

REPORT HIGHLIGHTS

Opportunities for AgriTech in Mexico

Authors:

Guillermo Castillo, PhD

Alejandro Caballero, PhD

Annabel Membrillo, MA

Raúl Montiel, MBA Candidate



Facultad de
Negocios Sostenibles



- **Mexico's agri-food exports are the highest reported in 30 years.**
- **Is the 11th largest agricultural and fishery producer in the world and 3rd in Latin America.**
- **Holds 14 Free Trade Agreements with access to a market of more than 1,300 million consumers in 50 countries.**



AGRITECH AND AGRICULTURE IN MEXICO

- **Agricultural activities represent 3.4% of the country's GDP.**
- **The sector employs 12% of the workforce.**



MEXICO'S MAIN EXPORTS

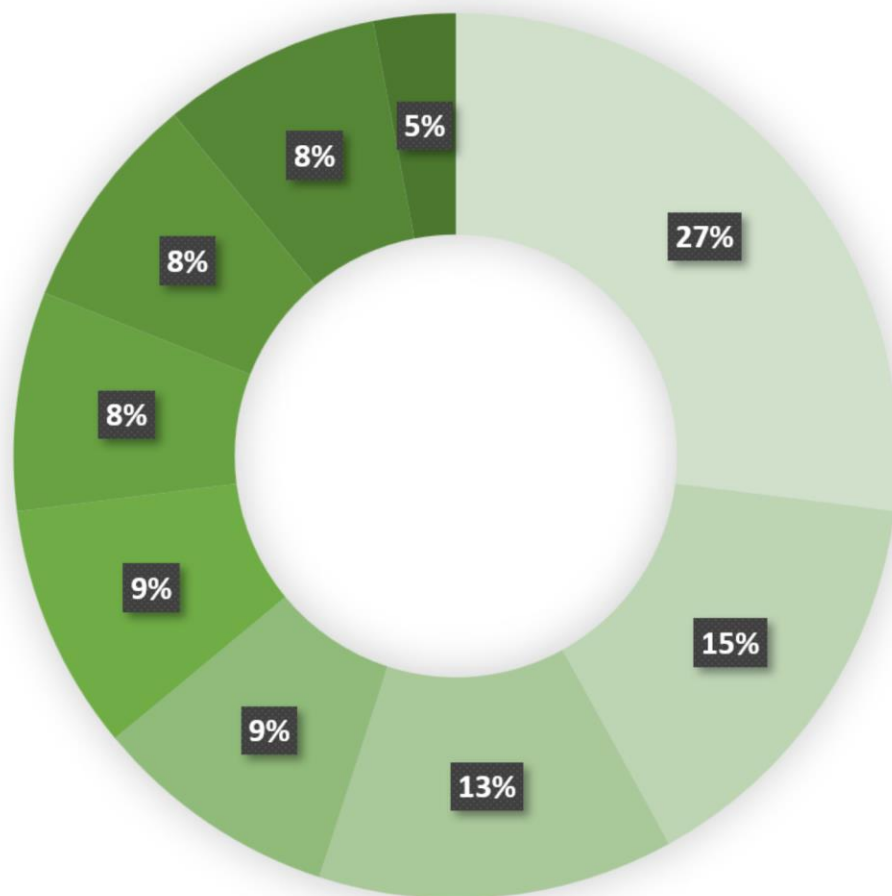
Agricultural		Agro-industrial		Fisheries	
Product	Value*	Product	Value*	Product	Value*
Avocado	1761	Beer	2923	Frozen shrimp	161
Tomato	1234	Tequila and mezcal	2145	Fresh or refrigerated fish**	115
Bell pepper	823	Bakery	1019	Frozen fish**	64

* Expressed in millions of U.S. dollars

** Except fillets



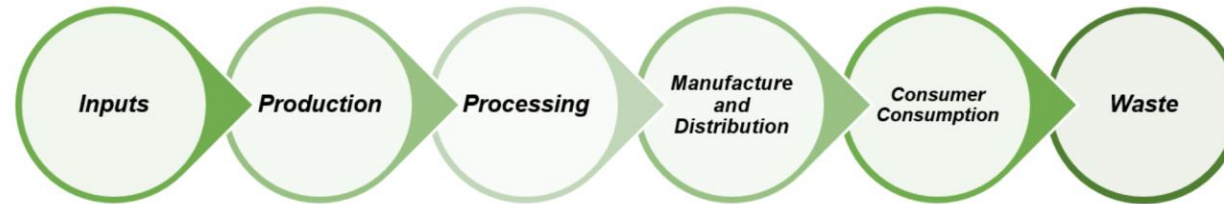
MEXICAN AGRITECH ENTREPRENEURS



- Biotechnology and bioproducts/biofuels
- Big Data and precision agriculture
- Genetics and protection of crops and cattle
- Logistics and distribution
- Resource management and connectivity
- Marketplace solutions
- Automatization and mechanization
- Alternate farming methods
- Others (Agro-services, Food tech)



ACTORS IN THE MEXICAN AGRITECH VALUE CHAIN



Start-ups	 	 	 	 	 	
Corporations	 	 	 	 	 	
Financing and extension	 	 	 	 	 	
Research and Advocacy	 	 	 	 	 	



EVOLUTION OF THE SECTOR INTO THE NEXT DECADE

Economical and Geopolitical Risks

Although the efforts to preserve the macroeconomic stability of the country, the sector is not immune to global challenges.

