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InsectBiotech raises â?¬7.2 Mn to scale black soldier fly technology for agricultural waste conversion

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Arcano Partners and a consortium of U.S. investors back the Spanish biotech firm's expansion plans, including a new Andalusian facility to convert olive waste into sustainable proteins, oils and regenerative soil products

Spanish biotechnology startup InsectBiotech has secured €7.2 million in fresh funding to accelerate the commercialization of its insect biotechnology platform that converts agricultural waste into sustainable proteins, oils and regenerative soil products, marking another milestone in Europe's fast-growing circular bioeconomy.

The investment round was led by Arcano Partners' Asset Management division, which committed €3.8 million through the Impacto Andalucía Innovación y Desarrollo SICC fund. A consortium of U.S. investors contributed the remaining €3.4 million, providing the capital needed to expand the company's research pipeline and industrial-scale production capabilities.

The funding comes as Europe intensifies efforts to reduce agricultural waste, strengthen domestic protein production and promote regenerative farming practices. InsectBiotech's proprietary platform utilizes Black Soldier Fly (BSF) larvae to biologically convert agricultural residues—including olive pomace (alperujo)—into high-value proteins and oils for animal nutrition, alongside bio-based products designed to improve soil health.

Having spent several years validating its technology through research collaborations, pilot production and commercial testing, the Seville-based company is now preparing to move into the next phase of industrial deployment. A significant portion of the investment will finance the construction of a new processing facility in Andalusia capable of handling 7,500 tonnes of agricultural waste annually. Strategically located close to major olive-growing regions, the plant will transform waste streams generated by olive mills and agricultural operations into commercially valuable products while supporting rural employment and local supply chains.

The technology underpinning the company was developed through years of research in collaboration with the University of Granada, resulting in a patented insect bioconversion process that positions InsectBiotech within Europe's emerging sustainable protein sector. The investment also reflects growing institutional support for innovation-led companies in southern Spain. Arcano manages the €55 million Impacto Andalucía Innovación y Desarrollo SICC fund, primarily financed through the Andalusia ERDF 2021–2027 Programme and the Regional Government of Andalusia. The initiative forms part of a broader financial instrument established by the European Investment Bank (EIB) to stimulate research, innovation and digitalization across the region.

"The support of key investors such as Arcano Partners will allow us to scale both our research and production capabilities," said Ignacio Gavilán, CEO and Co-founder of InsectBiotech. "We aim to achieve meaningful production volumes, reduce Spain's and the European Union's dependence on imported proteins, and foster regenerative agricultural models." Arcano said the investment aligns with its strategy of deploying public capital alongside private investment to accelerate innovative businesses capable of delivering both commercial returns and measurable environmental impact.

The funding highlights increasing investor confidence in insect biotechnology as governments and industries seek scalable alternatives to conventional feed ingredients while addressing agricultural waste management and resource efficiency. As Europe pursues circular economy goals and greater food system resilience, companies capable of transforming agricultural by-products into value-added biological products are attracting growing strategic interest.