
€40m fund for Agtech startups

Ireland has the opportunity to become a European Agtech hub. Now there's €40m in funding to back the plan.

A US Agtech venture capital firm, offering investments in innovative early-stage Agtech companies, is to open its first European office in Ireland. The fund is led by Wexford native, Kieran Furlong.

Finistere Ventures, a Californian VC firm, has partnered with Ireland's sovereign development fund (ISIF) to launch the €20m Ireland Agtech Fund (IAF).

The Irish Strategic Investment Fund has also allocated a further €20m in Finistere's second global agtech fund for global agri investment. Kieran Furlong spoke to *ThinkBusiness* about this exciting development.

What is your background?

I grew up in Co. Wexford – not in a farming household, but in a “country” family. I spent plenty of time on my uncle's farm and had the usual Wexford childhood memories of picking berries and harvesting potatoes.

After studying chemical engineering at UCD, I joined a multi-national chemical company and set off for Argentina right after graduating.

I spent about a decade in the chemical industry, although most of that time was dealing with agri-business and large companies like Cargill, and ADM. I was very interested in bio-based and sustainable materials and left the corporate world for post-graduate study and then joined a startup making biofuel from algae. After that, I worked on the first commercial 100% bio-based Coke bottle with a startup in Wisconsin.

Finistere reached out to me about two years ago to take a look at the application of industrial biotechnology in agriculture, and when the opportunity arose to get involved with Agtech in Ireland, I was very happy to be able to take it.

Why Ireland? What has Ireland got to offer the world?

We think Ireland has great potential to be a hub for European Agtech.

Ireland combines an innovative domestic agri-food industry with the European home of Silicon Valley's tech giants. This rare pairing underlies the best Agtech startup ecosystems making Ireland a natural home for Finistere.

Naturally having grown up here, I was predisposed to Ireland, but that just enabled me to start looking at the potential here. All the ingredients are here – a longstanding, export-oriented agri-food industry; world-leading research at Irish universities and institutions such as Teagasc; and, of course, the thriving IT, biopharma and medtech sectors.

Agtech is essentially the combination of all of these, so we see great potential for start-ups here. Ireland can be the 'Agtech Island'.

Why invest in Agtech?

First of all, agriculture is a huge industry facing enormous challenges. Technology can help address many of those challenges and therein lies an opportunity for entrepreneurs, technologists, and investors.

Agriculture is one of the last big industries to go digital so in that sector alone, we see plenty of opportunities.

However, the reasons why agriculture has not already adopted some technologies commonplace elsewhere are partly due to its complexity. That complexity also makes it challenging for generalist investors to approach Agtech. We focus exclusively on Agtech and have built a network and expertise in the space.

Ultimately we are solving problems for farmers and growers – the people who feed us all. They face many challenges in the 21st century from thin margins to a lack of labour, to increased compliance requirements and so on. We can invest in world-class entrepreneurial teams and technologies to solve some of these and help guide them to successful commercialisation.

What role will Agtech play in sustainability?

The definition of “sustainable” is to be able to keep on doing something – we need agriculture as long as humans are on this earth so by definition it has to be sustainable. Agtech is going to play a significant role in ensuring the sustainability of our food supply and environment.

What technologies are likely to have the greatest impact on agriculture?

I think the advances made in genetics in the past two decades, in particular, will have a huge impact on farming. Just look at how the cost of gene sequencing has dropped spectacularly in the past decade. I feel like we are at the stage now in biological sciences similar to astronomy after the first telescope was invented.

Our ability to understand what is going on in an animal, a plant or the soil is so much greater today than it was just ten years ago and this is leading to a wealth of innovation in crop protection, soil fertility, and animal health.

Also, I think machine learning will be instrumental in identifying what “works” in the field. Trying to tease out the effect of a new “tool” from all of the noise in such a complex growing environment is very difficult. Utilising artificial intelligence will greatly enhance our understanding of what is happening as we seek a way of improving farming.

Why do farmers sometimes struggle to adopt new technologies?

New technologies can be risky. Farmers are often described as being conservative, but that conservatism is grounded in the reality that when farmers make decisions – such as what seed to plant, or what fertiliser to apply – they might be putting the entire seasons' revenue at risk.

We believe risk management is another area of agriculture where innovation has a role to play, and in fact, we have invested in a “fintech” startup that is bringing innovative crop insurance to the market (CropPro). Technologies also need to fit into the busy day of a typical farmer – not create extra work. This is an area where startups often fall.

As an AgTech hub, how does Ireland compare with Israel, New Zealand or Australia?

Ireland isn't as developed as Israel yet regarding Agtech startups, but based on the research being carried out here it can catch up. I think Ireland's location - (i) in the EU and (ii) as a bridge between Europe and North America - offers it an advantage over places like New Zealand.

What's your vision for the next five years?

That Ireland is recognised as the 'Agtech Island' and any entrepreneur or technologist with a very good idea knows that Ireland is the place to come and build that company.

Ten firms leading the Agtech revolution.