
**Brakke Consulting's
Animal Health News & Notes for September 24, 2004**
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COMPANY EARNINGS RELEASES

> **ConAgra Foods** Inc. reported earnings for the first quarter ended Aug. 29, 2004. Net income for the quarter was \$135 million, compared to \$195 million in the first quarter last year, reflecting contribution from businesses the company no longer owns, as well as other items that impact year-over-year comparability. Sales for the company increased 8% to \$3.5 billion from \$3.2 billion last year. (*Business Wire*)

> **Bioniche Life Sciences** Inc. announced financial results for fiscal year 2004 ended June 30. Animal health revenues were C\$27 million (US\$20 million), compared to \$25 million in FY 2003. This increase is primarily attributable to sales resulting from two acquisitions in the Animal Health Division in fiscal 2004. (*company website*)

> **PIC's** parent group **Sygen International** reported a 14.8 million pounds sterling operating profit for the breeder, in preliminary results covering a financial year ended in June, compared with 15.6 million pounds in 2003. The decrease was blamed on changed currency exchange rates and a slower than expected recovery in PIC Americas. Profit in the Americas region was down 6%. Operating profit for PIC Asia rose by 40%, said Sygen's directors, with China and the Philippines demonstrating particularly good growth. (*Pig E-news*)

BRAKKE CONSULTING, INC.
The Success of Veterinarians Is Essential

The Practice Management Group of Brakke Consulting, Inc. have become some of the most frequent speakers at veterinary association meetings throughout the U.S. and abroad. They consistently fill the rooms when they present veterinary management seminars. PMG can help your company increase it's value to existing and potential veterinary customers through

sponsored seminars that are educational, relevant, enjoyable and very beneficial to veterinarians and their staffs.

Contact Roger Cummings, CVPM in the Dallas office at 972.243.4033 or by email at rcummings@brakkeconsulting.com to learn how our practice management consultants can help maximize your company's exposure to the veterinary profession.

COMPANY NEWS RELEASES

> **Bayer Animal Health** announced the retirement of John Payne, President and General Manager, Bayer HealthCare LLC, Animal Health Division. Some key accomplishments during Payne's tenure at the helm of Bayer Animal Health include the introduction of Advantage flea control in 1996; the launch of Baytril 100 in 1998; and the launch of K9 Advantix in 2003. His retirement is to be effective Nov. 1, 2004. A successor will be named in the near future. (*company press release*)

> **The Iams Company** began airing a direct-TV campaign supporting its new line of Savory Sauces for dogs in anticipation of a January retail rollout. The sauces, designed to make dry food more palatable, will come in beef, chicken and bacon flavors for puppy, adult and senior dog formulas. (*Pet Product News*)

> **Meow Mix** announced it is expanding into wet cat food with the introduction of seven flavors. Meow Mix is supporting the launch with a \$10 million television advertising campaign. (*Petfood Industry*)

> **S&M NuTec**, maker of Greenies dog treats, announced the upcoming launch of several new products. The new products include Smart Trim, a nail clipper/file; Pnutz peanut butter treats with omega fatty acids; Second Wind canine energy bar; Hip Chips cat and dog treats with glucosamine and chondroitin; and Smart Chews nonedible chew toys. (*Pet Product News*)

> **Pet Quarters** Inc. filed a lawsuit seeking more than \$400 million from companies and individuals that it alleges manipulated its stock, engaging in a "death spiral finance scheme" that eventually destroyed Pet Quarters. The company was foreclosed on in July 2002 and has not been operating since. (*Pet Product News*)

> **CANADA** Advanced ID Corporation announced that its wholly owned subsidiary, **AVID Canada** Corporation, acquired the PetNet Recovery Database of pet owners microchipped prior to January 1st, 2003 from **Anitech Identification Systems** Inc. As a result of this acquisition, AVID Canada will have the most robust and largest database in Canada with nearly one million registered pet owners. In addition, AVID Canada and PetNet have agreed to work towards establishing a national pet recovery service, a goal of animal and veterinary associations for several years. AVID Canada and PetNet are the only two providers of an approved Canadian standard microchip known as FECAVA. (*Business Wire*)

