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EMERGING TECH RESEARCH

Agtech Report

Embedded AI draws capital and delivers ROI

Q2 2026

REPORT PREVIEW
The full report is available through the PitchBook Platform.

Contents

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Agtech landscape

1 Agrifinance & e-commerce

2 Carbon & ecosystem services

3 Animal & aquaculture

4 Crop inputs & enhancements

5 Farm automation & equipment

6 Precision ag

7 Indoor farming

For the complete agtech taxonomy and company list, click here to see the market map on the PitchBook Platform.

Quarterly analysis

Key takeaways

- **Strategic and corporate VCs, not financial investors, set the terms.** Leaps by Bayer, Corteva, and ADM and Qatar Investment Authority anchored the marquee rounds, tilting the market toward technology that fits established players and exits through acquisition.

- **Money followed data and biology; hardware and CEA lagged.** Precision ag ($338.6 million) and animal & aquaculture ($275.7 million) led, while indoor farming's rebound was one deal (Oishii), and carbon & ecosystem services went nearly dormant at approximately $1 million.

- **AI now runs through nearly all of agtech, and adoption is splitting two ways.** Embedded AI (vision, sensing, and discovery) draws capital and delivers ROI, while farmer-facing copilots stall on a persistent adoption gap: Capital rewards AI that acts over AI that advises.

- **The exit channel narrowed to M&A.** No meaningful IPOs materialized, and a field-robotics consolidation wave—Scythe (to ASI), then Monarch (to Caterpillar) and Bluewhite (to Elbit)—signals maturation but keeps funds under liquidity pressure.

- **North America was the anchor against a contracting field.** It held roughly steady (51 deals, $642.4 million) while Europe and Asia both pulled back sharply. Asia's deal count fell 50% (60 to 30) and its dollars 60.9% ($163.8 million to $64 million). The Asian capital came largely from Japanese and Singaporean state and corporate investors.

- **AI sensing, imagery & farm-data tools (precision ag).** This segment is attracting the most funding, and AI is already paying off. It drew the quarter's largest round (Tomorrow.io), and buyers will pay for the data (Kayrros was acquired).

- **Autonomous & retrofit field robotics (farm automation).** This segment had the most acquisitions this quarter (Monarch, Bluewhite, and Chouette), with leaders still raising big rounds (Halter and Sabanto). Returns are likelier from being acquired, or from robotics as a service, than from a hot funding market.

VC activity

Agricultural technology (agtech) venture funding continued its downward trend in Q2 2026. The vertical drew $1 billion across 143 deals, down from $1.5 billion across 216 deals in Q1 and $2 billion across 215 deals a year earlier. In H1 2026, agtech raised roughly $2.4 billion across 359 deals, versus $3.7 billion and 484 deals in H1 2025, down about 33% in dollars and about 26% in deal count YoY. With value falling faster than volume, average check sizes compressed even as deal frequency proved relatively resilient, suggesting the pullback was driven more by fewer large late-stage rounds than by a broad collapse in investor activity.

Precision ag remained the largest segment, leading on both count (38 deals) and value ($338.6 million). Weather-intelligence platform Tomorrow.io's $210 million Series F, the quarter's largest round, drove much of that total and lifted the segment's average check size. Animal & aquaculture logged the second-most deals (33 deals at $275.7 million) and was the only segment tracking ahead of last year in H1 capital, anchored by the French insect-feed scale-up InnovaFeed ($59.5 million) and the Icelandic land-based aquaculture player Laxey ($54.4 million). Indoor farming's Q2 total leaped to $165.3 million from $22.5 million in Q1, but almost all of it was from one deal: Oishii's $151.7 million Series C for its automated vertical strawberry farms. The jump is a one-off, not a turnaround. Even with that mega-round, H1 2026 funding fell YoY—$187.8 million across 24 deals in H1 2026 versus $256.5 million across 35 deals in H1 2025—extending controlled environment agriculture's (CEA's) multiyear retrenchment. The remaining segments were subdued: Crop inputs & enhancement slipped to $122.2 million, led by AI plant breeder Avalo's $30 million Series B and biocontrol developer Agriodor's $23.2 million round; farm automation & equipment reset hard to 21 deals across $57.4 million; agrifinance & e-commerce shrank to $33.2 million on smaller emerging-market tickets; and the newest segment carbon & ecosystem services went nearly dormant at six deals and about $1 million disclosed.

