
**Brakke Consulting's
Animal Health News & Notes for September 14, 2007**
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COMPANY EARNINGS RELEASES

> **Land O'Lakes** reported selling \$1.45 billion of feed in the first six months of 2007, compared with \$1.34 billion in the equivalent period of 2006, despite recording reduced volumes due to customer consolidation. Animal feed sales were down 9% in volume terms and about 4% less was sold of products in the lifestyle feeds category. (*Feed Enews*)

COMPANY NEWS RELEASES

> **Boehringer Ingelheim Vetmedica Inc.** announced a call for research proposals investigating porcine reproductive and respiratory syndrome. For the sixth year, the company will provide three \$25,000 awards through its 2008 Advancement in PRRS Research Awards program to swine practitioners, diagnosticians, or researchers to investigate new ways to diagnose, control, and eradicate this disease. (*NIAA Weekly*)

> **Summit VetPharm** announced the introduction of Vectra 3D, a new broad-spectrum topical that effectively protects dogs against fleas, ticks, and mosquitoes. Vectra 3D's formula includes dinotefuran (a new, fast-acting, third generation neonicotinoid with a novel mode of action); permethrin; and pyriproxyfen. Vectra 3D is available to pet owners only through licensed veterinarians, and is protected with Summit VetPharm's new Bloodhound Technology, an

innovative, proprietary track and trace system that ensures veterinary exclusivity of the product. Summit VetPharm also recently announced a co-promotion agreement with **Abbott Animal Health**. (*company press release*)

> **Novus International**, Inc. announced it has formed a company doing business as **Arenus** to produce products for the equine, canine and human health markets. Arenus will initially produce and market its products in the continental US beginning this year. The company's initial product, Steadfast Equine dietary supplement, has been designed by nutritionists and veterinarians specifically for horses with high demand lifestyles. (*company press release*)

> **Warburton Technology**, Inc., **Multimin USA**, Inc., **Walco International**, Inc. and **Sparhawk Laboratories**, Inc. announce the settlement of their litigation concerning the Multimin and MineralMax products. Under the terms of the settlement, Multimin USA will continue to sell injectable trace mineral products in the US under the Multimin mark and Walco will continue to market similar products under its MineralMax mark under license from Warburton. (*company press release*)

> **Professional Veterinary Products**, Ltd. and **AAHA MARKETLink** announced a new partnership with **Hill's Pet Nutrition** Inc. to provide home delivery service of Hill's full line of Prescription Diet and Science Diet products through their Vet's First Choice service. Vets First Choice is an online store and home delivery service of animal health products and medications that protects the veterinarian-client-patient relationship. (*company press release*)

> **SentrX Animal Care** announced a distribution agreement with **MWI Veterinary Supply**, Inc. MWI will distribute equitrX, a film-on-gauze solution designed to rapidly heal horse wounds; and canitrX (for dogs) and felitrX (for cats) which comes in gel form. (*Business Wire*)

> **Bioniche** announced the receipt of C\$2 million from the Rural Economic Development Program of the Ontario Ministry of Agriculture for the marketing and development of its *Escherichia coli* O157:H7 vaccine for cattle. The product is under conditional review in Canada. (*Animal Pharm*)

> **Datamars** announced that it has reached a settlement with **Digital Angel** Corporation regarding Digital Angel's allegations of patent infringement and Datamars' subsequent antitrust allegations against Digital Angel. Under the terms of the settlement, Datamars has been granted a full worldwide license for Syringe-Implantable Identification Transponders. (*company press release*)

> After reports surfaced claiming that their implantable microchips have been shown to cause tumor formation, **VeriChip** Corporation responded by offering a number of studies that refute any potential link between the company's implantable microchip and malignant tumors in humans and animals. The company adds that laboratory mice and rats have a high probability of tumors at any injection site, regardless of the type of injection. Furthermore, **Schering-Plough** commented that, since its launch in 1995, the HomeAgain microchip has been implanted in 10 million pets. Of that number, there have been only four confirmed cases of soft tissue tumors. With this information and its FDA clearance, VeriChip continues to stand behind the safety of its implantable microchip. (*Business Wire, company press release*)

