

FoodTech in France

Report on investments & the state of the ecosystem 2024



 DigitalFoodLab
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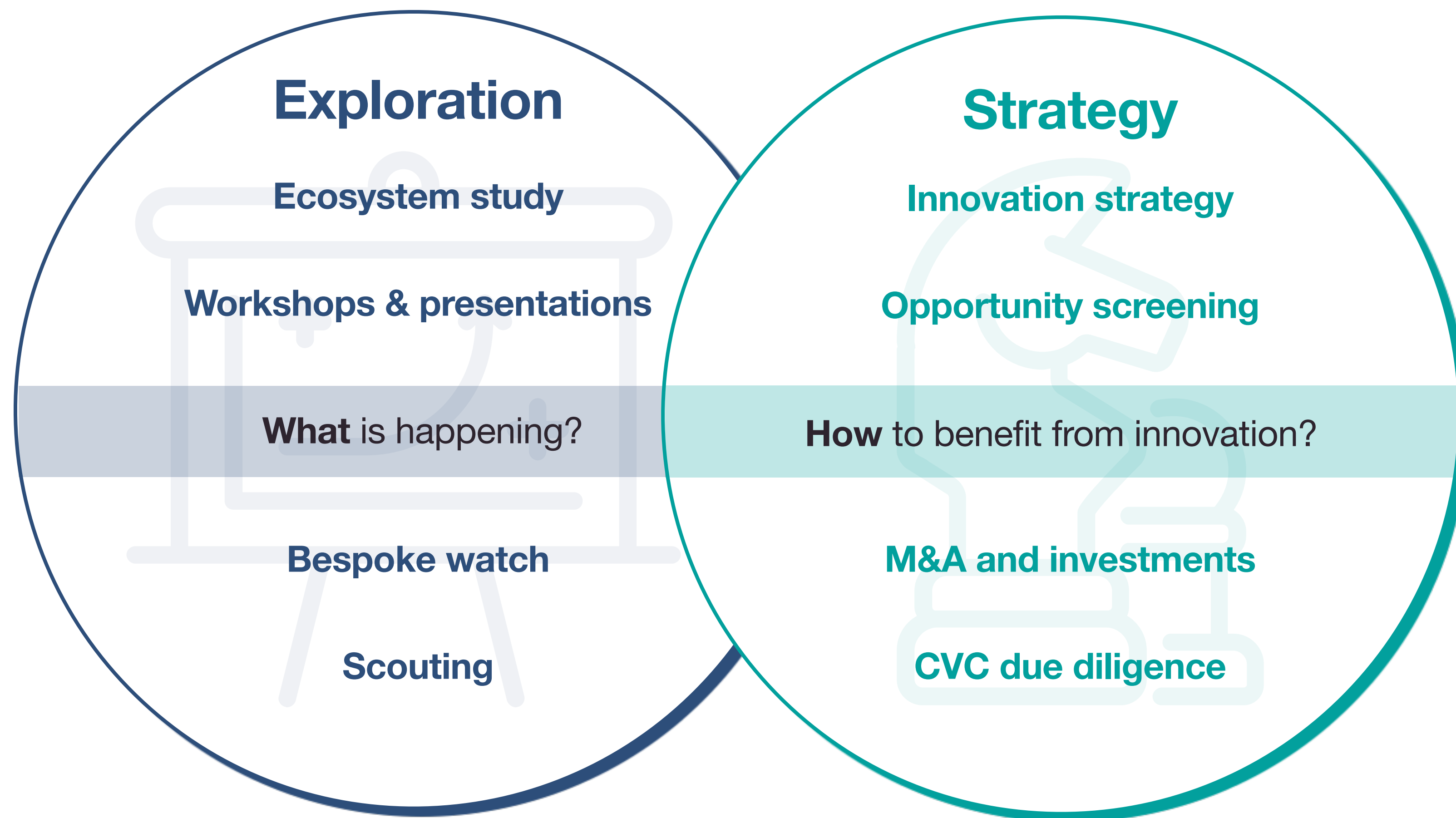


DigitalFoodLab

Insight and strategy consulting to help you be part of the future of food

DigitalFoodLab works with a broad array of clients (food companies, retailers, banks, investors) on consulting missions to help them:

- 1 - explore innovation ecosystems
- 2 - define their innovation strategy
- 3 - identify the right partners and targets



50+ clients

DigitalFoodLab

Our territories of exploration

Global approach

We look for innovation all over the world



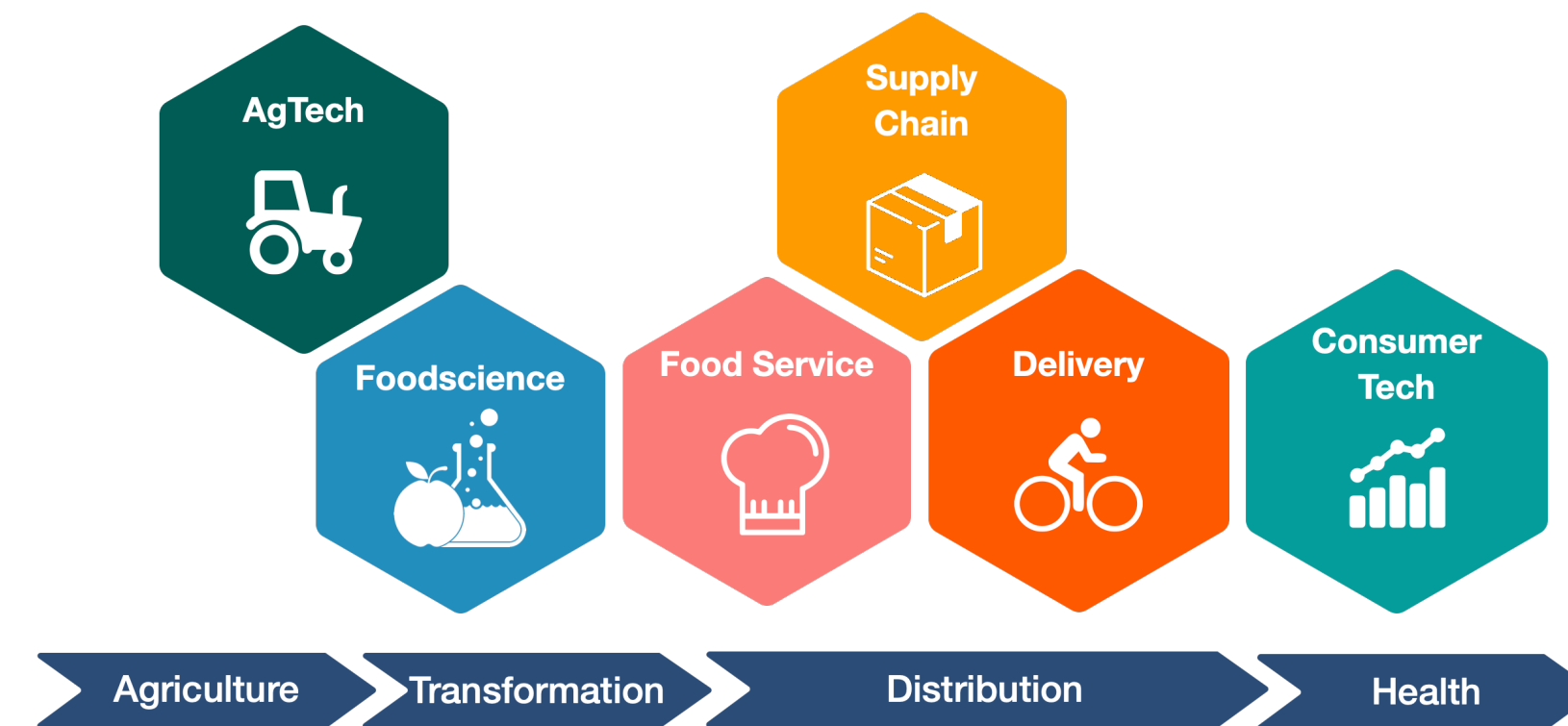
Through our network of partners, databases, and expertise, we can source innovation globally.

Innovation from startups to large corporations

We look for innovation where it happens: startups, corporations, and research labs.

Among our key indicators are regulation, funding, and new products.

All along the food supply chain



Some examples: alternative proteins, functional ingredients, agtech, decarbonisation, new brands, digital retail/restaurant, healthy ageing.

Financially supported by

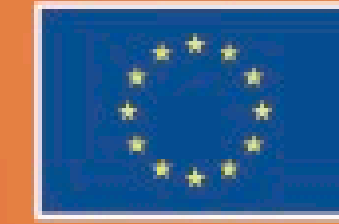
The project is engaging actors from across the food system to co-create a first version of the future European Partnership for Sustainable Food Systems for People, Planet & Climate.

It is foreseen to be launched and accompanied in 2024 based on the experience gained during the project's lifetime, such as on:

- Food system approaches and an Observatory;
- Future joint funding mechanisms to maximise the impact of R&I;
- A Hub for Food Systems Labs mobilising actors in Europe and globally.
- A Strategic Research & Innovation Agenda (SRIA) that provides suggestions for actions;
- The creation of a 'sustainability branded' network of European universities.

[Learn more about FoodPATHs](#)

foodpaths



Funded by
the European Union

FOODPATHS: Co-creating the Prototype “Sustainable Food Systems” Partnership

Hello,

**68% less investments
in French FoodTech
startups in two years**

First of all, we thank you for reading this report. We have been able to make it available due to the financial support of FOODPathS. This report focuses on investments in French FoodTech startups from 2014 to the end of the third quarter of 2024, with specific attention to the last 18 months and what they can tell us about the evolution of the French food innovation ecosystem.

French FoodTech startups raised €260M in 2024 (up to Q3), and we project they will raise about €350M by the end of the year. That would be 51% less than in 2023 and 68% less than in 2022 when the ecosystem reached its peak.

The French FoodTech ecosystem seems to have a « lag » of about one year compared to what has happened in the rest of the world. Indeed, most ecosystems reached a high in funding in 2021, then saw a decline and a stabilisation. French FoodTech's high point was reached in 2022. It may have reached its low point in the second quarter of this year. From there, we could expect a stabilisation and an eventual increase in funding in 2025 or 2026 if the bounce back observed elsewhere is confirmed.

A strong decline in early-stage deals.

The current decline is somehow unexpected as the French ecosystem is highly focused on B2B startups, notably in AgTech and Food Science, two areas that are doing quite well globally. It can be explained by the absence of « mega deals » (€100M) over the past 18 months.

Also, the strong decline in seed and Series A deals (in younger startups), as well as the overall decline in the number of deals, are worrying signs. They give the image of investors lacking confidence in the longer-term potential of French startups to deliver results (and attract acquirers). However, beyond investments, we also currently observe a surge in partnerships announced between startups and leading companies, notably for AgTech and Food Science startups.



What is FoodTech?

DigitalFoodLab's definition is: "FoodTech is the ecosystem made up of all the agrifood entrepreneurs and startups (from production to distribution) innovating in terms of products, distribution, marketing or business model."

Foodservice: startups reinventing the hospitality industry. They improve the management of out-of-home businesses today. They also create the conditions for the restaurant of the future with robotics and cloud kitchens.