At the subsegment level, the money followed data and biology over hardware. Imagery and remote-sensing analytics, farm-management software, plant phenotyping & diagnostics, and animal biotech & health were the busiest subsegments of H1, while capital-intensive robotics and indoor-farming systems thinned. This reflects a multiyear rotation rather than a one-quarter swing: hardware-led segments (farm automation and indoor farming) have lost dollar share every year since 2024, sliding from about 23% of agtech capital to roughly 17% in H1 2026; meanwhile, data- and biology-led segments (precision ag, crop inputs, and animal ag) have climbed from about half of all capital to nearly three-quarters.

Two structural themes defined the quarter's capital base. First, nontraditional investors anchored the largest deals. Corporate, sovereign, and public-sector backers led four of the 10 biggest Q2 rounds: Archer Daniels Midland (ADM) and the Qatar Investment Authority (InnovaFeed), the Development Bank of Japan and Japan Green Investment Corporation (Oishii), the European Innovation Council and Germany's DeepTech & Climate Fonds (LiveEO), and Norway's Nysno Climate Investments (Maritime Robotics). The same pattern ran through the most active investors of H1, a list led by impact and government vehicles (Impact Assets, the European Innovation Council, Scottish Enterprise, and Denmark's Export and Investment Fund) alongside corporates such as Corteva, Kubota, and Toyota Ventures. Second, private capital narrowed geographically. North America saw deal count decline from 66 in Q1 to 51 in Q2, even as deal value rose from $528 million to $642.4 million, pointing to fewer but larger rounds. Asia contracted on both measures, with deal count down 50% (60 to 30) and deal value down 60.9% ($163.8 million to $64 million). Where Asian capital did show up, it came largely from Japanese and Singaporean state and corporate investors anchoring individual rounds rather than a broad regional VC recovery.

Exit activity stayed muted and almost entirely M&A-driven in H1, with few disclosed values. Consolidation concentrated in field robotics: autonomous-tractor pioneers Monarch and Bluewhite were both acquired in the quarter, following Scythe Robotics earlier in the year. Other notable exits included livestock-genetics firm Vytelle, single-cell-protein maker NovoNutrients, satellite-emissions analytics firm Kayrros (buyout), and livestock-software platform AgriWebb, plus two of the quarter's only sizable, disclosed deals—Australian grower Cannatrek ($100 million) and New Zealand biocontrol firm Biotelliga (roughly $90 million). No meaningful IPO activity materialized, keeping the exit channel narrow and reinforcing the flight to proven, revenue-generating names on the funding side.

AI themes

AI now runs through nearly every agtech segment rather than standing on its own, and the pipeline of AI-native startups falls into five recurring themes. The largest is detection, sensing & monitoring, which includes use cases such as satellite and thermal imagery, in-field soil and plant sensors, soil-carbon monitoring, reporting, and verification (MRV), and livestock/dairy vision (Tomorrow.io, Hydrosat, Stenon, Seqana, Ceres AI, and Labby). This is where AI already delivers clear, measurable returns. The second is robotics & physical automation, increasingly branded “physical AI,” spanning autonomous machinery, precision spraying, and fruit- and mushroom-harvesting arms (SwarmFarm, Sabanto, Dogtooth, 4AG Robotics, and Cordon). Here, the shift is in the business model rather than the hardware. Instead of selling growers a costly dedicated machine, vendors increasingly offer retrofit kits that add autonomy to an existing tractor (Sabanto and Anostra) or charge for the work performed, by the hectare covered or the crop harvested, rather than for the robot itself (Sabanto’s farming as a service; harvesting robots from Dogtooth and 4AG Robotics). Both models turn a large upfront purchase into a recurring cost that scales with use, lowering a long-standing barrier to on-farm robotics adoption. Third, scientific discovery & research & development are heating up as AI trait discovery and generative protein design compress breeding timelines (Avalo, Tropic, Resurrect Bio, and Quercus Biosolutions), aligning with a rising crop-gene-editing funding theme. Fourth, forecasting, operations & supply-chain AI spans data-interoperability layers, decision-intelligence agents, and AI agri-lending and underwriting (Leaf, SWARM Engineering, Maalexi, and konektAgri). A fifth, still nascent area is conversational and voice AI for farmer advisory (Farm Vaidya).

