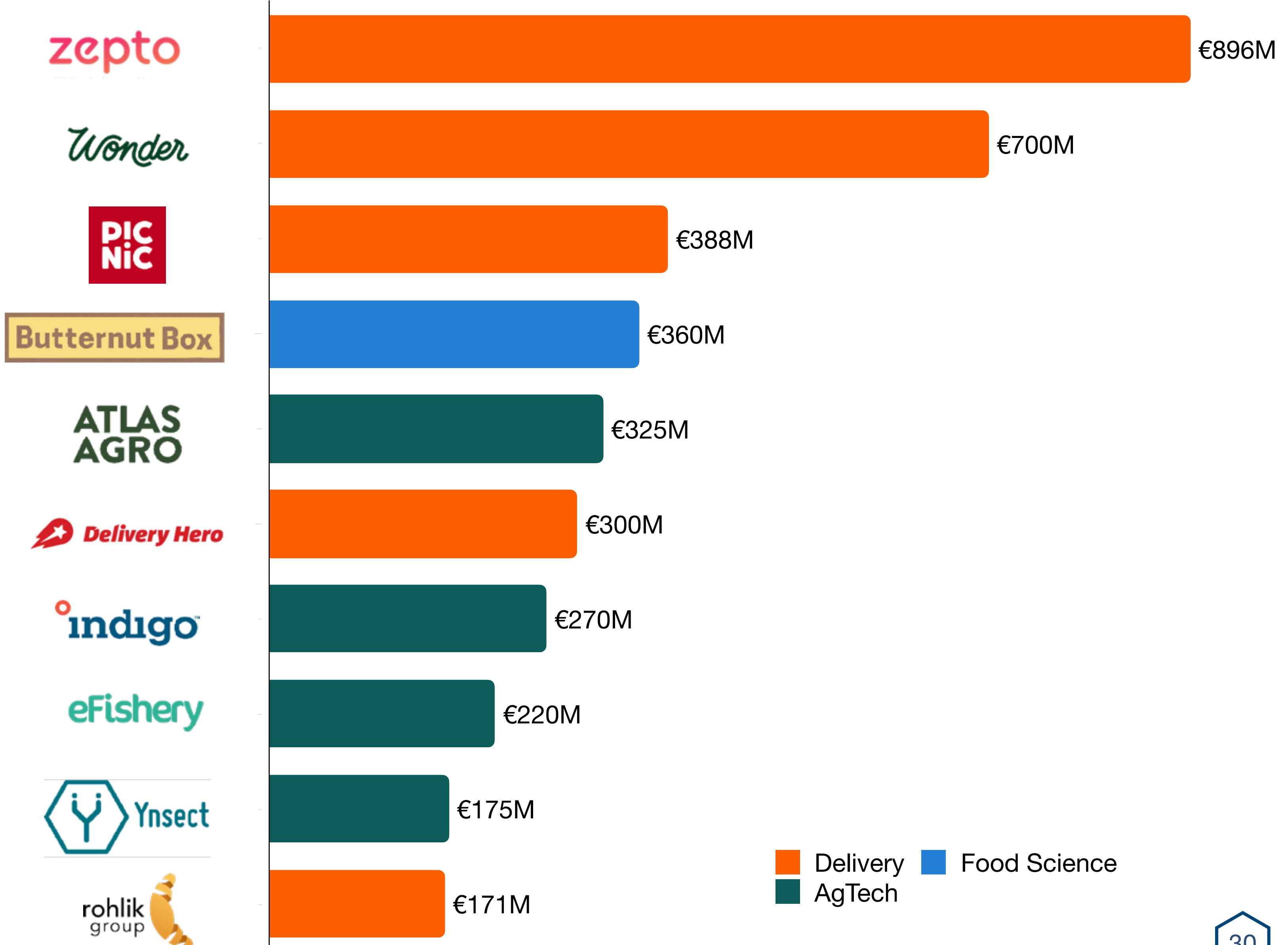


Top deals of 2023

Distribution by quarter

As shown on the previous page, the observed bounce back in 2024 is primarily due to mega deals (\$100M+). This translates into a series of massive investments, notably in delivery startups.

