
**Brakke Consulting's
Animal Health News & Notes for April 16, 2004**
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IN THE NEWS:

earnings news:

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Cargill
Dechra Pharmaceuticals
Pet Valu

other news:

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Henry Schein
IDEXX
Novus International
Opus Inc.
Veterinary Learning Systems
Wolfgang Röthel GmbH

BRAKKE CONSULTING, INC.
Executive and Sales Force Recruiting Services

- How much industry experience would you like in a search firm you retain?
- Has the search firm you use ever filled an animal health position?
- Has the search firm your company is utilizing participated in and supported industry events?

If you are using Brakke Consulting as your animal health search firm, you are already aware that we focus on the animal health, pet and veterinary markets. We have filled over 200 positions at all management levels within the industry in the past 10 years.

Brakke Consulting is intimately involved with and supports the animal health industry. We provide top-quality search services at competitive rates. Please call or e-mail one of our offices for more information on our recruiting services. www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **Cargill** reported \$259 million in earnings from continuing operations for the 2004 third quarter ended Feb. 29, up 7% from \$243 million in the same period a year ago. Last year's third-quarter operating results were favorably affected by income from litigation settlements. Cargill also earned \$12 million from discontinued operations, which brought net earnings for the 2004 third quarter to \$271 million, an 11% increase from \$244 million a year ago. (*company website*)

> **Alcide** Corporation released financial results for its third fiscal quarter ended Feb. 29, 2004. Alcide earned \$208,090 on total revenue of \$5.8 million during the quarter ended Feb. 29, 2004, as compared to net income of \$279,799 on total revenues on \$5.5 million for the third quarter last fiscal year. Sales of SANOVA food antimicrobial to the food processing industries totaled \$3.7

million for the quarter, 15% higher than for the third fiscal quarter last year. The Company's animal health and surface disinfectant revenues for the quarter were \$2.1 million including \$321,974 in license revenue. During the third quarter last fiscal year, animal health and surface disinfectant revenues were \$2.3 million including \$330,722 in license revenue. (*Business Wire*)

> UK **Dechra Pharmaceuticals** announced results for the six months ended December 31, 2003. Turnover for the group was flat at 92 million pounds (\$169 million). Operating profit increased 14% to 4.4 million pounds. The group's main business, NVS (a veterinary distributor) continued to find a difficult market, although the improvements in margins seen in the first six months of 2003 continued into this fiscal year. (*Animal Pharm*)

> CANADA **Pet Valu**, Inc. reported results for its 4th quarter in fiscal 2003 ended January 3, 2004. On a consolidated basis, net income was C\$4.2 million (\$3.3 million) for the quarter compared to net income of C\$1.0 million for the fourth quarter of fiscal 2002. Sales and revenue for the fourth quarter was C\$35.6 million (\$27.6 million). Sales and revenue from Canadian operations for the fourth quarter was C\$26.3 million compared to C\$21.9 million for the fourth quarter of fiscal 2002. Sales and revenue from US operations for the fourth quarter was C\$9.3 million as compared to C\$9.2 million for the fourth quarter of fiscal 2002. (*PETS International*)

COMPANY NEWS RELEASES

> **IDEXX Laboratories** introduced a new SNAP ELISA test to screen dogs and cats for *Giardia* infection. The test is the first pet-side test to identify soluble *Giardia* antigen, and provides results in eight minutes. (*DVM Newsmagazine New Product Review*)

> **Novus International** announced the acquisition of **Wolfgang Röthel GmbH**. Röthel GmbH is a leading supplier of specialty feed ingredients. Röthel's plant is located in Gudensberg, Germany, and its products include organic acid blends, feed preservatives, flavors and other specialty products. Financial terms were not disclosed. (*company website*)

> **Abaxis**, Inc. announced that it has signed an agreement with **Henry Schein**, Inc. to sell and distribute the Abaxis VetScan Chemistry and Hematology Systems, along with the associated consumable merchandise. Henry Schein's Veterinary division serves over 70% of the estimated 24,000 U.S. Veterinary clinics. The company noted that the addition helps it achieve its goal of increasing US market coverage. (*company website*)

> As **Creekstone Farms** mulls its legal options in the wake of the USDA's refusal to allow the company to test all of its cattle for BSE, the processor is now seeking approval to ship brain stem tissue from product harvested at Creekstone to Japan for BSE testing. Creekstone CEO John Stewart and COO Bill Fielding said in a letter to the USDA that the company will challenge USDA's refusal to allow the company to test for BSE all the cattle it slaughters. Stewart and Fielding said they are "analyzing our legal options" and that the company is now losing about \$200,000 per day because of the Japanese embargo on US beef. (*Meating Place*)