Adoption is splitting into two speeds. Embedded AI (computer vision, sensing, and in-silico discovery) already works and is attracting capital, while farmer-facing “copilot” decision tools still face a persistent return on investment (ROI) and adoption gap and thus receive less funding. A midyear grower survey reinforced the divide, concluding that many growers reported no meaningful benefit from on-farm AI.[1]

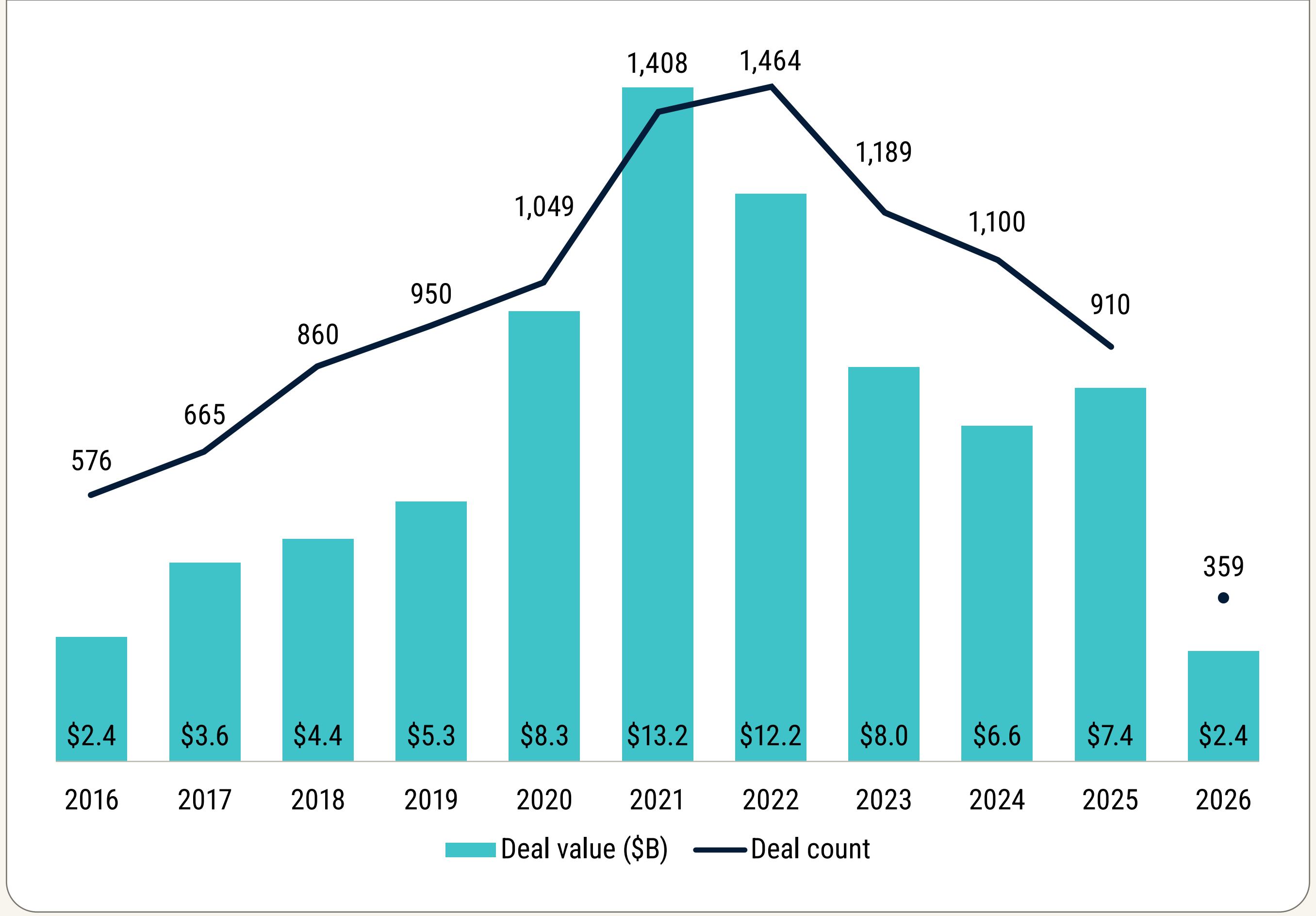
Conclusions

H1 2026 marked disciplined contraction. Deal count held up relatively well (down about 26% YoY), but dollars fell faster (down about 33%), compressing average check sizes. The pullback hit round sizes, particularly at the large, late-stage end, and strategic and corporate investors became the main buyers. Data, biology, and autonomy drew capital; capital-intensive CEA and undifferentiated hardware did not. Exits stayed thin and M&A-led, keeping funds under liquidity pressure and reinforcing the flight to quality.