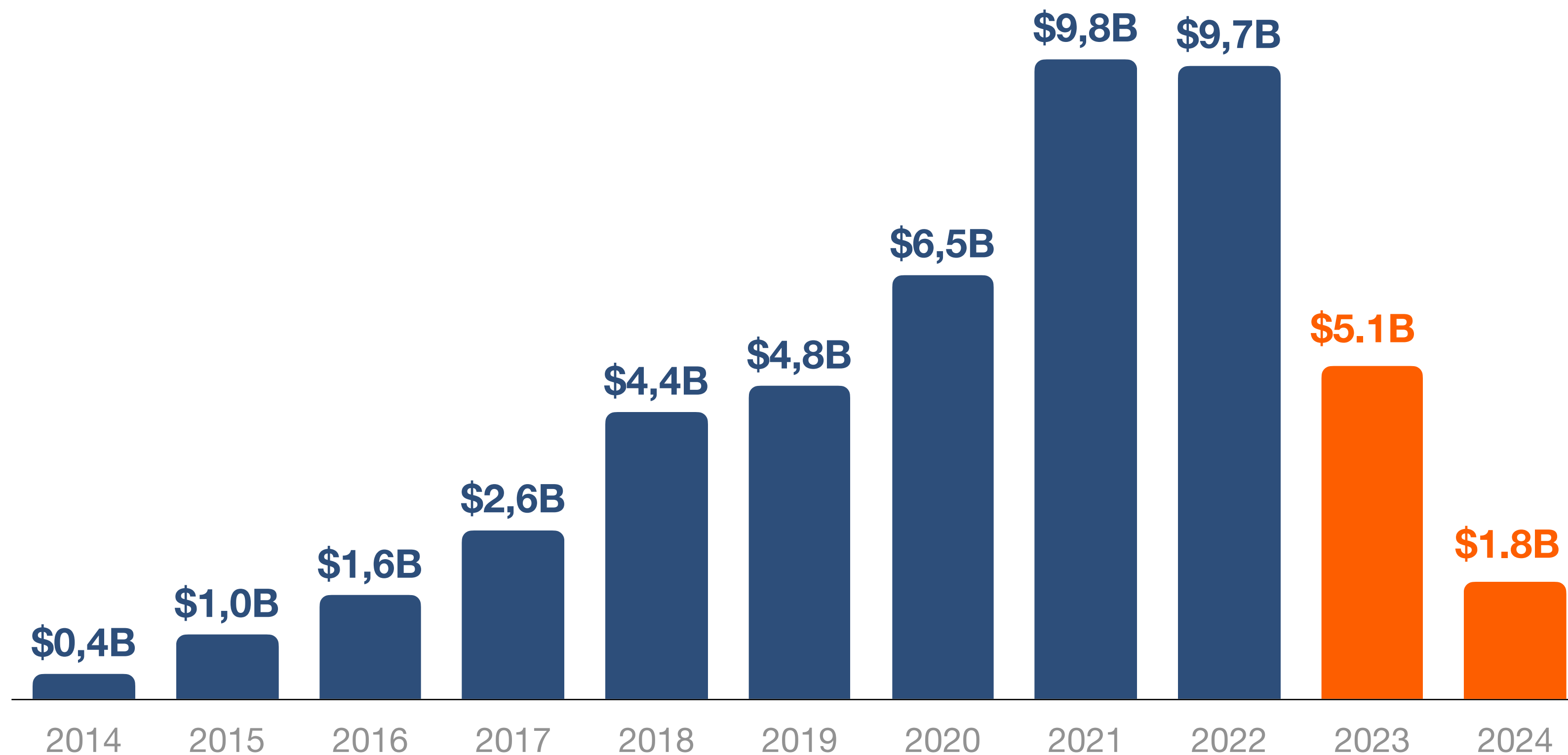
While we could expect a decrease in deals between \$10 and \$50M, we still see a large number of them. Instead, the deals below \$10M are becoming rarer. This translates into a higher « startup mortality » and a diminution of new startups.



■ Delivery
 ■ Food Science
 ■ AgTech

AgTech focus

Definition: startups disrupting agriculture. They come up with solutions to improve farming output and quality using drones, sensors and farm management software. AgTech is also about new farm products, next-generation farms and urban farming.



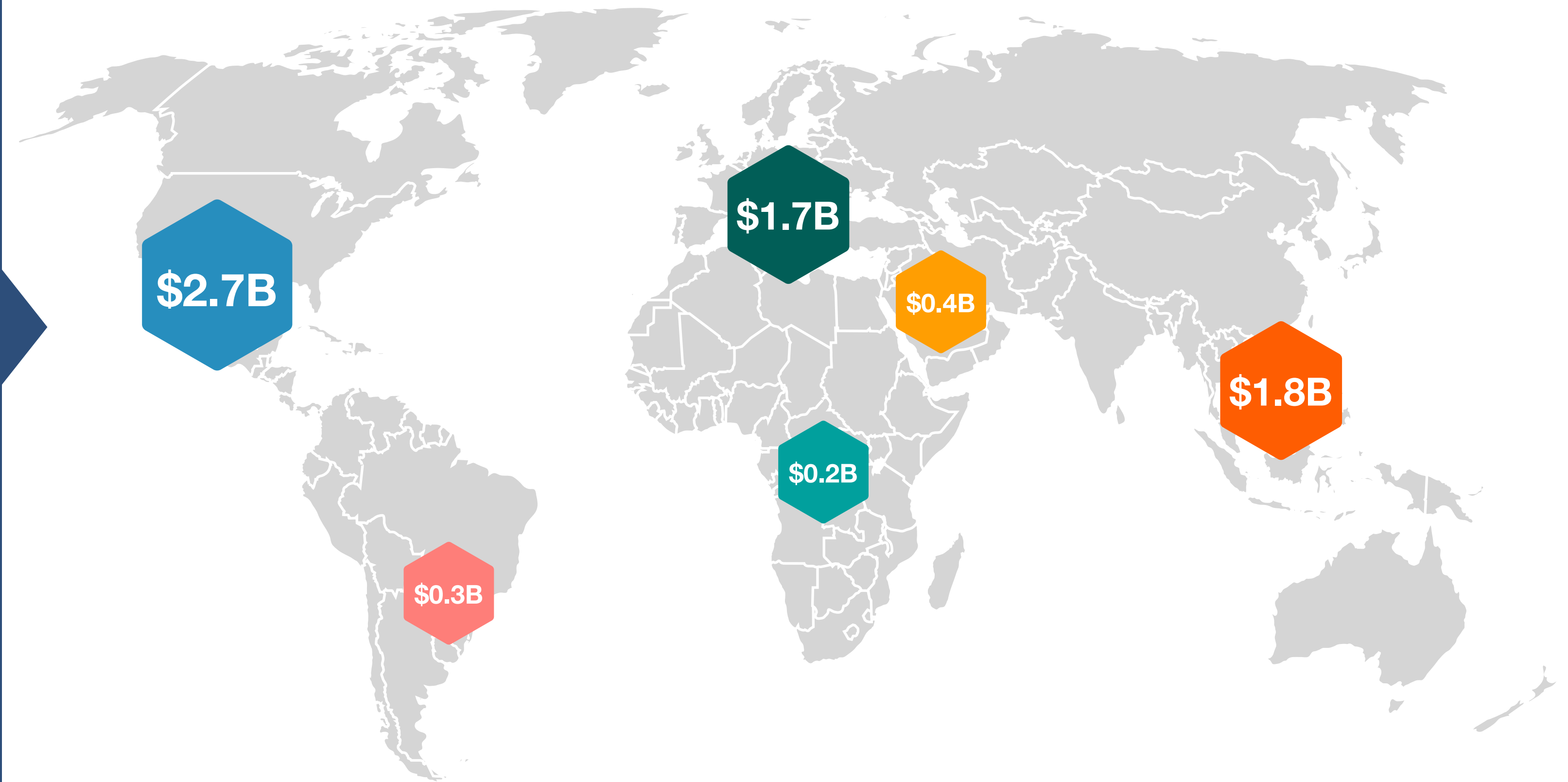
- Compared to the rest of the ecosystem, AgTech was much less impacted, with « only » a decrease of 48% in funding (compared to 72%) between 2021 and 2023.
- This is due to a renewed appetite for sustainable solutions (such as bioinputs or methane-reduction technologies) and robotics.



