

Futureco Bioscience: Celebrating 20 Years with Brand



Futureco Bioscience was founded in 1993, in Barcelona, by Rafael Juncosa with the aim of offering environment-friendly inputs to agriculture. While the company was initially 100% dedicated to a limited number of biostimulants and plant nutrition products, it has substantially enlarged its offerings during the 20 years of its existence: Biostimulants, mineral deficiency correctors, soil conditioners, biofertilizers, botanicals and, most important, biopesticides. Today, one of the results of investment in R&D is that the 35% of the company staff consists of researchers.

Probably a unique case in the industry! The company has developed various biopesticides, of which the bio-insecticide NOFLY (*Isaria fumosoroseus* strain FE9901) that was approved in May 2013 for marketing in the EU, positioning FUTURECO BIOSCIENCE as the first Spanish company that runs entirely on its own the process of research, development and registration to the market of a bio-insecticide in Europe. Currently FUTURECO BIOSCIENCE commercializes its products in 22 countries.

In some strategic countries like Morocco, products are distributed through its own subsidiaries (BIOGROW MAROC) or associated companies (BIOGROW CORPORATION). The short-term strategic aims are to consolidate existing markets and grow with an innovative product offer, also in the field of biostimulants.

The development of new business opportunities, establishing distribution alliances for certain products and/or global projects and potential strategic acquisitions place the company as leader of clean solutions for agriculture. New Ag International went for a fresh interview with one of the very few companies having successfully put together research and business in both plant nutrition & biocontrol.

AT THE BEGINNING, the core business of the company was the manufacturing and marketing of fertilizers formulated with natural substances such as amino-acids, seaweed extracts and mineral salts. Already two years later, the success was there and Futureco created two subsidiaries, in Chile and in Morocco, to handle South American sales and North African sales respectively. Five years after its creation, Futureco initiates a research programme to introduce a new product line in plant protection, based on biological control agents. In cooperation with Universities and public institutions, the company's first biopesticide, NOFLY®, was completely developed in 2005 and put forward to European legislation. The second business leg of the company, today its second core business, was finally born, the ISO 9001 certification was completed and the success of Futureco gained public recognition with the University-Industry Cooperation Award and the Internationalization of Catalanian Economy Award, both in 2005. Since then, sales revenues of the Group (including consolidated turnover of subsidiaries) impressively grew.

NEW FACILITIES COMMISSIONED IN 2011

The company has a new venue since October 2011. FUTURECO BIOSCIENCE headquarters are located in Olèrdola, in the province of Barcelona (Spain), and are composed of Administrative Offices, Research and Development Laboratories and Production Facilities. These facilities represent a significant investment in its pillars of growth: Production and R&D. Olèrdola headquarters occupy a total of 2,400 m² of which 500 m² are represented by Laboratories of R&D and Regulatory Affairs.

Futureco Bioscience R & D laboratories fully equipped consist of:

- **Nematology Lab:** equipped with nematode extraction devices (RKN and PCN) and a nematode rearing room
- **Entomology Lab:** where bioassays against specific pests are carried out, also equipped with an insect rearing room
- **Microbiology Lab:** with flow biosafety cabinets, for isolation and characterization of microorganisms and in vitro bioassays in front of plant pathogens
- **Molecular Lab:** with equipment

new Research Facilities



SOME STRATEGIC PRODUCTS IN THE BIOCONTROL LINE

In the field of plant protection, Futureco Bioscience focuses on the design, development and commercialization of bio-pesticides, bio-nematicides and bio-fungicides/bactericides, using as active ingredients naturally present microorganisms in the agro-ecosystems or natural substances.

This line includes products based on biological control agents (BCAs), Defence activators and Plant Extracts for Integrated Pest and Disease Management Programmes. They are products without toxicological classification, with limited impact on beneficial organisms that do not generate hazardous waste on crops.

The medium-term aim of the company is to become one of the strongest European companies in the field of bio-pesticides. This can only be achieved with high quality products and registration. To date, Futureco Bioscience has incorporated into its catalogue internal development products as well as products of other companies outside the EU, with which they have established successful business partnerships.

Some strategic products involve a lot of R&D.

NOFLY WP: Bio-insecticide based on the strain FE9901 of the entomopathogenic fungus *Isaria fumosoroseus* (before *Paecilomyces fumosoroseus*) for biological control of Whiteflies (*Trialeurodes vaporariorum*, *Bemisia tabaci*, *Aleurodicus dispersus*, *Lecanoideus floccissimus*), Trips (*Frankliniella occidentalis*, *Thrips tabaci*) and Aphids. Recommended primarily for horticultural and ornamental crops.

BOTANIGARD SC: Bio-insecticide based on spores of the entomopathogenic fungus *Beauveria bassiana*,

for identification of fungal and bacterial species.

- **Biotechnology and Formulation Lab:** equipped with four bioreactors, separation and drying systems. This laboratory is also used for prototypes characterization.
- **Climate chambers:** where in vivo tests are performed in order to evaluate the effectiveness of the biopesticides, bioestimulants and biofertilizers developed by Futureco Bioscience.