Early Q3 data suggests stabilization of late-stage investment rather than a broad rebound. Halter, a livestock-management platform, raised a $220 million Series E at an approximately $2 billion valuation (the largest agtech round of the year) in Q1 2026, showing that mega-rounds still clear for category leaders. Sabanto's oversubscribed, Leaps-by-Bayer-led Series B in Q3 2026 signals continued conviction in retrofit autonomy. Three developments are worth watching in H2. First, the John Deere right-to-repair Federal Trade Commission settlement reshapes original equipment manufacturer lock-in and the economics of the aftermarket and farm data. Second, the US regen-ag (Make America Healthy Again) executive order directs US Department of Agriculture and Environmental Protection Agency support but adds little new funding and drew a split industry reaction. Third, climate-resilience demand is accelerating. A late-June French heat wave killed millions of birds and cut regional milk output, a live catalyst for heat-stress mitigation, resilient genetics, and enteric-methane and inset-credit financing (Athian issued its first Brazilian-beef inset credits in July 2026). Separately, a large multistate cyclosporiasis outbreak tied to imported fresh produce—roughly 18,000 cases across 45 US states since May, prompting a July recall of Taylor Farms de Mexico iceberg lettuce—could sharpen investor interest in produce traceability, irrigation-water safety, and CEA growing as a cleaner alternative to open-field imports, though the relevant agtech subsegments have yet to see meaningful capital follow.

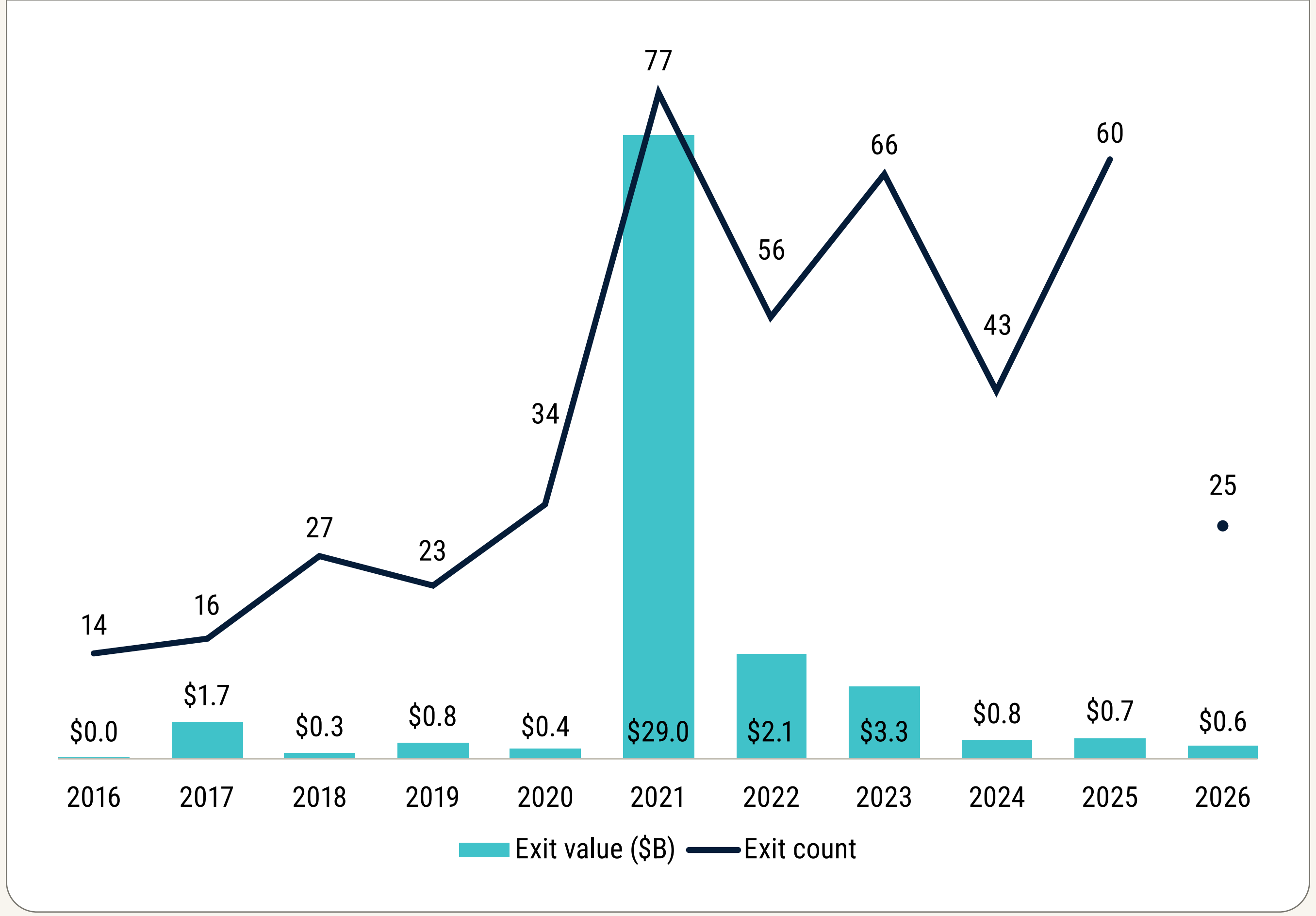
Expect mega-rounds to remain reserved for proven category leaders, while the broader market funds smaller, earlier-stage deals with strategic investors as the main buyers. AI, autonomy, and climate resilience should keep drawing capital, while CEA and generalist early-stage agtech remain under pressure absent clearer unit economics or exit visibility.

