
**Brakke Consulting's
Animal Health News & Notes for August 19, 2005**
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COMPANY EARNINGS RELEASES

> **CEVA Sante Animale** reported results for first half of 2005. Turnover of the CEVA Sante Animale Group came to EUR 122.5 million (\$148 million) over the first half of 2005, up 9% on the first half of 2004. The Group's "Animal Health" business earned EUR 120 million (\$145 million) over the same period, an increase of 9.6% over 2004. (*company press release*)

> **Heska** Corp. reported financial results for its second quarter ended June 30, 2005. Total revenue for the second quarter was \$16.6 million, a decrease of 7% from the second quarter of 2004. Net loss was (\$767,000), compared to a net loss of (\$1,388,000) in the second quarter of 2004. (*company press release*)

> **Synbiotics** Corporation announced its financial results for the quarter ended June 30, 2005. Net loss for the quarter was (\$604,000) compared to net income of \$357,000 for the second quarter of 2004. Synbiotics' revenues were \$5.3 million for the second quarter of 2005 as compared to \$4.7 million for the second quarter of 2004. The second quarter of 2004 results include a one-time credit from a patent litigation settlement of \$850,000 which was settled in June 2004, and includes significant legal expenses related to that patent litigation. (*company website*)

> **Provimi** Group reported total sales of EUR 375 million (\$452 million) for the company's first quarter, a decrease of 4% compared to the first quarter of the prior year. The company attributed decreased sales to lower raw material prices that were largely passed on to customers. (*Feedstuffs*)

> **Nestle SA** reported results for the first half of 2005. PetCare revenues were CHF 4,982 million (\$3,885 million), reflecting organic growth of 5%. (*company press release*)

> **Doane Pet Care** Company reported preliminary unaudited sales and earnings results for its fiscal 2005 second quarter. For the second quarter, the Company's net sales were \$244 million compared to \$258 million for the second quarter of fiscal 2004, a decrease of 5.6%. This decrease was primarily due to the Company's cost-sharing arrangements and the related impact of passing through lower commodity costs, and, to a lesser degree, lower domestic sales volume, partially offset by favorable foreign currency exchange rate fluctuations. The Company reported a net loss of (\$7.6 million) for its 2005 second quarter compared to a net loss of (\$17.7 million) for the 2004 second quarter. (*Business Wire*)

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Since 1986 Brakke Consulting, Inc. has successfully assisted many clients acquire 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.

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COMPANY NEWS RELEASES

> **Pfizer** announced the introduction of Solitude IGR to reduce equine fly populations through a feed-through system. Solitude IGR contains cyromazine, a non-organophosphate insect growth regulator. The product is fed daily, with significant results seen in two weeks and full effect in four to six weeks. (*DVM Newsmagazine*)

> **Intervet** announced the availability of Vista, a new modified-live respiratory and reproductive vaccine for cattle that offers protection against IBR, BVD types 1 and 2, BRSV, PI3 with either *P. multocida/mannheimia haemolytica* or *Leptospira* combinations. The vaccine complies with Beef Quality Assurance recommendations. (*Feedstuffs*)

> **Intervet Inc.** announced that it is discontinuing its PRRomiSe PRRS vaccine in the US market, and terminating attempts to commercialize new technologies in the field of PRRS for the US market. The decision does not affect its European PRRS research or products. (*Feedstuffs*)

> **Dechra Veterinary Products** announced the introduction of Thyroxyl (levothyroxine sodium) Oral Solution and tablets in the US market. The formula allows for precise oral dosing. (*DVM Newsmagazine*)

> The FDA amended the animal drug regulations to reflect approval of an abbreviated new animal drug application (ANADA) filed by **Sparhawk Laboratories, Inc.** The ANADA provides for the veterinary prescription use of phenylbutazone injectable solution in horses for relief of inflammatory conditions associated with the musculoskeletal system. (*AnimalNet - Federal Register*)

