



## Growing Together – How we close the Food Gap

Feeding 10 billion people by 2050 within the planetary boundaries is today's founder's mission in Agrifood. AgTech, FoodTech, and BioTech are at the core of combating climate change, providing sufficient nutrition, and fostering freedom. The startup scene has grown out of the times of e-commerce, digitization, and automation. Today, the solutions of Agrifood entrepreneurs are characterized by high and deep tech. This creates new challenges for the Agrifood ecosystem and offers the chance for long-term valuable unicorns.

## Closing the Agrifood, Impact, and Gender Gap

The absolute sum of venture capital investments in Agrifood has grown significantly in recent years. However, some particularly high rounds of funding distort the picture. If you look at the majority of startups in Germany, then each company is missing around 2.5 million euros compared to the relevant competition in the early phase ((pre-)seed). This Agrifood Venture Gap gets even bigger when Gender and Impact Focus is included. The VC market alone will not be able to close this triple gap fast enough not to lose sight of the global need for safe nutrition within the planetary boundaries. Bridging this gap is to the general social welfare. It is therefore imperative to act against the impending market failure. The individual member countries, but also the community, should invest together with the venture capital specialists to create fair competitive conditions for the start-ups in the first place and later to benefit twice from the created solutions through the return on capital and the impact return.

## German Agrifood Alliance – A role model for Europa?

Today, most start-ups in Agrifood are no longer created in the barn but are the result of complex and cost-intensive research projects. Most founders are driven to leave a long-term impact and contribute to the food system transformation. The goal is clear, money follows impact. Due to the strong technical and impact focus, supporting the founders in commercialization has become necessary. In Germany, with the Seedhouse, Rootcamp, Growth Alliance, Munich, and EIT... strong advocates have emerged that support the growing number of founders. The German Agrifood ecosystem forms an alliance so that crazy ideas and patents, as well as disciplined and scaling start-ups, emerge. At the same time, the independence of each individual in the German Agrifood Alliance and the competition among one another are maintained. The common goal is to break down double structures and bureaucratic hurdles to strengthen excellence and specialization through

collaboration and cooperation. The [German Agrifood Report](#) shows that this allied approach has increased the satisfaction of founders in Germany and thus the quality of the startups is increasing and attracting more venture capital. Nevertheless, the top financing rounds in Germany and Europe remain well below the American and Israeli levels.

## Erasmus for High & Deep Tech-based Agrifood Startups

Looking at the recent wave of seed and Series A investment rounds; it is noticeable that the size of the round is proportional to the level of technology and IP. The more high and deep tech, the higher the startups are rated. Foreign sponsors particularly appreciate the strong IP base that results from the strength of the universities and research institutes. The level of innovation and technology is a strength in the German agrifood ecosystem that should be further developed. Highly specialized research clusters, hubs, and institutes are a competitive advantage that needs to be strengthened. Founders want a clear overview of the best development and innovation locations and a flexible transition between the stations. During the startup lifecycle, startups go through various stages of development, which are supported, for example, by the EIT Food programs. At the same time, it is now difficult and laborious to relocalize a startup or teams to use the excellent facilities or laboratories at another location. An Erasmus program is needed for startups and founders that allows them to flexibly switch between the top locations in Europe until the startup has found its home. Competition with simultaneous cooperation would make Europe more attractive, especially for high and deep-tech-based Agrifood startups, and attract even more excellent minds and investors.

Let's drive the transformation of the food system together! In Germany, we work together as the German Agrifood Alliance. Let's work together across Europe.

## A European coordinated innovation strategy - towards a European Cluster of Excellence based on a strong IP basis and excellent research

As young entrepreneurs, we recognized early on that the pandemic was prompting a change in thinking. A crisis can act as a catalyst and temporarily create conditions like in Silicon Valley - the most important partners from business, science, politics, and non-governmental organizations are united behind one goal, the fight against crises (like the pandemic or the Ukraine war). However, we still face other major problems such as climate change and biodiversity extinction that need a united approach.

Europe has the potential to be at the forefront of AgTech, FoodTech, and BioTech. However, to achieve this, we need to change important framework conditions to succeed in research and the market. If Europe wants to fully exploit its enormous potential in BioTech, AgTech, and FoodTech, we need more Californian flair and, above all, a more courageous attitude towards risk-taking. We need the courage of young scientists to leave university research institutions to start companies and connect them on a European level. We need to cultivate an entrepreneurial spirit in Europe, combined with a greater tolerance for mistakes. After all, it is often setbacks that ultimately lead to the goal.

Let's encourage entrepreneurial scientists to start companies and support them financially - if only so that they stay in Europe and don't migrate to other countries. Strengthening cooperation is of major importance for the sake of Europe's prosperity.

## The German AgriFood Alliance

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Text written by Dr. Julia Köhn & Dominik Ewald

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**THE GERMAN AGRIFOOD ALLIANCE**  
We grow together  
- the startups -

delegation trip  
May 24-25, 2023  
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