

AGTECH UNLEASHED: INNOVATING ACROSS THE AGRIBUSINESS CHAIN

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Facilitator:

<i>Gerson Freitas Jr.</i>	Energy and Commodities Reporter and Deputy Team Leader for the Agriculture Americas Team, Bloomberg News
<i>Tim Bucher</i>	2024 Top Agri-food Pioneer and Chief Executive Officer and Co-founder, Agtonomy
<i>Jorge Fernández Vidal</i>	Managing Director and Head of Agriculture and Food, Liechtenstein Group
<i>Ingrid Fung</i>	Vice President, Enterprise Operations and Strategy, GreenLight Biosciences
<i>Jason Wargent</i>	2024 Top Agri-food Pioneer and Founder and Chief Science Officer, BioLumic

Facilitator:

Gerson Freitas Jr.

Good afternoon. Thanks for joining us. We're here to talk about *Innovation Across the Agribusiness Chain* and also to get into the challenges that persist for both innovators and farmers and comes to scaling new technologies. I'm truly honored to moderate this panel with such a distinguished group of experts. I'm Gerson Freitas Jr., journalist at Bloomberg News where I help lead the Agriculture Team in the Americas.

I've been covering... for nearly 20 years now, first in Brazil and now in the U.S., and through all these years I've watched technology truly revolutionize farming. I've seen farmers quickly embrace GMOs, advance pesticides and choose to have dramatically increased yields everywhere, making things more exciting than ever. The industry is now tapping new technologies from gene editing, to AI and robotics and growth-activating lights. And interestingly, industry is now moving beyond simply improving yields. It's aiming now to address broader challenges – climate change, resource deficiency, soil health, labor shortages. Companies are developing tools to help farmers adapt to changing weather patterns, conserve water and reduce greenhouse gas emissions. Venture capital and major agribusiness players who increasingly prioritize sustainable and climate-smart solutions.

But it's not always smooth sailing in a commodity-driven business model where production is king. Farmers can quickly adopt anything that increases output fast. However, when it comes to innovations more heavily focused on making farming more sustainable, the incentives are far less clear. So how can we scale these sustainable technologies? How to make sure to get the economic support and regulatory incentives to succeed? Can innovative startups compete in an industry that's so heavily concentrated in the hands of few? Can they truly deliver on the promise to bring clear benefits, both for farmers' productivity and for the environment, all while being financially viable? These are the questions that we'll be tackling now with our panelists.

Gerson Joining me today, Tim Bucher, farmer, CEO and co-founder of Agtonomy. Ingrid Fung, Vice President of Enterprise Operations and Strategy at GreenLight Biosciences. Jason Wargent, Founder and Chief Science Officer at BioLumic. And Jorge Fernández Vidal, Managing Director and Head of Agriculture and Food at Liechtenstein Group. Welcome, all. Thank you, guys, for being here.

So let's dive in. Tim and Jorge, from each of your perspectives, Tim as a farmer and a startup leader and Jorge as an investor, what are the challenges to scale the fact of agriculture technologies?

Tim So, thank you, Gerson, and it's a privilege to be here at the Borlaug Dialogue and also an honor to have been TAPped, so, thank you, to the Foundation. So I'm going to answer that question from two perspectives because I am a farmer and have been for my entire life and started my own farming operation as a teenager and also from a technologist and a startup founder and CEO.

So from a grower perspective, I'm a fifth-generation farmer. I wasn't the oldest male in an immigrant European farming family, so I didn't get the family farm. So I started my own farm, and all my best friends, their last names were Gallo and Segatio and Papiano, and these were really very famous, great growers and winemakers out in California. And so I learned how to make wine when I was probably ten years old. I didn't drink it, of course, but I started my own, not just great vineyard operation, but also olive operation for olive oil, which I've now had for many, many decades; and it's called Trattore Farms.

