
**Brakke Consulting's
Animal Health News & Notes for November 18, 2005**
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TIME TO REGISTER FOR THE 2006 OVERVIEW
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COMPANY EARNINGS RELEASES

> **PetSmart**, Inc. reported net income of \$31.1 million for the third quarter of fiscal 2005. That compares with net income of \$31.5 million for the third quarter of fiscal 2004. PetSmart generated net sales of \$908 million in the third quarter, up 9.8% from \$827 million during the same period in 2004. Comparable store sales grew 2.4% in the third quarter, compared with 6.7% in the third quarter of fiscal 2004. (*Business Wire*)

> **Tyson Foods** Inc. reported sales and profits for the fiscal year ended October 1, 2005. Sales declined slightly from \$26.44 billion to \$26.01 billion. Profits dropped more substantially, from \$403 million to \$353 million, or about 12%. (*Meating Place*)

BRAKKE CONSULTING, INC.

COMING SOON!

2005 FLEA & HEARTWORM MARKETS REPORT

As we've done for the past several years, Brakke Consulting will be publishing an update of our annual report on the US Flea Control and Heartworm Markets in early December. The report will

include up-to-date sales data on the leading flea and heartworm products, as well as information on new and developing products.

The 2005 report also includes a survey of over 180 small animal veterinarians regarding flea, tick and heartworm products. Veterinarians shared their thoughts on retail sales of products, prescription fulfillment services, incentive programs, and other current topics affecting flea and heartworm product sales, and even supplied open comments to the product manufacturers. Shouldn't you know what your clients are thinking?

The report on the US Flea Control & Heartworm Markets will be available for a purchase price of \$4,500 if ordered BEFORE DECEMBER 1, and \$4,995 after that date.

Please contact Dr. Lynn Fondon at (972) 243-4033 or lfondon@brakkeconsulting.com to pre-order the report or for more information.

COMPANY NEWS RELEASES

- > **Schering-Plough** announced that HOMEAGAIN and the HOMEAGAIN Pet Recovery Service will begin offering new scanners used to detect microchips in companion animals throughout the US. This program will be rolled out nationwide in December 2005. Every new HOMEAGAIN scanner will now read all microchips utilizing the 125 kHz radio frequency including those from companies that market an encrypted chip that previously could not be read by all US scanners. The new scanners will also detect the 134 kHz microchips, or ISO chip, commonly used outside of the US. While the new scanner will not show the number of the ISO chip, it will indicate the presence of the chip so that steps toward a recovery can be put in place. The scanners are manufactured by **Digital Angel**. (*company press release, company website*)
- > **IDEXX Laboratories** introduced a new SNAP Reader bile acids test to support veterinary practitioners in assessing liver function in just six minutes. The SNAP Reader Bile Acids Test is the first in-house rapid assay for bile acids, helping veterinarians quickly rule out liver dysfunction, determine if additional diagnostics are necessary and begin therapy. (*company website*)
- > **Orchid Cellmark Inc.** announced it has been awarded a contract in the UK to provide cattle genotyping for the **Merial**. The genotyping conducted by Orchid Cellmark will support Merial's IGENITY service, which provides breeders with genetic data relating to such characteristics as meat quality and milk production. Under this two-year development and service agreement, genotyping is expected to begin before the end of 2005. Financial details were not disclosed. (*PRNewswire*)
- > **Spectrum Brands, Inc.** announced that it has been advised that the United States Attorney's Office for the Northern District of Georgia has initiated an investigation into recent disclosures by the Company regarding its results for its third quarter ended July 3, 2005 and the Company's revised guidance issued on September 7, 2005 as to earnings for the fourth quarter of fiscal 2005 and fiscal year 2006. The Company intends to cooperate fully with the investigation. (*company press release*)
- > **First Pet Life, Inc.** announced that members of First Pet Life are now able to purchase pet health insurance through Pet Partners, Inc. Within the next week, First Pet Life will announce the name of its casualty insurance agent. This will then allow First Pet Life to become its own pet health insurance agent. (*Business Wire*)
- > **Hartz Consumer Group** announced it prevailed over J.W. Childs, L.P. in a commercial litigation brought by Childs arising from the \$300 million sale of The Hartz Mountain Corporation

to Childs. Childs' primary claim was that Hartz' promise to indemnify for any loss or diminution in value arising from products and inventory manufactured before the sale constituted a product sales guaranty. The court rejected this claim. (*Business Wire*)

> **Allerca** division **GeneSentinel** announced the launch of a highly accurate test to detect the new influenza virus that is affecting dogs and is rapidly spreading throughout the US. The GeneSentinel diagnostic technology is similar to that used to detect avian flu and SARS in humans. GeneSentinel is the first company to provide a highly accurate molecular diagnostic for the canine flu, and provides overnight results to veterinarians. (*company press release*)

SIGN UP NOW TO ATTEND BRAKKE CONSULTING'S 2006 INDUSTRY OVERVIEW

Brakke Consulting will once again be presenting our 2006 Industry Overview at the North American Veterinary Conference and the Western Veterinary Conference.

NAVC

The 2006 Industry Overview will be presented on Monday, January 9 from 2pm - 4pm at the Gaylord Palms.

WVC

The 2006 Industry Overview will be presented on Tuesday, February 21 from 8:30am - 10:30 am at the Four Seasons hotel adjacent to the Mandalay Bay.

