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## **Agritech projected to grow to \$30 billion-\$35 billion market by 2025: Bain**

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As India emerges from the harsh impact of the second wave of the pandemic that disrupted businesses, the \$370 billion agriculture sector is expected to undergo a complete transformation in the coming years on the back of significant technology and regulatory changes and as a result of the covid-19 impact.

Agritech in the country will see significant investment and is projected to grow to a \$30 billion-\$35 billion market by 2025, with e-sales of produce, inputs and digitally enabled logistics as key segments, according to a new report 'Indian Agriculture: Ripe for disruption' by Bain & Company.

Setting up an integrated agritech platform, creating a new incubation wing for new business models and reinventing current businesses are the three potential ways in which companies in the agri ecosystem could leverage the opportunities.

The agritech and agri-ecosystem sectors have also seen significant interest from the investor community over the past few years. India is the third-largest nation in terms of funding received and start-ups in the agritech space and it is expected that there will be significant value creation in the agricultural value chain across the entire ecosystem over the next two decades, which will fundamentally change the way we produce and consume food in India and globally, the Bain report said.

"Over the next decade, India's agricultural sector is poised to enter a transformative age on the back of technological, financial and regulatory changes. Traditional ways of agriculture will be disrupted through newer yet sustainable ways of farming leading to new food products and their uses. There is no turning back from the road ahead," said Parijat Jain, partner, Bain.

Even though technology is in its early stages in the sector, it is driving innovation throughout the agricultural value chain. Direct sourcing, demand forecasting, and inventory management are fuelling agricultural produce sales. Digital engagement is promoting the 'uberisation' of services, creating online communities and marketplaces and even driving e-commerce. Firms can also save 5% to 10% or more on procurement costs of food items through a concerted national strategy.

"...We are at the cusp of a massive disruption in the food and agriculture ecosystem over the next few years—despite the fact that Indian agriculture is one of the least digitised industries today," the report added.

"Technological developments and market transparency will significantly impact agriculture in India. Specifically, India received about \$1 billion in agritech funding between 2017 and 2020 – we expect much more investment in this space, as Indian agriculture adopts digital technologies. Overall, we are still in the first chapter of digital and agriculture in India — adopting technology-friendly practices will not only transform the critical agricultural industry but also have a multiplier effect across the Indian economy," said Prashant Sarin, partner, Bain & Co.

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