And what I have noticed through the decades is my revenues were always growing, and my expenses usually were under the revenues so that I would make a profit. But for the last decade the challenges have been, whether it's climate change, regulatory changes, consumer preference where that farm-to-table is more desired, which actually puts more pressure on farmers, believe it or not, but the biggest challenge by far has been labor. And that labor challenge is not in every country, as we've all learned, especially here at the Borlaug Dialogue, but it's quite prevalent in some parts of the world. And I have three children; none of them have gone into agriculture. My brother has three children; none of them have gone into agriculture. So that next generation tends not to go in.

But when it comes to investing when you're in this situation where your expenses are outpacing your revenue, it's very difficult to make capital purchases, right? And so that's one of the things from a grower perspective that has prevented me from jumping all in on trying new technologies if I have to lay out, you know, 50, a hundred, 200, a million dollars, whatever it might be. But that's what also inspired Agtonomy, which is my startup company where I said – wait a minute; something has to change here. I cannot find anyone to work in the fields anymore, at least in parts of California and other regions. What about bringing technology to automate more of that work?

So I built some prototypes, and I showed it to some of my friends who are very large growers, and they said, "I want to rent that." And I think that model is really helping, because fast forward now a few years, that's really helping Agtonomy scale but also the growers embrace new technologies.

From the startup perspective... So capital is a big issue from a grower perspective. For startups, there's two things really. One's kind of a small issue and one's a much bigger issue. And for all the companies out here who are innovating – one of the challenges, if there are failures in this industry that have come before, it's a huge challenge for innovation to scale, to continue to go out there. But that's the small part. And I'm really interested in Jorge's take on this.

But the biggest thing that's preventing scale for innovation from a startup perspective is capital. I've done many high-tech companies in my career. I've raised close to a billion dollars in my lifetime. I've been raising one, two orders of magnitude less than that in Agtonomy, and I've had to work two orders of magnitude greater to raise that kind of capital. So it's a really challenging market, and I think a lot of it has to do with just the time horizon to liquidity events, but I'd love to hear your thoughts on that, Jorge.

Jorge Yeah, thank you. I'd say from my perspective, just adding to what you said, I think there's an issue with market fragmentation. The market is just small, so when you think about scaling, that creates a lot of difficulties, not only for startup, but also for investors to understand what's the true potential of a technology.

I think there is an element also of just poor product market fit. I think what we're seeing, to your point, is, when you have a compelling value proposition, farmers embrace it. I think a lot of AgTech companies have failed to communicate that value proposition or effectively deliver that value proposition. And linked to your points around capital, I think this is an industry that requires a lot of patient capital.

Tim Right.

Jorge We have founded and funded a company that took 20 years to be an overnight success. Right? I mean we had to invest for 20 years once we did the product that was a killer product. It generated super quick returns in that timescale, but I think you need that patient capital. And people don't have that willingness to wait for that long.

And then frankly there's also an element—and that's my last point—around exits. Like when you look as an investor—when do I get my money out? How do I get my money out? And you look at the exit track record of industry, it is just really terrible, right? You have only a handful of companies that have been a good exit for investors, and I think those are things that you need to work on. And I think in general you just need investors that understand agriculture better, and they're willing to, again, invest the time and resources and understanding what makes this industry unique from a capital perspective.

Gerson Thank you. I'd like to address my next question to Ingrid and Jason. So how can we ensure innovation gets the support needed to truly transform agriculture?

Jason Well, I think personally, there are two key elements to that equation. One will not be controversial here, and that is the innovative people, having innovators. And I think the second one is the idea. So talking about people first, having those passionate innovators who are driven to take something through a 20-year, overnight success, etc., is so crucial. And as somebody who was a former university professor, it's part of my job to inspire students to study agriculture, horticulture, plant sciences, etc. And then when I was at school and if you were good at science, you would be encouraged strongly to be a veterinarian or a medical doctor. And we need a few of those, but we need others too. And that's where it gets interesting, because it isn't the fault of the student that they don't know the opportunities that lie ahead as being an entrepreneurial scientist and so on and so on. And then that will take you all the way through to your pipeline of people for the future.