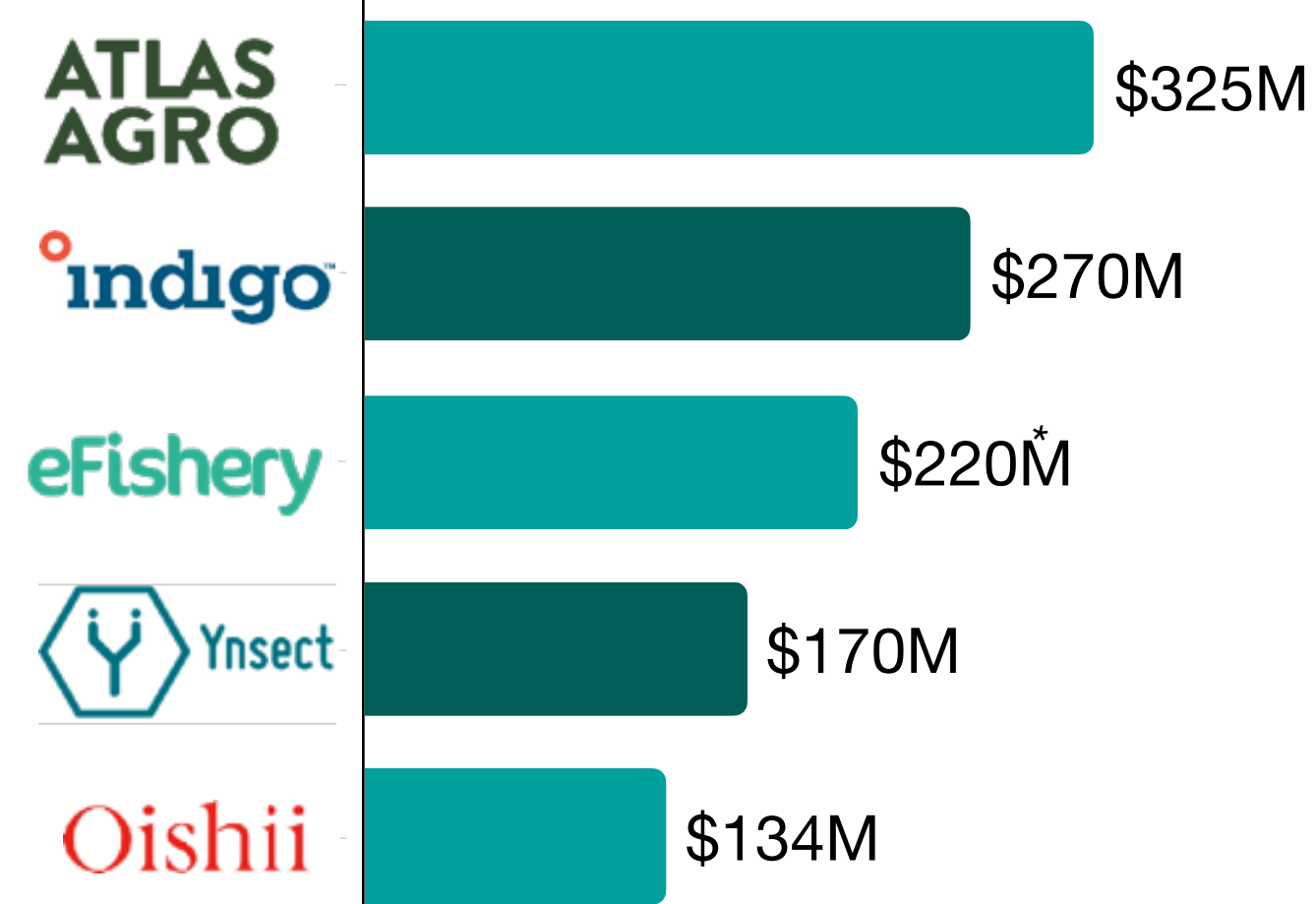
AgTech

- While there are many large \$100M+ deals in this ecosystem, it is mainly driven by medium-sized (\$20-\$50M investments).
- Beyond the main FoodTech hubs, South America and Oceania are becoming AgTech hotspots.