Early registration is \$325 for the first company attendee and \$300 for additional attendees at the same presentation. To register, call Jane Morgan at 972-243-4033 or email jmorgan@brakkeconsulting.com.

ANIMAL HEALTH NEWS

> **CHINA - AVIAN INFLUENZA** China reported fresh outbreaks of the H5N1 strain of avian influenza. The latest China outbreak, its eighth within a month, is in Jingshan county in Hubei province, indicating the virus appears to be spreading. The latest outbreak has killed 2,500 birds, and more than 30,000 birds are being culled. The Chief veterinary officer in China's Agriculture Ministry said that China is in the process of vaccinating all 14 billion poultry in the country. (*ABC News, AP*)

> **VIETNAM - AVIAN INFLUENZA** In Vietnam, two more provinces reported bird flu outbreaks. In the northern province of Hung Yen, which borders Hanoi, about 150 poultry died and more than 300 have been destroyed. Authorities have ordered the destruction of all birds in the two infected areas, about 10,000 in total. (*ABC News*)

> **KUWAIT - AVIAN INFLUENZA** Kuwait reported it has found the H5N1 avian influenza virus in a flamingo, the first known case of H5N1 in the Gulf Arab region. (*AnimalNet - Reuters*)

> **TAIWAN - AVIAN INFLUENZA** Taiwan found a highly pathogenic strain of avian flu, H7N3, in droppings left by a migratory bird and is carrying out tests to see if the virus has spread to nearby poultry farms. Like the deadly H5N1 strain, the H7N3 strain can infect humans. (*Reuters*)

> **ROMANIA - AVIAN INFLUENZA** Four hens found dead in a Romanian village in the Danube Delta have tested positive for the H5 subtype of avian influenza. About 2,000 domestic birds will be slaughtered in the village to help prevent the spread of the disease, and further tests will be

completed in Britain to determine whether the hens were infected with the deadly H5N1 strain of the virus. (*Meating Place*)

> JAPAN - US BEEF IMPORT TIMELINE During a press conference with US President George Bush, Japanese Prime Minister Junichiro Koizumi gave the most favorable signal yet about reopening the Japanese market to American beef. According to The Asahi Shimbun, Koizumi said the ban would be lifted "sometime before the end of the year" as long as the meat is from animals 20 months or younger in age. (*Meating Place*)

> US - CANADIAN IMPORT RESTRICTIONS MAY BE DROPPED The Bush administration hopes to lift remaining BSE-related restrictions on Canadian cattle within the next year, according to a statement from the USDA. The restrictions, in place since Canada discovered its first case of the disease in 2003, were eased earlier this year to allow younger cattle to enter the US. A prohibition has remained on Canadian animals older than 30 months. If a risk analysis finds it is feasible, the new rule could be proposed in six to eight months. One restriction would remain: Animals born before Canada had an effective ban on cattle protein in cattle feed would not be allowed to enter the US. (*AP*)

> US - NEW AVIAN INFLUENZA WEBSITE The poultry industry has launched a new Web site to respond to any public concern that may occur over avian influenza, highlighting the fact that it is not a food issue and that H5N1 highly pathogenic avian influenza—"bird flu"—does not exist in the US. The site, at www.avianinfluenza.info.com, is a joint project of the National Chicken Council, National Turkey Federation, and Egg Safety Center. (*AnimalNet*)

> US - FUNDING FOR ANIMAL DISEASE CENTER Nearly \$60 million federal tax dollars are headed to the USDA's National Animal Disease Center in Ames, Iowa, completing a huge project to modernize the facility. With this last installment, a total of \$462 million will have been committed to upgrading and expanding the center, which will now be known as the National Animal Health Center. (*Radio Iowa*)

> US - ANTIBIOTIC RESISTANCE CHIP The USDA's Agricultural Research Service has developed a genetic chip that detects more than 100 antimicrobial-resistance genes in bacteria. The chip, called a DNA microarray, is a small glass slide that lets researchers determine the presence or absence of particular DNA sequences in a sample. Researchers use the microarrays to track resistant genes in bacteria from samples taken at farm and slaughter facilities. The information will help identify possible intervention points to prevent the development and spread of antibiotic resistance. (*Pork Alert*)

> VIETNAM - NEW AVIAN INFLUENZA SUBTYPES Vietnamese scientists have found more variations of avian influenza viruses in poultry. A Study at the Ho Chi Minh City Regional Animal Health Center found new avian influenza strains of the H3 and H4 subtypes in poultry. State media reports said the new virus strains are H3N4 and H4N5. Scientists say strains of the H3 and H4 subtypes were capable of causing death in birds but are generally less virulent and spread more slowly than the H5 subtype. (*ABC News*)

BRAKKE CONSULTING VIEWPOINT

We always know that the end of the year is approaching when we start receiving inquiries about our annual Animal Health Industry Overview. I'm sure you noted earlier in the newsletter the dates and times for the 2006 Overview presentation at NAVC and WVC. We also plan to conduct an overview in New York City in late January 2006 (date to be determined). We'd encourage you to begin scheduling your company overview presentations, as a couple of your competitors have already done so.

This week's news continues to follow the expanding influenza story. Reading the draft of the newsletter, I went right out and got my flu shot!

We hope all of you in the US have a safe and enjoyable Thanksgiving holiday week next week.

Have a Great Weekend!!

Ron Brakke

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