

## Indian AgriTech to become a USD 34 billion market by 2027, growing at a CAGR of 50% over the next 5 years: Avendus Capital Study

Mumbai, December 14, 2022

Avendus Capital, India's premier Investment Banking franchise, launched a report that takes a deep dive into India's AgriTech sector. According to the report, Indian AgriTech is expected to lead the next decade's technology-first value creation opportunity, growing at a CAGR of 50% over the next five years and addressing a USD 34 billion market by 2027. It is expected to replicate the success of other tech sectors, creating unicorns in the next couple of years.

Launching the report, **Pankaj Naik, Executive Director and Co-head, Digital and Technology Investment Banking, Avendus Capital** said, "Agriculture which contributes USD 530 billion to India's GDP, sees less than 1% tech penetration. Tech disruption in this sector has the potential to positively impact over 40 million farmers, doubling their incomes. While there are large global outcomes in the sector, we believe that Indian AgriTech will be a Bharat-first story, given the interesting India-first outcomes disrupting the sector. Such unique innovations in production, supply-chain/market linkage, quality assessment and digital traceability have the potential to become 'from India to the world' solutions."

According to **Bandish Shah, Vice President, Digital and Technology Investment Banking, Avendus Capital and Chief Author of the report**, "The AgriTech sector has seen a breakout 10X growth over the last 3 years, driven by four key factors - increasing digital penetration across India, covid-led supply chain disruption, growing consumer interest for quality produce and increasing PE/VC interest. In fact, 63% of the total liquidity has been injected into the sector over the last two years alone. Going forward, we expect to see higher deal activity led by growth funds followed by IPOs in the latter half of the decade."

Each food crop is a multi-billion value chain, as per the report. AgriTechs have adopted a phased approach, starting with a few crops, perfecting the business model, establishing trust among stakeholders and then scaling to multi crops. While digitizing and optimizing the supply chain is the largest opportunity for the sector, AgriTechs are adding value across the farming value chain. A few of them are building businesses by using warehousing, financing, quality testing services as a hook for farmer engagement.

**Varun Gupta, Executive Director, Digital and Technology Investment Banking, Avendus Capital** said, "It is very exciting to see how tech is now permeating and benefiting core sectors of the economy like agriculture which employs more than 40% of India's workforce. Any positive impact on the sector has the potential to have a multiplier effect on the Indian economy. India is standing at the cusp of an AgriTech revolution as we see the confluence of rural India warming up to increased usage of technology platforms and entrepreneurs building tech-first business models solving farmer and buyer challenges across the spectrum from pre-farming, farming to distribution. Indian AgriTechs have been experimenting and pivoting over the last few years and have now identified scalable, capital-efficient business models with a strong path to profitability."

[Click here to download the report](#)

### DEAL RELEASE

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