Distribution of AgTech investments in 2023 + H1 2024 across regions



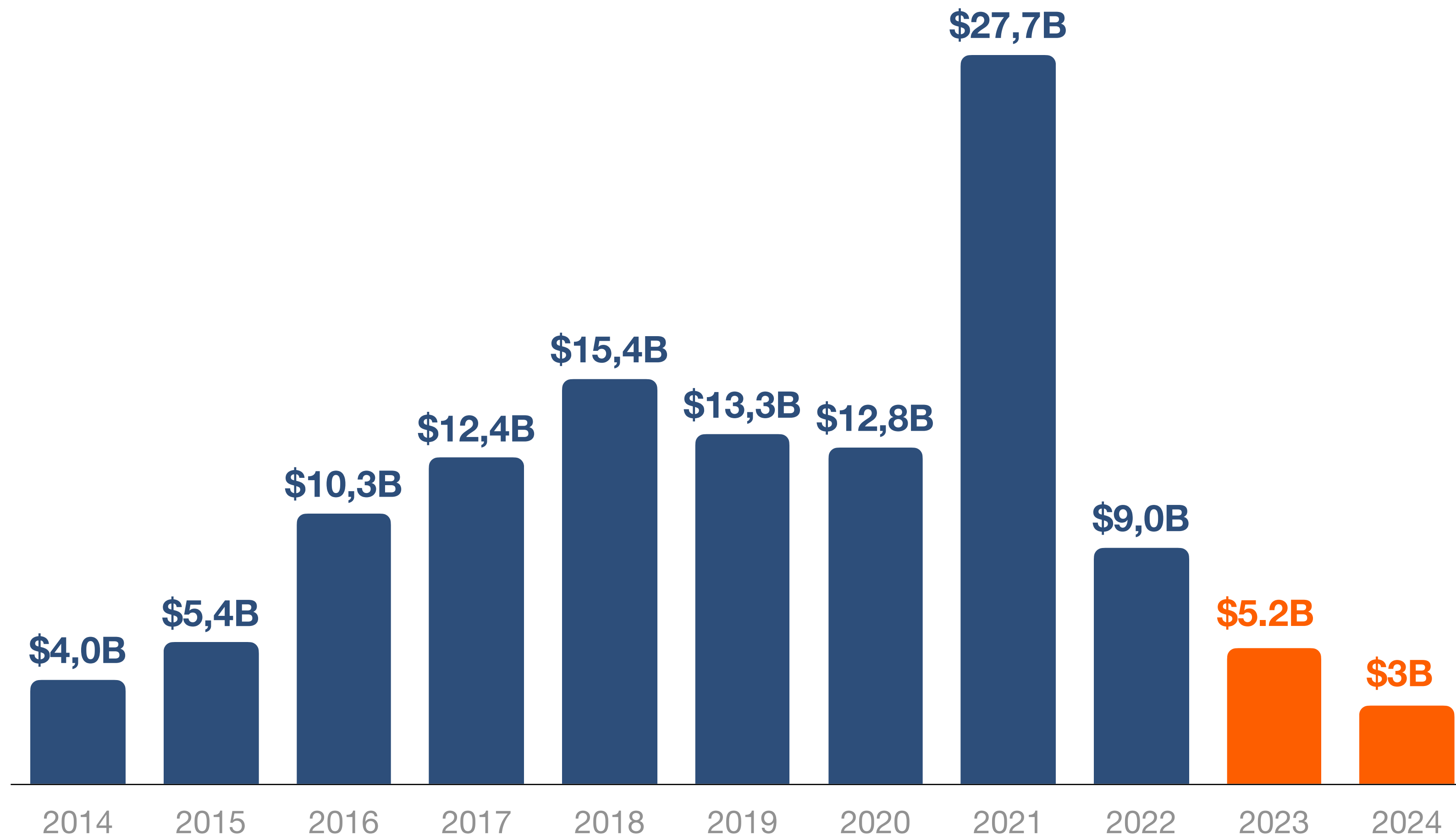
Top deals in 2023 + H1 2024



*combination of two deals in 2023 and 2024

Delivery Focus

Definition: startups developing services to order and deliver groceries and meals.