But around the concept of the idea, ideas are precious and fragile, new ideas, new concepts. And I do think it's fair to say in the AgTech space there are many, many different innovations out there but also a few areas that receive huge amounts of focus, general areas of innovation. And I think it's really important to remember that one of the premises of a science is that things that we do not yet have in our hands today that we might invent tomorrow, we don't have those things yet; but that doesn't mean that they won't be world-changing ideas tomorrow.

And I'll reflect on the journey of BioLumic. You know, we're the only company in the world, in our view, that programs crop traits using light treatments of seeds, which sounds like science fiction. But just because we're the only people doing it today, and because an idea like that for others is new, it doesn't mean that these can't be

transformational tomorrow. And so it's how we give our attention and tease out all of the precious ideas that could become those impactful gem companies of the future.

Ingrid So I'm going to come at the question from a little bit of a different angle. So a little bit of context. My experience kind of is a bit of a mish-mash of all of my other panelists here. I work for GreenLight Biosciences. We are an RNA innovation company. We focus on developing sustainable crop protection solutions using RNA that work as well as small-molecule chemistry, are cost-competitive, but respect the environment. Right?

And I think the idea is absolutely – the idea of using RNA for crop protection seemed like a dream. The idea of having it become cost-competitive with small-molecule chemistry was really difficult. So picture, but in the 10 or 15 years since our company's been founded, we've been able to innovate and push towards that goal. But what's enabled that to happen is actually the capital that has flowed into the company to enable us to take the dream, take the science and deliver it as a reality.

Last year, we had our first product approval in a product called Calantha. Auper excited about it. It's going to be the world's... It is the world's first applied RNA solution for crop protection. And so you can have the ideas, you can have the excited students and the people that work on these projects, but you need the capital to finance all of the innovation and really be the fuel to bring these ideas of science to bear in agriculture.

And so I would say – in order to allow capital to continue flowing, as difficult as it is to have patient capital, I think there's a lot of policy work that needs to be done in order to correctly incentivize capital to flow into the issues we need to resolve as an agricultural or food-systems-focused community.

And the other piece of it is around that goes hand in hand with policy is regulation – right? To ensure that you're supporting agricultural innovation, you need capital. To allow capital to flow, you need the policy that catalyzes that, and for the policy to be effective, you need regulation that really aligns and is supportive of the industry, and that comes from other increased regulation to measure and apply costs to things that harm the environment or harmonization of regulation to allow the disfragmentation of the markets in agriculture. Because as a company that innovates, you can have a product that can be applied to one market, but a lot of these other markets sit behind regulatory approvals, and that makes it really difficult for investors to invest in these companies as well, so.

Gerson OK, thank you. Jorge, what do you think are the greatest needs for innovation in agriculture over the next two to five years and the next decade to address challenges on the farm and global security and climate change?

Jorge So I think from my perspective, there are several things. I think all the work that is done around gene editing or playing with genes is an area of huge focus. I mean, at the end of the day, we need to build crops, or a new generation of crops that are climate-resilient. So I think that point around how do we breed for that next generation or how do we leverage technology to have that next generation of seeds, I think that's particularly important.

I'd say anything that has to do with having more sustainable input, things around bio-input, things around just using technology in general to replace chemicals is something that has attracted a lot of interest and I think will continue to attract a lot of interest.

A topic that is relevant to me—and we have a portfolio company in our group called Power Pollen from Iowa, here, is around pollination. Pollination is a big topic, both insect and wind pollination. And I think addressing that has attracted a lot of capital and will continue to attract a lot of capital.

I'd say water management also. Water is going to be probably the cause of future wars, I guess, and I think addressing that correctly in agriculture is still a challenge that we haven't managed.

