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In the Loop

Innovations in Agriculture and Food Systems

JUNE 2015



Welcome to *In the Loop*, an e-newsletter from Closed Loop Capital featuring hot topics in agriculture technology and food system innovations. Follow us on Twitter and LinkedIn and feel free to [contact us](#) at any time with updates and thoughts.



This month's issue of *In The Loop* highlights the impact of shifting consumer demand and new farming technologies driving on-farm production efficiency while addressing natural resource constraints. Boston Consulting Group has issued a new report titled *Crop Farming 2030* revealing the most influential trends in agriculture at the upstream on-farm end of the supply chain. With an emphasis on **productivity and efficiency, precision and automation are the leading trends** as cited by European farmers. In November, the **Federal Aviation Administration's Section 333 exemption will take effect and permit commercial drones including drones for agricultural use**. The exemption will have a huge impact on the myriad new enterprises that have been restricted to pilot programs with potential future customers and opens up the market opportunity for revenue generation. Drones are contemplated for agricultural uses spanning from crop monitoring, water and disease management, and planting and rotation strategies. The Association for Unmanned Vehicle Systems International predicts **the impact on drones for agriculture to drive \$80 billion in economic impact in the U.S. by 2025**.

A new report from Ceres highlights **the end of cheap, plentiful water. Big food companies are unprepared to mitigate water usage in their supply chains** that could lead to an



water pollution and reduce water usage in food production, driving the need for business solutions in the near-term. One of the most water-intensive products is meat as emerging countries such as China and Indonesia adopt a Westernized diet. With an increased demand for protein, comes additional strain on natural resources and feedstocks from the resource-heavy process of raising animal-based meat proteins. A new report by Grand View Research titled, *Global Meat Substitutes Market Analysis To 2022* indicates a **\$5.8 billion global meat alternatives market by 2022 (from \$3.3 billion in 2014)**.

Further downstream, consumers (including a strong base of millennials) are demanding trustworthy ingredients and source traceability for their food purchases. These trends are leaving incumbent food companies scrambling to defend their legacy brands and keep them relevant as emerging brands come into the space to accommodate these preferences. **The top 25 U.S. publically-traded food and beverage companies have lost an equivalent of \$18 billion in market capitalization since 2009 as consumer preferences have rapidly changed.**

As pressure across the supply chain continues to grow, talented entrepreneurs are developing innovative solutions that not only alleviate natural resource challenges and supply healthier options to consumers, but also develop a new ecosystem of profitable and successful companies and farming strategies serving the planet's needs. **With 5%+ job growth in food, agriculture, renewable natural resources and environmental fields projected over the next five years**, U.S. Secretary of Agriculture Tom Vilsak points to emergence of these fields as a renewed source of well-paying and rewarding careers. Opportunities in agriculture range from marketing and communications, engineering, computer programming, plant science and general farm management. 27% of the new opportunities will be from agriculture jobs in science, tech, engineering and mathematics.



CONSUMER PRODUCTS

Special Report: The War on Big Food



AG TECH

How High-Tech Farming Will Reshape Agriculture



PROTEIN

Meat Substitutes Market is Anticipated to Grow



DRONES

Why 2015 Is the Year Agriculture Drones Take Off



AG CAREERS

Forget Tech Jobs, The Future is in Agriculture



WATER

Food Companies Are Unprepared for Global Water



About Closed Loop Capital

Closed Loop Capital is an early-stage venture capital platform investing in exceptional entrepreneurs leading ventures in agriculture technology and food system innovation in the United States and Canada.

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