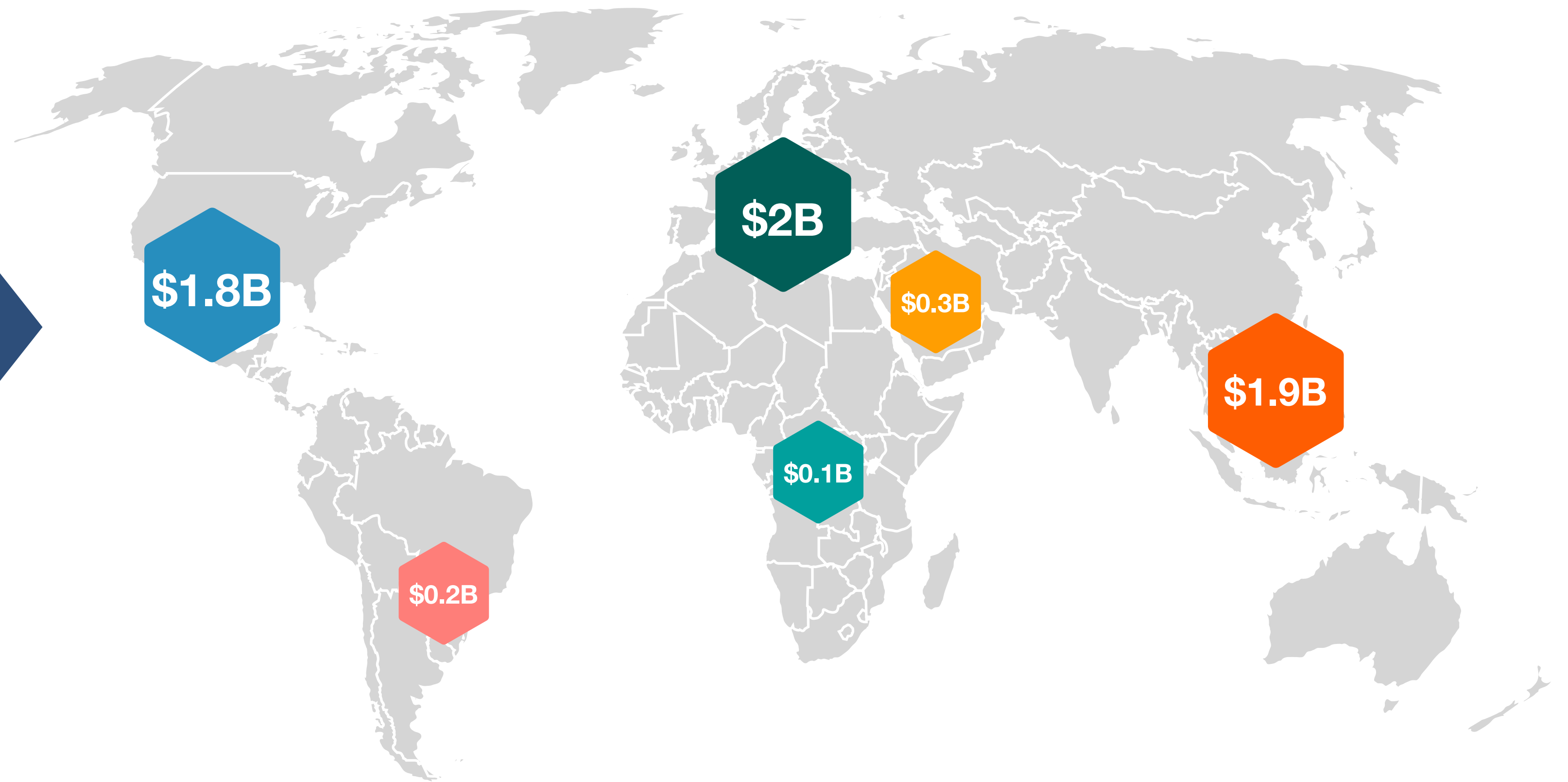
- 🏠 Delivery is visibly the most affected ecosystem, with investments dropping more than 80% in funding between 2021 and 2023.
- 🏠 However, since the start of 2024, multiple mega deals have shown that the category shouldn't be overlooked and that many opportunities remain.



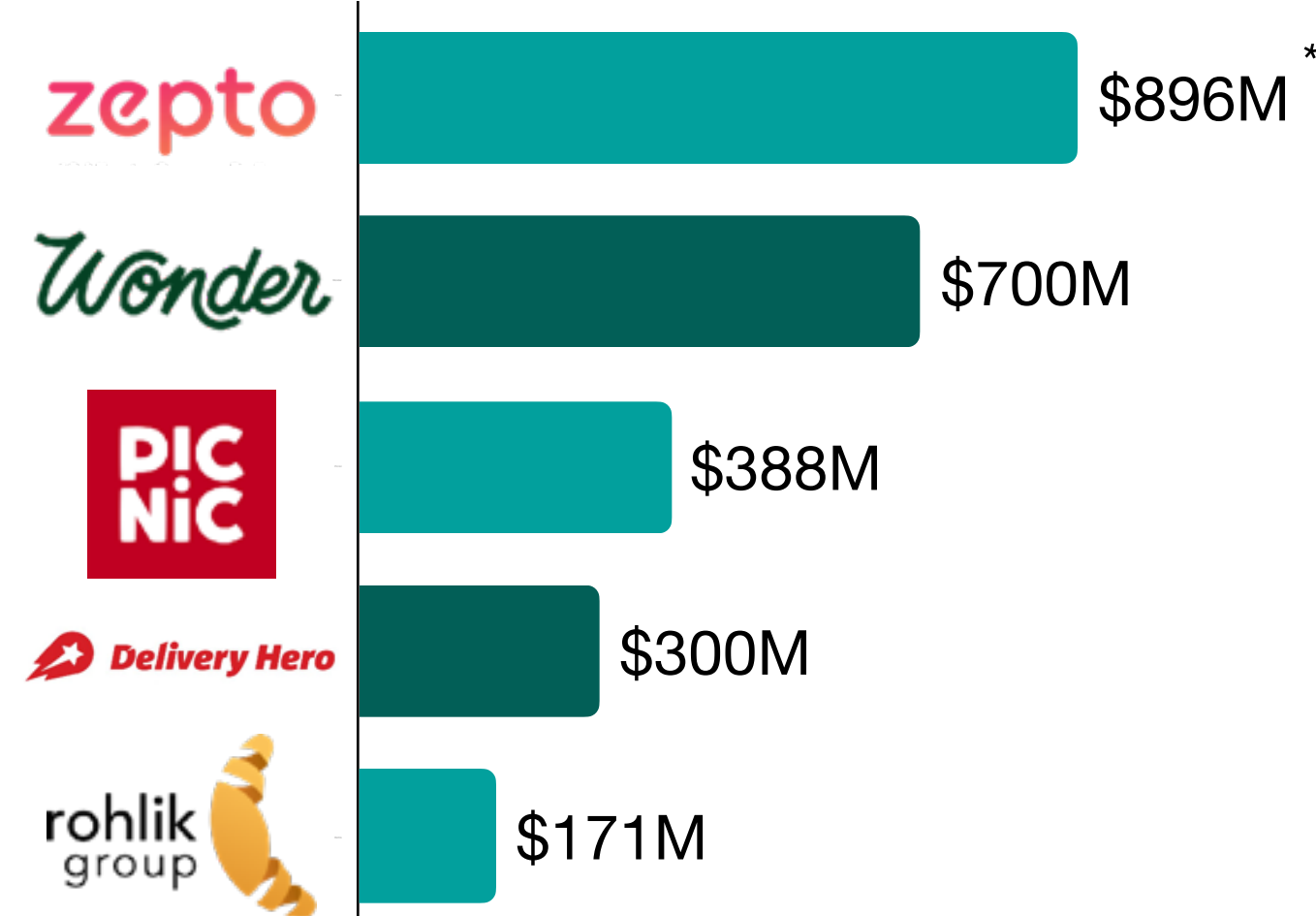
Delivery

- As shown by the top deals below, most of the investments are now made in grocery delivery startups.
- Counterintuitively, quick commerce isn't over with multiple investments (such as in Zepto or Jokr) in developing economies.