The operation of the facilities, equipment and processes of the company are subject to certification of quality and environmental management.

Thanks to these facilities, Futureco Bioscience designs, develops, produces and commercializes products of biological origin for Plant Protection (bio-pesticides based on microorganisms or plant extracts) and Plant Nutrition (biostimulants and deficiency correctors). Some of their products are certified as inputs suitable for organic farming, which is an added value for the market.

A LINE OF PLANT NUTRITION PRODUCTS

The company has developed a wide range of formulations to satisfy a



variety of plant nutrition needs in all kind of crops. Although this market segment is historically the first business of the company, Futureco Bioscience's catalogue of plant nutrition & biostimulation products is not comprising of many speciali-

ties but it features some leading brands such as *Bioradicante*® (Root enhancer), *Frutaliv*®, *Vitaleum Forte*®, *Citogrower*®, *Ecomon*® and the *Defender* line (mineral deficiency correctors) with 10 specific formulations.

An Interview with...

Rafael Juncosa, President & CEO of Futureco Bioscience, S.A.

RAFAEL JUNCOSA

When the company started in 1993, it was 100% dedicated to biostimulants and plant nutrition products. Your involvement in the marketing of plant protection products only started in 2004. When we last met for an interview in 2009, you said that your objective is for biopesticide sales to have over a 30% turnover by 2012, vs 15% in 2009. Objective achieved?

Futureco Bioscience started to develop its first biopesticide in 2001. Four years later, in 2005, we presented the dossier for the inclusion of our strain in Annex 1 as a biopesticide. Eight years later, in 2013, our strain has been included. This delay in the inclusion in Annex 1 in Europe meant that we had to delay our sales targets for the Biopesticides products line to 2016. However, since then, there have been several developments that brought significant growth in this line: Nofly registration in the USA, the impending registration in Europe and Morocco of Actinovate fungicide, the Bestcure registration in South Africa as a fungicide for Botrytis and soon in the Philippines, as

well as several products that are in the final stages of development.

More than 70% of your annual investment in research and development is dedicated exclusively to biopesticides and 35% of the company's staff consists of researchers. Is Futureco a company whose business model is mainly based on research rather than sales?

Our business model has always been based on research and development of clean solutions, and a strong commitment to both environmental and social development of our business. This has been funded due to our line of activators and special nutrients. It is true that our company has developed very little commercially because our priorities are investments in R&D. Now it's time to balance our strategy and for this we are implementing a major plan for growth in both the commercial side and in research and development.

The company has developed the bio-insecticide NOFLY (Isaria fumosoroseus strain FE9901) that was finally approved in May 2013 for marketing in the EU, positioning Futureco Bioscience as the first Spanish company that runs entirely with the process of research, development and registration to the market of a bio-insecticide in Europe. From this important breakthrough, how much growth are you awaiting in your sales turnover in the next five years?

The expansion of the label in the U.S. for a wide variety of crops and in Europe for other pests such as trips and aphids, for

which a very good efficiency has been demonstrated, the imminent approval in Israel and Kenya, and the projection of Asian countries registrations, portend major sales for this product without any kind of doubt. Of course, all our projections depend on how quickly we can obtain national approvals in Europe.

How much is the group's current turnover- including Biogrow. The company's business plan was based on a 30% and 150% annual growth for biostimulants/ liquid fertilizers and biocontrol products respectively! It was expected to reach 40 million in 2014.

Will this be achieved?

Since our last meeting, the economic context has been very hostile, especially in Spain and some of the projections that we made have not been reached yet. Factors such as the delay in obtaining the registration of NOFLY also have adversely affected our goals, but the factor that has weighed on sales targets has undoubtedly been the large investment in our R & D expense, in spite of investment on the development of new markets. In short, we prefer to invest in our research projects as a competitive strategy rather than in sales growth. This now places us undoubtedly as one of the best-positioned companies in the regulated sector of Biopesticides, with more than 10 new biopesticides in our product pipeline. Despite this change of strategy and the factors that have been playing against, we are growing at an average of 30% annually in sales with a more important growth in the Biopesticides line. Futureco and Biogrow Group will reach around 20 Million US \$ turnover in sales in 2014.

Your so called "traditional" line of products (liquid fertilizers and biostimulants) has consolidated in the markets where Futureco is present. Do you believe that anticipated growth rates of 30% for these products will remain a reasonable target for the next years?

A 30% growth in the product line of bioactivators is entirely feasible and has an easy overcome. We only sell in 20 countries of the 50 most likely markets to introduce this product line. So we've developed a comprehensive sales and innovation strategy for this product line that not only allows us to grow by entering new markets, but also grow in those markets where we already are with innovative solutions based on scientific knowledge, environmental responsibility and social responsibility.

Looking at your geographical coverage, it seems that you now have a much broader presence in Europe than a few years ago. Is this due to your agreement with Certis to distribute your products in Europe and are they distributing only the biopesticides or the full range?

With Certis Europe we only have a strategic alliance for Spain, in which the line of activators and some biopesticides are included. This agreement has been very fruitful for both parties. At a European level, we also have some joint development projects. Other more pan-European agreements with Sumitomo for Nofly distribution in several European countries, and some projects with Goemar among others that are indeed encouraging a greater visibility of our company at European level.