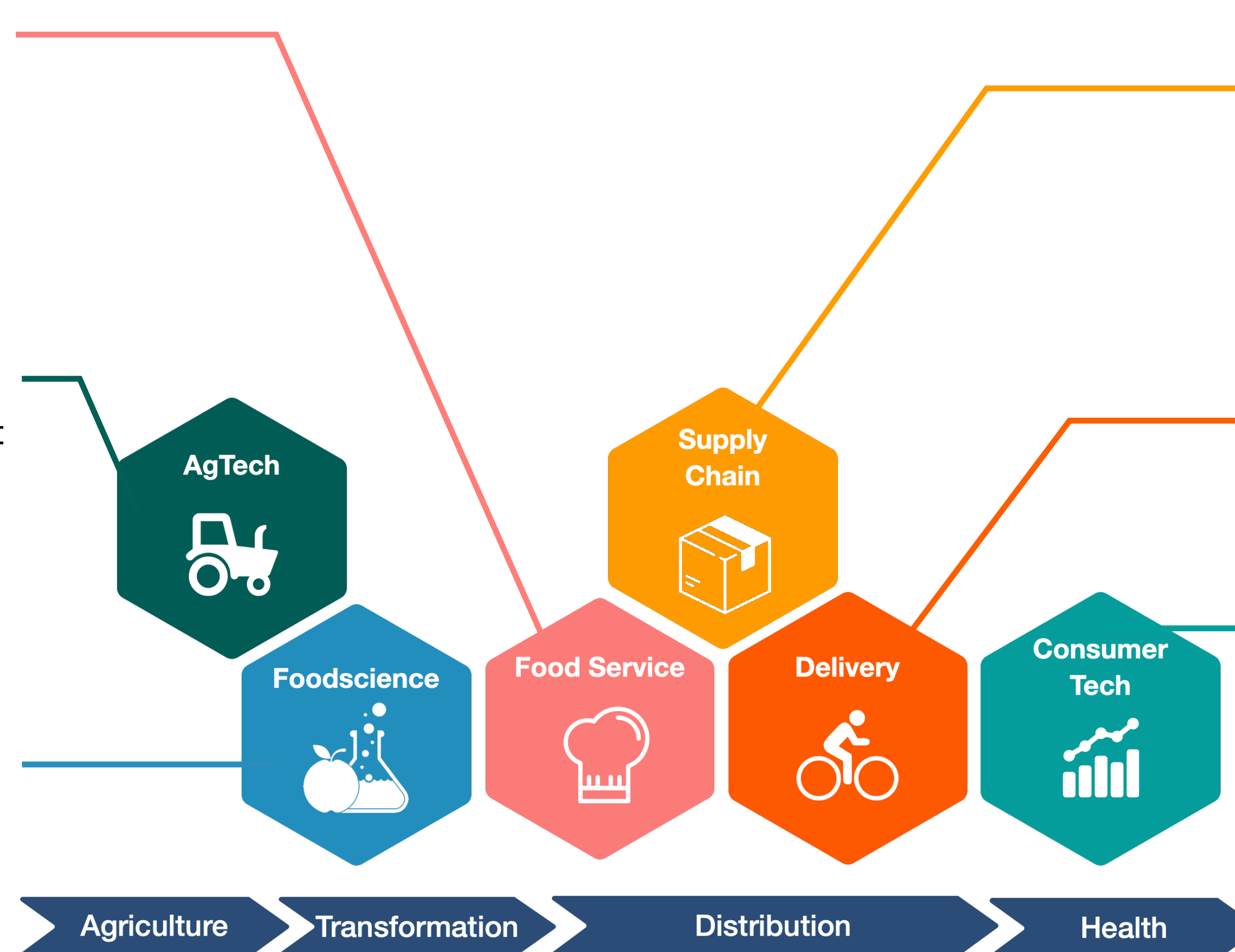
AgTech: startups disrupting agriculture. They come up with solutions to improve farming output and quality using drones, sensors and farm management software. AgTech is also about new farm products, next-generation farms and urban farming.

Food science: startups developing new ingredients and food products.

Supply chain: startups developing solutions for the food supply chain and food retail industry, from digitalisation to automation.

Delivery: startups developing services to order and deliver groceries and meals.

Consumer tech: startups developing services and devices to help consumer cook, identify the best foods for them and help them reach their personal goals.



About the data

DigitalFoodlab's database

This report is based on DigitalFoodLab's proprietary database and also uses Crunchbase data as an input. It contains the most comprehensive data about FoodTech startups and investors.



We gather data all year long with machine learning tools and with our network of partners. This report displays investments with currency conversions made at the time of the deals' announcements.

Create your own reports

In-house FoodTech reports

We create dedicated investment and innovation reports for clients seeking regular and reliable updates on agrifood innovation trends in specific geographies and categories. We add an extra layer of analysis personalised to the client's business focus.



See our report on Denmark's FoodTech [here](#).
We have also worked on reports on other countries and regions, such as Sweden and Asia.

Co-branded public reports

We create personalised reports on specific regions or countries.. The goal is to help you communicate your actions in the region and / or to promote the region's FoodTech potential for foreign investors, companies and entrepreneurs.



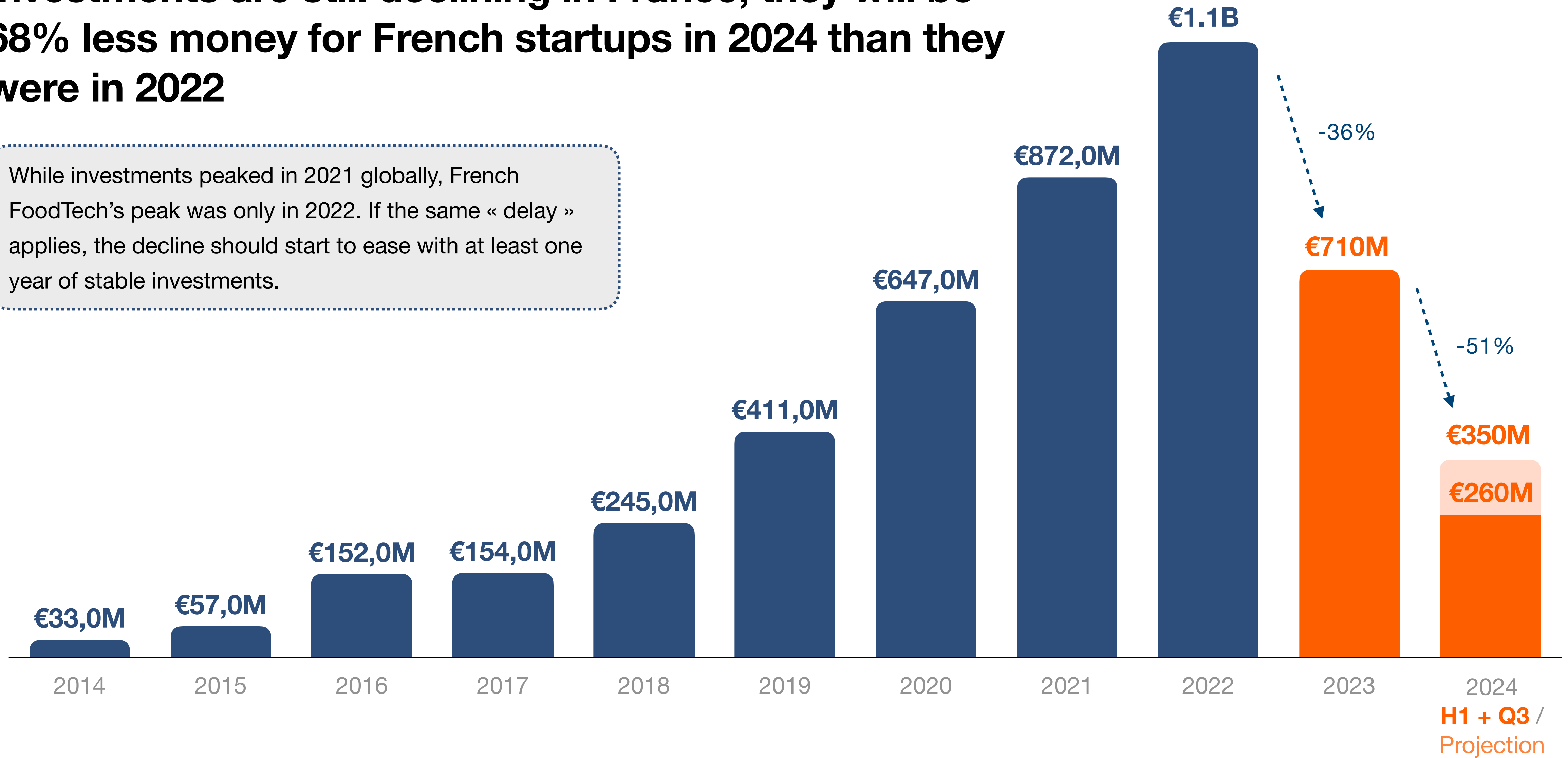
Investments and state of the ecosystem



Investments in French FoodTech startups

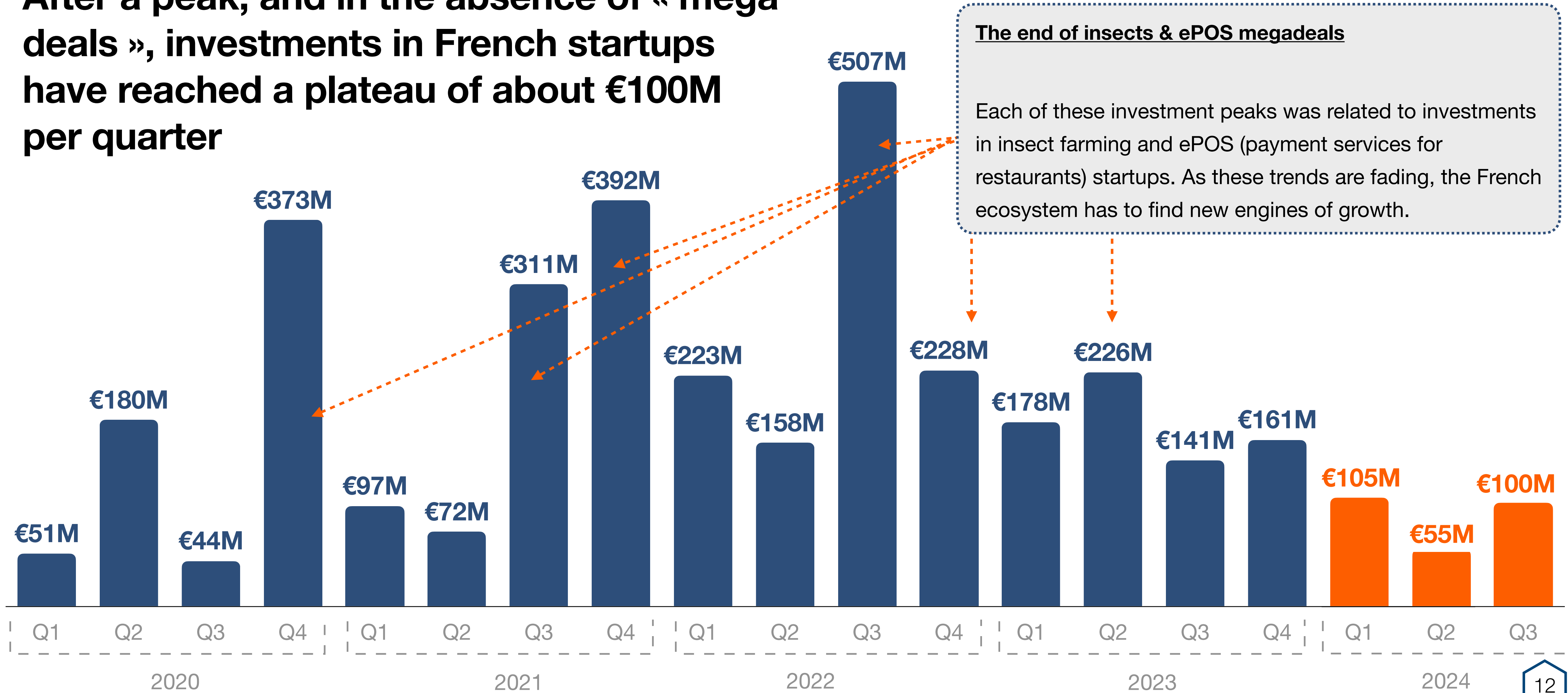
Investments are still declining in France, they will be 68% less money for French startups in 2024 than they were in 2022

While investments peaked in 2021 globally, French FoodTech's peak was only in 2022. If the same « delay » applies, the decline should start to ease with at least one year of stable investments.



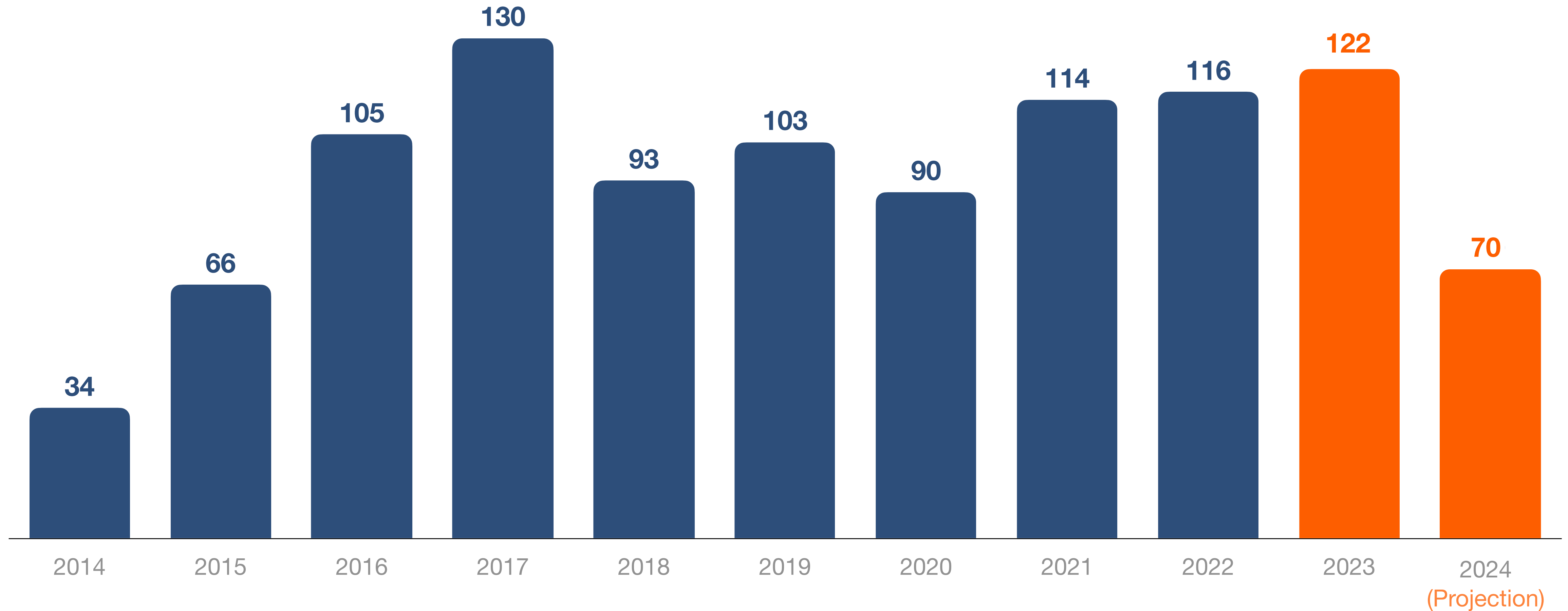
Quarterly investments

After a peak, and in the absence of « mega deals », investments in French startups have reached a plateau of about €100M per quarter



