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**Brakke Consulting's  
Animal Health News & Notes for May 30, 2008**  
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JUMP TO:

[earnings news](#)

[Ridley](#)

[other news](#)

[Apothecary Shops](#)

[BioTracking](#)

[Ceva](#)

[Dechra](#)

[Novartis](#)

[Nutri-vet](#)

[Pet DRx](#)

[Phibro](#)

[VCA Antech](#)

[VetXX](#)

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**COMPANY EARNINGS RELEASES**

> **Ridley** Inc. reported financial results for its fiscal 2008 third quarter ended March 31, 2008. For the quarter, the company reported net earnings of \$5.0 million compared to net earnings of \$3.1 million for the same period last year. Revenues for the third quarter of fiscal 2008 were \$167 million compared to revenues of \$137 million in the comparable prior-year period. (*company website*)

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**COMPANY NEWS RELEASES**

> **Novartis Animal Health** US, Inc. introduced EPA approved Neporex 2SG for multi-species fly larvae control for horse, pig, cattle and poultry operations. Neporex halts larval growth and prevents adult fly development for improved farm hygiene. (*CattleNetwork*)

> **Nutri-vet**, L.L.C., and **Ceva Santé Animale** have jointly agreed to resolve a lawsuit involving patent and Lantham Act issues. Ceva will continue with its line of pheromone-based pet-behavior products, while Nutri-Vet will introduce its new line of herbal-based pet-calming products. (*company press release*)

> **Phibro Animal Health Corporation** announced that Larry Miller has joined the Company as President, Animal Health and Nutrition. Mr. Miller's global responsibilities will include the Phibro Animal Health Division and Prince Agriproducts. (*eMediawire*)

> **Dechra Pharmaceuticals** announced the acquisition of **VetXX**. The acquisition increases Dechra's product range and expands Dechra's presence in eight European countries in addition to the UK and Ireland. Financial terms were not disclosed. (*company website*)

> **Pet DRx Corporation** announced that its common stock, warrants and units will commence trading on the Nasdaq Capital Market under the symbols "VETS," "VETSW," and "VETSU" respectively, when the market opens on May 29, 2008. Pet DRx stock, warrants and units formerly traded on the OTC Bulletin Board. (*Business Wire*)

> **BioTracking**, LLC, announced that testing for Caprine Arthritis-Encephalitis (CAE) Virus and Bovine Viral Diarrhea (BVD) is now available through its Moscow, Idaho, laboratory. These new tests are an addition to the company's pregnancy test BioPRYN, and can be assessed using the same blood samples sent in for pregnancy diagnosis. (*company press release*)

> **VCA Antech** announced that **The Apothecary Shops** signed an agreement to be the provider of PhaSeal, the nation's only clinically proven closed-system drug transfer device, to more than 400 VCA Animal Hospitals. The PhaSeal System is unique in that it prevents the release of contaminants and hazardous drug vapors and aerosols that result when mixing chemicals used for intravenous chemotherapy for animals. (*company press release*)

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### **ANIMAL HEALTH NEWS**

> **US - LIVESTOCK FEED** USDA announced it has authorized 24 million acres currently under the Conservation Reserve Program (CRP) to be available for hay and forage to feed livestock this summer to help producers cope with high feed prices and possible grain shortages. Farmers and ranchers with CRP acreage will be charged \$75 for processing but will not be assessed any rental payment reduction for haying or grazing the land. The program does not, however, allow growers an early out from their CRP contracts to grow grain on that land. (*Meating Place*)

> **US - CLIMATE CHANGE** A new report from the US Climate Change Science Program, "Synthesis and Assessment Product 4.3 (SAP 4.3): The Effects of Climate Change on Agriculture, Land Resources, Water Resources, and Biodiversity in the United States," reports that climate change is affecting livestock production and will continue to do so. USDA is the lead agency for the report, which was written by 38 authors from universities, national laboratories, non-governmental organizations and federal service. Findings include: (1) higher temperatures will negatively affect livestock. Warmer winters will reduce mortality, but this will be more than offset by greater mortality in hotter summers; (2) hotter temperatures will also result in reduced productivity of livestock and dairy animals; (3) grain and oilseed crops will mature more rapidly, but increasing temperatures will increase the risk of crop failures, particularly if precipitation decreases or becomes more variable; and (4) the growing season has increased by 10 to 14 days over the last 19 years across the temperate latitudes. Species' distributions have also shifted. To see the complete report, go to <http://www.climatescience.gov/Library/sap/sap4-3/default.php>

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### **BRAKKE CONSULTING VIEWPOINT**

The list of news items for this short week is a bit brief, which allows us to comment on a couple of other areas.

We're encouraged by the number of new companies and research projects that are developing in the animal health area. In the past few months we've been contacted by numerous companies or individuals with interests in developing new technologies that will result in new commercial products in the coming years.

Much of this increased activity is being fueled by the overall interest of the financial community in the animal health and pet sectors. Equity funds have fueled some of this activity by increasing the valuations of current companies, particularly if they have a strong IP inventory.

While it may be a bit more difficult under the current financial conditions to expand current research dollars, new technology will continue to drive the growth of the industry in the future. The leveraging of outside the industry financing to create new technologies becomes an increasingly important aspect for the growth of the industry.

Have a great weekend!!

*Ron Brakke*

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