And finally, I'd say anything that has to do with robotics, replacing labor, being more efficient, I think those are areas that have attracted a lot of interest. And I think those are areas that will continue to attract a lot of investor interest, at least those are the things where we are actively engaging and investing in the market.

Gerson Thank you, and same question for you, Jason, where do you see the greatest need for innovation?

Jason So I think there's a couple of things from my perspective. One is probably a similar point to Jorge's—having more and more impactful plant traits, and those traits can come from different directions. And I certainly believe that there is huge, untapped potential in plants. And this isn't going to sound controversial in that sense, but a lot of the inputs and applications and technologies that have been developed are often external to the plant or can be external to the plant but certainly is the area we work in, where we are using our light to manipulate plant signaling. So you are not putting something in, but you are actually inducing the plant to use more of what it has. There are other technologies out there that are trying to make a plant more efficient as well. And that is an incredibly untapped horizon in my view, plants have spent millions of years evolving, and there are these huge inefficiencies in many crops, despite all of the, many of the, progresses of the Green Revolution as well.

So achieving impactful traits but then also—this is touched on the point of our climate change—you need to be able to do that against a backdrop of the moving target. There's no such thing as a normal season. You can breed for a number of years, a ten-year effort to deliver a variety. You put it into locations where the goal posts have already been moved halfway through the development timeline of that particular variety. And so you need that mobile, flexible imperviousness to the challenges of climate change. And yet you still need to give the farmer and the grower impact in his bottom line. And so being able to co-provide resiliency and co-provide the impact of the trait. You know, we're doing this in some of our applications where we increase yield or we increase yield of a lipid within the grass that a cow eats. But that same lipid that goes into your milk is also going to be potentially reducing the methane emissions of the cow. And so if you're able to have technologies in place that can co-provide for productivity, resiliency and of course feed into profitability, then this is a huge opportunity area.

Gerson Ingrid, you just mentioned policy and regulation, and backstage we were talking about how it's such a complicated topic, but at the same time, the one that probably would make the biggest difference. Can you elaborate a little bit more on how regulatory policies, or maybe sometimes the lack of them, are impacting innovation?

Ingrid Yeah, I mean I'm going to use our company as an example, right? So we innovate using RNA, and one of the challenges that we have in getting RNA crop protection approved and registered in different geographies is that a lot of regulators don't know how to regulate it, right? In fact, the EPA was the first one to register an RNA, or

applied-RNA based product. And so when we take our dossiers to regulators, they're used to looking at small-molecule chemistry, and so they're like, "What do you mean – RNA degrades in the environment?" (You can't find it after seven days.) "Well, what are we going to do with our requirement that we need you to do a long-term tox study, right? Or an environmental tox study? What do we do with this?" And so the lack of regulatory consistency between different regulatory bodies really limits your ability to expand in different markets.

And the uncertainty specifically around regulation makes it really difficult for companies that do have technologies that are regulated to bring their products to market. It makes it difficult for investors to guess the timeline to when a company's going to get revenue in certain markets. And the one thing investors hate – having been an investor in AgTech venture capital for ten years – is uncertainty. That affects your return on capital. That impacts what you're going to tell your investors in turn, you can potentially return. And so the uncertainty around regulation impacts not only when a company can make money but how they can potentially raise money to fuel the innovation engine within their companies.

And so, if we can all get together and figure out how to approve a COVID vaccine in, you know, under 12 months, and we can all figure out how to do that when it comes to innovation and regulation and harmonization of regulation and accepting dossiers that are a cross like that, I'm sure we can as a group or as a collective figure out how to harmonize around regulations when it comes to crop inputs that impact food security and have a knock-on impact on the food security and the health of millions of people globally.

So, it's something that I think, while extremely complex – it's a complicated problem to solve – it's one that is solvable if there is the collective will.

Gerson And a sense of urgency.

Ingrid Yes.