A strong decline in the number of deals

While the number of deals remained at a high level in 2023, we project a noticeable decline for 2024

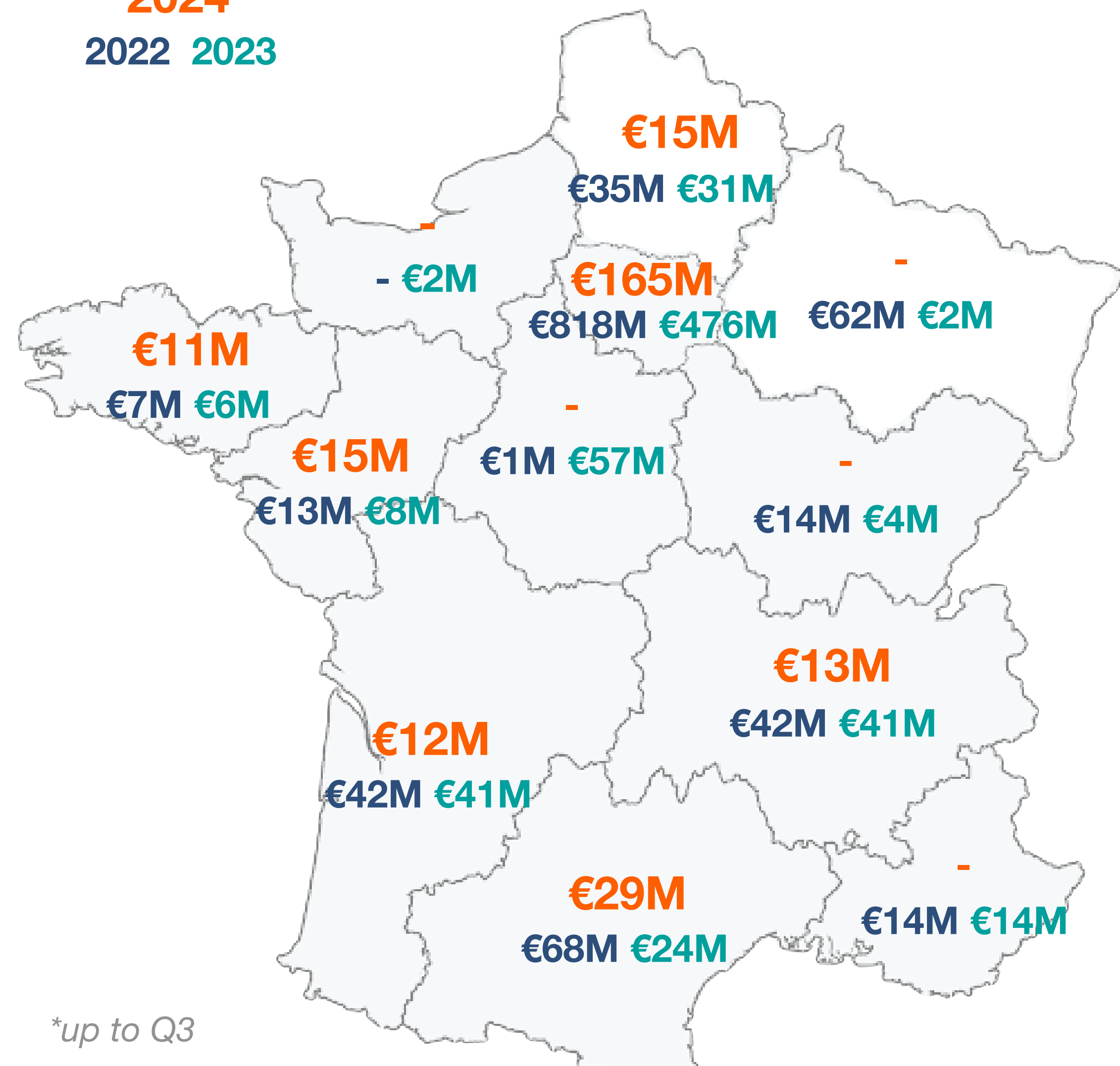


Geographic distribution

Funds raised in

2024*

2022 2023



*up to Q3

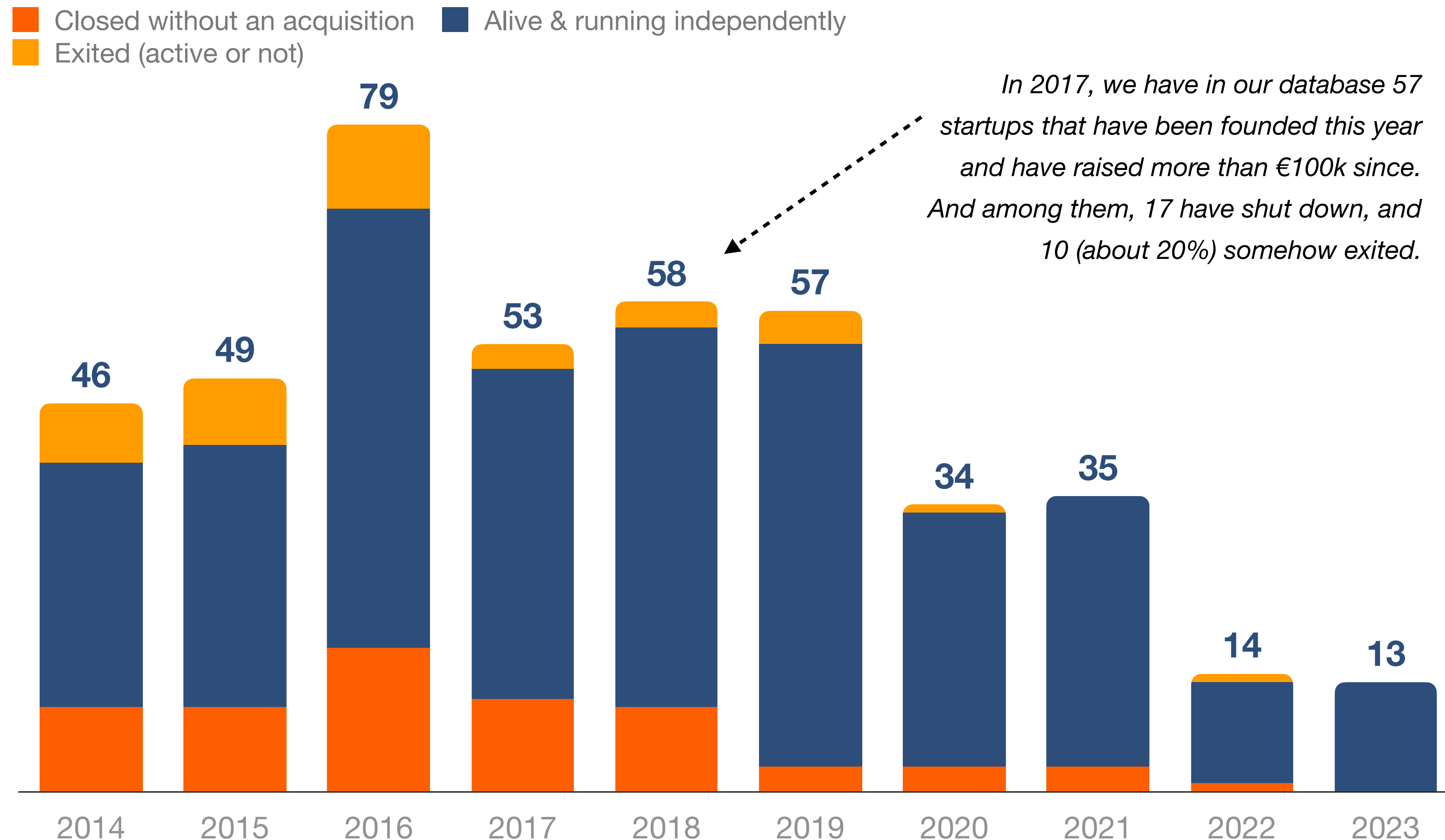
- As for the British FoodTech ecosystem (the most comparable in Europe), **investments in French startups are heavily concentrated in the capital.**
- However, it should be noted that investments are attributed to the headquarters. Now, leaders, even if their HQ is in Paris, are developing industrial capabilities in other regions (as Ynsect in the North, HappyVore in the *région Centre*, or Umiami in the East), helping to spread the value created by these startups.

Share of French FoodTech investments in startups located in the Paris region



A decrease in the number of ventures

Evolution of the number of new startups being created each year (having raised more than €100k)



On the bright side, we can see that the **exit rate for startups that have attracted a minimum funding of €100K is constant at about 20%**. However, we should point that many of these exits are only acquisitions by other startups. The real « success » rate is below 10%.

On a slightly more worrying note, we see **a diminution of new ventures**, notably since 2022. Even if many ventures take time to emerge and raise these €100k, this won't quadruple the number of companies that we have spotted.

Use case #1: Ecosystem study

Project for a global F&B company looking to understand the alternative protein ecosystem and how it could benefit from it.

What we did:

- Mapping of the different categories of the alternative protein ecosystem from the point of view of the client (its product categories).
- Recommendation (and workshop) to validate the core opportunities and threats
- Deep dives into those categories with a mapping of key startups, the state of research and other food companies' actions in this space.
- Recommendation of a path to action based on the identified trends.
- Set of workshops to spread the knowledge across the company.

Results:

- Shared understanding of the opportunities and threats created by the ecosystem.
- Bespoke report, which has become the cornerstone of the client's understanding of the ecosystem.



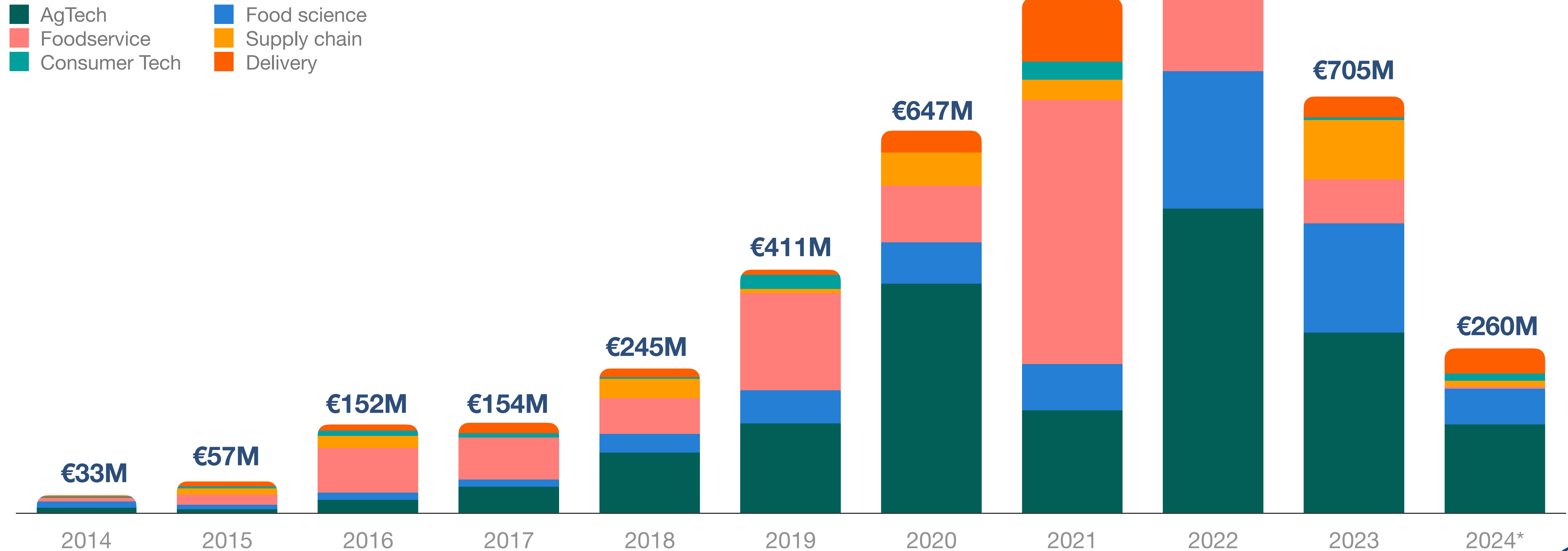
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Distribution by categories and trends



