



Trendspotting

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Trendspotting: High-tech farming at a low point

By

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Technology is great — until it isn't. A recent article in [The Wall Street Journal reported](#) that the movement toward high-tech indoor farming has — to put it mildly — slowed. Perhaps with good reason.

“Investors poured billions of dollars into companies such as AppHarvest and Local Bounti that grow lettuce, tomatoes and other crops in indoor farms that use advanced technology such as sensors and robots to offset weather-related risks, use less water and produce more consistent crops,” WSJ reported. “Shares of the two companies are down more than 95 percent since they went public in 2021, and in recent months at least four companies in the sector have shut down or filed for bankruptcy.”

Funding for the sector has slowed to a snail's pace. The article reports that the industry raised almost \$1 billion in last year's first quarter. This year just \$10 million, according to data provider AgFunder.

“Many of the high-tech startups have run up against the same obstacles that have long posed challenges to farmers: high costs for supplies, energy and workers,” said the Journal.

Of course, there remains opportunity for indoor farming. Where modern greenhouses have been successful, notably in Canada, vertical farms — not so much.

“Many analysts are confident the high-tech greenhouses can be operated profitably in the U.S. because they have been run successfully in Europe and Canada,” said the Journal. “Vertical farms are another story. No company has made money operating one on a large scale.”

So where do we go from here? As the old saying goes, “build a better mousetrap and the world will beat a path to your door.”

Sometimes though, the mousetrap isn't always better.

About Craig Levitt |

When his dreams of becoming a professional hockey player came crashing down due to lack of talent, Craig Levitt turned to journalism. He graduated from Hofstra University in 1992 and has covered various areas of the retail food trade since 1996. Craig joined The Produce News in 2017 and is now managing editor. In his spare time, Craig still plays men's league hockey (poorly) and enjoys walking the aisles of his favorite supermarket with his wife and two daughters.

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