> **Alltech** announced that the European Commission has awarded an animal feed approval for Yea-Sacc 1026 (*Saccharomyces cerevisiae* CBS 493.94) for equine diets. No other company or yeast culture has approval for this species. Significant university and field trials examining the benefits of supplementing equine diets with Yea-Sacc 1026 have been conducted, and found less variation in hindgut pH, a reduced incidence of colic and improved phosphorus utilization when feeding Yea-Sacc 1026 to horses. (*company website*)

> **Veterinary Learning Systems** announced that its flagship journal *Compendium* is now accessible on the company Web site. Visitors can read articles online, take CE tests, search the

entire back issue collection by author, keywords, or date of publication, and purchase copies of full-text articles not available online. (*company communication*)

> **Opus Incorporated**, a leading international marketer of home and garden products and outdoor accessories, announced that it has expanded its pet-related product offerings with the launch of two new product lines: the Opus Canine Arthritis and Joint Therapy Copper Collars and the Country Nests Doghouses. The Opus Canine Arthritis and Joint Therapy Copper Collars provide all-natural relief from the symptoms of arthritis, one of the most common health problems in older dogs. Available in three easy-to-adjust sizes, the collars are made from 99% pure copper chains. According to the company, copper therapy for pets is an exciting new concept that leverages the growing interest in alternative medicine among pet owners. (*Business Wire*)

ANIMAL HEALTH NEWS

> **THAILAND** Thailand's deputy agriculture minister reported that new avian influenza outbreaks were detected in two provinces. Both provinces had recorded outbreaks of the H5N1 strain of avian influenza earlier this year. (*AnimalNet - Agence France Presse*)

> **CANADA** More farms in British Columbia have tested positive for avian influenza, and the Canadian Food Inspection Agency says the number could continue to rise. As of Tuesday afternoon, the virus had infected 25 commercial flocks and 10 backyard flocks within the Fraser Valley's control area, which covers approximately 1500 square miles. Just over 500,000 birds have been killed so far to help contain the outbreak, and the government has ordered roughly 19 million birds to be slaughtered in all. However, according to a CFIA spokesman, broiler birds will be allowed to go through their normal production cycle, provided they test negative for avian influenza. (*Meating Place*)

> **NETHERLANDS** The Netherlands has become the first member of the EU to comply with the EU requirements for "self control programs" for pork production. Beginning on April 1, the trade of pigs in the Netherlands has been restricted to animals that comply with the program for sampling and analysis for forbidden substances (SAFE). Sampling is conducted by the independent control body Control Bureau Animal Sector and samples will be taken from urine and feed to test for proscribed substances. SAFE has been incorporated in the national Dutch quality-assurance scheme, IKB, in which more than 90% of Dutch farmers participate. Farmers that do not currently participate in the IKB scheme will have to either join IKB or be subject to much more stringent and costly tests by the CBD. (*Wattnet Meatnews*)

> **US** The USDA announced it will contribute \$8.8 million to two international research collaboratives for Johne's disease in cattle, sheep and goats, and porcine reproductive and respiratory syndrome (PRRS) in swine. The collaboration will include more than 100 scientists and education experts from 24 institutions in 20 states, as well as experts in Canada, Mexico, Spain, Germany, the UK and Australia. (*Meating Place*)

> **US** In collaboration with the USDA's National Wildlife Research Center, researchers at the University of Florida are closing in on creating nonsurgical, long-lasting feline contraceptives as tools for population control. The experimental vaccine contraceptives inhibit gonadotropin releasing hormone (GnRH) for an extended time with a single dose. The vaccine has been tested in several species of wildlife, with feral cats being the next target. The lead researcher reports that the vaccine for male cats is "very promising," while the studies for female cats are just getting underway. (*DVM Newsmagazine*)

BRAKKE CONSULTING VIEWPOINT

It was April 15th of 1986, after I paid my income taxes, that I decided to start Brakke Consulting. It doesn't seem like it's been 18 years. Yes, I have a few more gray hairs than when we started, but it has been a lot of fun. We've been able to provide professional services to over 300 companies during the past 18 years. It has been very enjoyable to reflect on all the industry changes over the years, and there are many fond memories.

The greatest part of an anniversary like this is looking forward to the next 18 years. In the coming weeks, we'll be rolling out some new services and modifications of existing ones that we believe will have an industry-changing impact.

Thanks to all our clients for your support and business over the past 18 years. Without great clients, we'd probably be back on the farm in South Dakota, getting ready for planting season.

Have a great weekend.

Ron Brakke

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