If all categories are declining, foodservice deals are the most affected

Distribution of investments in French FoodTech



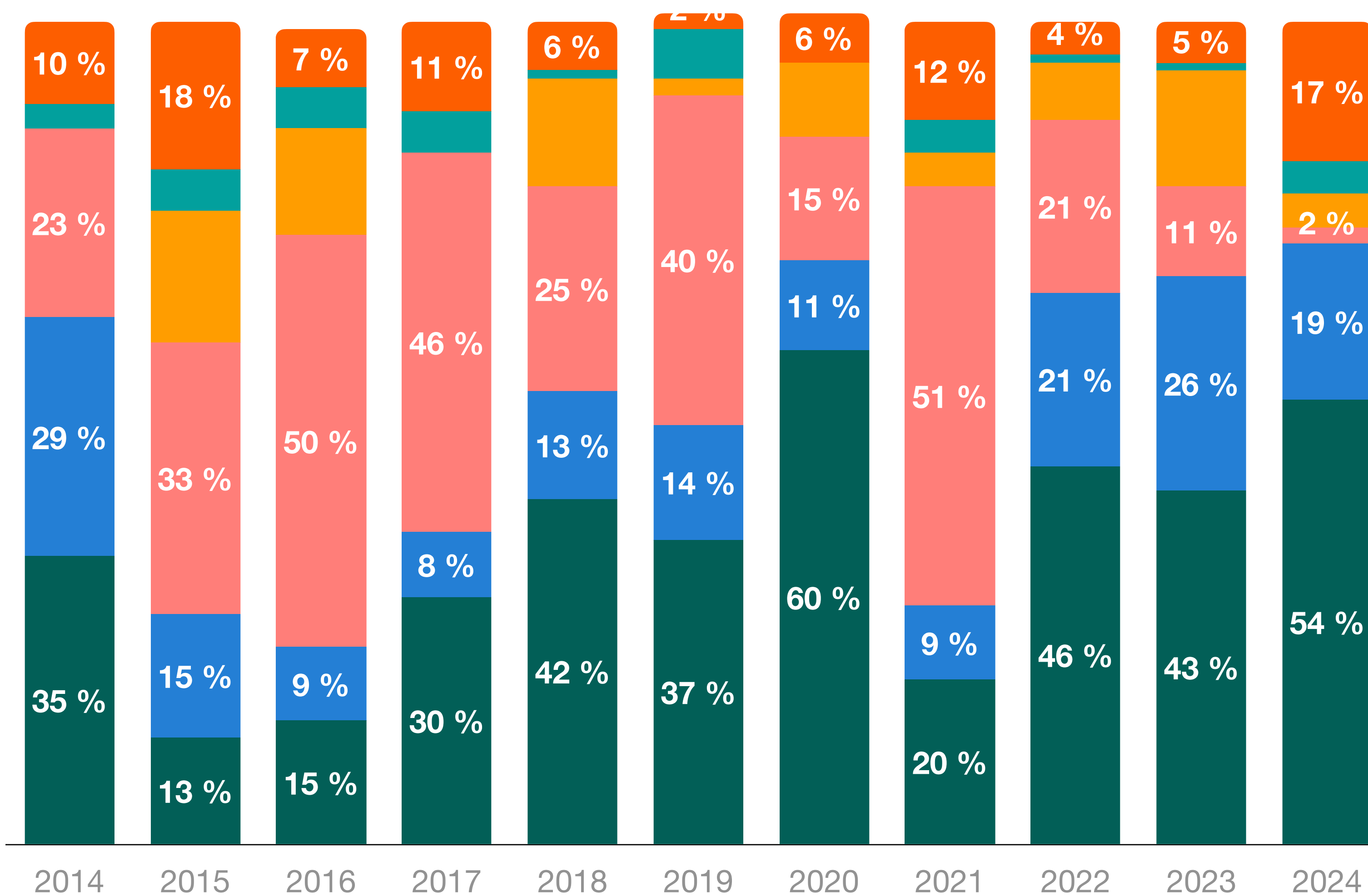
*up to Q3

An ecosystem still heavily B2B-focused

- ⚙️ A relative view of the distribution of the investments is particularly striking for the French ecosystem.
- ⚙️ A constant 70% to 80% share of all funding goes to B2B categories (AgTech and Foodservice as a whole, but also parts of Food Science).
- ⚙️ In the past three years, we have observed a shift towards more and more investments in AgTech and Food Science, still with a B2B angle.

Evolution of the distribution of investments

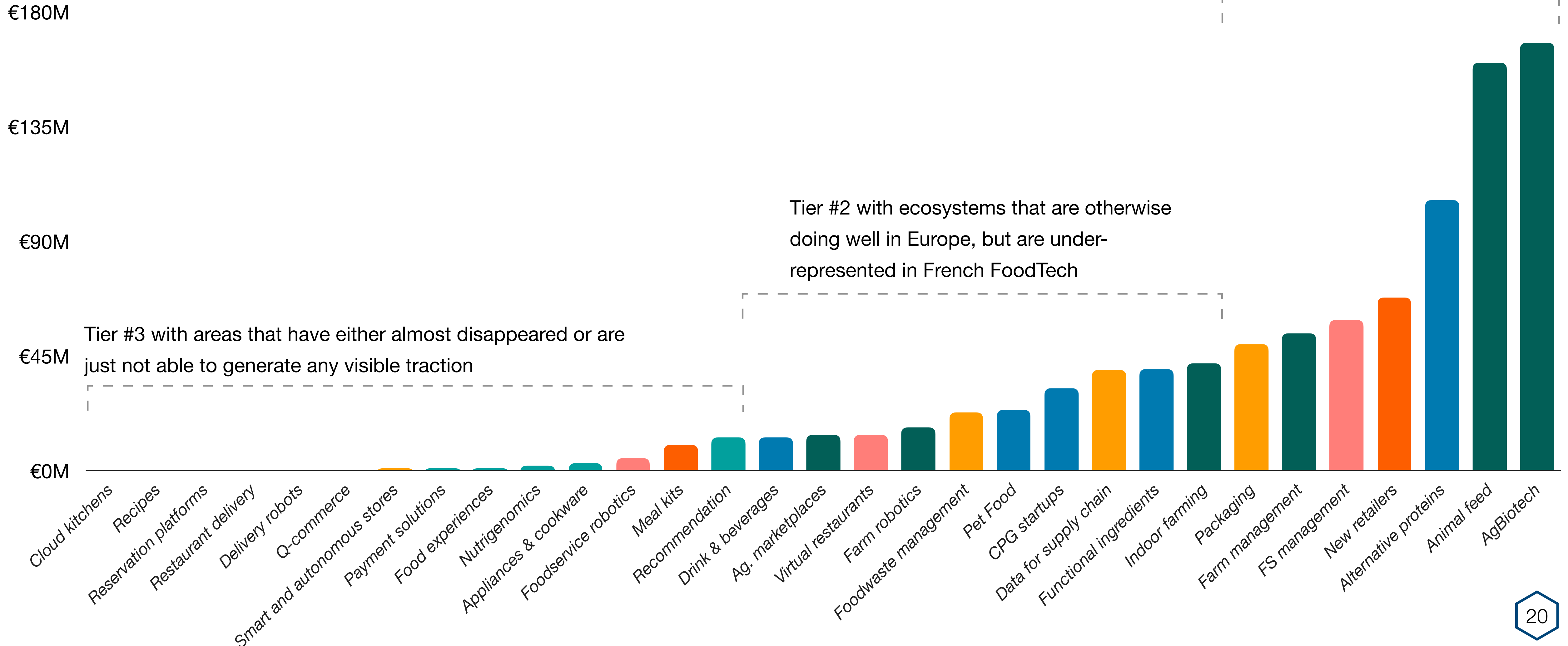
■ AgTech
 ■ Food science
 ■ Foodservice
 ■ Supply chain
 ■ Consumer Tech
 ■ Delivery



Investments by sub-category (2023-2024)

- Delivery
- AgTech
- Foodservice
- Food Science
- Consumer Tech
- Supply Chain

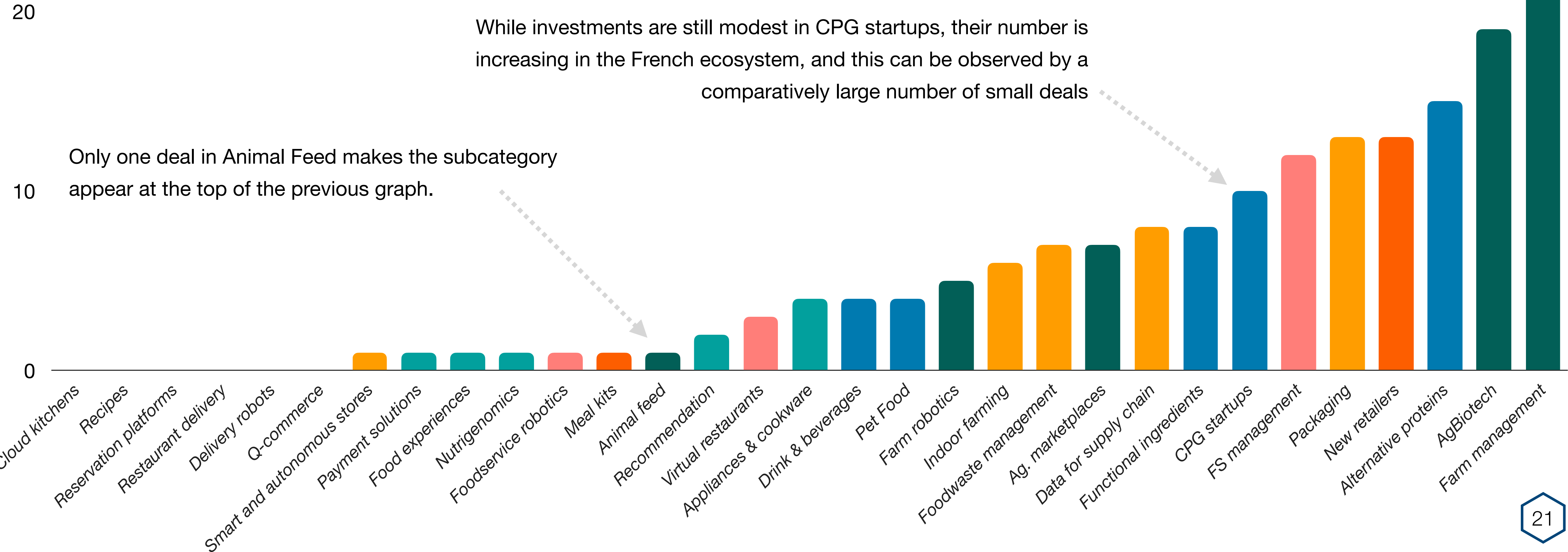
Tier #1 with the core focus on the French ecosystem and mostly B2B categories



Number of deals by sub-category (2023-2024)

