
**Brakke Consulting's
Animal Health News & Notes for January 5, 2007**
Copyright © Brakke Consulting, Inc.

Editor: Lynn Fondon, DVM, MBA

**What were the top events in animal health in 2006?
We want YOUR opinion!**

Send us an email with your list of the top 5 - 10 events in animal health in 2006 by Friday, January 12. You will be entered into a drawing to win a free Brakke Animal Health Industry Directory (a \$300 value). We will share the combined results in our Industry Overview and in a newsletter later this year!

info@brakkeconsulting.com

IN THE NEWS:

earnings news

[Bioject](#)

[Neogen](#)

[Swift & Co.](#)

other news

[Bioniche Life Sciences](#)

[eMerge Interactive](#)

[Eviais](#)

[Hagyard Equine Medical Institute](#)

[Modern Veterinary Therapeutics](#)

[MWI](#)

[Nutraeco](#)

[Prime BioSolutions](#)

[Sparhawk Labs](#)

[Vet Solutions](#)

[Vetoquinol](#)

BRAKKE CONSULTING, INC.

SIGN UP NOW TO ATTEND BRAKKE CONSULTING'S 2007 INDUSTRY OVERVIEW

Brakke Consulting will once again be presenting our 2007 Industry Overview at the North American Veterinary Conference and the Western Veterinary Conference.

NAVC (North American Veterinary Conference)

SOLD OUT!

WVC (Western Veterinary Conference)

The 2007 Industry Overview will be presented on Monday, February 19 from 2:00 pm – 4:00 pm at the Four Seasons hotel adjacent to the Mandalay Bay.

Early registration is \$325 for the first company attendee and \$300 for each additional attendee from the same company at the same presentation. To register online, go to the home page at www.brakkeconsulting.com and click on the registration link. You may also register by calling Jane Morgan in the Dallas office at 972-243-4033.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **Neogen** Corporation announced that its net income for the second quarter of FY 2007 ended Nov. 30 was \$2.4 million, an increase of 25% from the previous year's second quarter. Second quarter revenues increased 22% to \$22.2 million. Neogen's Animal Safety Division second quarter revenues were \$10.5 million, compared to \$10.4 million in the previous fiscal year, representing a significant improvement over the first quarter when sales for this division fell below prior year. (*company press release*)

> **Bioject Medical Technologies** reported a net loss of (\$557,000) on revenue of \$3 million for its third quarter ended September 30, 2006. In the prior year, the company reported a quarterly net loss of (\$1.2 million) on revenues of \$3.1 million. (*Veterinary Practice News*)

> **Swift & Co.** reported that both sales and profits rose significantly in the second quarter. Overall sales rose 6.9% to \$2.47 billion in the quarter ended Nov. 26, 2006. Earnings on an EBITDA (earnings before income taxes, depreciation and amortization) basis grew from \$2 million a year ago to \$32 million this year. The results do not include disruptions in production caused by the actions of the Department of Homeland Security's Immigration and Customs Enforcement division, which occurred shortly after the close of the second quarter. (*Meating Place*)

**AnimalHealthJobs.com
New volume discounts in effect**

20 Jobs: 30% off our standard price = \$262.50 per job
30 Jobs: 40% off our standard price = \$225.00 per job

Both include FREE Featuring of your Jobs, your Company Logo, and Company Profile on our Home Page.

NOTE: These volume discounts are NOT available when purchasing online; please call us direct on our toll-free number at 1-877-399-6354 to set up the purchase for you.

In addition, job buys are now good for a full 12 month period from the date you buy instead of our old time frame of only 6 months.

www.AnimalHealthJobs.com

COMPANY NEWS RELEASES

> **Vétoquinol USA** announced it has significantly expanded its product line, US sales force and product development initiatives by acquiring the assets of **Vet Solutions LP**. Founded in 1996, Vet Solutions includes a line of dermatologicals, nutritional supplements, cleansers, disinfectants and products for oral hygiene and odor control. Vétoquinol's US headquarters will remain in

Buena, N.J. Warehousing and logistics will be consolidated in Fort Worth, TX at the Vet Solutions location. Financial terms were not disclosed. *(company press release)*

> **Hagyard Equine Medical Institute** and **MWI Veterinary Supply**, Inc. announced a joint effort to extend the reach of prescription compounded products available through Hagyard Pharmacy. MWI Equine Specialists will begin to contact accounts in January to discuss the opportunity to access Hagyard Pharmacy's prescription compounding service. *(company press release)*

> The FDA amended the animal drug regulations to reflect approval of an abbreviated new animal drug application (ANADA) filed by **Sparhawk Laboratories**, Inc. The ANADA provides for use of a gentamicin sulfate injectable solution in piglets for treatment of porcine colibacillosis. *(AnimalNet - Federal Register)*

> The FDA amended the animal drug regulations to reflect approval of an abbreviated new animal drug application (ANADA) filed by **Modern Veterinary Therapeutics**, LLC. The ANADA provides for the use of doxapram hydrochloride injectable solution in dogs, cats, and horses to stimulate respiration during and after general anesthesia. *(AnimalNet - Federal Register)*

