

Insect ag pioneer Ÿnsect ‘exploring all possible options, including a 3rd-party takeover,’ Agronutris files safeguard plan with court

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The Ÿnsect mealworm farm in Amiens, France.
Image credit: Ÿnsect

The economics of large-scale insect farming have come sharply into focus this week with struggling industry pioneer Ÿnsect “exploring all possible options, including the possibility of a third-party takeover,” while fellow French startup Agronutris has [filed a safeguard plan with a commercial court](#).

The news comes weeks after Canadian cricket farmer [Aspire Food Group laid off two thirds of its staff](#) and announced plans to scale back production to conserve cash while it makes improvements to its process.

Founded in 2011 by Antoine Hubert and Alexis Angot, Ÿnsect has raised almost \$580 million over the past 13 years from investors including Astanor, BPI France, Cr dit Agricole, Upfront, and Robert Downey Jr’s Footprint Coalition.

The firm, which honed its mealworm farming process at a pilot facility in Dole, France, started protein production at a large-scale facility in Amiens, France, last summer, but needs to secure more funding to get to a scale whereby it can “ensure profitability.”

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Ÿnsect, which [filed a safeguard plan with a commercial court](#) last September, issued a [tender offer](#) on January 17 to determine interest from potential investors or acquirers by February 17, 2025.

According to the document, Ÿnsect's revenue was €5.8 million (\$6 million) in 2023 with "third-party liabilities" of approximately €104 million (\$108 million) excluding bonds. "The figures for 2024 are not consolidated for the moment," said a spokesperson.

The company, which has 214 employees at facilities in Amiens, Dôle, Evry, and Paris, says it needs to secure about €130 million (\$135 million), excluding liabilities, to achieve target revenues of €131 million (\$137 million) in 2028.

If no investors come forward by February 17, 2025, the company could face court-imposed restructuring, forced asset sales, or liquidation.

The spokesperson told *AgFunderNews* that it is "important to distinguish between the deadline for the submission of bids and the filing of the balance sheet [a formal declaration of insolvency], which are two different things."

"At InnovaFeed, we have chosen a [modular development model](#) to secure our industrial and technological ramp-up. The challenges that our French counterparts are encountering to move from the experimental phase to industrial scale operations we have overcome a couple of years ago, as have other players such as Protix." **Maye Walraven, general manager, USA, Innovafeed**

'Ÿnsect remains focused on its strategy'

The company—which told us last fall that it was in "advanced discussions with a certain number of investors wishing to support and finance this launch phase of its industrial process"—told us this morning that "Ÿnsect remains focused on its strategy and its determination to rapidly find solutions to prepare the company's future and meet the demands of a fast-growing market."

The spokesperson added: "Ÿnsect is still in safeguard proceedings, but its activities are continuing normally, as are discussions with the various investors already identified.

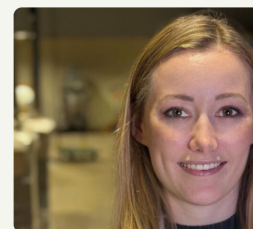
"In this context, the priority of the Ÿnsect teams and the court-appointed administrator remains the same: to explore all possible options, including the possibility of a third-party takeover, in order to boost business and strengthen the company's position in a demanding economic environment. As is customary in this type of procedure, a call for tenders to find investors or buyers for the disposal plan was published on January 17, to enable the company to sound out the market in parallel with its ongoing discussions with investors."

The [safeguard procedure](#), overseen by an officer appointed by the court, is designed to help companies that are facing financial difficulties but are not yet insolvent to continue operating and pay off debts.

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Agronutris files safeguard plan with French court

Fellow French insect ag startup Agronutris, meanwhile, has [filed a safeguard procedure with a commercial court](#) in Sedan for its holding company EAP Group. Based in Toulouse, EAP Group is responsible for Agronutris' R&D activities and administrative functions. The agreement does not cover the group's subsidiary Ardennutris, which produces oils and proteins from black soldier flies at Rethel in the Ardennes.

The safeguard procedure, which lasts for six months but can be renewed for an additional six months, gives EAP Group breathing space to restructure, find new investors, and renegotiate its debt.

Agronutris originally focused on human food but later pivoted to focus on aquaculture and pet food. It raised €100 million in October 2021 from backers including SPI fund and the Mirova fund to construct the commercial-scale facility at Rethel, which [started production in 2023](#) and announced partnerships with [BioMar](#) (insect meal for aquaculture) and [Frayssinet](#) (insect frass for fertilizers).

However, the funding environment has changed significantly since 2021, noted the company, which said in the release that grim news from others players in the segment had [further soured investor sentiment](#). "Access to financing is made more difficult by an uncertain economic context and investors slowed down by the news in the sector and the announcements made recently by other industrial players".

'A supply-constrained market'

A spokesman for Agronutris told us: "In practice, this decision reflects EAP Group's commitment to giving itself time to stabilize its financial situation, renegotiate its debt with creditors, and ensure operational continuity."

"The site's full production capacity is estimated at 5,000 tons per year, which is expected to be reached by the end of 2025. Today, this [insect ag] market is under capacity, as industrial players in the sector face the urgent need to find alternatives to fishmeal. Insect meal presents itself as a relevant and innovative solution, offering nutritional quality equivalent to that of fishmeal. This has driven strong market growth, but the industrialization of insect meal production has not yet caught up with demand, leading to a supply-constrained market."

He added: "It is important to highlight that Agronutris operates a development model based on a fully operational production site that is scaling up. The company's BSFL products stand out from other sector players in two key ways: They can be produced in smaller facilities while achieving the same production volumes as companies manufacturing cricket or mealworm-based products, and they offer a low-carbon solution, with significantly lower CO2 emissions per ton produced compared to cricket or mealworm-based alternatives."