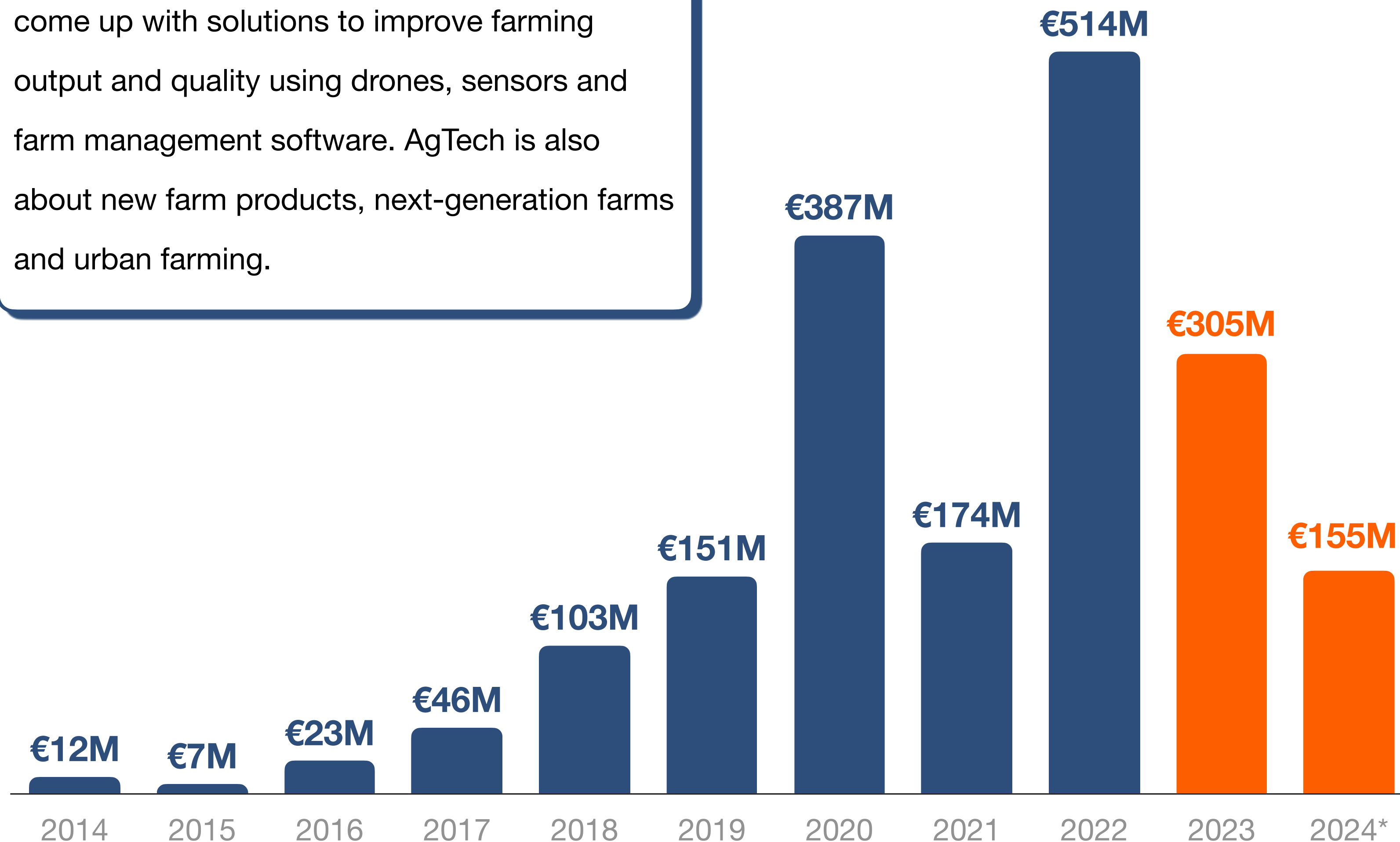


Compared with the previous graph, it provides an insight into the categories that are attracting a number of small deals, which could indicate a potential for growth.



AgTech focus

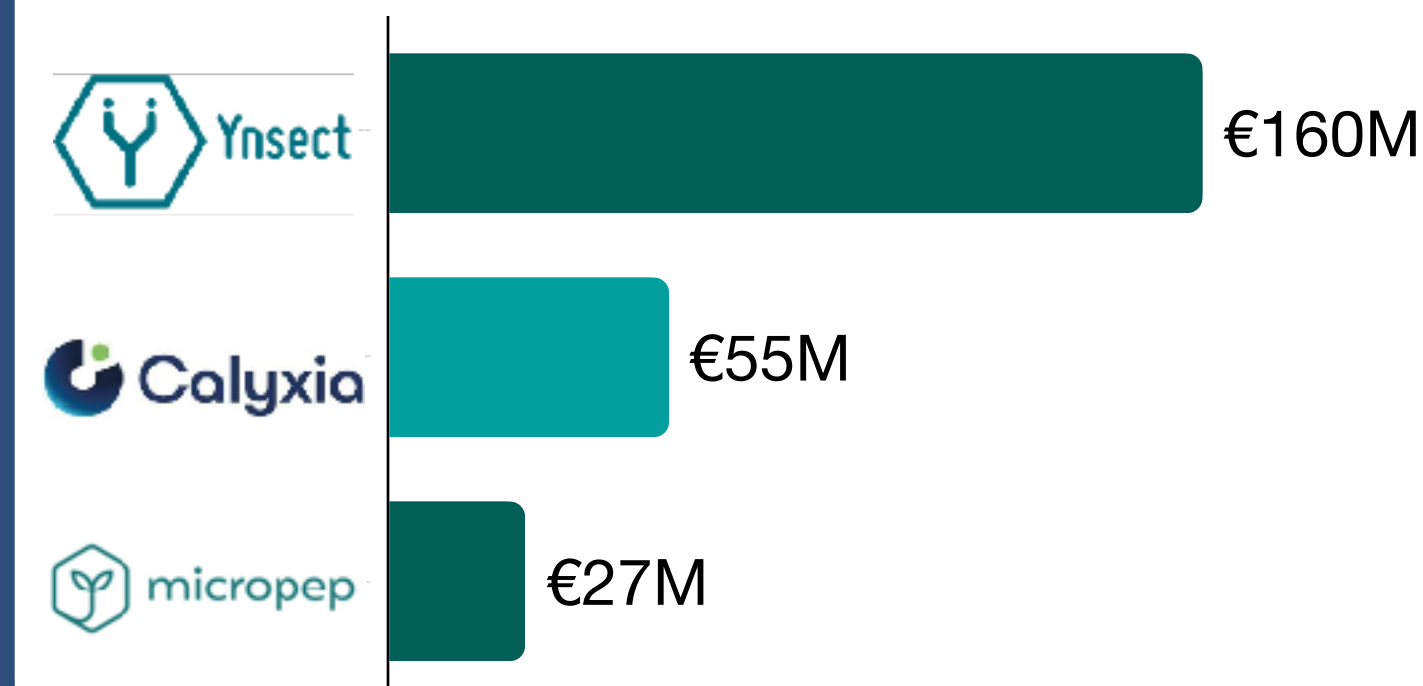
Definition: startups disrupting agriculture. They come up with solutions to improve farming output and quality using drones, sensors and farm management software. AgTech is also about new farm products, next-generation farms and urban farming.



*up to Q3

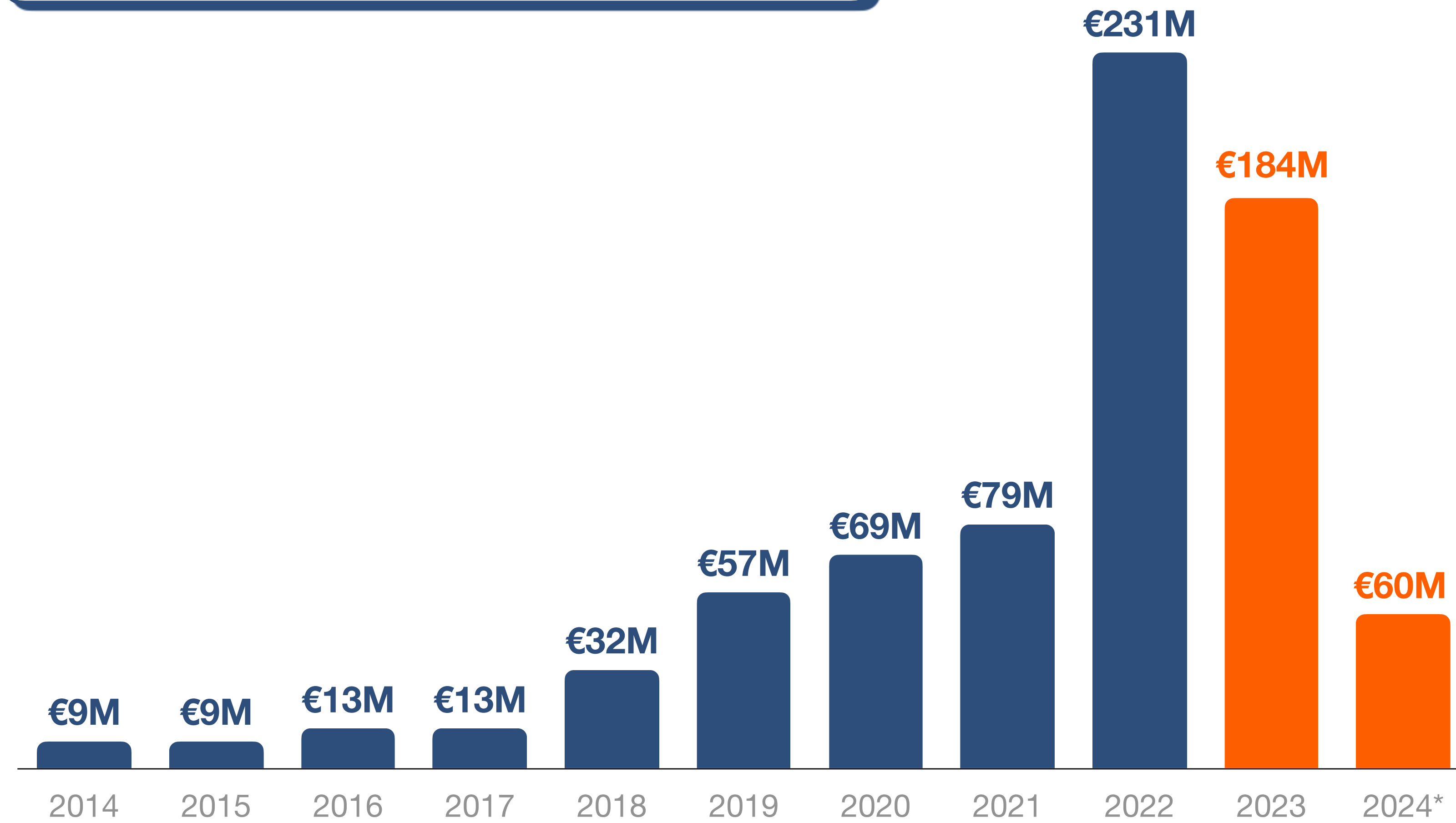
- ⚙️ The French AgTech ecosystem has long been dominated by startups such as Ynsect, developing insects for animal feed. [The recent news on Ynsect](#) will probably have rippling effects.
- ⚙️ Startups in new hot trends, such as bioinputs, are emerging and taking the lead.

Top deals in 2023 + 2024*



Food Science focus

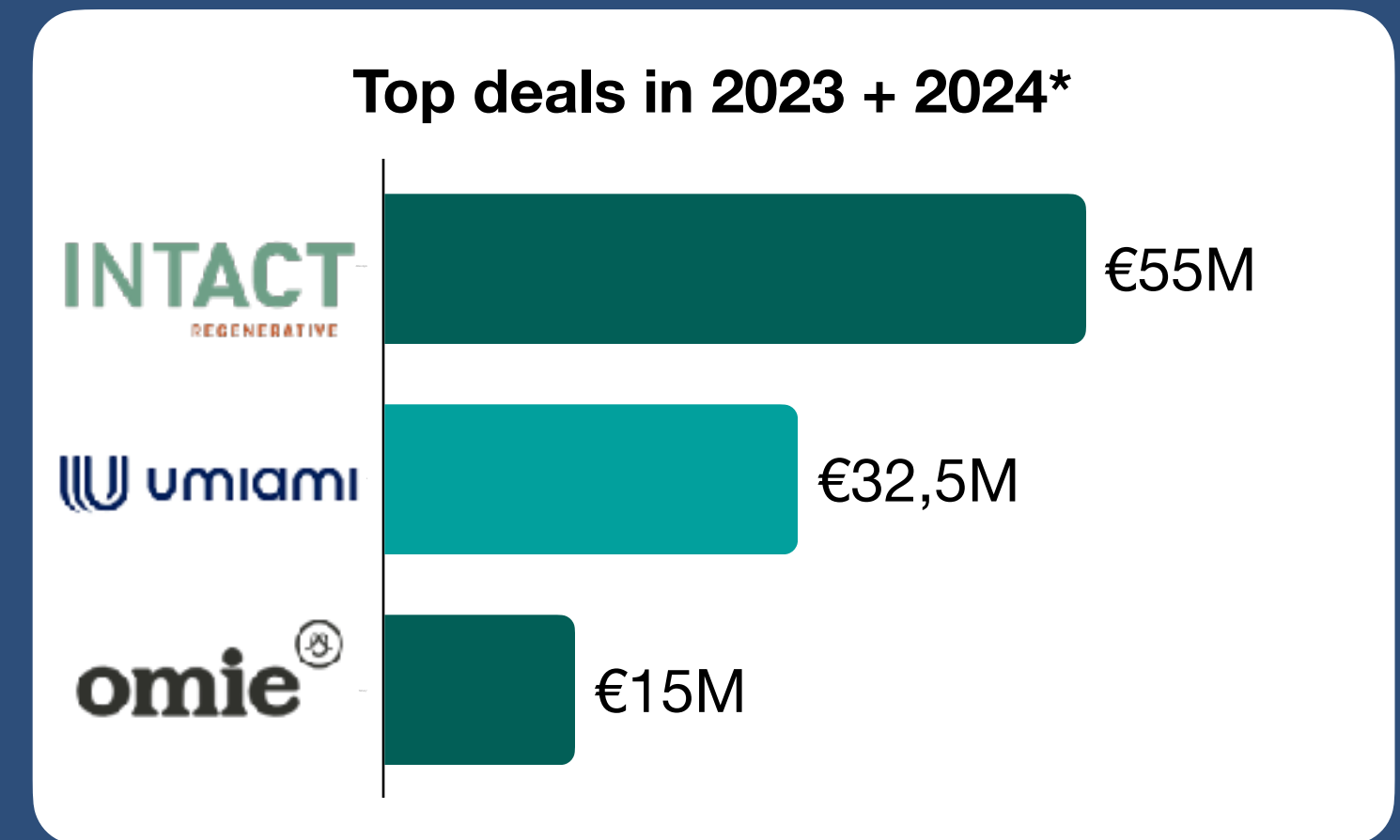
Definition: startups developing new ingredients and food products.