Distribution of delivery investments in 2023 + H1 2024 across regions



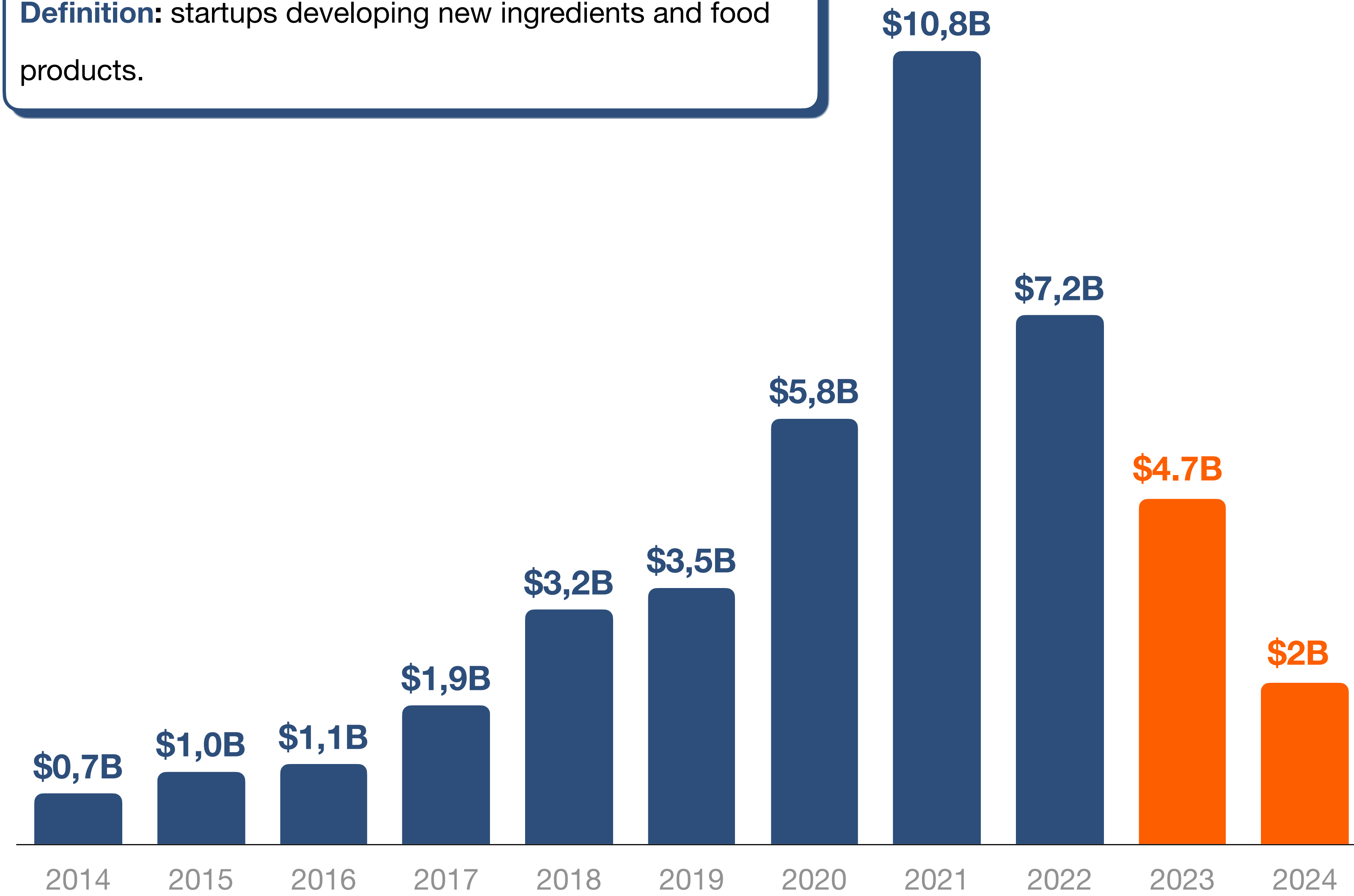
Top deals in 2023 + H1 2024



*combination of two deals in 2023 and 2024

Food science Focus

Definition: startups developing new ingredients and food products.



