

DAYMSA: A Leading Manufacturer of specialty

DESARROLLO AGRICOLA Y MINERO, SA., better known in the market as DAYMSA, is a Spanish company engaged in the development, production and marketing of humic acid-based products, plant nutrients, biostimulants and biochemical plant protection products. One may think that this is just “another company of this kind”, among numerous others found in Spain, Italy, China, etc. The truth is that it is not just a name among many others: Daymsa, which celebrates its 30th anniversary this year, has some unique specific features: First of all, it is Europe’s leading producer of Leonardite- the main raw material in the production of humic acids. It also manufactures all the other specialties of its 150 products catalogue, from amino-acids to phosphites and all plant nutrition products, which is quite unique in this business.

Secondly, Daymsa belongs to a large corporate group called SAMCA. The SAMCA Group is a family business located in Aragon, whose activities are centered on mining, agriculture, energy, plastics, textile and construction sectors. In agriculture, the Group is the leading Spanish fruit company, exporting more than 50% of its production. Last but not least, DAYMSA has become over the years a reference producer and marketer of biopesticides based on natural and biochemical products such as essential oils, plant extracts, etc. The company currently leads the specific working Group on these products set up by the IBMA (International Biocontrol Manufacturers Association), the most prominent global representative body of the industry. From the mine to the farm, Daymsa is almost in full command of all the processes that accompany product development, including testing the products in their own farms. New Ag International went to meet the management of the Zaragoza based company.



Daymsa's head offices and main production facilities for liquids (plant nutrients and plant protection products) and a number of solids (fertilizers, plant protection and organic soil conditioners) are located in Zaragoza, whilst a second factory, which specializes in organic soil conditioners is located in the Ariño (Teruel area), nearby the quarries from which the Leonardite, the main raw material used in the preparation of its humic acids products, is extracted. Since it started operations in 1979, the company has expanded to a full range of plant nutrition specialties and more recently to phytoprotectants. Today plant nutrition represents 91% of the company's



sales turnover while the phytoprotectants/biocontrol Division represents 9%.

HUMIC ACIDS: HISTORICAL BUSINESS BUT NOT CORE ANYMORE

Daymsa is Europe leading producer of Leonardite, the main raw material

plant nutrition, biostimulants & Biocontrol products



used in the world for the preparation of humic acids, a product that is increasingly used in agriculture worldwide. The product range encompasses six different lines: natural Leonardite, selected and processed to provide the maximum amount of humic acids to soils with low organic matter, active humic acids obtained from Leonardite and in granulated form, a solid humic, fully stabilized organic fertilizer with high microbial bacteria population and rich in humic and fulvic acids, a

impressive range of other plant nutrition products!

A HIGHLY DIVERSIFIED PRODUCT RANGE, ALMOST 100% MANUFACTURED IN-HOUSE

At every corner of the discussion with Daymsa, the same motto comes: "we pride ourselves to manufacture in-house more than 90% of the products we sell", says Juan Pardos Alda, Director General. And this is one of the main features of the company: in amino-acids, Daymsa is one of the top three manufacturers in Europe, they manufacture their own phosphites whereas most competitors import them, and so on for the rest of the range except the synthetic chelating molecules and the seaweed based products (sourced from Kelp Products), which they only process and mix: deficiency correctors based on a mix of micronutrients chelated with hexa/heptagluconates, L-amino-acids products obtained from hydrolysis of natural feather keratin, pH regulators, salt-displacing products, phosphites, concentrated liquid potassium fertilizers, physio-activators (biostimulants) including rooting promoters, etc. Altogether more than 130 products and the largest number of specialties (30) having received ecological certification in various European countries, as well a unique European Ecolabel that was awarded for the raw material Leonardite.