New generation learning from pioneers' mistakes

One industry source told *AgFunderNews*: "There is definitely viability to the industry and massive operations are successful across the world. But some of these noisier players—Insect sucked up a lot of the attention from the media, as well as investor dollars—were early movers with a lot of the challenges pioneers face, and had specific individual flaws or challenges in their approaches or technologies."

"I think there are lot of comparisons to the indoor ag space in leafy greens, where you also have winners and losers, but a key difference is there is no existing 'field based' insect agriculture. So there's a combination of the learning curve being larger, and there being a big market creation challenge, for which we are largely over the hump, with wide scale BSF approvals in most markets."

"That being said, some of the more successful insect operations are lower tech, more 'back to basics' in their approach such as those in Southeast Asia, which are not doing the massive automation and robotics that are so expensive and necessary in some of the geographies where we are seeing big failures such as Europe."

Better Origin: 'No one wants to pay a significant premium in agri-food for a 'green' alt anything'

Miha Pipan, cofounder and CSO at UK-based BSFL farmer [Better Origin](#), told us: "It's clear to me after a decade in this sector no one wants to pay a significant premium in agri-food for a 'green' alt anything. Expecting consumers to step up in a cost of living crisis is flawed, especially in light of growing polarization. We are also no longer in times where subsidizing at scale is politically or financially viable for most states, at least for Europe."

"Ultimately, the scientific evidence on feedstocks safety is now available and pretty clear on the matter, with many geographies having enacted it already to date. All big investments into scale ups in insects last year were linked to North America, where feedstocks are already much more permissive. Any delay at this stage is procedural rather than based on genuine scientific concern, if you ask me."

"The slow moving nature of European policy making, coupled with a lack of any actual appetite for change in the mass adoption of EU member states, is making this rather difficult where it needs to be. The sector

in the upper echelons of EU policy making, is making this rather difficult where it need not be. The sector now needs strong action. An acknowledgement that things need to change from the likes of DG Sante [the body responsible for the EU Commission's policies on health and food safety], and crucially, fast; would be a good stepping stone for a prosperous second decade of insect bioconversion in Europe.”

InnovaFeed: ‘Only the most robust models will survive’

Maye Walraven, general manager, USA, at French insect ag firm [InnovaFeed](#), told us that the challenges faced by some of its French counterparts did not mean that the whole segment was doomed.

“At InnovaFeed, we have chosen a [modular development model](#) to secure our industrial and technological ramp-up. The challenges that our French counterparts are encountering to move from the experimental phase to industrial scale operations we have overcome a couple of years ago, as have other players such as [Protix](#), and we continue to successfully ramp-up our capacity in France in line with our strategic goals.”

Despite a challenging funding environment, she added, “We benefit from the support of strong strategic investors who closely follow our trajectory and who, based on our track record, are confident in our ability to successfully deploy the insect industry. We are nevertheless very aware of our responsibility to optimize our financial resources and make strategic decisions accordingly to remain lean and agile.”

She added: “The sector as a whole is making solid progress with larger volumes being produced than ever before and 100% of these volumes being absorbed by the market. Customers continue to believe the insect industry can help drive the transition towards a more sustainable and circular agriculture and support us via long-term partnerships. These recent events reflect the ‘Darwinian dynamics’ of emerging technologies and the fact that innovation is hard: not all companies can succeed, only the most robust models will survive.”

Funding rounds in insect agriculture, 2024 (US dollars):

- [Entosystem](#) (black soldier flies, Canada): \$42 million
- [Protix](#) (black soldier flies, Netherlands): \$40 million
- [Tebrio](#) (mealworms, Spain): \$32.6 million
- [FreezeM](#) (black soldier fly neonates for breeding, Israel): \$14.2 million
- [Nasekomo](#) (insect ag franchisor, black soldier fly neonate supplier, Bulgaria): \$8.7 million
- [Entocycle](#) (enabling tech for insect ag, UK): \$2.6 million
- [Oberland Agriscience](#) (black soldier flies, Canada): Undisclosed

Source: Preliminary AgFunder data [disclosure: AgFunder is the parent company of *AgFunderNews*]

Further reading:

Oberland Agriscience nets new capital to scale Nova Scotia BSFL plant



The startup aims to be fully scaled up at a 108,000sq ft facility next year, with production capacity of 3,500t of dry black soldier fly larvae (BSFL) protein and 9,000t of frass.

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Innovafeed secures \$11.8m USDA grant for insect-based fertilizer, fine tunes process at Decatur pilot plant



Insect waste (frass)—which contains nitrogen, phosphorus, and potassium—boosts soil health and provides a more balanced, slow-release nutrient profile than synthetic fertilizer, claims Innovafeed.

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From novelty to necessity? The evolution of insect farming



Industrial-scale insect farming is not for the faint-hearted. So what business models make sense, and who is going to fund the next wave of facilities?

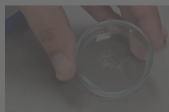
Worms to wealth? Loopworm scales up insect protein plant, plans recombinant proteins from silkworms



Loopworm is ramping up production at a facility in Bangalore capable of churning out 6,000t of silkworm and black soldier fly protein a year.

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Suspended animation: Insect ag startup Nasekomo enhances neonate delivery service with advanced suspension tech



The tiny larvae are put in a state of suspended animation for up to 10 days without refrigeration, enabling insect protein producers to focus on rearing and processing.

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Meet the founder: Protix's Kees Aarts on insect ag... 'You can't come in with a Silicon Valley playbook and outcompete a legacy industry in 3 years'



"In the first six years, we had more failures than successes," says insect ag pioneer Kees Aarts.

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