

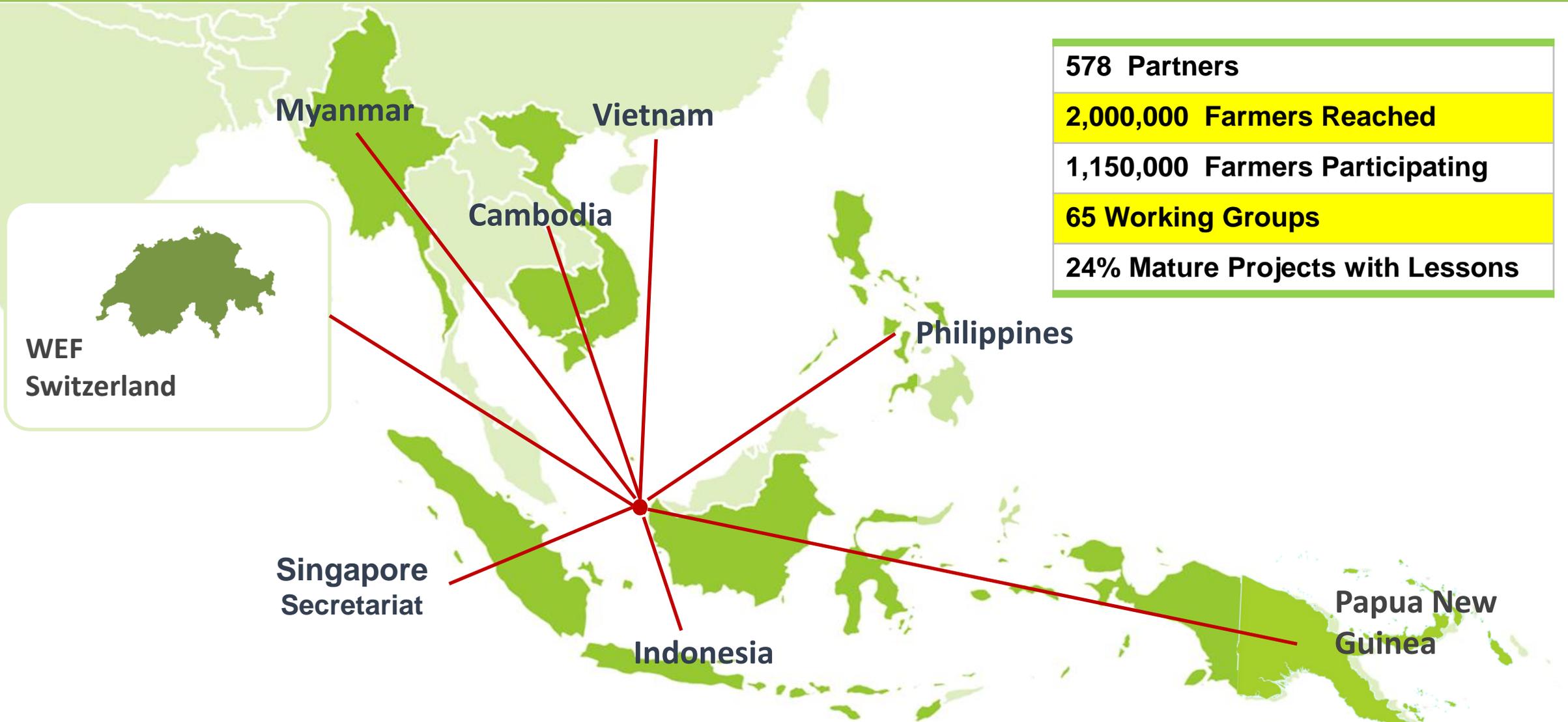
Insights and Opportunities for Irish AgTech in Southeast Asia

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Public-Private-Producers Partnerships = smarter decisions



Key Drivers of Food and Farming

- Continuing Economic Growth
- Strong Growth in Urban Food Market = 6.6% CAGR ✓
- Changing eating habits
- Cash rich(er) + Time poor = Food Products ✓, F&B sector ✓
- Bennetts Law = fruit & vegs ✓, animal proteins ✓, processed products ✓
- Asian Consumers preferences = (1) Taste, (2) Price & Quality

Inferences Strong Growth (x2 in a decade), increased value added beyond basic production, staples flat, raw material for processing increasing in animal proteins; meat (fish, pork, broilers, ducks) milk, eggs.

