

Public / متاح



وزارة الاستثمار
Ministry of Investment

Agri-food investment opportunities

CEA farming for strawberries

Investment Opportunity: CEA farming for strawberries (1/2)

Opportunity Overview

Description	<ul style="list-style-type: none"> Establish an indoor farm to produce premium strawberries
Rationale	<ul style="list-style-type: none"> Supply increasing demand and reducing import reliance, food security targets, KSA unique enablers, sustainability policies
Types	<ul style="list-style-type: none"> Three main technologies <ul style="list-style-type: none"> Hydroponics Aeroponics Aquaponics Two growth structures <ul style="list-style-type: none"> Greenhouse Indoor farm – horizontal/vertical

Market attractiveness

Global market	+8% CAGR '20-'26 in consumption		<ul style="list-style-type: none"> ESG concerns Food security
Governments and players' involvement	Active governments in the space	Oishii Driscoll's	Multiple rising startups globally and involvement from incumbents
Investment trends	10x Increase in number of deals over '18-'21	~4B	USD investment in CEA farming in 2021

Fit with KSA

Market size and growth	+5% Market CAGR '20-'26	+410 M SAR Market size in 2026
Alignment with country, strategy's objectives and ESG perspective	~245M SAR Negative trade balance, almost fully imported ~40% 2030 targets for strawberries self-sufficiency targets	~95% Water saving ~2-4x Higher yield
KSA strengths	<ul style="list-style-type: none"> SEZs development, R&D centers and regulatory support Low utilities cost and growing government financing Kingdom's promotion and targets for vegetables 	
Key success factors for the opportunity	<ul style="list-style-type: none"> Low cost of energy and sourcing Favorable mkt conditions R&D support and talent Funding 	<ul style="list-style-type: none"> KSA has one of the lowest energy costs and aims to provide clean energy KSA has a fast-growing market with an attractive price point for investors Growing collaboration with R&D centers and universities e.g., KAUST Wide range of players potentially backing the investors from a financial perspective

Investment Opportunity: CEA farming for strawberries (2/2)

Stakeholders' interaction and incentives

Key stakeholders

وزارة الاستثمار
 Ministry of Investment
 صندوق التنمية الزراعية
 Agricultural Development Fund
 المملكة العربية السعودية
 جامعة الملك عبد الله
 للعلوم والتقنية
 King Abdulaziz University of
 Science and Technology
 استدامة
 Estidamah

Financial and socio-economic impact

Financial projections

Socio-economic impact

Interviewed 4+ experts

- SAR ~34 M CAPEX
- 13%-18% IRR
- ~30% EBITDA
- ~85 Jobs
- SAR ~230 M GDP Impact in 10 years
- SAR ~40 M BoT impact¹

Investment

Type of investment

Greenfield investment from a global/local player or JV/off-take agreement between a global and a local player

Players

Global: Driscoll's, BOWERY, Oishii, AGRICOOOL, plenty
 Local: أسواق التميمي tamimi markets, NAEEM, COLAVAN, BLUE FIELDS



1. BoT impact estimated for year 2 when production facility is working at full capacity. BoT impact estimated as Revenues in year of full capacity * (1-imports ratio for agricultural purposes)

Note: CIT:Corporate income tax, VAT:Value added tax, WHT:Witholding tax