Gerson Tim, same question for you. How do regulations impact your business and the industry as a whole.

Tim Yeah, I have some real-world examples, but before I talk about that, I just want to say upfront – anytime you have the pace of policy and the pace of technology not being the same, you will run into problems. And I'll let you guess which one of those two is at a faster pace. I think we all know.

So I'm doing automated equipment. I'm in the state of California. Most of my software engineers are in San Francisco, and most of them use Waymo and Cruise and Zoox and all these autonomous vehicles, sometimes to get to work. And yet there's a ban on autonomous tractors in California and there has been since 1971. So we can't get labor, but we can't operate in a safer environment than, you know, Los Angeles and New York and San Francisco where autonomy and automation really has a place; and it can make it a lot safer, because as a lot of people know, agriculture is one of the most dangerous occupations if you can find people in those occupations.

So this policy has existed. It's definitely hurting my company because I work with large OEMs, large equipment manufacturers, and that uncertainty that Ingrid spoke about is not just from industries, it's also from large partners who are afraid to have their Agtonomy-enabled vehicle operate in the state of California.

So what do we do? We opened up a big office in the state of Washington, and we have most of our operations going on up there. But a funny thing happened last week, and this is where I am not blaming regulators at all. I'm blaming companies that are doing innovative solutions for agriculture. I had the pleasure of presenting to the entire Cal-OSHA board, including the chair. And instead of presenting, we were at a ag robotics show. And I said, "Well, let me show you how this works." And so I did a demonstration with multiple vehicles operating autonomously, doing weeding and spraying and mowing and all this. And I jumped in front of one of the vehicles and it stopped, and they could see the alert come up on the smartphone that my colleague had. And it was, you know, it was interesting, right? And after the presentation I had several board members come up to me and said, "Wow! That's the first time I've ever seen an autonomous tractor."

And I realized right then and there that we've done a bad job of educating, and we all need to do a better job of educating those policymakers, those regulators to understand more about why we're doing what we're doing. Because we're not just making this up and saying, "Hey, this would be a cool idea to do it." There's a real problem and we're trying to solve it.

And so my message to all the companies out there is: Embrace your, whatever the agencies are in your different countries. Work with them, provide them data and just help them understand what you're trying to achieve.

Gerson Do you think there's been any progress over the past few years in terms of how regulation and policy has evolved in terms of creating incentives for just new technologies and innovation in agriculture? Well, and you're in the same place you were maybe 10, 15 years ago.

Tim I think we're moving in the right direction because at least pilots are somewhat allowed. Or let me put it this way. I hope there's no one from Cal-OSHA here. They all say that they will not enforce, so there's regulation, and a lot of time, the regulation isn't enforced. That doesn't mean a company should just go and go crazy, but at least we can trial and test and get the solutions ready.

The same thing happened in other industries, so we also need to look at analog industries like the passenger transportation, where the same regulations existed where you couldn't do that in California, so everybody went to Arizona, which is now the autonomous car capital of the world. And now they're back into California, right? So I think those things change when different government agencies, different regulators see what other agencies are doing, and then things kind of equilibrate.

Gerson Jason, how do we encourage those innovations that are focused on making farming more sustainable, climate smart but then don't unnecessarily back the bottom line in, you know, just a commodity-based model? How do you break with that?

Jason I mean it's an interesting challenge, but there are definitely no shortage of potential solutions either, and I can kind of talk vaguely about one example. When it comes to a dairy system, for example, I'm aware that some dairy companies have introduced an additional payment to their farmers on the basis of them being able to uptake and achieve certain goals around their sustainability on farm. And you could see how this entire ecosystem then develops around it. I mean it doesn't take too much to think of why such a company is going to be incentivized to try and do so because they have customers of their own, etc.

And so there's an incentivization through the food supply chain from those that are using ingredients and selling products all the way through that company to those that are producing the product for a company such as a dairy. If you can pay extra on the basis of technically scientifically quantified improvement in, let's say emissions, for example, then that bottom line could be improved for the farmer.

