
**Brakke Consulting's
Animal Health News & Notes for February 10, 2006**
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IN THE NEWS:

earnings news

[Bioniche](#)

[Gold Kist](#)

[ImmuCell](#)

[Intervet](#)

[Premium Standard Farms](#)

other news

[Bayer](#)

[Intervet](#)

[Land O'Lakes](#)

[Moark](#)

[PetArk](#)

[PetSmart](#)

[Pfizer](#)

[Renessen](#)

COMPANY EARNINGS RELEASES

> Akzo Nobel reported financial results for the year 2005. **Intervet** produced strong results in 2005 with revenues increasing by 7% to EUR 1,094 million (\$1,295 million). The business' performance was boosted by efficiency improvements in manufacturing, supply chain, and marketing, resulting in an EBIT of EUR 238 million (\$282 million), up 29% from 2004. For the quarter, Intervet reported revenues of EUR 278 million (\$329 million), an increase of 6% compared to the fourth quarter of 2004. (*company website*)

> **Bioniche Life Sciences** Inc. released results for its second quarter of fiscal 2006 ended December 31, 2005. Animal Health sales for the quarter were C\$6.1 million (US\$5.2 million), an increase of 9% compared to the same quarter in the prior year. The increase reflected increased sales of Folltropin-V across all market jurisdictions. (*company website*)

> **ImmuCell** Corporation announced the results of its operations for the three and twelve month periods ended December 31, 2005. For the three months ended December 31, 2005, product sales increased by 37% to \$1,174,000 in comparison to the same period in 2004. For the year ended December 31, 2005, product sales increased by 20% to \$4,233,000 in comparison to the same period in 2004. (*company press release*)

> **Gold Kist** reported first-quarter earnings that fell 39% due to decreased broiler prices, concerns about bird flu and higher processing costs. Earnings for the quarter ended Dec. 31 dropped to \$2.5 million from \$4.2 million for the same period last year. Revenue fell to \$545.4 million from \$552 million. (*Meating Place*)

> **Premium Standard Farms** reported that its quarterly sales in the third quarter dipped to \$242.9 million from \$246.8 million a year ago, while profits plunged from \$23.0 million to \$13.8 million. Results were due in large part to poor margins in the processing end of its business, which improved slightly from the second quarter, while export demand remained strong and offset some negative domestic results. For the nine months to date, sales rose slightly to \$701.4 million from \$677.7 million, but profits were down slightly to \$41.4 million from \$44.3 million. (*Meating Place*)

BRAKKE CONSULTING, INC. EXECUTIVE AND SALES FORCE RECRUITING

Since 1986 Brakke Consulting, Inc. has successfully assisted many clients in acquiring exceptional employees at all levels, in the many departments of animal health, pet, veterinary and specialty chemical companies. Our search consultants use their extensive industry experience to pre-qualify candidates, allowing clients to choose from a few of the best applicants for a position. Our approach increases the efficiency and effectiveness of the Human Resources Departments of client companies. Visit our website at www.BrakkeConsulting.com for more information on our recruiting services or to contact one of our consultants.

COMPANY NEWS RELEASES

> **Pfizer Animal Health** announced the launch of Zylexis, which prepares the horse's immune system to function more efficiently against equine herpesvirus (EHV) types-1 and -4 pathogens. The immunomodulator is offered specifically as an aid in reducing the severity of upper respiratory disease caused by these viruses. Zylexis is created with an inactive (killed) preparation of *Parapox Ovis* virus. Zylexis has been used for eight years by equine practitioners in Germany. (*TheHorse.com*)

> **Intervet** announced an agreement with **Bayer** to acquire Bayer's Foot and Mouth Disease vaccine factory in Cologne, Germany. Intervet already owns FMD vaccine production sites in Brazil and India, that are mainly used to supply their respective national markets. The Bayer acquisition will considerably expand its position in the markets for FMD vaccines in Europe, Africa, Asia and the Middle East. The acquisition is expected to be completed in July 2006. Financial details were not disclosed. (*company press release*)

> **Land O'Lakes** Inc. announced it has purchased the shares in **Moark** LLC that it did not own, increasing its stake in the company from 57.5 to 100% and making LOL the third-largest egg producer in the US. In a filing on the SEC, LOL said it purchased the remaining shares from Osborne Investments Inc. in a \$71 million cash transaction. The new company has approximately 14 million hens in production in 29 states. (*Feedstuffs online*)

> **Renessen LLC** announced that the USDA has deregulated Renessen's high lysine corn containing the LY038 trait. To be sold under the name Maveria High Value Corn with Lysine, LY038 is the world's first crop-based quality trait produced through biotechnology for the animal feed industry. The technology provides higher levels of lysine than a conventional corn plant produces. When included as part of an animal's diet, grain produced that contains the trait will enhance lysine levels in animal feed, reducing the need for synthetic lysine supplements. (*AnimalNet*)

