

(The following article appeared in the July 2007 issue of MID-SOUTH FARMER)

Independent chemical maker offers farmers savings

By Cecil H. Yancy Jr.

To put it in plain Mississippi Delta talk, James Oliver is a big boy going against the big boys.

While his 6-3 stature makes him hard to miss in a crowd, it's his message, dripping with the Delta of his up-bringing, that sets him apart.

His presence in the big business of ag chemicals represents the evolution of an industry in the post-patent era. He feels there's still a place for the "little guy" to compete against the giants in ag chemicals.

Having been in the generic chemistry business for the past decade, he launched J. Oliver Products in March to give farmers access to what he describes as "one of the last avenues they have to save money on their operations." He has since registered 10 post-patent chemicals nationally and has plans for adding more products to the stable.

That avenue is the use of generic, post-patent chemicals.

J. Oliver Products has headquarters in Hernando, Miss. It has four employees, as well as a wealth of part-time chemists who do the "improved formulation work." He has plans to add two employees by December.

### **An emerging trend**

Six major manufacturers dominate the \$6.9 billion ag chemical industry, Oliver says. Get beyond those top six market share holders and you see an emerging trend of generic, post-patent companies.

In general, the ag chemical business has been on the decline for a number of years, from a peak of \$9 billion, pinched by a focus on seeds brought on by the

availability of transgenic crops and glyphosate. Oliver expects the industry to winnow to about \$4 billion to \$5 billion in the next few years.

“The result of this shake-out in the industry is that generics offer lower costs to farmers,” Oliver says.

At last count, 71% of the chemicals farmers use are off-patent. Yet, farmers only use 25% of post-patent products, opting instead for the name-brand offered by the "Big Six" original manufacturers, Oliver says.

The gap between the two percentages represents one of the biggest obstacles Oliver faces, he concedes. As a maker of post-patent products, he says those challenges revolve around market access and educating farmers to ask their distributors for generics.

Oliver’s company goes through the same rigorous testing as major companies, adhering to U.S. EPA registration guidelines for safety and formulation. It’s just a matter of getting farmers used to knowing what to ask for in generics with an eye to saving money.

“Instead of asking for a name brand or a private brand, we have to get farmers used to asking for the active ingredient,” Oliver says.

Acknowledging that the distribution lines that offer access to farmers are strongly influenced by the Big Six, Oliver does a balancing act between being good-natured and openly competitive. “The key to success is market access. To be successful in this arena, quality has to be our calling card

“It’s a big-boy business,” Oliver says. That means working with the big distributors as well as cooperatives and small distribution channels.

An entomologist by training, Oliver was there in the heyday of the ag chemical business. He worked as an aerial applicator and chemical salesman on his way to becoming vice president at the now-defunct Sandoz Ag.

“I was telling our owners in Switzerland that we had biotechnology coming and products going off patent,” Oliver says. “Freedom to Farm was coming and we had charts showing what the cumulative effect on the industry was going to be.”

An epiphany from his wife put it to him simple: “Aren’t you on the wrong side of the business?”

For the first two years after he began pursuing the role as a generic manufacturer of ag chemicals, he says he questioned his sanity and learned a great deal. Today, he looks at it with a glint of destiny in his eye. “With the number of products off-patent, somebody’s going to do this. It might as well be us.”

**To learn more, call 662-429-7621.**