protection products (natural extracts and biochemical products excluding semiochemicals) are manufactured by Daymsa and offered by the company in the domestic and international markets. The products are 100% of natural origin and are all manufactured in house. This business segment is the top priority for development in the future (along with biostimulants and some crop-specific products) and Daymsa firmly believes that the combination of a high technological & scientific input along with proven effectiveness in the field and consistency in production processes and quality control is for the company a solid asset to reinforce its sales turnover in these product lines as well as its position in the markets. The company currently devotes about 3% of its turnover to R&D.

mix of natural composted humus with Leonardite, liquid humic acids for organic fertigation, and solid humic acids for fertigation as well. Although this comprehensive range positions Daymsa as the leading European company in the growing humic acids business, the sales generated represent today only about 10% of the total sales turnover. The reason is simple: in the meantime, the company has developed an

A TRUE MANUFACTURER OF BIOLOGICAL PLANT PROTECTION PRODUCTS

Already close to 15 biological plant



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A N I N T E R V I E W W I T H

Juan Pardos Alda, Director General, Daymsa



Juan Pardos Alda

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for your own products. Is Daymsa also selling leonardite and its derivatives to other players in the specialty plant nutrition industry in Spain and abroad?

We obtain leonardite from our open-cast mine in Ariño, Teruel. It is processed in a production plant at the mine. Daymsa does not market this raw material. At our Zaragoza factory we produce a large number of derivatives and can provide formulas to our customers' specifications.

We very recently heard some claims coming from a competing producer that there are many advantages of the use of lignin-containing raw materials for the production of humic preparations, rather than traditional sources such as leonardite.

Among these advantages, the possibility of producing highly concentrated preparations and the eco-friendly character of the production process are listed. Can you comment on these statements?

Every company tries to leverage its own strengths and this is positive for everyone. The use of waste from a production process that contains lignin, subjecting it to a chemical sulfonating process to obtain a

product in the lignosulfonate range is another way of producing fertilizers that contain humic acids and, particularly, fulvic acids. I am sure that the product is valid and has its applications. However, it is not right to compare it with leonardite-based products because leonardite is a natural product and is absolutely biodegradable, not forgetting the effect it has on the physical and chemical properties of soils and on plant physiology.

Are you also a sizeable reference producer of amino-acids or are you just producing for your own needs?

We are one of the three leading producers of amino acids in Europe. Our aim has been to differentiate our products by their amino acid composition, by the homogeneity of all of our production and by the high concentration of free amino acids.

You are also offering a line of phosphite based products.

Are these produced in-house? Yes, of course. Absolutely all of our products are produced at Daymsa's factories. This is probably what differentiates Daymsa from the rest.

Historically, humic acids based products have been your first commercial line. Do they still represent the lion's share of your sales?

In 2009 we are celebrating our

30th anniversary. Daymsa was founded in 1979 to put to good use the leonardite obtained in our mine by producing a humic acid range of products which, after 30 years, is still a range that identifies us and which we are proud of, although today it accounts for less than 10% of our turnover.

Your line of plant protection products is more recent. Is it restricted to natural & biochemical products excluding semiochemicals?

It is indeed our most recent production line and, for Daymsa, it is a strategic line. Over the past five years we invested a great deal of resources into plant protection products and we are now beginning to reap the rewards. We have had to enlarge our development department and sign cooperation agreements with the main research institutes. We have concentrated on the natural and biochemical division. At the present time we do not work with semiochemicals. We are members of the IBMA and founder members of IBMA Spain; our technical manager is the representative of the Natural and Biochemical Products group at IBMA.

Where do you see, in terms of products, the biggest potential in the future? And what is your principal area of research?

Has the economic crisis strongly impacted your business in Spain and elsewhere?

The greatest impact is the shortage of financing that our customers, both distributors and producers are suffering. As a result of this no new projects are being undertaken, working capital is being financed by suppliers, and companies that have high levels of debt are no longer meeting their payment commitments. The immediate consequence of this situation is that we have to be much more watchful of customer risks than of sales.

In the export area, both in Latin America and in the Mediterranean countries, the consequences are much less notable and to date we have maintained expected growth levels.