Finance and Insurance Services

Platforms will bring small producers closer to sources of financing according to their needs.

Increased Adoption Rate

Producers need to act with social and environmental responsibility and seek to generate local benefits.

Technological Accesibility

Increasing number of technologies at more affordable costs will facilitate access to innovations to producers.

Climate Change

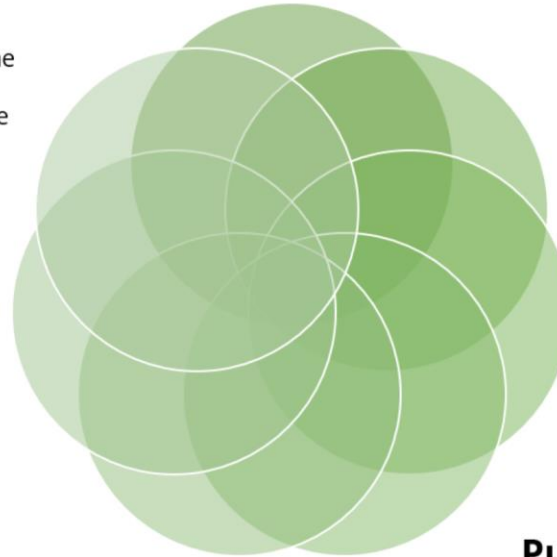
Producers and authorities will seek to generate positive impacts on the environment and maintain economic benefits.

Consumer Preferences

Consumers are becoming aware of the social and environmental impacts of their consumption behaviour.

Public Policy and International Regulations

Domestic policies aimed to achieve food sovereignty and environmental regulations included in trade agreements.



SWOT ANALYSIS MEXICAN AGRITECH MARKET



Facultad de
Negocios Sostenibles



STRENGTHS

- + Government programs for small farmers
- + Public policies for sustainable farming
- + Increasing consciousness and responsibility
- + Cooperative organizations of small producers

OPPORTUNITIES

- + Demand of high value and resistant crops
- + Demand of organic and responsible products
- + Agriculture accelerators and venture capital
- + Growing internet access in rural communities

SWOT ANALYSIS MEXICAN AGRITECH MARKET

THREATS

- Climate Change: droughts and heatwaves
- High greenhouse emissions of agriculture
- Higher need of water for demanded crops
- Low availability of soil & water for expansion

WEAKNESSES

- Lack of access to financial / insurance services
- High fragmentation of producers
- Educational disadvantages
- Slow modernization and low competitiveness

DEMANDED PRODUCTS AND SERVICES



Facultad de
Negocios Sostenibles



Innovative production systems

Water and soil conservation
Weather forecasting



Crop and animal protection

Bio products (biostimulants, biopesticides, biofertilizers)
Animal nutrition



Big data and precision agriculture

Drones and satellite imagery
Remote sensors and georeferenced monitoring



Platforms for buying and selling

Outsourcing and sharing machinery and tools
Fintech platforms



Logistics and distribution platforms

Food safety and traceability
Last mile efficiency



Labour automation

Robotization and autonomous machinery
Smart irrigation



Biotechnology

Seed and plant genetics
Livestock and fish genetics



Management, education and services to farmers

Business management and marketing
Education, training, and services to rural community



Food processing

Logistic and storage solutions for agriculture and food
Innovative food processing technologies



Waste reduction

Mitigation
Waste treatment



ADDITIONAL CONTENTS OF THE REPORT



- **Overview of the actors of the Agritech sector in Mexico.**
- **Key players, investors, and early adopters.**
- **Most relevant Agriculture and Agritech events in the country.**
- **Details on the conditions of Mexican Agricultural and Agritech sectors, and main opportunities to make business in the country.**

CONCLUSIONS

- **Mexico represents an enormous potential market for innovative Agritech solutions:** after the pandemic, the country consolidated its position as an exporter with an annual growth rate of 6%.
- **Mexico has demonstrated a stable economy despite global adverse conditions:** macroeconomic stability contributes to keep the economy's attractiveness for foreign investment.
- **Mexico represents an unexplored market for new agricultural technologies:** only 2.62% of the Latin American Agritech start-ups come from Mexico, whereas Brazil dominates 51% of the regional market and trends like consumer demands towards sustainability are alike in both countries.



Thanks for your attention!

We invite you to read and take advantage of the full report.

CONTACT INFORMATION



Raúl Montiel
rmc@umamexico.com.mx



Alejandro Caballero
caballero.guz@gmail.com