> **Nutreco Holding N.V.** announced the completion of the sale of its French feed specialties business to the **Evalis** group in France. The price of the sale was not disclosed. For the time being, Evalis will make use of the production facility at Vigny in France; Nutreco will keep ownership of the Vigny facility. *(Feedstuffs online)*

> **eMerge Interactive** reported that its plans to merge with **Prime BioSolutions** are not proceeding well because Prime has not obtained the required \$140 million in equity financing. eMerge further stated that it may need to consider additional options, including bankruptcy proceedings or liquidation, merger or sale of the company. *(Feedstuffs)*

> CANADA The Canadian Food Inspection Agency has authorized the distribution of **Bioniche Life Sciences Inc.**'s *E. coli* 0157:H7 vaccine to Canadian veterinarians, aiming to reduce shedding of the bacteria from cattle. Distribution of the vaccine will be allowed under a Permit to Release Veterinary Biologics, which equates to what is called a "conditional license" in the US. Clinical trials, involving tests of the vaccine on more than 30,000 cattle over the past four years, have consistently shown a significant decrease in the number of cattle shedding *E. coli* in their manure. *(Meating Place)*

ANIMAL HEALTH NEWS

> US - MEAT EXPORTS UP IN 2006 USMEF data for the first 10 months of 2006 show that beef exports increased 44% from 2005 by volume and 58% by value, with Canada and Mexico logging 136% and 62% increases in US beef consumption, respectively. USMEF data indicate that total US pork exports for January through October, the latest figures available, amounted to 1,026 metric tons valued at nearly \$2.316 billion. Projections indicate that total sales for 2006 will reach 1,225 million tons. Total pork exports for calendar 2005 totaled 1,158 tons. *(Meating Place)*

> US - FDA STATEMENT ON CLONED MEAT The FDA issued three documents on the safety of animal cloning: a draft risk assessment; a proposed risk management plan; and a draft guidance for industry. The draft risk assessment finds that meat and milk from clones of adult cattle, pigs and goats, and their offspring, are as safe to eat as food from conventionally bred animals. The proposed risk management plan outlines measures that FDA might take to address the risks that cloning poses to animals involved in the cloning process. The draft guidance does not recommend any special measures relating to human food use of offspring clones of any

species. Because of their cost and rarity, clones will likely be used as are any other elite breeding stock: to pass on naturally occurring, desirable traits. (*AnimalNet - FDA press release*)

> US - RESEARCH ON ECONOMICS OF ANTIBIOTICS IN POULTRY An economic analysis conducted at Johns Hopkins University has concluded that the use of growth-promoting antibiotics in chicken feed is a financial loser for poultry producers. Industry groups, though, were quick to counter that finding and questioned the generalized conclusions reached by the researchers, saying that average performance data cannot accurately be extended across the entire industry to make such an economic assumption. (*Feedstuffs online*)

> US - PRION-FREE CATTLE The USDA's Agricultural Research Service (ARS) announced the initial results of a research project involving prion-free cattle. ARS scientists evaluated cattle that have been genetically modified so they do not produce prions, and determined that there were no observable adverse effects on the animals' health. ARS studied eight Holstein males that were developed by **Hematech Inc.** Initial results of the project can be read online at www.nature.com/nbt/. (*AnimalNet - ARS News Service*)

> US - SWINE LITTER SIZE GENETIC MARKER Scientists with the Agricultural Research Service's US Meat Animal Research Center have identified a genetic marker that could help pig breeders select animals for increased uterine capacity and litter size, giving swine breeding a boost in efficiency. In studies on two unrelated swine populations, the scientists showed that this newly discovered single nucleotide polymorphism (SNP) is associated with increased litter size. (*AnimalNet - ARS News Service*)

> US - FELINE PRENATAL SEX DETERMINATION The Audubon Nature Institute and **XY Inc.** announced they have developed a process allowing the sex of felines to be chosen before they're born. The technology, developed by XY, resulted in a litter of healthy kittens produced from embryos fertilized with sexed sperm. Audubon plans to use the technology to help preserve endangered exotic feline populations. (*Veterinary Practice News*)

BRAKKE CONSULTING VIEWPOINT

Wow!! Here we go for another year. We've just completed a very successful 2006 for the animal health and pet industry and now we're off to the challenges of a New Year. As we prepare our 2007 Overview, we're impressed with the many excellent performances by a number of companies in 2006. While some of these performances were not always pretty, they reached their goals and objectives. We continue to have high expectations for 2007. There are a number of new product or brand launches scheduled for early 2007 and these hopefully will all add to the value to the market.

Since some of these launches are in key product segments we encourage Senior Management to closely monitor the competitive sales activity. Consumers and pet owners are generally pleased and satisfied with the products they are currently purchasing so we'd hope that these new introductions will discuss their added values and increase the revenues for all parties involved. Sometimes when companies enter market share fights some distortions of the competitive products happen which devalues the whole industry. Just a word or caution as we start a New Year!!

We wish all our readers the best of health and wealth in 2007.

Ron Brakke

This electronic newsletter is the sole property of Brakke Consulting, Inc.

Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.

For more information about Brakke Consulting's services and syndicated studies, visit our website at www.brakkeconsulting.com.

Brakke Consulting, Inc.
2735 Villa Creek, Suite 140
Dallas, TX 75234 USA