Agtech VC deal activity



Source: PitchBook • Geography: Global • As of June 30, 2026

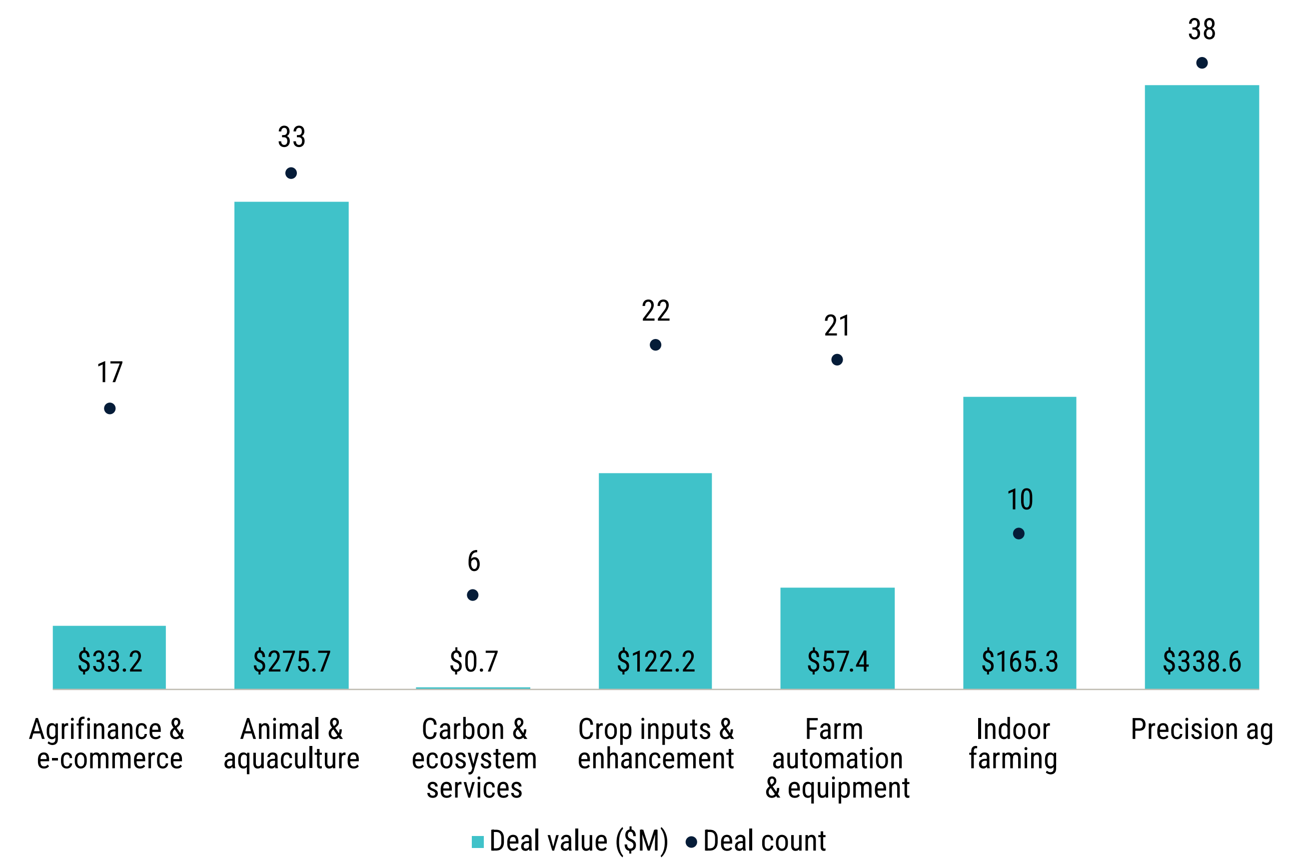
Agtech VC exit activity



Source: PitchBook • Geography: Global • As of June 30, 2026

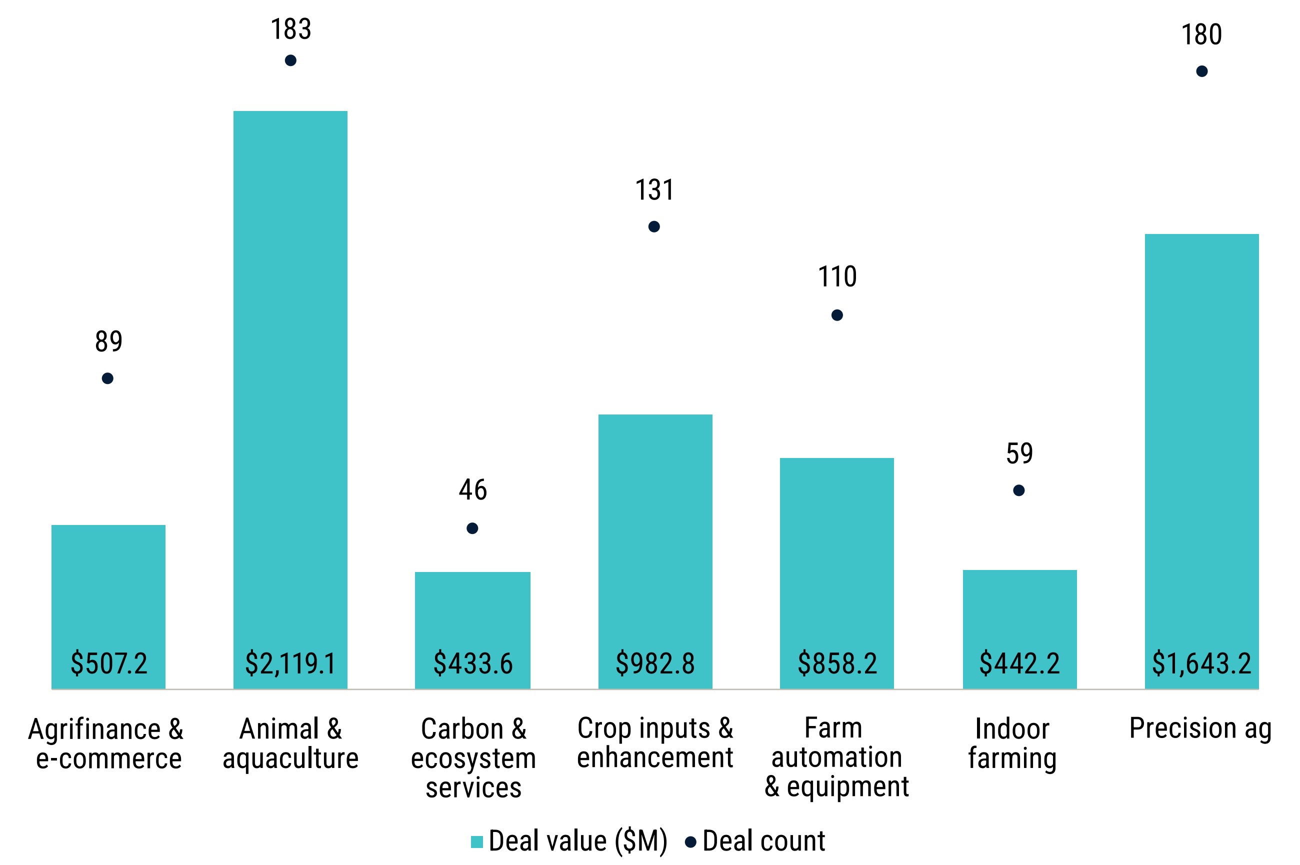
QUARTERLY ANALYSIS

Q2 2026 agtech VC deal activity by segment



Source: PitchBook • Geography: Global • As of June 30, 2026

TTM agtech VC deal activity by segment



Source: PitchBook • Geography: Global • As of June 30, 2026

Key agtech VC deals in Q2 2026

Company	Deal type	Close date (2026)	Category	Deal value ($M)	Post-money valuation ($M)	HQ country
Tomorrow.io	Series F	May 18	Farm management software	$210.0	N/A	US
Oishii	Series C	May 13	Indoor growers	$151.7	N/A	US
Asto CT	Series C	April 21	Livestock management	$83.2	N/A	US
Levita Magnetics	Series D	April 27	Field IoT	$30.7	$300.0	US
Leaf	Series B	June 10	Farm management software	$16.5	$73.0	US
Planteva Farms	Pre-seed/seed	April 1	Crop genetics	$3.3	$13.5	Canada