> **UK** Animal identification products group **Ritchey Tagg** acquired the business of British veterinary/healthcare supplies company **Marabo**. It described the acquisition as an opportunity for export expansion, particularly in Europe, with an enlargement of manufacturing capacity and product range. (*Pig E-news*)

InnoVet Conference
November 8 - 9 in Quebec

InnoVet, an International Veterinary Industry Conference, will be held November 8 - 9, 2004, in Quebec, Canada. This unique venue brings together veterinary researchers, practitioners and product developers, biotechnology industry decision makers, investors and regulatory leaders for a focused discussion of the current challenges facing the animal health industry. This year's themes are: vaccine development, commercialization trends, and strategic alliances. Visit www.innovet2004.com for complete program, registration and sponsorship details.

ANIMAL HEALTH NEWS

> JAPAN - BSE Government officials reported that a slaughtered Holstein cow in western Japan has tested positive for BSE. This is the 13th case of BSE in Japan. (*AP*)

> MALAYSIA - AVIAN INFLUENZA Malaysia reported two new outbreaks of avian influenza in a village in the northeastern state of Kelantan. Culling of all poultry within one kilometer of the infected area has been implemented. The entire state has been placed under quarantine with a blanket ban on poultry movements in and out of the state. (*AnimalNet - Agence France Presse*)

> US - COOL A vote in the Senate Appropriations Committee that would have moved the date of implementation of country-of-origin labeling on all food products to Jan. 1, 2005, instead of the present Sept. 30, 2006, ended in a party-line vote of 14-14 last week, meaning that the 2006 date stands. (*Pork Alert*)

> EU - PORTUGAL BEEF EXPORTS The European Union has lifted a ban on beef and related products from Portugal. Restrictions were imposed in November 1998 because of the high rate of BSE in Portugal then combined with inadequate management of the disease. According to the EU's Health and Consumer Protection Commissioner, Portugal has made significant efforts to deal with its BSE situation and will now reap the rewards of resumed trade. (*Meating Place*)

> EU - RUSSIAN DAIRY EXPORTS The Standing Committee on the Food Chain and Animal Health representing the Member States approved a European Commission proposal to add three Russian dairies to the list of establishments authorized to export milk and dairy products to the EU. This is the first time Russian dairy producers have been authorized to export to the EU. Approval of the three dairies follows guarantees from the Russian authorities that the establishments comply with the relevant EU food safety rules and an inspection visit of the Commission's Food and Veterinary Office earlier this year. (*AnimalNet - European Commission press release*)

> US - CAT CLONING FOR SALE **Genetic Savings & Clone**, a pet gene banking and cloning company, announced that it is ready to begin cloning cats for customers following the June 2004 birth of two reportedly healthy kittens that were cloned by chromatin transfer. The company plans to clone nine cats in 2004: three belonging to staff and six for clients. The company plans to start a commercial dog cloning business in 2005. (*Pet Product News*)

BRAKKE CONSULTING VIEWPOINT

The lack of news this week emphasizes that most of the companies are holed up in conference rooms presenting the 2005 budgets. At first blush, it looks like market shares in the heartworm and flea/tick area are likely to make some shifts in 2005. We're not hearing much regarding new products or formulations next year. As always, it will be an interesting year. We hope all of you will add a couple of lines in your 2005 budget for consultants and the purchase of market studies. We're hoping to have another record year.

Earlier in the newsletter, I'm sure you noted the retirement of John Payne from Bayer Animal Health. John has made many contributions to the industry over the years, including sponsoring the Brakke Management and Behavior Study in 1998. This study has had a positive impact on the economics of veterinary medicine. It sounds in the announcement like John plans to spend a lot of time with the grandchildren and might even get in a round of golf or two during the week. Best of luck in your retirement, John, and thanks for all you've done for the industry.

Have a great weekend and enjoy some of this fall weather.

Ron Brakke

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