*up to Q3

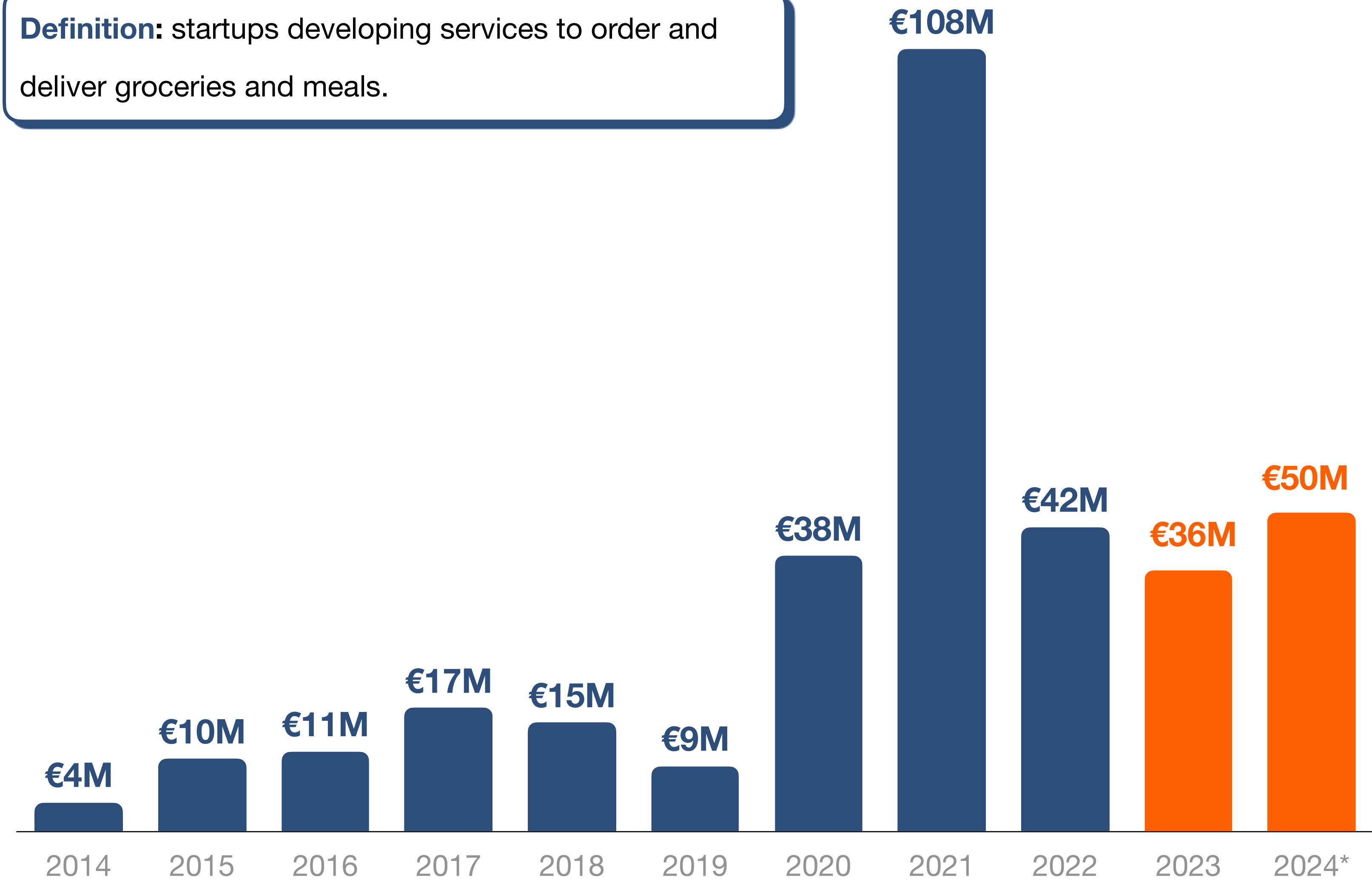
Compared to other European countries, we have a very different Food Science landscape in France: here, the ecosystem is very B2B oriented, with only a small part of the funding going to emerging brands.

The French Food Science ecosystem has leading players in most of the key alternative protein technologies.



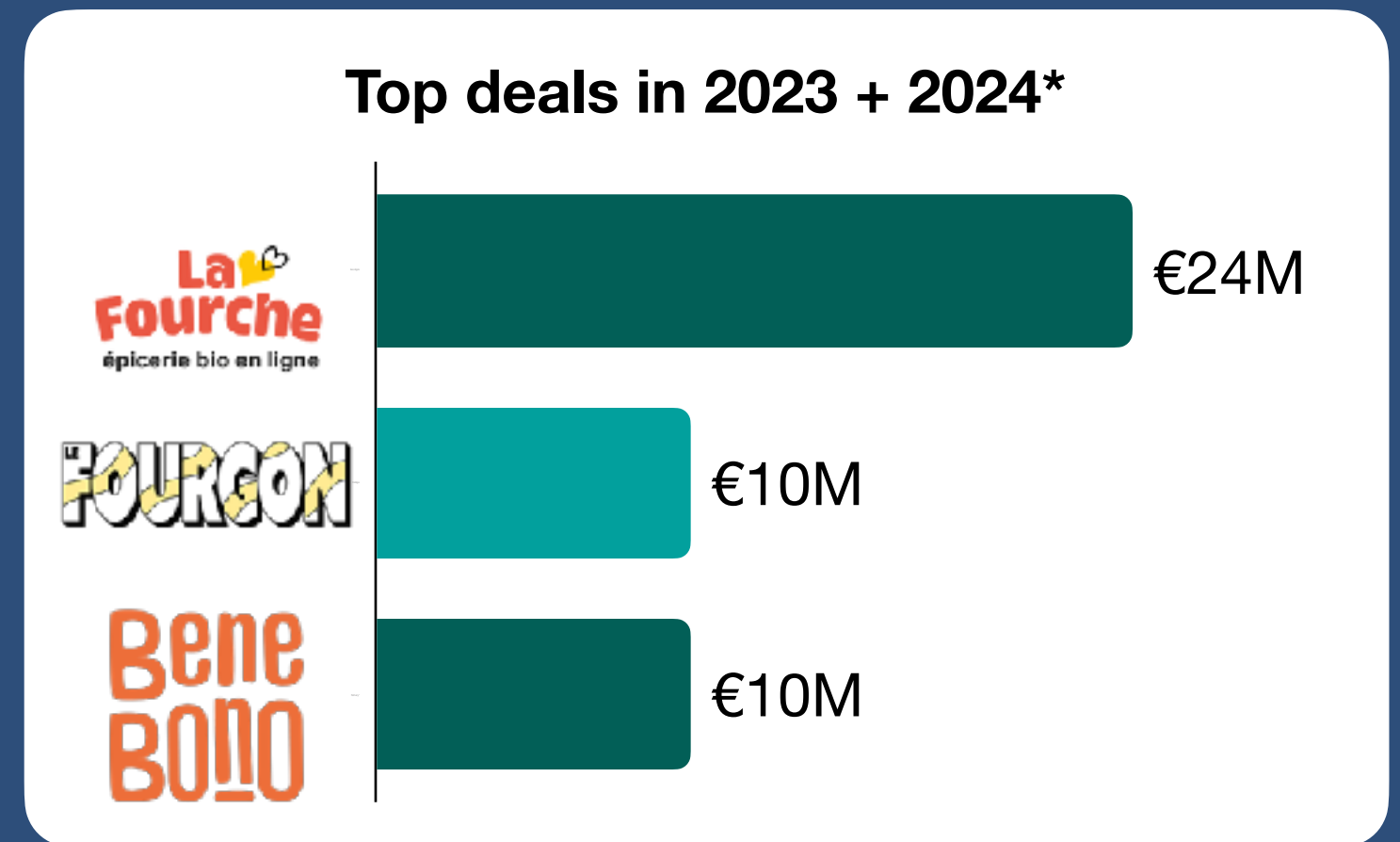
Delivery focus

Definition: startups developing services to order and deliver groceries and meals.



*up to Q3

- The French Delivery ecosystem is doing surprisingly well, at least comparatively to what we have seen in the past.
- However, there hasn't yet been a French « international delivery » startup such as the ones from Germany, the UK or the Netherlands.



Use case #2: Innovation strategy

Project for a global CPG food company to set up a long-term strategy regarding innovation.

What we did:

- Education of the board through a couple of workshops to define the perimeter
- Identification of key opportunities and threats created by long-term evolutions (technologies, business models, behavioural changes).
- Deep dives on each of the priority categories.
- Co-construction of a vision on how the company should address these challenges.
- Identification of partners (startups, incubators, funds) to move forward.

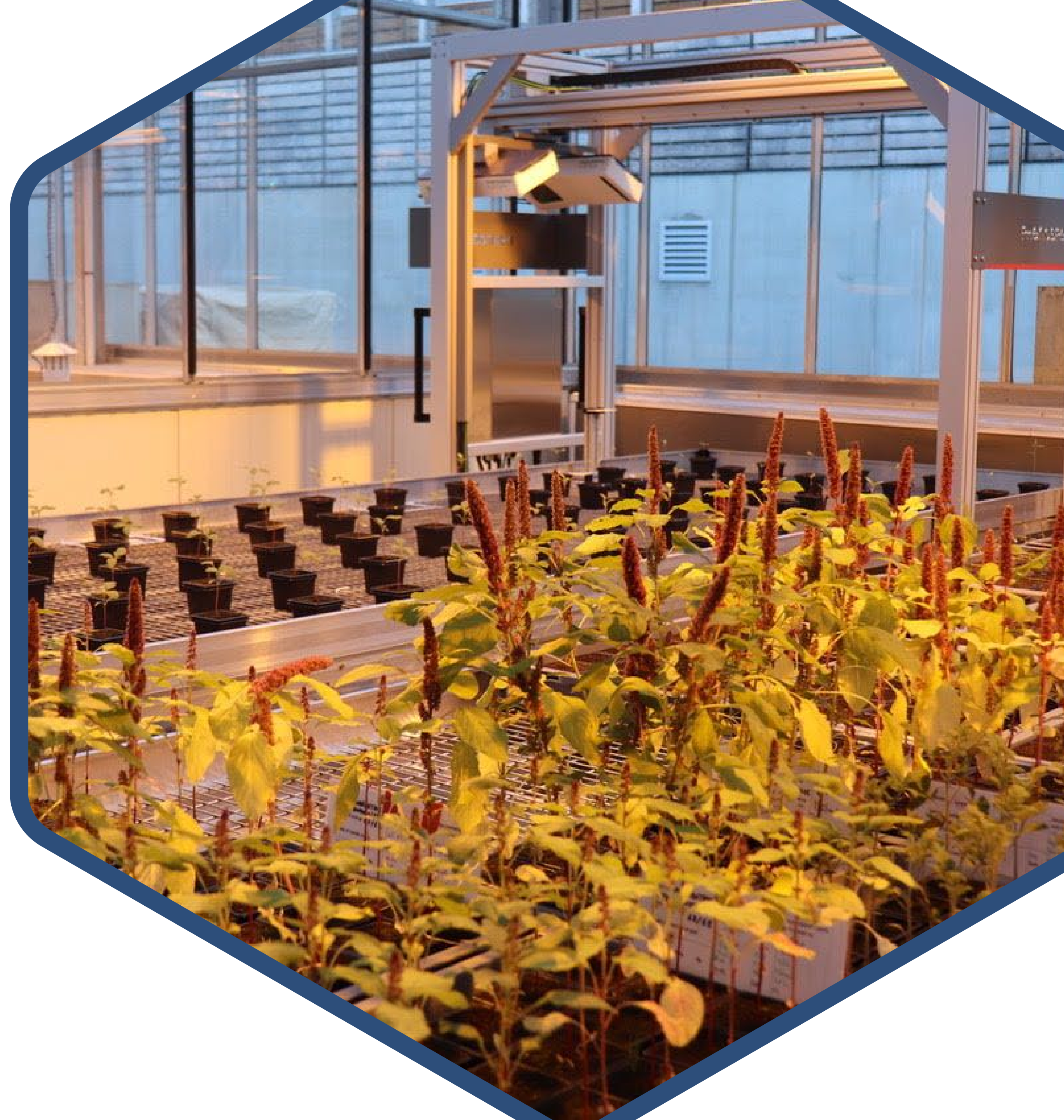
Results:

- Creation of a consensus across the client board and executives on innovation priorities and how to address them.
- Implementation of the recommended actions



