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**Brakke Consulting's  
Animal Health News & Notes for January 12, 2007**  
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**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](http://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](http://www.BrakkeConsulting.com)

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**COMPANY EARNINGS RELEASES**

> **Dechra Pharmaceuticals** announced that revenues rose 8.5% to just under GBP 126 million (\$245 million) for the first half of its 2006/2007 financial year. (*Animal Pharm*)

> **TW Medical Veterinary Supply** reported its 2006 fiscal year sales were \$18.7 million, an increase of 23% over 2005. Net sales for the quarter ended December 31, 2006, totaled \$4.9 million, an increase of 22% over 2005 fourth quarter sales. To accommodate continued growth, TW Medical Veterinary Supply plans this year to expand its existing Austin, TX facility from 18,000 to 26,000 sq. ft. In addition, the company will open a distribution center on the West Coast in 2007 with 12,000 sq. ft. of distribution and inventory capability. (*company press release*)

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**COMPANY NEWS RELEASES**

> **Pfizer Animal Health** announced that the FDA has approved Slentrol (diriloptapide) for the safe and effective management of canine obesity, making it the first and only veterinary-approved obesity drug for dogs in the US. Slentrol decreases a dog's appetite thereby reducing food intake, making it easier for owners to develop healthier feeding behaviors and attitudes. Slentrol is given once daily as an oral solution, either directly into the mouth or with a small amount of food. A prescription medication, Slentrol will be available only through veterinarians starting this spring. (*company press release*)

> **Pilgrim's Pride** Corporation announced that it has completed its \$1.1 billion acquisition of **Gold Kist** Inc., forming the world's leading chicken company. Gold Kist will be positioned as a wholly-owned subsidiary of Pilgrim's Pride. (*Wattnet Meatnews*)

> **Maple Leaf Foods** announced that it will divest Maple Leaf Animal Nutrition and related businesses. The divestiture is part of a reorganization to increase the company's focus on the sale of meat products and ready made meals. The unit has sales of around C\$650 million (US\$550 million). (*Food Business Review*)

> **Cargill Animal Nutrition** has signed a purchase agreement with **Mountaire Feeds**, Inc. to purchase certain assets of Mountaire's feed milling and animal health business, including its Prime Quality feed brand. It is anticipated that the sale will be finalized early this month. Financial terms were not disclosed. (*Food Ingredients First*)

> **Imulan BioTherapeutics**, LLC announced it has licensed in a novel immune modulating vaccine technology for animal health applications. The vaccine proposes to manage a number of

conditions, including allergic reactions, infections, cancer and autoimmune disorders. The licensor was not disclosed. (*company press release*)

> **Echo Healthcare Acquisition** Corp. announced that **XLNT Veterinary Care**, Inc., a provider of veterinary primary care services to companion animals through a network of fully-owned veterinary hospitals, has acquired one additional veterinary hospital in California during the month of November and four additional hospitals during the month of December. Terms of the five transactions were not disclosed. This brings the company's total number of hospitals to 20. (*PRNewswire*)

> **BV Biologicals**, a division of India's Venkateshwara Hatcheries group, announced a co-development and marketing agreement with **Yamit Biotechnologies** for Yamit's first anti-mastitis biological "Y-Complex" product for treating mastitis in animals. Yamit, which operates under Israel's Meytav Technological Enterprises Initiation Center, is working on an innovative biological non-antibiotic technology aimed at developing therapeutic animal health products for diseases caused by recognized pathogens. Yamit expects the agreement to advance the registration of the bovine mastitis product in the US and the EU, and to start the development of newer applications in animals and humans (*Animal Pharm*)

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## ANIMAL HEALTH NEWS

> **US - REDUCED BEEF SLAUGHTER** Meat-processing leaders have shut down or scaled back slaughter operations this week in what an industry analyst called a "standoff" between manufacturers and feedlot operators. **Cargill Meat Solutions** was the latest, citing, as have **National Beef Packing Co.** and **Tyson Foods**, plant margin woes. A senior analyst with Cattle-Fax said that a combination of events in the last three weeks, including winter storms in the High Plains, has put packers in their current bind, but problems begin with poor margins. With narrow margins, processors have been forced to reduce production to support wholesale prices. Meanwhile, feedlot operators are demanding higher prices to offset rising production costs caused by the storms, which forced cattle to lose weight. (*Meating Place*)

> **US - SWINE DISEASE IDENTIFIED** Researchers at Kansas State University and local veterinarians have identified a new viral disease that kills hogs in the late finishing stage of production. Some producers are losing up to 20 percent of their infected herds. the virus is a variation of a more common virus called Porcine Circovirus type 2 (PVC2). Researchers have discovered that there are A and B versions of PVC2, and the latter can be lethal. (*Meating Place*)

> **US - SWINE ID** The National Pork Producers Council and the National Pork Board announced the beginning of a year-long push to have 100% of swine producers' premises registered under the National Animal Identification System (NAIS) by December 31, 2007. The National Pork Board will be hiring regional swine identification coordinators who will work with state pork producer associations and state ID coordinators to encourage producers in each state to register their premises. About 40% of swine premises have already been registered. The effort is being made possible through a cooperative agreement between the USDA and the Pork Board. (*AnimalNet - association press release*)

> **WORLD - ANIMAL DISEASE DATABASE** The World Animal Health Information Database (WAHID) interface is now available on the OIE web Site and operational. This new extensive database is a milestone in OIE efforts to improve the transparency, efficiency and speed with which animal health information is disseminated throughout the world. Complementary to the on-line notification made by OIE Member Countries through the World Animal Health Information System (WAHIS) launched in April 2006, WAHID offers all available data on animal diseases, including zoonoses, per country, region, month and year. (*OIE website*)

> US - USDA PUBLISHES BORDER RULE The long awaited proposal to reopen the US border to Canadian cattle more than 30 months of age was announced Jan. 4. Both boned and bone-in meat from Canada would be eligible, provided specified risk materials (SRMs) have been removed and USDA Food Safety & Inspection Service regulations are met. In addition, the rule proposes to open the border to specific bovine blood and blood products and some casing material from the intestines of Canadian cattle. A date for the rule to go into effect was not published. (*Feedstuffs online*)

> NORWAY - COMPANY USING CT TO AUGMENT GENETICS SELECTION **Norsvin International** is set to become the first swine genetics company in the world to apply, on a continuous basis, computer tomography (CT) scanning to evaluate its purebred boars. The Siemens CT scanning system will be installed at the new Norsvin boar evaluation station that is scheduled to be completed early this year. The \$4 million station, located outside Hamar, Norway, is a collaboration between Norsvin and the Nortura food company. The CT technology will allow the company to evaluate 3,500 purebred boars per year, increasing the number of boars tested by 40%, and the consequent increased selection pressure should boost the annual genetic improvement rate by 30%, according to Norsvin's director of genetics. (*Feedstuffs online*)

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### **BRASSE CONSULTING VIEWPOINT**

Congratulations to the manufacturers, distributors, veterinary clinics and other animal health and pet retailers in making 2006 a successful growth year for the industry. In preparing our firm's 2007 overview of the industry, one has to be impressed with the excellent performances. We're particularly pleased with the increased investment in research and development across the board. These investments will result in new products and new categories that will improve the quality of life for companion animals, and an even safer production animal protein supply. We look forward to an equally successful 2007.

We'll see many of you in Orlando this weekend and next week!

*Ron Brasse*

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