Leonardite, which you produce within your Group in your Ariño mine in Spain, is the most important raw material



Daymsa has three lines of research open:

1.- The range of plant protection products. We are convinced that research into this range will be beneficial for the agricultural market provided that we are capable of offering products with a high technological level and proven effectiveness. These will be the parameters that will differentiate one company from another. This also implies innovations in production processes as they are very different to the processes used to produce fertilizers.

2.- The range of physiological activators. Not all manufacturers have the capacity to innovate in this range of products and there is a growing interest in new solutions employing this type of product.

3.- Crop-specific products. It is a mistake to think that any product is suitable for any crop. At Daymsa we concentrate on designing specific products for each crop. This means that we have to sign cooperation agreements with research institutes that are experts in certain crops, such as for example, coffee, banana trees, pineapples, cocoa, sugar cane, table grapes, etc.

Which new priority geographical areas are on your agenda for expansion?



Daymsa is now present in some 20 countries and has directly invested through subsidiary companies in three: Brazil, Colombia and Ecuador. But this does not mean we have forgotten Europe – we are planning to set up a new subsidiary in Europe and another one in Latin America.

Your Company is obviously well placed for participating to the consolidation in the biocontrol industry and markets.

Are you thinking mainly about internal growth or growth through acquisitions of smaller size companies offering products complementing your range?

There is a lot still to be done by internal growth in the biocontrol market. However, at Daymsa we are convinced that at the present time any growth strategy necessarily requires reaching strategic collaboration agreements with other parties. These agreements may be commercial ones or partnerships. A particular feature of natural and biochemical products is the source and control of raw materials - they are not commodities of the chemical industry. Hence alliances with other companies also include agree-

ments with producers of certain substances in any part of the world.

Humic acids, amino-acids, phosphites, biostimulants, soil improvers, phytoprotectants: Most of your products are at the border between plant nutrition and plant protection! Among all countries where you market your products, which ones are the most difficult to enter because of inappropriate registration procedures?

The more sophisticated a product is the more difficult it is to class it according to the set models. In any case our products are in no way competitors of pesticides.

Added to this are the different regulations and methods of analysis of each country.

This is not a cause for concern for Daymsa and we are even pleased that the registering procedures are so strict and meticulous. We are proud of the transparency of our relationships and collaboration with the authorities of the countries we work in. From experience we can say that the key to success in the registering process is a professional approach to preparation of product dossiers.



Spain, where the company still generates 59% of its sales turnover, is a perfect "laboratory" for preparing expansion elsewhere: the local market is today extremely demanding in terms of environment-friendly, highly technical and price-competitive products.

INTERNATIONAL GROWTH MAINLY IN LATIN AMERICA AND THE MEDITERRANEAN BASIN

The international expansion of Daymsa is not new. The company today sells in about 20 countries. However a real and substantial presence in overseas markets only dates back to 8 years when it started selling in Central American countries (Panama, Costa Rica) and later reinforced its presence in the continent by opening three subsidiaries in 2007: one in Ecuador, one in Colombia and one in Brazil. In Ecuador and Colombia, Daymsa is partnering with the Cuesta Group, whereas in Brazil they operate 100% as Daymsa. Further opening of subsidiaries (one in Latin America and one in Europe) are in the pipeline but Daymsa would not volunteer more information at this stage.

Altogether, exports accounted for 41% in 2008, of which only 7% in Europe and the remaining 34% elsewhere, mainly Latin America and the Mediterranean countries. The company employs almost as many employees in its overseas subsidiaries (30 at present) as at home where the staff is composed of 35 people.

In the middle of the current economic crisis, the company admits that the market is currently tough at home but also underlines that its sales performance in Latin America is totally in line with the preset targets. It is very confident that the company's advantages in terms of product differentiation, technological level, production capabilities and customer after-sale service will be its most important assets to continue growing at a pace that is an integral part of a preset strategy more than just seizing opportunities arising within the industry. ■