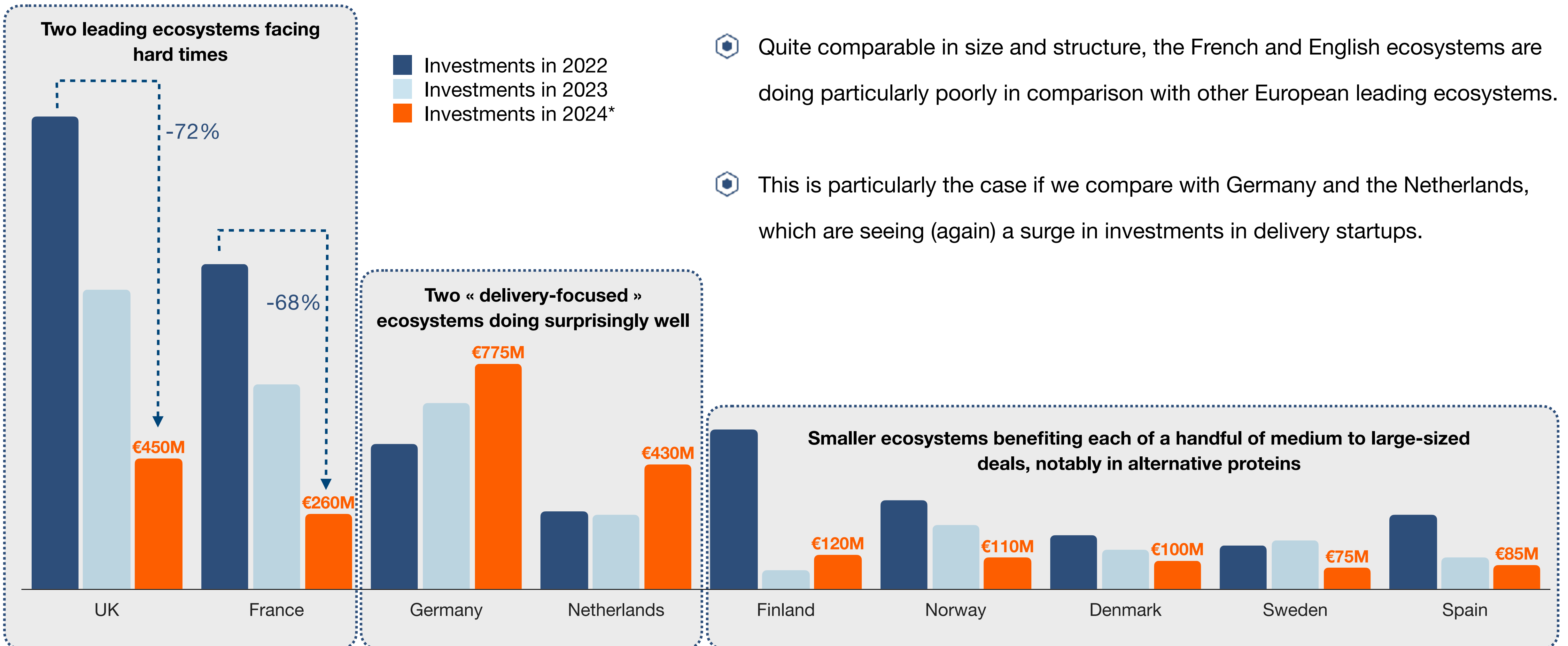
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France's FoodTech in Europe and the world



France in Europe

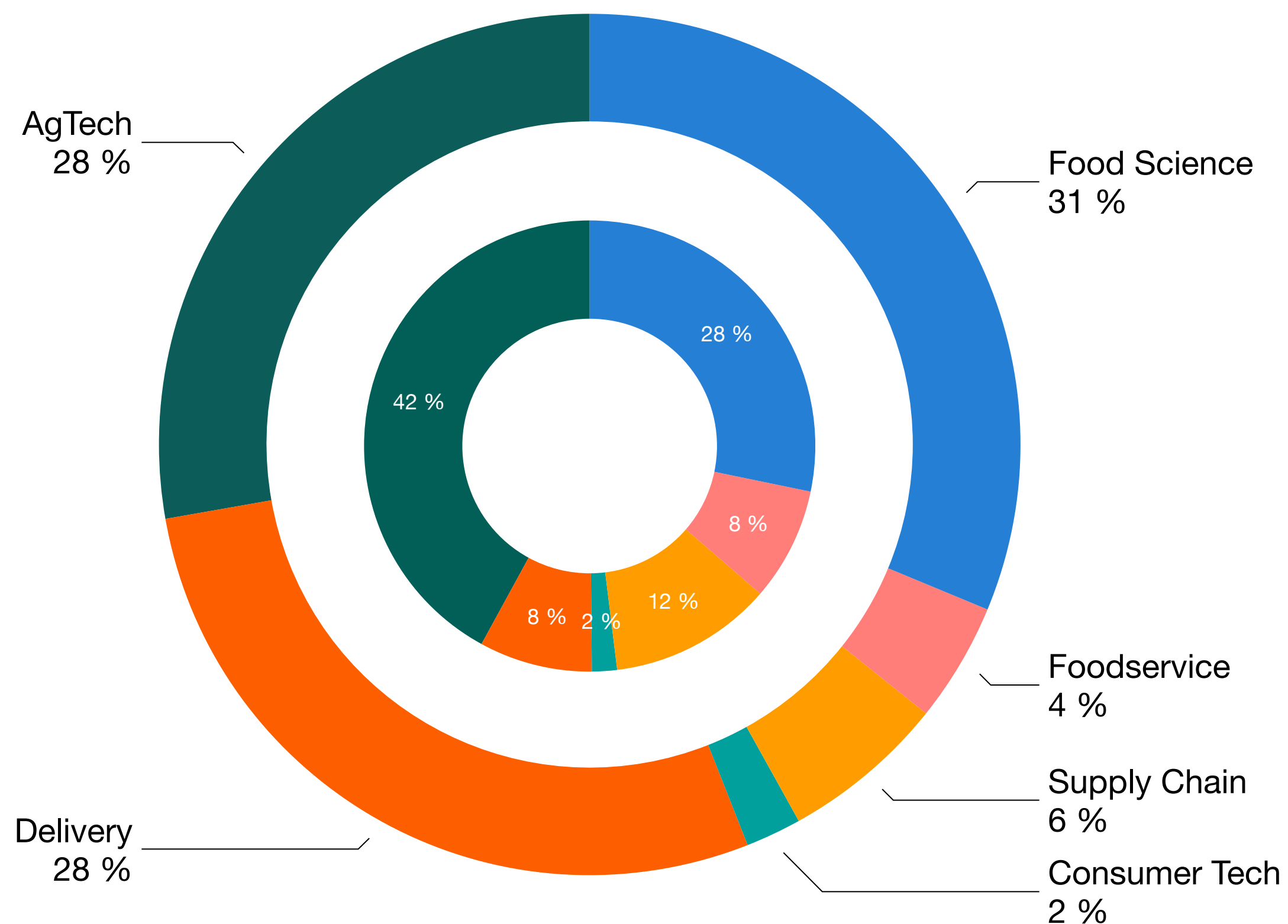
Evolution of the investments in leading European ecosystems



*up to Q3

Distribution: on par with Europe

Distribution of investments in European FoodTech (outside) compared with French ones (inside) for 2023 & 2024

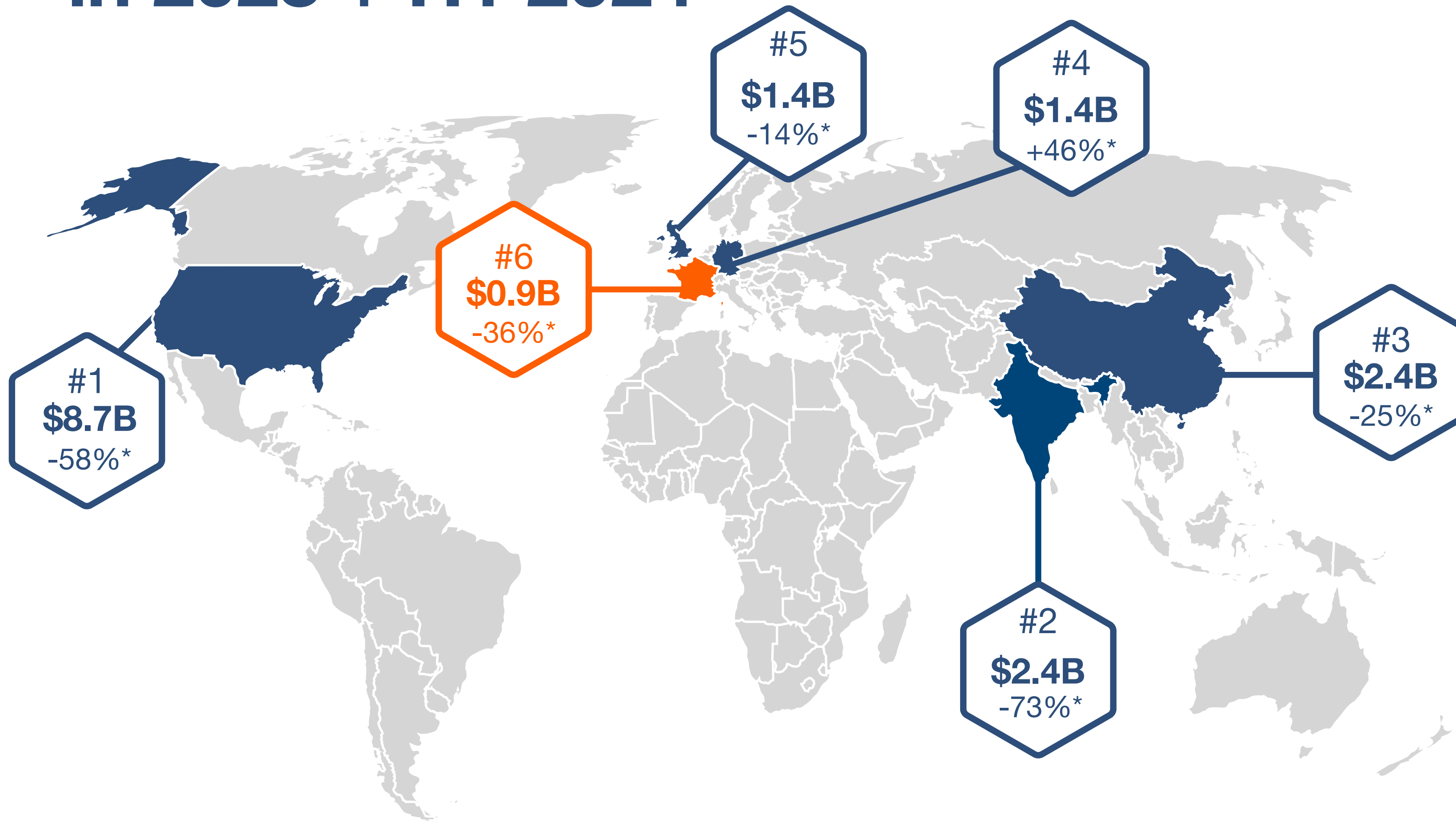


For years, the French ecosystem had an unusual distribution of its funding in FoodTech startups. Its focus on Foodservice and Supply Chain startups, and more broadly, B2B startups, made it stand apart from the rest of the continent.

Now, as you can see on the opposite charts, it is almost impossible to distinguish the distribution of investments in Europe and in France. However, we still see two strong differences which are as much opportunities for the future:

- ⚙️ A weak delivery ecosystem
- ⚙️ A Food Science ecosystem still heavily focused on B2B startups rather than B2C brands.

Top countries for investments in 2023 + H1 2024



Country - Amount raised in 2023+H1 24

- 1 - United States - \$8.7B
- 2 - India - \$2.2B
- 3 - China - \$2.1B
- 4 - Germany - \$1.2B
- 5 - United Kingdom - \$1.2B
- 6 - France - \$0.9B
- 7 - The Netherlands - \$0.7B
- 8 - Switzerland - \$0.6B
- 9 - Israel - \$0.4B
- 10 - Brazil - \$0.4B
- 11 - Australia - \$0.4B
- 12 - Indonesia - \$0.4B
- 13 - Canada - \$0.3B
- 14 - Japan - \$0.2B
- 15 - Singapore - \$0.2B

*evolution of investments between 2022 and 2023

Use case #3: innovation culture & identification of potential partners

Project for a leading ingredient company which was looking to have a watch on disruptive innovation and a way to track opportunities.

What we did:

- Opportunity screening to define the categories of innovation that were the most relevant for the client and the perimeter (research, startups, and competitors)
- Set up a personalised watch with a monthly letter of what has happened in the innovation ecosystems. Each letter comes with an analysis of the potential opportunities to target.
- Organise annual workshops with the client's board to create an innovation culture and validate new categories to explore.

Results:

- The client's board developed a long-term understanding of the innovation ecosystem to guide decision-making
- Reduction of the noise around innovation and more actions being taken.