I do also think, though, that of course is only usually going to be a certain proportion of that farmer's total bottom line. He's being paid to grow a product; he's not being paid mostly to mitigate what he might be doing to grow a product. And, I think when you're looking at these situations, it comes back to my point earlier about – if you can co-provide – and that could be a number of innovations, not just a single innovation – that can actually help you. You can see the bottom line transition. You may get some supplementation, incentivization or there are other ways – there are other models of course that others here would know more than I do about, where you can incentivize the farmer financially. But there are different approaches that can be used.

And again I think it comes back to different ways of thinking about innovation. I mean it isn't just about a person that comes up with an idea that becomes a technology that a farmer uses. Farmers are entrepreneurs, farmers are innovating all the time. And so they themselves, you know, those great farmers, will co-innovate and therefore be able to look at other ways to improve their bottom line and do the right thing and mitigate against things such as emissions.

Ingrid Jason raises a really interesting point about innovation not being a single innovation and needing to be part of a system that works really well, right? I don't think any one of the entrepreneurs or folks that work for a startup on the stage can think that their innovation solution is going to be the one that solves all of the issues that a single farmer has to deal with.

And so with that in mind, as you innovate, you have to make sure that your products work within the system, right? For us, getting farmers to adopt sustainable solutions means making sure they don't have change anything, making sure that our sustainable solution is drop-in, making sure that it's cost comparative so the farmer doesn't have an added layer of difficulty to adopting a sustainable solution, and in fact it's solving one of their problems, it's dealing with, you know, resistance issues by providing them with an added too, right, to solve some of their issues. And one of the presentations earlier today talked about the need for diversity in tools, the importance of variety in our genebanks and genetic variety. Well, having a diversity of tools to apply in crop inputs as well as other – labor sources, etc. – is super important.

Gerson Do you think consumers have a role in that? And are consumers willing to pay the bill for products that are more sustainable or grown in a responsible manner?

Ingrid I don't think that consumers want to pay extra for sustainability. I think it's table stakes at this point for many consumers to look at a product that is not only good for them but good for the environment as well. I think asking them to pay more is unlikely to help drive adoption through the system. But I think the consumer has a super important role in terms of what they're asking for, right? And that's what I mean when I say sustainability seems like it's table stakes these days.

Where I think there could be a really interesting play for consumers is again around policy and regulation, right, to drive the policies that we need in place to push sustainability in food and ag forward.

Gerson Anyone else on this topic?

Tim About the consumer question you asked... So I grew olives and organic is always a premium, but it's also a premium to grow organically. For example, hoeing around the trees versus using herbicides is just one small example. And as the premium, as it always seems to do in consumer products, the compression of the margin for the grower gets to a point where it almost doesn't make any sense anymore. My brother who took over the family dairy farm, he went all organic, and when prices got to \$8, the farmers weren't getting that per gallon.

And so I think there's a limit, and it's kind of like a, it's sort of a time horizon, and eventually it wanes for each kind of premium that consumers pay. They love the idea of farm-to-table, but the realization that that costs the farmer a lot more is not always front and center and paid for by the consumer.

Gerson Jorge, you stressed the point of access to capital, and with seeing interest rates over the last couple of years surge in the U.S. and elsewhere with the highest levels in decades, and believe it's not the most welcoming environment for innovation. So could you elaborate a little bit more about what investors' appetite for this kind of investment is in the current environment and what you expect it to be in the next couple years.

Jorge So I mean I think when we look at the history of interest rates, this period of zero interest rate is just a novelty and it's short-term, and I think you've always had investments in this kind of ventures or companies or innovations at times where interest rates were really high until, if you look at historical numbers, we still have pretty low interest rates. And so I don't think that that is a key motivational factor. I mean obviously when interest rates were zero, everything looked good. I think now people are a bit more, for investors in general, are a bit more strict in terms of how they assess investment opportunities. But I think in terms of overall deployment in the space, it's just not going to make a very substantial difference. I don't think that anyone that invests in innovation uses the interest rate as a yardstick because your return expectations are so much greater, then that's not really what you're comparing yourself against.