Ornata	Early-stage VC	April 26	Robotics & smart field equipment	$2.5	$8.9	Australia
Nutrivert	Series A2	April 29	Animal biotech & health	$2.4	$16.4	US
Brontide	Series A	April 13	Animal biotech & health	$2.3	$26.0	US
Saluna	Series A	June 1	Crop genetics	$2.0	$17.1	US

Source: PitchBook • Geography: Global • As of June 30, 2026

Key agtech VC exits in Q2 2026

Company	Exit type	Close date (2026)	Category	Exit value ($M)	HQ country
Kayrros	Buyout	May 21	Imagery & remote sensing analytics	N/A	France
Inno-3B	Buyout	April 22	Robotics & smart field equipment, indoor farming components	N/A	Canada
AgriWebb	Buyout	May 19	Livestock management	N/A	Australia
Cannatrek	Acquisition	May 24	Indoor growers	$100.0	Australia
Plataforma Puma	Acquisition	April 1	Farm management software	N/A	Argentina
Monarch	Acquisition	April 15	Robotics & smart field equipment	N/A	US
Vytelle	Acquisition	May 26	Animal biotech & health	N/A	US
Bluewhite	Acquisition	May 26	Robotics & smart field equipment	N/A	Israel
OPTIfarm	Acquisition	June 3	Livestock management	N/A	UK
