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**Brakke Consulting's  
Animal Health News & Notes for May 26, 2006**  
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IN THE NEWS:

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**COMPANY EARNINGS RELEASES**

> Patterson Companies, Inc. reported results for the full fiscal year 2006 ended April 29. Full-year sales for **Webster Veterinary Supply** were \$346 million, an increase of 18% compared to fiscal year 2005. (*company website*)

> **PETCO Animal Supplies**, Inc. reported net sales of \$521 million in the first quarter of fiscal 2006, an increase of 8.6% from the year-earlier period. Comparable store net sales increased 2.2%. Sales in the company's Services business in the first quarter increased 19.1% over the same period last year. Net earnings in the first quarter 2006 were \$11.0 million. PETCO opened 21 new stores, or 20 net of relocations and closings, during the first quarter of fiscal 2006, and increased its store base to 799 locations. (*PRNewswire*)

> **Provimi** reported a 16.7% increase in first quarter sales to EUR 420 million (\$505 million). The company said that volumes had increased, and that, as in previous quarters, there had been a rise in sales of more profitable products such as premixes, pet food and aqua feed. Revenues were boosted by exchange rates and by the net effect of acquisitions and divestments. Like for like, sales rose 7.2%. (*Animal Pharm*)

> **Sanderson Farms** Inc. reported an earnings loss of (\$16.6 million) for the second fiscal quarter ended April 30, compared with earnings of \$26.6 million last year. Revenues were \$225.1 million from \$259.2 million, a 13% drop from a year ago. The company cited a combination of sluggish demand for poultry products in the domestic market with the decline in exports. (*Meating Place*)

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**Brakke Consulting, Inc.  
Looking For Quality Employees?**

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. We strive 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. Call our offices or visit our website at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com) to learn more about our sales and executive search services.

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## COMPANY NEWS RELEASES

> **Abaxis** Inc. agreed to end its distribution agreement with **Henry Schein** Inc., effective immediately. Henry Schein's distribution of Abaxis veterinary products accounted for about 14% of Abaxis' total business in fiscal 2006, according to the company. Abaxis believes that the loss of sales from the Schein organization will be principally offset with increased sales in our other domestic sectors, as well as increased international sales, and expects to meet its internal quarterly and annual financial targets. (*Business Week Online*)

> **Sergeant's Pet Care Products**, Inc. introduced Sergeant's Nature's Guardian, an innovative new natural pest control product line for cats and dogs clinically proven to kill and repel pests like fleas, ticks and mosquitoes. Sergeant's Nature's Guardian products are formulated using natural botanical extracts as active ingredients, a unique combination of plant oils that demonstrate pesticidal activity, including such ingredients as peppermint oil, cinnamon oil, lemon grass oil and thyme oil. (*PRNewswire*)

> **Farnam** announced it has extended its Vetrolin family of equine grooming products with Vetrolin Body Wash and Liniment Gel. Vetrolin Body wash contains PABA sunscreen to protect skin and hair; Vetrolin Liniment Gel is a deep-penetrating product containing hyaluronic acid. (*company press release*)

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## CONSULTANT PROFILE

### KEN BERKHOLTZ, SENIOR CONSULTANT

Ken joined Brakke Consulting Inc. in February, 2001 to specialize in the Recruiting function. Ken's career began with Pitman Moore, Inc. where he spent 19 years in sales and sales management. The sales management positions included Southeast District Sales Manager; Sales Training Manager; and Western Regional Manager. Pitman Moore, Inc. was sold to Mallinckrodt, Inc. and after a few years, Ken joined Sunbelt Veterinary Supply as the Sales Manager. For 9 years the Company grew from 6 to 16 salespeople and sales increased three fold. Two years after Sunbelt was sold to NLS, Ken joined Brakke Consulting, Inc.

Recruiting work activity includes:

- Sales personnel
- Sales and Marketing Managers
- Senior level Managers
- Professional Service Veterinarians
- Technical Service Veterinarians
- Research Veterinarians

Ken also does sales related studies and special projects.

What does Ken see for the future of Animal Health:

One aspect that is changing in Animal Health is the role of the salesperson and how products are ordered. The role of the salesperson is expanding to more marketing and helping the

Veterinarian become more successful in managing their business. The new wave of ordering products is via the Internet. CNN recently had a report that Internet purchases have topped \$200 billion annually. Included in this report is that Pet Supplies is one of the fastest growing segments. Successful companies will develop "easy to use" and "user friendly" software to capture their customer's purchasing function.

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## ANIMAL HEALTH NEWS

> US - AVIAN INFLUENZA COMBO VACCINE Two separate research groups reported the development of an efficient and cost-effective vaccine strategy for limiting avian flu in poultry. By genetically engineering the Newcastle disease virus (NDV), for which a vaccine already exists, the researchers developed combination vaccines that protect against both diseases simultaneously. Through genetic engineering, researchers inserted the avian flu hemagglutinin gene H5 from a pathogenic avian flu strain (H5N2) into the NDV viral genome. A resulting recombinant virus strain, called NDVH5m, induced antibody production against both NDV and avian influenza and protected chickens against these diseases after exposure to lethal doses of both viruses. Using a similar strategy, other researchers inserted another avian flu hemagglutinin gene, H7, into a weakened NDV strain. A single dose of this vaccine protected 90% of chickens against the H7N7 avian flu strain and offered complete protection against Newcastle disease. Conversely, the researchers inserted an NDV gene into a weakened avian flu strain, resulting in a second vaccine candidate. (*AnimalNet - PNAS Online*)

> US - TEXAS VOLUNTARY ANIMAL ID The Texas Animal Health Commission (TAHC), as of May 2006, has implemented premises identification on a voluntary basis. Proposed regulations for mandatory identification were "tabled" until at least 2007. Identifying a premises involves obtaining a seven-character alphanumeric "identifier" for the farm, ranch, veterinary clinic or other site where livestock or fowl are handled, housed, managed or processed. Information requested includes the contact person's name, phone number, the premises' physical address, and a list of species raised on the site. Acreage or herd or flock size is not requested. (*Jasper Newsboy*)

> US - DRUG REVIEW AMENDMENT The U.S. House of Representatives passed an amendment that would allocate \$1 million to the FDA's Center for Veterinary Medicine to review the safety of animal drugs with respect to antibiotic resistance. Supporters of the amendment say it could speed the review of the use of drugs like penicillin in food animals. The sponsoring Representative has co-sponsored legislation (H.R. 2562/S. 742) endorsed by the American Medical Association and 350 other groups to phase out the use of antibiotics important in human medicine as animal feed additives. (*Drovers Alert*)

> US - NAIS FUNDING FROZEN About \$33 million meant to fund the next steps in a national animal identification system was frozen during negotiations over a \$93.6 billion agricultural bill. The House approved a measure to withhold funding for animal ID until USDA's Animal and Plant Health Inspection Service publishes a proposed rule, setting out parameters for the plan. (*Meating Place*)

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**BRAKKE CONSULTING VIEWPOINT**

The news this week is lack of news. People must be preparing early for a long weekend. With only handful of companies reporting activity, no real conclusions can be made. From a global standpoint, the announcement of an Avian Influenza Combination Vaccine is exciting news. Initial research is showing 90% protection against the H7N7 avian flu strain. It is still a ways off from commercial usage but this is a big step in the right direction.

Enjoy the long weekend as we kick off the summer season.

*Ken Berkholtz*

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