Obviously, I think the broader question is—there's going to be less capital to deploy, and that in itself is always a problem. But I think the agricultural industry has specific problems that, unless they are addressed, I mean it doesn't matter what the macro looks like, you're not going to get the level of funding that is required, I think.

Gerson Jason, Tim, Ingrid, is it what you see as well?

Jason Yeah, I mean as a company that's venture-backed for a number of years now, it's undoubtedly been a difficult period in which to raise capital. It takes more time, and then we're segueing here more into the journey of any entrepreneur really. But of course if you are spending more time than some other period raising funding, then that is bound to have some kind of effect on your concentration, on your main job of building your technology. But it is part and parcel of your job as an entrepreneur too.

And going through the process of raising capital, you are also going through other processes where you are honing your clarity, you know, your product market fit, your data. I tend to take a pretty philosophical view of the journey of raising capital and similar to other things that we do—if we're meeting with our advisors. And you are essentially focusing on things where you are creating clarity about what the business is capable of doing or what it's doing. And so that will be some tail wind there to mitigate that. But it has been a difficult time to raise capital undoubtedly.

Ingrid So I jokingly tell all my coworkers I'm doing penance now for my time as a venture capitalist now that I've joined a startup, especially in this capital environment. It has been a very difficult capital market environment in general, right, not just within ag, but within the broader venture ecosystem as well. I think there has been a realization that kind of the continuous rise of valuations across companies, tech companies in general, is not going to last forever. And as a result of that, investors have focused a lot more around profitability, around revenue goals, and the knock-on effect of that is specifically, as an agricultural company where you may only have one or two shots on goal a year to sell, is a lot more difficult to raise capital; because you need to make sure that you're making 110% effort at your one or two shots on goal to sell a year to hit those numbers.

Now, where interest rates come to play is that farmers often are borrowing to buy their inputs, right? And so they're thinking a lot more judiciously or carefully around what to try, what to buy. They're going to be a little bit more risk-averse in the high interest rate environment, and as a company that's getting to the point where your revenues matter, that can make things a little more difficult. Now, we're really lucky. We have a phenomenal technology that enabled us at product launch to sell out within our first year, so very, very lucky, but it can make for a very difficult sales cycle in high interest rate position.

Jason And I think that's another point too that we haven't talked as much about yet, which is the role of those partners, those early partners, those farmers, those seed companies, whoever they may be; that is crucial when you have a new technology, someone who is open to innovation, is excited, is perhaps willing to be patient – in agriculture, no such thing as a normal season. You get one of two shots on goal, and so you may need to have some go-arounds with refining your application, even in a trial demonstration stage. And so having those innovation-savvy partners when you have a new technology is a key leverage point to get through those multiple valleys of death for a startup company.

Tim I think it also makes business models like what Hello Tractor was talking about and like what I mentioned earlier, rental, to be much more attractive when there is a high-interest environment and money costs a lot for the farmers, especially when it comes to equipment.

From a startup perspective, though, I think we all have to be a lot more innovative about how we raise capital. And Ingrid and I were having lunch with two professors – a shoutout to Neely and Eric – and we were talking about strategics and the importance of strategics these days. And I'm not talking about the big fish or the big whales strategics. I'm talking about small ones that I had never heard before, and now my company is mostly financed by strategics. And there's not a tit for tat when it comes to strategics, like everyone thinks about. Sometimes it's just they want to get into the AI world or they want to get into the ag segment or whatever might be, an adjacency, and those tend to be very, very powerful.

Gerson Well, we are running out of time, so I guess this ends our session. Thank you very much again for participating, and thank you all. It's been an honor.