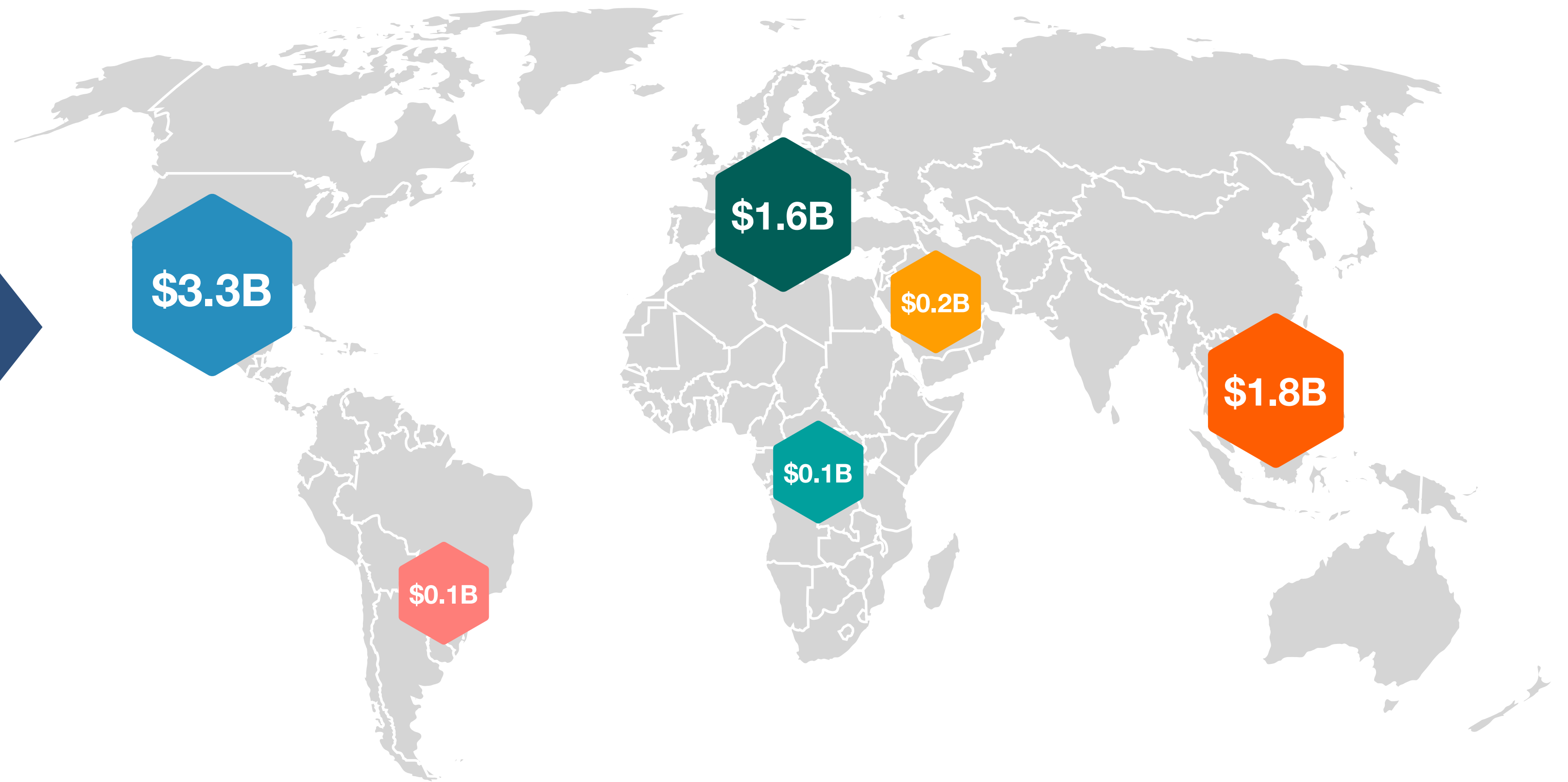
- Investments in food science startups have remained strong compared to the rest of the ecosystem.
- While there is a wave of doubts about the ability of alternative protein startups to deliver results in the short term, investments into brands (new food and drinks products) are helping the overall category.