> **Smithfield Foods** and the **Compass Group** announced that Compass will begin prohibiting the purchase of pork which have been given certain antibiotics for growth promotion purposes. Similar requirements will apply to the company's purchase of chicken. Smithfield is the main pork supplier to Compass Group. The Compass Group, Americas Division, is the US' largest contract foodservice company with revenues of \$6.7 billion. *(Feedstuffs)*

> **Cal-Maine Foods**, the largest commercial egg producer in the US, announced an agreement to acquire **Hillandale Farms Inc.** and Hillandale Farms of Florida. The agreement would add approximately 6 million hens to Cal-Maine's production, increasing its layer base 30% to 26 million hens. The deal is with the Hillandale operations based in Florida, and does not involve Hillandale operations in the eastern and midwestern US. Financial terms were not disclosed. *(Feedstuffs)*

> **Novus International** announced the acquisition of the Nutrichlor anionic feed supplement technology from **NutriTech Solutions**. Nutrichlor is a highly palatable DCAD product utilized in transition cow management to optimize blood calcium levels in prepartum cows. Financial terms were not disclosed. *(Feedstuffs)*

ANIMAL HEALTH NEWS

> **KAZAKHSTAN - AVIAN INFLUENZA** An outbreak of avian influenza caused by the A(H5N1) virus in Russian Siberia has spread into neighboring Kazakhstan. Authorities in the EU immediately declared a Europe-wide ban on imported birds from both Russia and Kazakhstan in an effort to prevent the epidemic from spreading further. *(Wattnet Meatnews)*

> **JAPAN - AVIAN INFLUENZA** A new case of avian influenza has been discovered at a poultry farm near Tokyo, prompting authorities to slaughter almost 100,000 chickens to prevent the spread of the disease. The virus is thought to be a weak strain because no mass deaths have occurred at the farm. Local officials have also banned the movement of chickens and eggs within approximately 3 miles of the farm. *(Meating Place)*

> **US - ANTHRAX** North Dakota reported that more than 300 animals in 12 counties have died from anthrax since early July, the state's worst livestock anthrax outbreak ever. The disease was first found July 6 in a bison herd in Ransom County. Anthrax has killed livestock on 38 Ransom County farms and ranches and at 38 other locations. The disease has killed mostly cattle, but bison, horses, sheep, llamas and farmed elk and deer also have died. Herds with infected animals have been quarantined and vaccinated. Animals killed by the disease are burned and buried. *(InForum)*

> **RUSSIA - AVIAN INFLUENZA** An outbreak of the H5N1 avian influenza virus has spread westward in Russia from Siberia to the Ural Mountains region. The virus was detected in a settlement in the Chelyabinsk region, where local officials declared a quarantine and started to cull infected fowl. State media reported that 60 birds in Chelyabinsk had died from the virus, and authorities killed another 400. *(Meating Place)*

> **US - BSE FEED VIOLATIONS** The USDA reported citing beef slaughterhouses or processing plants 1,036 times over the past 17 months for failing to comply with rules on removing specified risk materials or SRMs. According to the USDA, the number of violations amounts to less than 1% of all citations at those plants. At no point in time did SRMs get to consumers. The department released the information in response to requests made by several groups under the federal Freedom of Information Act. The records were from January 2004, when the rules went into effect, through May of this year. *(AP)*

BRAKKE CONSULTING VIEWPOINT

In my travels and industry contacts this week, I have been pleased to hear so many positive comments on the strength of the industry. We're currently on a roll and it appears it will last through the year end. Also, this week several companies reported new products and technologies that are being introduced into the market place. New products and technologies are the long-term lifeblood of the industry. Also, there are continued reports of various animal diseases that have been around for hundreds of years and still offer opportunities for developing therapeutic or preventative products.

One has to be impressed with the investments being made in new innovations and technologies that improve current products or create new products to solve compliance or administration issues. We're of the opinion that there will always be a list of problems to be solved so the future is bright for those with the courage to invest.

Have a great weekend and stay cool!! Fall is just around the corner!

Ron Brakke

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