

## Providing Insect-based Alternative to Aquaculture Fishmeal: Beta Hatch project

In December 2019, SeaAhead’s Blue Angels Investment Group identified Beta Hatch as a sustainable investment opportunity within the blue economy’s seafood sector. This project aligned with the [Sustainable Blue Economy Finance Principles](#) 1, 3, 8 and 9.

### Key facts:

- **Blue economy sectors targeted:** Seafood (fisheries)
- **Project:** Start-up providing insect-based alternative to aquaculture fishmeal
- **Timeline of the project:** 2019 - ongoing
- **Geography:** USA
- **Key words:** alignment; climate change mitigation; animal welfare; coastal and marine habitats; inclusive livelihoods

### Who?

SeaAhead is a Boston-based, bluetech startup platform, which activities include profit-driven, environmentally impactful investments through their Blue Angels Investment Group.

### What?

Beta Hatch is an insect-based alternative feed start-up based in Seattle, WA, with a flagship breeding facility in Cashmere, WA. Beta Hatch’s alternative insect-based feed provides a solution for the rising global demand for seafood protein and the unsustainable practice of harvesting wild fish to supply raw materials to the fish feed industry. Within the seafood and aquaculture sector of the blue economy, fishmeal production indirectly contributes to wild fisheries’ decline, a third of which are over-exploited. In the developing world, this devastates biomass that communities rely on, and in certain areas, gives rural farmers a potentially new high-growth opportunity, helping to tackle the rising inequality gap in the US.

### How?

SeaAhead’s investment in Beta Hatch aligns with the Principles, specifically *Principle 1* (to be protective), and *Principle 8* (to be purposeful in investments and focus on those that only promote the achievement of ocean health). SeaAhead’s investment in Beta Hatch focuses on financing animal feed alternatives necessary for both humanity’s increased nutritional reliance on wild fish stocks, and for the conservation of the oceans, seas, and marine resources for sustainable development (SDG 14). SeaAhead’s investment in Beta Hatch reflects these two principles as global demand in alternative feed for livestock and aquaculture continues to exceed capacity, while farmers seek cheaper, more sustainable animal feed options with less price volatility.

This case study further aligns with *Principle 3*, (understanding the risk-return profile and base investment decisions on holistic, long-term assessments that account for all areas of the triple-bottom line), as well as *Principle 9*, (to promote impactful investments that are beneficial to our oceans’ health). The Blue Angels Investment Group analysed the current market momentum and considered Beta Hatch’s beneficial impact on the future global demand for protein from wild-caught fisheries. SeaAhead conducted a market analysis, competitive landscape, and analysed an economic model where global demand is expected to grow by 50% by 2050.

Beta Hatch’s mealworms also include a solution for the industrial fertilizers causing eutrophication. The insects feed on agricultural and food by-products and produce an organic mealworm frass fertilizer. As a result, SeaAhead’s investment in Beta Hatch’s Organic Mealworm Frass, which contains a naturally occurring mix of phosphorous, nitrogen, and potassium, reduces the detrimental effects of downstream agricultural chemicals on ocean health.