> **US - PET ADOPTION** **PetArk**, a developer of innovative technologies that facilitate pet adoptions, has installed touch-screen kiosks in **PetSmart** stores and animal shelters in the Dallas/Fort Worth area to provide online access to pets available for adoption. In the Dallas/Fort

Worth area, more than 50 animal welfare organizations post their adoptable animal information to PetArk. PetArk then displays this information on its national website, www.petark.com, and on its regional website, www.dfwpets.com. PetArk also has regional websites and kiosks in 7 other major metropolitan areas across the US. (*Business Wire*)

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

Western Veterinary Conference - Las Vegas

Tuesday, February 21

8:30am - 10:30am

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, visit our website at www.BrakkeConsulting.com, or call Jane Morgan at 972-243-4033 or email jmorgan@brakkeconsulting.com.

ANIMAL HEALTH NEWS

> JAPAN - BSE Forty-five cows at a farm in northern Japan are suspected of having BSE and will be destroyed. The cows are from a farm on the northern island of Hokkaido where a cow died last month of the disease, and were fed the same feed as the cow that died. Authorities are treating the 45 cows as suspected disease carriers under Japanese government guidelines on handling infected cattle. The guidelines call for any cattle given the same feed and raised in the same pen for the first year of life with a cow that tests positive to be destroyed as an infected animal. Prefectural officials will test the cattle after they are destroyed to determine if they indeed had the disease. (*Chron.com*)

> ARGENTINA - FOOT AND MOUTH DISEASE Argentine health officials announced the discovery of a foot-and-mouth outbreak in northern Corrientes province, along the border with Paraguay. As a precautionary measure, officials cordoned off a 20-kilometre (12-mile) area and activated procedures outlined in the country's foot-and-mouth prevention plan. (*AnimalNet - MediaCorp*)

> NIGERIA - AVIAN INFLUENZA The H5N1 of avian influenza has been found in poultry in northern Nigeria, the first time the disease had been detected in Africa. More than 150,000 birds have died recently in what vets thought was Newcastle disease, a common ailment among birds in the region. (*BBC News*)

> IRAQ - AVIAN INFLUENZA Iraq has reported an outbreak of bird flu among poultry in Sulaimaniya, the province where a teenager died from the disease last month. The OIE said poultry in two villages in Sulaimaniya had tested positive for H5 bird flu. Further tests were under way. (*Reuters*)

> GREECE - AVIAN INFLUENZA Greece reported finding samples of the H5 avian influenza virus in three swans in northern areas of the country that borders Turkey. The samples are now being sent to the EU laboratory for further testing to see if the virus strain belongs to the H5N1 type. (*AnimalNet - Reuters*)

> ROMANIA - AVIAN INFLUENZA Romania detected new cases of avian influenza in domestic fowls in the southern county of Dolj. The three dead hens found in Dolj's Cetate village were confirmed to be killed by avian influenza virus but the strain is still unknown. (*Xinhuanet*)

> US - ANIMAL DISEASE CONTROL BUDGET The President's budget includes a request for \$82 million in fiscal 2007 spending for highly pathogenic avian influenza, a major \$66 million increase from last year's request for \$16.2 million. The increase next year is in addition to the \$91 million in supplemental funds Congress approved as concerns about a potential pandemic increased this winter with the spread of the disease. USDA funding for the control of Johnes was cut by \$10 million. Last year, USDA requested \$13 million for the national Johnes control program. Just \$3 million was requested this year. (*Feedstuffs online*)

> US - MAJOR NATURAL BEEF INITIATIVE Three major players in the industry, **Certified Angus Beef**, the **Beef Marketing Group** and **Tyson Fresh Meats**, have joined forces to enter the growing market for natural beef. The Beef Marketing Group, a consortium of Kansas cattle feeders, is devoting five feedyards to all-natural cattle feeding, procuring Angus-based cattle certified as never treated with hormones or antibiotics or fed animal byproducts. Tyson serves as the processing partner in the program. Beef from carcasses that meet traditional CAB standards, along with natural production, will sell as CAB Natural Beef. Tyson also has introduced its own brand, Star Ranch Natural Angus Beef, for program cattle that qualify as natural but do not meet CAB grade standards. (*Drovers Alert*)

BRASSE CONSULTING VIEWPOINT

I was impressed with the activities at the NCBA meeting in Denver last week. This national organization of thousands of producers is making headway in consolidating its membership under a few key consistent messages to consumers regarding the quality and safety of beef products.

One of the programs aimed at improving the safety of beef is the government-mandated animal tracking system. This program has not gone unnoticed by companies with identification or software products. By my count, there were over two dozen companies at the NCBA meeting that are trying to take a piece of this market. Will so many small players be successful? It reminds me of the dot.com era when there were lots of companies and ideas, but except for the largest firms, only limited financial capability to sustain their business. The animal health industry could really use some new venture capital.

Have a great weekend!!

Ron Brasse

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