
**Brakke Consulting's
Animal Health News & Notes for April 14, 2006**
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BRAKKE CONSULTING CELEBRATES 20th YEAR

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COMPANY EARNINGS RELEASES

> **Swift & Co.** reported third quarter sales of \$2.256 billion, about flat compared to last year's \$2.265 billion for the same period. The company reported a loss of (\$30 million) before interest, taxes, depreciation and amortization for the quarter, compared to a loss of (\$4 million) last year, with most of the losses attributable to domestic pork and beef operation. (*Meating Place*) [top](#)

> **Cargill** reported net earnings of \$370 million for the 2006 third quarter ended Feb. 28, up from \$366 million in the same period a year ago. Three of Cargill's five segments – risk management and financial, origination and processing, and food ingredients and applications, the latter led by the North American-based food ingredients businesses and the poultry businesses globally – delivered third-quarter earnings that exceeded the prior year's results. (*company website*) [top](#)

NOW AVAILABLE
PAIN MANAGEMENT PRODUCTS IN DOGS AND CATS
2006 UPDATED REPORT

Brakke Consulting is once again publishing a review of pain management in small animals, and the products used to treat pain. The new 2006 report includes 2005 sales data on the pain management products used in small animal practice, as well as news on new and developing products in the pain management area. Included are sections on nutraceuticals and joint support prescription diets. The introduction of Merial's Previcox and Novox, the first generic carprofen, are covered in the 2006 report.

The report also includes a survey of over 130 small animal veterinarians regarding their usage of pain management products, including NSAIDs, nutraceuticals, and the new joint support therapeutic diets.

The report is immediately available for a price of \$5,500.

Place your order today to get the latest information on the veterinary pain management market!

For more information, contact Dr. Lynn Fondon at lfondon@brakkeconsulting.com or 972-243-4033.

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COMPANY NEWS RELEASES

> **Bayer** announced the company has received US distribution rights from **Datamars SA** for a new line of microchips and scanners aimed at reuniting straying companion animals and horses with their owners. Bayer expects to begin marketing the ISO-approved microchips and scanners in the fall. (*Kansas City Business Journal*) [top](#)

> **Elanco** announced that the EPA has approved Elector Bait for fly control in dairy, beef, poultry and other livestock operations. As the first bait in the new spinosyn class, Elector Bait works differently - it has a delayed mode of action that kills house flies after they have eaten and left the bait area, keeping the product clean and available for optimal performance. Unlike other bait products, Elector Bait granules are bright yellow, which is highly attractive to flies and doesn't have a nasty odor. (*company press release*) [top](#)

> **Alpharma** announced that the FDA has approved allowing the use of Aureomycin (chlortetracycline) and Bovatec (lasalocid sodium) in the same cattle feed is expected to help producers optimize weight gain and feed efficiency while controlling anaplasmosis, coccidiosis and the leading causes of bacterial enteritis and pneumonia. (*company press release*) [top](#)

> **Neogen** announced the addition of the Jolt line of electric livestock prods and sorting equipment to its Ideal Instruments veterinary product line. (*company press release*) [top](#)

> **Trouw Nutrition International**, subsidiary of **Nutreco**, announced it will take over all shares of the Chinese producer and nationwide feed distributor **Beijing Deji Animal Husbandry Technology Co. Ltd.** With this acquisition, Trouw will be able to increase substantially its current feed manufacturing operations which are located in the Hunan area of China. It is the intention to merge the Trouw Nutrition Hunan activities into the Deji business and add pig feed to its product portfolio. Financial terms were not disclosed. (*Wattnet Meatnews*) [top](#)

> **Digital Angel Corporation** announced that the US Patent and Trademark Office has granted the Company a patent for its Bio-Thermo implantable RFID microchip, a syringe-implantable microchip designed for non-laboratory applications that uses RFID technology to determine the body temperature of its host animal. Patents covering the same Bio-Thermo RFID technology are also currently pending in several other countries. The Bio-Thermo microchips are currently being sold in the companion pet market in the UK, Japan, and the Philippines. In the equine market the Bio-Thermo microchips are currently being sold in South Africa. Digital Angel has begun marketing the chips in the US equine market, and is preparing to launch sale of the Bio-Thermo microchips for the US companion animal market. (*company press release*) [top](#)

> **Mars Inc.** has signed an agreement to acquire **S&M NuTec LLC**, the manufacturer of Greenies dog treats, for an undisclosed price. The transaction is subject to regulatory approval. In written statements, general counsel for S&M NuTec and a spokeswoman for Mars confirmed the agreement, but declined to comment further. (*Kansas City Star*) [top](#)

> **Sogeval Laboratories SA** announced the establishment of a US subsidiary, Sogeval Laboratories, Inc. The subsidiary plans to enter the US veterinary market with the launch of the company's Duoxo line of dermatology products, which are formulated for the treatment of seborrhea in cats and dogs. (*company press release*) [top](#)

> **Pet Ecology Brands, Inc.** launched its K-9 Fat Free Dog Treats, the only 100% fat free dog treat on the market. Made from rice, natural meat flavors and garlic, these crunchy heart-shaped goodies are also cholesterol and sodium free. Pet Ecology Brands, Inc. will also be introducing the first fat free cat treat in April. (*Market Wire*) [top](#)