Concerns of the Agribusiness Sector



- **Environmental Issues:** Climate Change, Environmental Degradation
- **Food Issues:** Safety, Waste, Health & Nutrition
- **Water Scarcity**
- **Unexpected & extreme events**
- **Concerns about the future of farming**
 - Aging farmers
 - Labour leaving
 - Men leaving faster than women

Inferences Longer term = cadre of younger, better, more professional and female farmers. Doubling in food spend in a decade. Resulting in increased investment in food & farming

Future Farming

- **Greater geographic distance** between production & consumption
- **Cultural distance** between producers and urban consumer
- **Small holder Farmers** (> 2ha) 56%, family farms (+80%)
- Most SHF **produce well below commercial yields**
- **Vegetable farms = small, Animal protein = Modernising investments** (pigs, fish farms, broilers / layers) **Plus estate production** (Palm Oil, Rubber)
- **Increases in mechanisation, precision farming & labour solutions**
- **More sophisticated production processes**

Inferences; increased need for investment in post-harvest system, value addition, yield increases & rural farm service sector, (e.g contracting, labour gangs)

Animal Health / Animal Products



- **40-50 Corporates, 4 – 5 huge players**, investing in production value addition & B2C
- **Very sophisticated buyers**, in low margin business, using TMR
- Seek ways for **lower cost production in region**, plus field testing
- **Global Animal health companies feel disappointed** in sales in relation to market size
- **Many tech products** already here
- **Animal feed** area of least strength

Inferences; Limited number of target customers, Thriving, quite mature market. Will copy manufacture at low local costs. Need to be able to bring something new, difficult to copy, sophisticated. One primary issue is matters relating to animal feed. Another is F2C interest.

Securing Investment in Region

- Singapore a centre of multiple funds
- Government keen on technology start-ups & SG farming
- Some Accelerators,/Techhubs, plus grants and equity funds from ESG
- Financiers picky, will invest in Agritech, not for start-ups, keener on companies who have a track record in own/other markets

Inferences; x2 Accelerators for start-ups, SG funds for SG based start-ups Financiers more interested in proven technology/market, that responding to local need. Will have to open office in region. Often the manager is tempted to set up his own company, possibly in partnership, with one of the local players.

What COVID-19 Taught Us

- Highlighted weaknesses in the existing food system
- Weakness in rural logistics (1st mile connectivity),
- Cashflow (in an increasingly cash less economy),
- Consumer preferences changed (away from F&B, to local supply chains, self-preparation, fresh products & digital marketing platforms)
- Digital infrastructure

Inferences; ASEAN Comprehensive Recovery Response, weakest links in supply chain; rural logistics, movements to cashless economy; likelihood that digital marketing platforms, & lower transaction costs



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Thank You

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Sources of Agritech Financing in Singapore



Accelerators/Incubators

- AgFunder/GROW Agrifood Tech Accelerator >> An exclusive program developed by GROW and leading incubator Farm491 to help UK and EU scale-up ventures capture the opportunity in Asia using Singapore as a gateway
- Trendlines Agrifood Innovation Centre Pte Ltd (in short AFIC) is an incubator and an investment company in early-stage and late-stage agrifood technology startups. AFIC is a wholly owned subsidiary of The Trendlines Group Ltd, a leading medical device and agrifood tech investor in Israel.

Sources of Agritech Financing in Singapore



Singapore Government (through Enterprise Singapore)

What it is	Eligibility
<p>Startup SG Tech</p> <ul style="list-style-type: none"> • Early-stage funding to fast-track commercialisation of scalable in-house solutions with Start-up SG Tech. • Startups SG Tech grant fast-tracks the development of proprietary technology solutions, and catalyses the growth of Startups based on proprietary technology and a scalable business model. • Supports Proof-of-Concept (POC) and Proof-of-Value (POV) for commercialisation of innovative technologies. Companies may apply for POC or POV grants depending on the stage of development of the technology/concept. 	<p>Startups Companies</p> <ul style="list-style-type: none"> • Registered for less than 5 years at time of grant application; • At least 30% local shareholdings; • Company's group annual sales turnover is not more than \$100 million or group employment size is not more than 200 workers; and • Core activities to be carried out in Singapore.
<p>Startups SG Equity</p> <ul style="list-style-type: none"> • The Startups SG Equity scheme aims to stimulate private sector investments into innovative, Singapore-based technology Startups with intellectual property and global market potential. As part of the Startups SG Equity scheme, the government will: <ul style="list-style-type: none"> ○ Co-invest with independent, qualified third party investors into eligible Startups ○ SEEDS Capital and Innovate have been appointed to manage the co-investment modality under Startups SG Equity. ○ Cap of 2M for General Tech from SEEDS Capital; 7:3 co-investment ratio up to first \$250k from SEEDS 	<ul style="list-style-type: none"> • Be a Singapore-based company with core activities carried out here. • Be incorporated as a Private Limited company for less than five years. • Company cannot be a subsidiary or joint-venture.