The European Biostimulants Industry Council (EBIC) was formed in 2011 and has done a lot of work to initiate discussions at European level on a specific definition and legislation for these products. Can you tell us why Futureco has not joined the Council – when you would have probably been one of the most qualified companies to shape discussions on biostimulants as a specific group of products not being fertilizers and not being plant protection products?

Our goal next year is to integrate this advice. From our viewpoint we expect that such associations should have an ethics and defend common interests that are credible, sustainable and provide solutions and EBIC shares these values. So far all our efforts have been focused towards the IBMA Spain, which we left because our reading was that those values that I have just mentioned were not defended. Nowadays Futureco Bioscience is a member of IBMA Global, and we recently joined the BPIA.

Since we last met, the picture of the biocontrol industry has changed a lot with two major acquisitions by giant agrochemical companies and a bunch of JVs and partnerships signed across the globe between medium and even small size companies. Now we even have a small size company with 8 million USD turnover that wants – at time of writing, to be floated in the Nasdaq! What is your reading of the events from the last three years?

I remember that since the start of

the IBMA conference in Lucerne, we always talked about this issue recurrently! All of what is happening, acquisitions, joint ventures and partnerships, was predictable, but not in such a short time frame. Indeed all kind of companies that are presupposed to be serious have entered this game. At last, the market puts it all in place! As for the numbers that have appeared during recent acquisitions and the value that has been given to some companies, in some cases beyond the conventional market orthodoxy, and in their valuation future expectations/good will have prevailed more than today's reality.

Futureco belongs to the category of small however very structured companies active in this growing market. Hence my favourite question again: Do you think you can grow independently through internal growth essentially backed by your own research team?

Futureco Bioscience's size is not so small. In the R & D team only there are 12 people with the foresight to double the staff of the department over the next two years. This growth in R & D is parallel to our commercial growth forecast with global and semi-global alliances in which we've been working for some time, and the strengthening of our sales to reach 50 countries over the next four years. To answer your question I will use a phrase that our communication manager frequently says: "alone we go faster, but accompanied we get much further". We don't discard the entry of another partner, especially a commercial one who shares our vision and our values, to join us in our growth.

strain GHA 1991, which targets of pests are: Whiteflies, Trips, Aphids and other plague insects. It is commercialized as a suspension of spores, and is stable at ambient temperature (a minimum of 2 years). Applied primarily on horticultural and ornamental crops. Last but not least, ACTINOVATE SP: Based on the bacteria actinomycete *Streptomyces lydicus* strain WYEC 108, recommended for the treatment of diseases caused by soil fungi (*Fusarium*, *Pythium*, *Rhizoctonia*, *Phytophthora*, *Sclerotinia*); foliar fungi (*Erisiphe*, *Oidium*, *Botrytis*, *Alternaria*); and bacteria (*Erwinia*, *Xanthomonas*). Presented as wettable powder, stable at room temperature 12 months minimum. Applied primarily on horticultural and ornamental crops, seeds and grass.

AN ALREADY WELL ESTABLISHED INTERNATIONAL PRESENCE

Today, Futureco exports its products to 22 countries. Either directly through its own Biogrow network and Joint Ventures (Australia, Latin America and North Africa) or with others, which includes both national specialist companies as well as the Top10 agrimarket world leaders.

EXPANDING THE SCOPE OF ITS R&D AND BEYOND

Among other organizations, Futureco Bioscience is a member of the IBMA and the BPIA, and has recently signed as a member of Biovegen, the Spanish Technology Platform on Plant Biotechnology, a public-private entity that acts as an interface between the scientific community, business and administrations, and whose mission is to articulate the agrifood and plant biotechnology sector, through R&D collaborations.

This is one of the initiatives of networking with organizations with whom to grow faster and further, not only in the agriculture sector,

but also in sectors such as biotechnology, science dissemination, or environment. Recently FUTURECO BIOSCIENCE has engaged different social scope projects in four branches. Society & Economy (preparing projects on the Internet with transversal partners), Education (providing high school students to have their first contact with biotechnology learning at a Summer Stage in the labs), Environment (with the recent approval of the international Environmental Management System accreditation ISO14001, that provides companies and organizations with a flexible framework for the voluntary development of environmental protection measures) and Cooperation and Development.

With these collaborations, Futureco Bioscience not only aims to impulse experiments and research for the development and improvement of products for successful plant health and productivity with minimal environmental impact, but also to disseminate and involve what the company does to society. FUTURECO BIOSCIENCE works in a network with other institutions and member organizations, such as research centres, universities, governments and foundations, to join forces in the design, management and implementation of R&D+i.

An attractive product portfolio featuring quality rather than big quantity, a motivated team, an already solid international reputation and sales revenues big enough to allow further substantial investments in research of new products – a not very common feature in the biocontrol industry, and – last but not least, winning products such as NOFLY ready to take off "the big way" in the market: what else is needed to pave the ground for a brilliant future? The answer is CONSISTENCY and there seems to be plenty at every corner of the company! ■