> A class-action lawsuit by cattlemen against the nation's four largest meat processors resulted in a unanimous \$9.25 million verdict against three of the defendants, who immediately announced they will appeal. The cattlemen had charged **Tyson Fresh Meats Inc.**, **Swift & Co.**, **Cargill Meat Solutions** and **National Beef Packing Co.** with profiting from incorrect boxed-beef prices published by USDA during a six-week period in the spring of 2001. National Beef was found to not be liable in the case. Tyson was found liable for \$4 million, Cargill for \$3 million and Swift for \$2.25 million. (*Meating Place*) [top](#)

> **Swift & Co.** announced it has sold its non-fed cattle business to **XL Foods**, of Calgary, Alberta. The sale includes an operating plant in Omaha, Neb., and assets in Nampa, Idaho. Non-fed cattle are primarily dairy and breeding cattle over 30 months of age that were raised for purposes other than beef. Financial terms were not disclosed. (*Meating Place*) [top](#)

ANIMAL HEALTH NEWS

> **CANADA - SUSPECTED BSE** A 6-year-old dairy cow from British Columbia is believed to be Canada's fifth case of BSE. Final test results will not be available until this weekend, but a confirmation is highly probable. Canadian veterinary authorities said that the infection may have resulted from cross-contamination from poultry feed or other feed that may have contained protein from cattle. The animal was discovered on a farm in Fraser Valley in British Columbia as part of the nation's BSE surveillance program. The test was deemed inconclusive, and samples were sent to the National Centre for Foreign Animal Disease in Winnipeg, Manitoba. If confirmed, the case would be significant, because the animal was born at least two years after the imposition of a ban on cattle parts in feed meant for cattle. (*Meating Place*)

> **HONG KONG - SOME US BEEF BANNED** Hong Kong suspended beef imports from **Cargill Meat Solutions** after a piece of bone was found in a box of boned beef shipped from the company's plant in Dodge City, Kansas. When Hong Kong reopened its market on Dec. 29 it

agreed to take only boned beef from animals less than 30 months of age with specified risk materials removed. Cargill Meat Solutions said the bone "was the type of bone in a strip steak" - not a piece of vertebral column. (*Feedstuffs online*)

> US - ANIMAL ID The USDA released an implementation plan that outlines timelines and benchmarks for the establishment of the National Animal Identification System (NAIS), along with a plan for the initial integration of private and state animal tracking databases with NAIS. The implementation plan sets a timeline for ensuring full implementation of the NAIS by 2009. By early 2007, USDA expects to have the technology in place, called the Animal Trace Processing System (commonly known as the metadata system) that will allow state and federal animal health officials to query the NAIS and private databases during a disease investigation. The animal tracking databases will record and store animal movement tracking information for livestock that state and federal animal health officials will query for animals of interest in a disease investigation. (*Wattnet Meatnews*)

LEADING ANIMAL HEALTH COMPANIES 1986

Pfizer	\$492 million
Rhone-Poulenc	395
Hoffmann-La Roche	369
MSD AgVet	328
Elanco	310
Bayer	292
Coopers	264
Hoechst-Roussel	263
SmithKline	251
American Cyanamid	215
Solvay	177
IMC	176
Upjohn	154
Beecham	146
Sanofi	131
Ciba-Geigy	108
Takeda	105
Syntex	86
Monsanto	86
Boehringer Ingelheim	80

**source: Animal Pharm Facts and Figures, 1987*

BRAKKE CONSULTING VIEWPOINT

It was on April 15, 1986 that I filed the DBA (doing business as) papers for Brakke & Associates. Thanks to many dedicated consultants and supportive clients, it's been a fun 20 years serving the animal health industry. Yes, I still find it stimulating to jump on a airplane and interface with one or more of our clients.

A lot has happened in the industry since 1986. The largest company serving the industry at that time was Pfizer, the #1 company today, but with sales of only \$492 million in 1986. Two of the leading companion animal products were a new Feline Leukemia vaccine from Norden/SmithKline, and MSD Ag Vet's homerun introduction of Heartgard. Ft. Dodge was still headquartered in Ft. Dodge, Iowa and was just beginning to make acquisitions. The future of the

industry at that time was thought to be in the hands of the new bio-technology companies such as Syntro, Molecular Genetics, Synbiotics, Immucell, Paravax, and IDEXX, to name a few.

In celebration of our 20th years in business, the current BCI consultants will be profiled for the next few weeks in this newsletter and each will be writing the comments on the Friday they are featured. This will give each of you a chance to learn more about each consultant and how they have contributed to the firm. I'm sure there will be some interesting and improved comments for you to read each week. I want to thank each of them for their current service to the firm and the industry.

As many of you know, one of our leading consultants for 15 years was Dick Wilson in our Kansas City office. Sadly, Dick passed away suddenly 3 years ago after a stroke. He was one of a kind, and I don't believe we'll ever find anyone to fill his shoes. His wife, Pat, is doing very well; I see her on most of my trips to Kansas City.

In addition to Dick, other consultants who have made contributions to the firm are John Short, Kent Adams, Bert Honsch, Bob Reynolds, Eli Thomssen, Dr. Robin Oakley, Dr. David Goodnight, Dr. Gilles Guillemette, and Dr. David Horn. These individuals have been able to move on to other jobs or their own consulting firms. I want to personally thank them for their service and contributions to the firm while they were with us.

Finally, I must thank the many clients that we've had over the past 20 years. We appreciate your putting your trust in BCI. We realize that we're not perfect, so we continue to invest in improving the quality and services of the firm. If some of you would like to share some of your observations of BCI over the past 20 years we'd be pleased to receive and maybe even publish them.

Have a Great Easter Weekend!!!

Ron Brakke

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