ANIMAL HEALTH NEWS

> **UK - FMD** A new case of foot and mouth disease has been confirmed on a farm in Surrey. The farm herd is around 30 miles from the scene of the last outbreak in August and an exclusion zone has been put in place, and the herd in question is to be culled. The new case comes less than 24 hours after European Union veterinary experts had agreed to declare Britain free of foot

and mouth disease from November 9 and lift a ban on all exports of British meat, dairy and live animals. The decision was immediately suspended. *(Reuters)*

> GERMANY - AVIAN INFLUENZA A government official in Bavaria reported that the H5N1 avian influenza virus was found in 18 frozen ducks from a batch sample at a poultry company slaughterhouse. The birds are from a processor in the town of Wachenroth, which is the location of Germany's most recent H5N1 poultry outbreak. Several human H5N1 cases have resulted from eating improperly cooked poultry products. Also, unsafe food-handling practices could allow the virus to spread from raw poultry to other foods to be eaten raw, leading to infection. *(CIDRAP)*

> US - BLUETONGUE The Montana Department of Livestock announced that sheep producers in Musselshell County are not allowed to transport sheep anywhere within or beyond county lines for the next 30 days because of a recent possible outbreak of bluetongue. According to the announcement, about 100 sheep in Musselshell County have died within the past two weeks. Several initially tested positive for the virus in a screening test and whitetail deer in the area were also tentatively diagnosed. *(Feedstuffs)*

> CZECH REPUBLIC The Czech Republic has reported its first case of BSE in 2007. An 11-year-old cow was found to be the 27th case for the Republic. *(AnimalNet - Agence France Presse)*

> US - CANINE RABIES Federal health experts at the Centers for Disease Control (CDC) claim that canine rabies has been eliminated in the US. The canine strain of rabies has not been seen in the US since 2004. However, dogs - and cats - may still become infected with other strains of rabies, such as the raccoon, skunk, or bat strains. *(AnimalNet - Reuters)*

> US - ANIMAL IDENTIFICATION RESEARCH Kansas State University has established the Kansas State University Center for Animal Identification to expand research in evaluating animal identification systems. Its mission is to discover, develop and evaluate livestock identification technologies that might have economic value to livestock producers in Kansas and the US. The new center is an expansion of the university's Animal Identification Knowledge Laboratory, which was established in 2003 with USDA funding. *(Meating Place)*

> US - FARM INCOME Net farm income is forecast to be \$87.1 billion, up \$28.1 billion from 2006 and \$29.7 billion above its 10-year average of \$57.4 billion, according to the USDA. The forecast for 2007 is on par with the record-setting \$85.9 billion established in 2004 for net farm income. *(NIAA Weekly)*

> US - PET FOOD RATINGS An online consumer website for pet owners has been launched on TruthAboutPetfood.com, which hosts the online magazine Petsumer Report Online. The website provides consumers with safety and nutritional information on dog food, cat food, treats, toys and various pet supplies. Pet owners can scan product listings to learn if ingredients are from US sources or from outside the US, human grade/quality ingredients or non-human grade/quality ingredients, and if the product contains what the site's publisher considers "potentially harmful" ingredients. *(Pet Nutrition eNews)*

BRAKKE CONSULTING VIEWPOINT

There are a number of nice stories or announcements this week. We're particularly encouraged by how many are associated in one way or another with new technology or products. Some of the stories feature distribution agreements where a large player will assist in the sales and marketing of products or technologies owned by smaller firms. It also appears that some of the

litigation is now behind a few firms so that they can move forward with the commercialization process. It's always better for companies to pay their marketing consultant versus their attorney.

As noted in last week's newsletter, we participated in the first Pet Insurance Industry Summit that brought together a number of pet insurance companies. Excellent progress was made in discussing the various opportunities in pet health insurance and you'll be hearing more about this in the future.

Also, during this past week we've started to examine the 2007-2008 Flea/Tick and Heartworm marketplace. It looks like this product area is really going to be interesting in the next few months. The entry of several new products by both current and new participants is going to lead to some interesting marketing and sales strategies and tactics. We'll enjoy observing the competitive activities and hope that the total market grows sufficiently so that every firm reaches their forecast for the year.

We hope to see many of you in Kansas City starting tomorrow at the Central Veterinary Conference and the KC Animal Health Corridor Homecoming Event on Monday. Thanks to all of you that have registered for our Mid-Year Animal Health Industry Overview in Kansas City. It's been a great year for almost all companies and it looks like we'll close out 2007 with some additional real growth.

Have a Great Weekend and see you in Kansas City!!

Ron Brakke

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