

Hectre raises \$5m in latest funding round

6 October, 2023

The agritech startup will use the funds to further extend into the Latin American and European markets.



Hectre CEO Matty Blomfield

Orchard management startup Hectre has closed a \$5 million convertible note funding round, led by deep tech investor Nuance Capital.

The funds will be used to further extend Hectre's products into Latin American and European markets and investing in new image processing and machine learning techniques.

The startup was founded in 2017 by CEO Matty Blomfield, Menilik Dyer, and Nico Gabarra to simplify how growers collect, collate, and use data from their orchards. It uses AI technology to provide data for growers on fruit size and colour and helps estimate crop yields, currently for apple, cherry, citrus, and onions.

Blomfield says Hectre is in a unique position where it has access to production

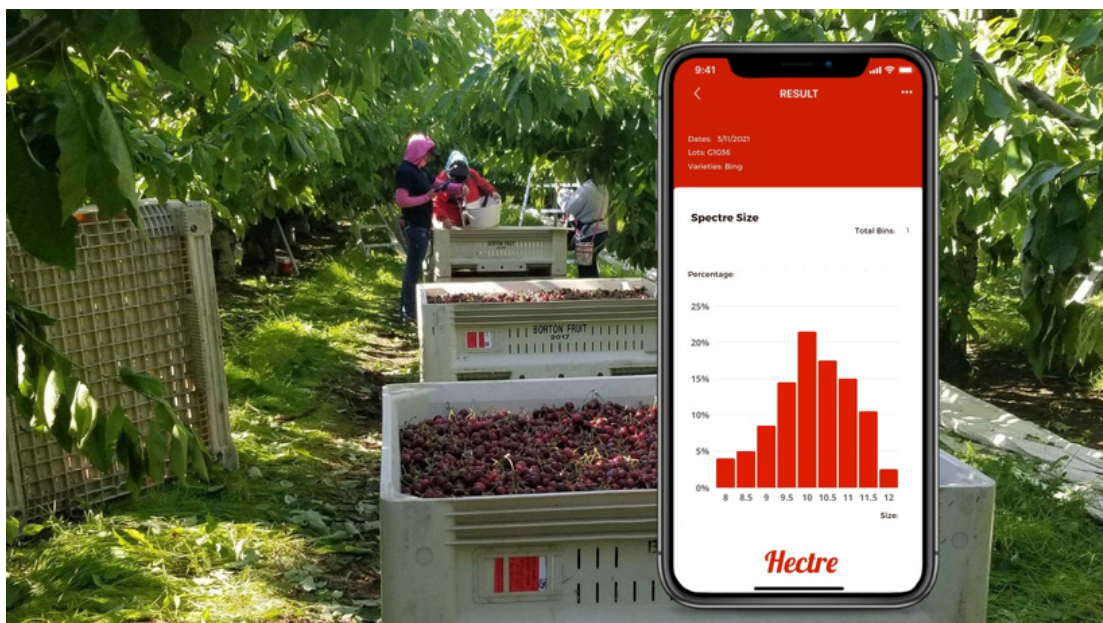
volume, food quality, and cost data across the supply chain.

“We’re leveraging data and AI to ensure more fresh produce makes it from field to table. We’re thrilled this investment supports our next stage of expansion to take our fruit quality and AI capabilities to new crop types and markets across the globe.”

It’s also planning to use its platform technology to expand into avocados, other stone fruit, and other vegetables.

Hectre’s customers now range from family growers to large-scale packers, including key players in the US, Italy, Mexico, and South America.

The company’s use of AI and machine learning attracted the attention of Nuance Capital, which is its first venture capital investor.



Hectre's Spectre fruit sizing AI solution

The appeal

To date the company has been funded by angel investors, NZ Growth Capital Partners' Aspire seed fund, and existing customers who later decided to invest —Czech family office investor Maxmilian Kolowrat-Kravovksy who are helping Hectre expand in the EU market, and US-based WM Borton Investments.

Nuance general partner Mitali Purohit says Hectre is tackling the global food security problem by reducing produce waste. The fresh food supply chain is estimated to be a multi trillion-dollar opportunity, with an estimated 31 percent

of food lost between harvest and the consumer.

“The problem is complex to solve and many have tried and failed. Hectre has an innovative solution, evidenced by solid international growth.”

It is also helping on the environmental side by reducing the amount of produce waste ending up in landfill, which contributes around 8 to 10 percent of landfill emissions globally, she says.

According to Purohit, Nuance is backing the startup to scale its existing platform technology to future applications as well. That includes using the data it gathers to help small to medium-sized growers become more efficient and sustainable.

She was also attracted to the 47-strong team following positive customer feedback on the integration side and two hires in the past year that have beefed up the commercialisation end—Kevin Park (formerly Crimson Education) as VP of Sales and CTO Sagi Adiv (ex Xero) who has experience scaling platforms.

Helping hand

For his part, Blomfield says his conversations with Nuance differed from that he had previously with other VCs. It really dug deep into the calibre of the team and also lent a helping hand with useful introductions before it even committed funds, he says.

“I’ve come across many people in the past who have said they’re willing and able to be helpful but it never really happened.”

The company experienced just over 100 percent compound annual growth rate last year.

Blomfield has already lined up meetings in the US to snare a potential US investor as lead for a much bigger Series A round next year to help fund its rapid growth and new platform opportunities.

Hectre chair Richard Coon says the startup is one of his most exciting investments.

“Even when capital markets tighten as they have done, there is still funding available for companies that have strong market fit, who are solving global

problems, and who have proven execution.”

WM Borton Investments uses Hectre's technologies across 6,000 acres of its orchards in Washington State.

Chief visionary officer Byron Borton says Hectre's dedication to constant innovation provides a significant competitive advantage and aligns well with its own approach to business.

Hectre has released over 140 products, features, and enhancements in the past year.

Its AI solution, Spectre Top Down, uses computer vision and machine learning to detect and estimate size and colour on more than 5,000 pieces of fruit from the top of open trucks arriving at packhouses.

Blomfield says in just one season it helped a customer reduce fruit loss by over four million apples.

“When you consider the labour and agrichemicals needed to grow those apples, that's a massive climate and financial impact. We're delivering valuable data at scale.”