Contain	Acquisition	June 22	Agricultural lending & insurance	N/A	US

Source: PitchBook • Geography: Global • As of June 30, 2026

Agtech VC deal summary

	Quarterly activity					TTM activity	
	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2024-Q2 2025	Q3 2025-Q2 2026
Deal count	**215**	**217**	**209**	**216**	**143**	**1,008**	**785**
QoQ change	-20.1%	0.9%	-3.7%	3.3%	-33.8%	N/A	-22.1%
Share of total VC	2.1%	2.2%	2.0%	2.1%	1.6%	2.4%	2.0%
Deal value ($B)	**$2.0**	**$2.1**	**$1.7**	**$1.5**	**$1.0**	**$7.0**	**$6.2**
QoQ change	23.0%	3.3%	-18.8%	-12.4%	-34.9%	N/A	-11.4%
Share of total VC	1.5%	1.7%	1.3%	0.4%	0.4%	1.5%	0.8%
Exit count	**15**	**19**	**11**	**13**	**12**	**56**	**55**
Public listings	N/A	1	1	1	N/A	47	40
Acquisitions	15	13	8	10	9	6	12
Buyouts	N/A	5	2	2	3	3	3

Source: PitchBook • Geography: Global • As of June 30, 2026

References

1: “Purdue Survey: Why America’s Farmers Are Rejecting the AI Revolution,” Hoosier Ag Today, C.J. Miller, July 7, 2026.

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