4

Investment activity and **acquisitions**

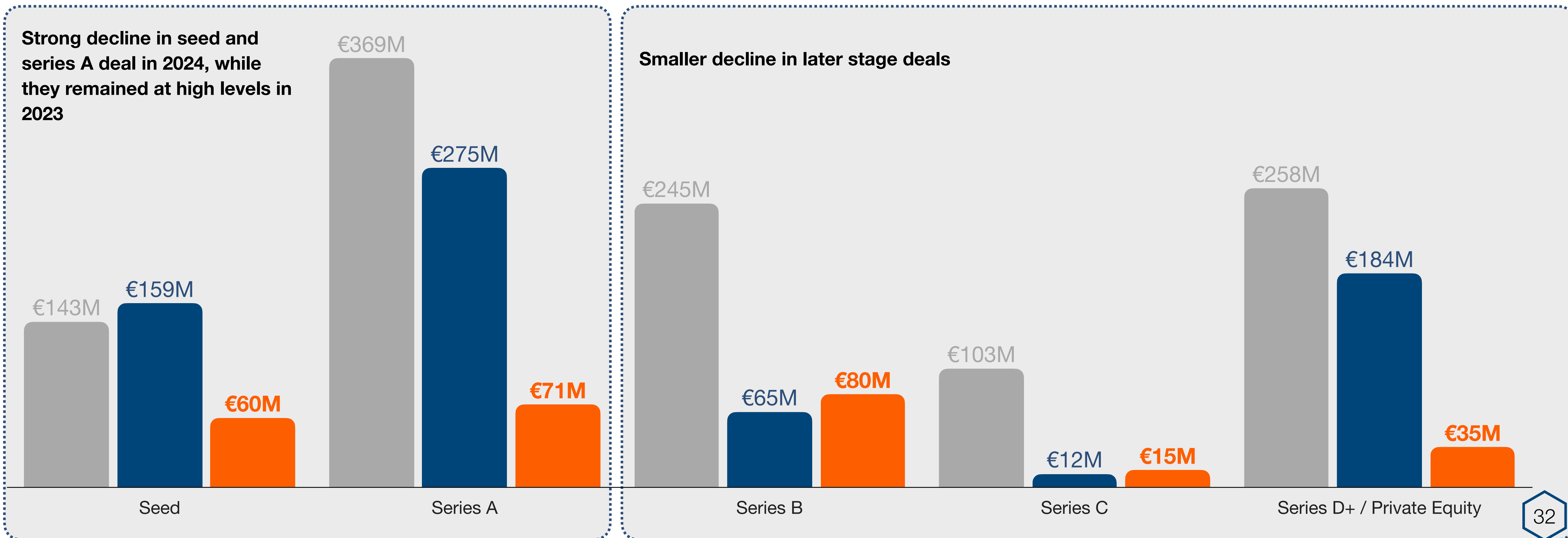


A worrying decline in early-stage deals

Distribution of investments in French FoodTech startups across stages

■ Investments in 2022
 ■ Investments in 2023
 ■ Investments in 2024 (up to Q3)

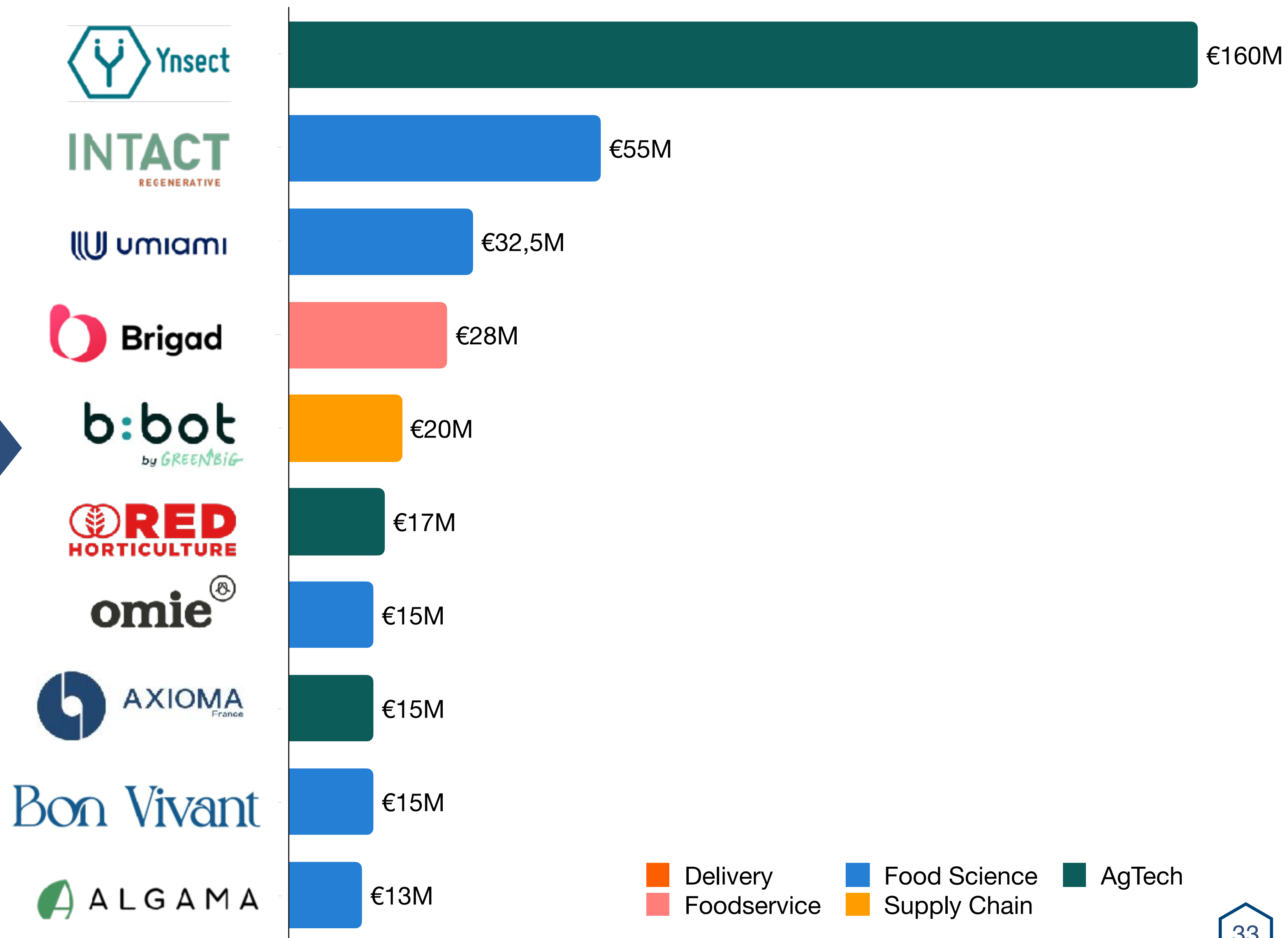
While this evolution could be only temporary, this extremely low level of investments in seed startups is worrying as it will have implications in the future of the French FoodTech ecosystem.



Top deals 2023

Distribution by category

- Without much surprise, with one exception, all the startups are B2B players.
- We also observe a large number of medium-sized deals of €10 to €20M. This is quite noticeable because a few years ago, these were quite rare in France. They have multiplied with the help of foreign investors.



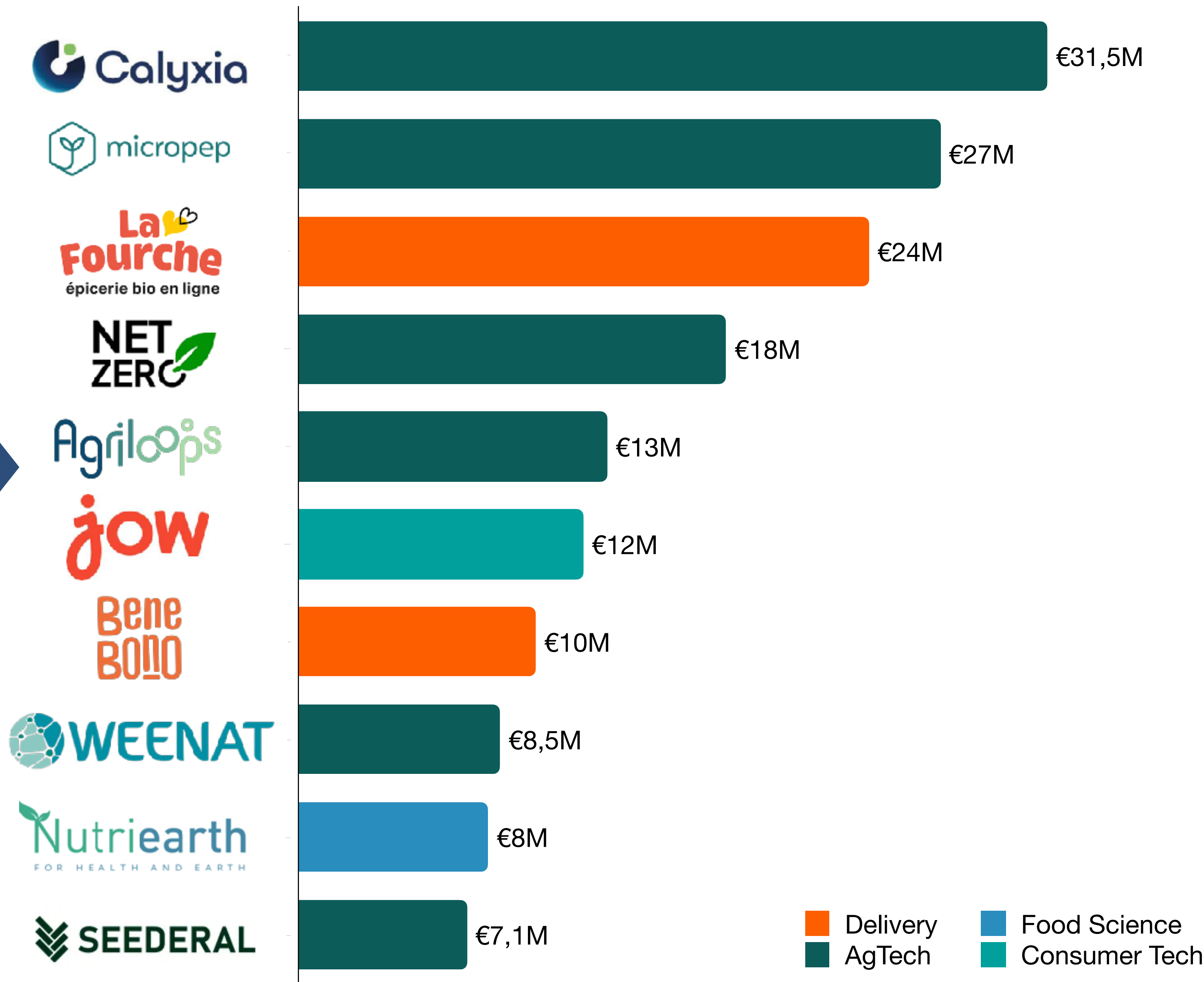
■ Delivery
 ■ Food Science
 ■ AgTech
■ Foodservice
 ■ Supply Chain

Top deals 2024*

Distribution by category

Again, in 2024, we observed a strong domination of B2B deals, and AgTech still has a strong presence in these top deals.

Also, as shown in the previous graphs, while the total funding in French FoodTech has declined, the biggest deals remain quite sizeable. It confirms the fact that the decrease in funding has been mostly felt for Seed and Series A deals.



*up to Q3

Key investments by leading companies in French startups

Growing involvement of foreign players as investors

STARTUP	COUNTRY Origin country of the investor	CVC (Corporate Venture Capital)	SIZE OF THE ROUND*	CATEGORY
			€27M	AgTech
			€15M	Food Science
			€13M	Food Science
			€11M	AgTech

* including all investors, not only the CVC

Key acquisitions of French startups

Still mostly done by local players

STARTUP	COUNTRY acquirer	ACQUIRER	AMOUNT	CATEGORY
NUTRIPURE			Undisclosed	Food Science
			Undisclosed	Food Science
			Undisclosed	AgTech
Algaia [®] <small>Your natural partner</small>		JRS Fibers for Life.	Undisclosed	Food Science
			Undisclosed	Delivery

Other contents by DigitalFoodLab

FOODTECH UNICORNS

Mapping and analysis of the evolution of the FoodTech startups valued \$1B+



FOODTECH TRENDS

Trends, technologies and key startups shaping the future of food globally



Future of food Newsletter

Hi,

Last week, we co-organised an event on food upcycling in Paris. It was great meeting so many of you in person and also discussing all the ways in which we could reduce food waste. Today, I'd like to share some of the elements of our presentation on upcycling. Indeed, I think this topic deserves to be better known as it is often misunderstood.



Join 20,000+ people in the most in-depth newsletter on FoodTech. Each week, we dive into one topic that will be key for the upcoming food revolution



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