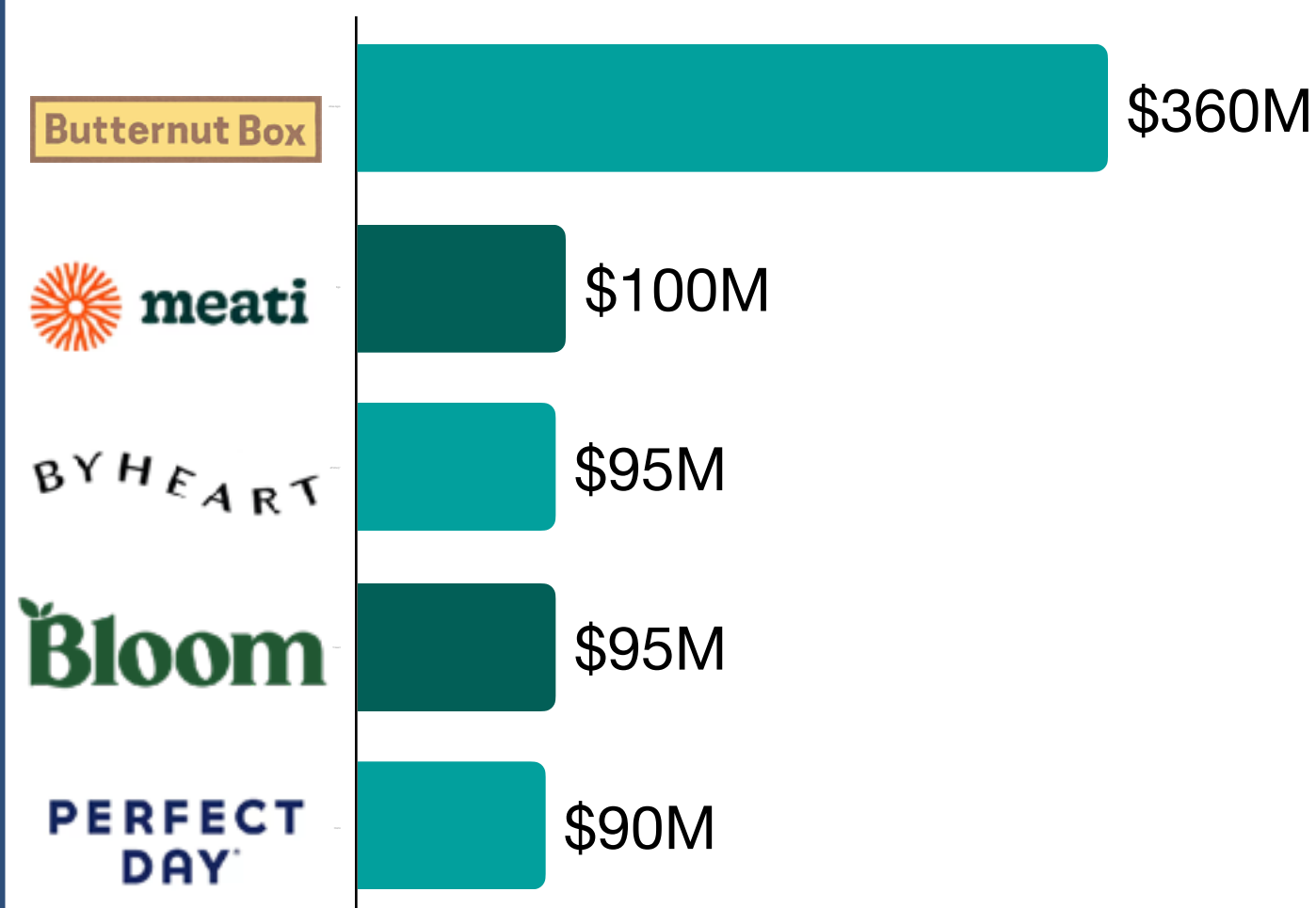
Food science

- ⦿ The most striking evolution for the Food Science category is in the Middle East, specifically in Israel, where investments have severely declined compared to 2022.
- ⦿ Massive deals in food and drink brands sustained investments in other key regions.

Distribution of Food Science investments in 2023 + H1 2024 across regions



Top deals in 2023 + H1 2024





Digitalfoodlab use case

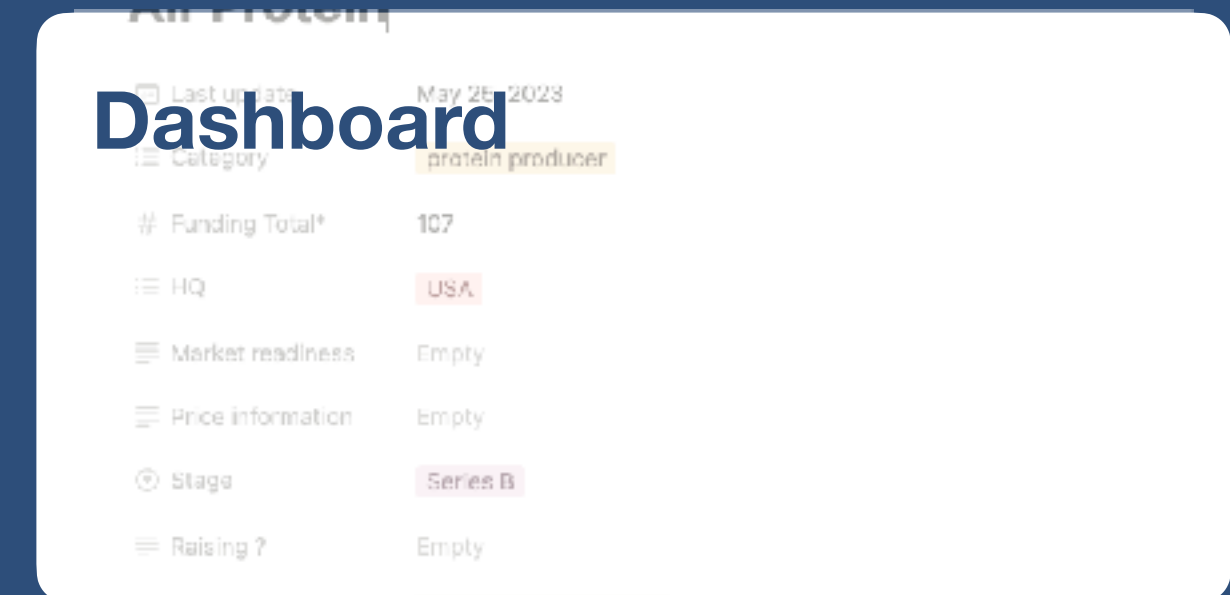
FoodTech Watch

Mission for a leading ingredient company which was looking to have a watch on disruptive innovation and a way to track opportunities.

What we did:

- We set up a fully personalised watch with a monthly letter covering:
 - Startups raising funds
 - Regulation evolution
 - Partnerships with leading companies (or relevant news from these companies)
- We had a layer of analysis related to what this could mean for the client.
- We organise two workshops annually with the client's open innovation team to discuss the opportunities created.
- Creation of an editable dashboard to review the news related to all the mentioned companies.

Results: reduction of the noise around innovation, shared understanding about what is happening and which areas should be prioritised.



Other contents by DigitalFoodLab

FOODTECH UNICORNS

Mapping and analysis of the evolution of the FoodTech startups valued \$1B+



FOODTECH TRENDS

Trends, technologies and key startups shaping the future of food globally



Future of food Newsletter

Hi,

Last week, we co-organised an event on food upcycling in Paris. It was great meeting so many of you in person and also discussing all the ways in which we could reduce food waste. Today, I'd like to share some of the elements of our presentation on upcycling. Indeed, I think this topic deserves to be better known as it is often misunderstood.



Join 20,000+ people in the most in-depth newsletter on FoodTech. Each week, we dive into one topic that will be key for the upcoming food revolution



DigitalFoodLab

BE PART OF THE FUTURE

Matthieu VINCENT

matthieu@digitalfoodlab.com

+33 6 82 48 92 91

Jérémie Prouteau

jeremie@digitalfoodlab.com

+33 6 23 22 40 10