

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for September 29, 2006**  
Copyright © Brakke Consulting, Inc.

Editor: Lynn Fondon, DVM, MBA

\*\*\*\*\*

IN THE NEWS:

earnings news  
[Neogen](#)

other news  
[Alpharma](#)  
[Animal Health International](#)  
[AplaGen](#)  
[Bayer](#)  
[Gold Kist](#)  
[IVX Animal Health](#)  
[NBTY](#)  
[Pilgrims Pride](#)  
[SmartPak](#)  
[Sparhawk Labs](#)  
[Zila Nutraceuticals](#)

\*\*\*\*\*

**COMPANY EARNINGS RELEASES**

> **Neogen** Corporation announced that its revenues for the first quarter of FY 2007, which ended Aug. 31, increased 21% from the previous year's first quarter to \$20.2 million. First quarter net income increased 21% to \$2.4 million, a record net income in any quarter for the 24-year-old company. Neogen's Animal Safety Division first quarter revenues were \$8.8 million, compared to \$9.1 million in the previous fiscal year. Last year's first quarter included substantial rodenticide sales. The prior year's first three months also saw large stocking orders of vitamin injectables, biologics, and a wound care product that gained FDA approval for sale in the quarter, that were not replicated in the current quarter. *(company press release)*

\*\*\*\*\*

**BRAKKE CONSULTING, INC.  
EQUINE MARKET MEGA-STUDY  
Last Chance For Early Order Savings**

The Equine Market Mega-Study, a comprehensive study of horse owner buying and decision-making behavior, will soon get underway.

This first-of-a-kind survey examines horse owner purchases by equine segment. Based on more than 1,000 respondents in a random national survey, the report covers purchasing frequency by brand and by type of sales outlet, including veterinarians, Internet suppliers, catalogs, event exhibitors and brick-and-mortar retail stores.

The study tracks purchases of individual brands in such product categories as:

- Dewormers
- Insect control
- Feed and treats

- Skin and coat care
- Liniments and other muscle treatments
- Ulcer prevention and treatment
- Wound care
- Supplements of all kinds
- Vaccines
- Pain management and other medications

The study also measures readership of individual equine publications and websites, as well as use of equine radio and television programming as information sources. The report also includes a wealth of information on horse owner demographics and segments.

The Equine Market Mega-Study will be published by Jan. 12, 2007. Price is \$12,500. Companies that order by Oct. 2, 2006 with payment by Oct. 31 receive a \$1,000 discount. Advance purchasers also have an opportunity to review the questionnaire for completeness of brand identities prior to fielding the study.

The research is being conducted by Brakke Consulting, Inc., in cooperation with Market Directions, Inc.

For more information contact John Volk,  
[jvolk@brakkeconsulting.com](mailto:jvolk@brakkeconsulting.com) or (773) 327-4941.

\*\*\*\*\*

## COMPANY NEWS RELEASES

> **AplaGen GmbH and Bayer HealthCare AG Animal Health** have signed an agreement for the evaluation, development and marketing of several therapeutic peptides from the AplaGen pipeline. The peptides will be used in the veterinary field only. *(MarketWire)*

> **Alpharma** announced that the Circuit Court of Washington County, Arkansas, ruled in the company's favor in litigation involving roxarsone, a product sold by Alpharma's Animal Health division. The plaintiffs in the case alleged that exposure to chicken litter containing certain residue from the company's product caused a form of leukemia in one of the plaintiffs. The jury in this case found that the plaintiffs did not meet the burden of proof, and therefore found Alpharma not liable for the illness suffered by the plaintiffs. *(company press release)*

> 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 use of neomycin sulfate soluble powder in livestock for the treatment and control of bacterial enteritis. *(AnimalNet - Federal Register)*

> The FDA amended the animal drug regulations to reflect approval of a new animal drug application (ANADA) filed by **IVX Animal Health, Inc.** The ANADA provides for use of amprolium solution to make medicated drinking water or as a drench for the prevention or treatment of coccidiosis in calves. *(AnimalNet - Federal Register)*

> **Pilgrim's Pride Corp.** announced it is initiating a \$1 billion hostile takeover offer for **Gold Kist Inc.** The poultry processors failed to reach an acquisition agreement earlier this month. Pilgrim's Pride is offering \$20 per share for Gold Kist, in addition to assuming \$144 million in debt. As part of the initiative, Pilgrim's is offering cash to purchase all of Gold Kist's 10.25 percent senior notes due March 15, 2014. *(Meating Place)*

> **Animal Health International** Inc. filed with the Securities and Exchange Commission to raise up to \$155 million in an initial public offering. Animal Health International, a distributor of animal health products, has applied to have its shares listed on the NASDAQ Global Market under the ticker symbol "AHII." (*MarketWatch*)

> **SmartPak** announced the opening of The SmartPak Store in Natick, Mass., specializing in products for horses and dogs. The SmartPak Store is SmartPak's first foray into brick-and-mortar retailing. (*Pet Product News*)

> **NBTY** Inc., a manufacturer and retailer of nutritional supplements for humans and pets, announced it acquired **Zila Nutraceuticals** Inc. for \$40 million. Zila manufactures the Ester-C supplement. (*Pet Product News*)

\*\*\*\*\*

## ANIMAL HEALTH NEWS

> **JAPAN - BSE** An animal found dead on a farm on the far-north island of Hokkaido in Japan tested positive for BSE in initial tests, and samples were sent for further testing. No age or other description of the animal was released. If confirmed, it will be the country's 29th case of BSE since the first was discovered in 2001. (*Meating Place*)

> **US - LOW PATHOGENIC AVIAN INFLUENZA** The USDA announced confirmatory test results showing that samples collected from wild mallard ducks in Pennsylvania were infected with a low-pathogenic version of the H5N1 strain of avian influenza. Testing showed the presence of the North American strain of H5N1 in one of 15 samples collected from the ducks. (*Meating Place*)

> **US - AVIAN INFLUENZA RULE** The USDA's interim rule on a Low Pathogenic Avian Influenza program becomes effective with its publication in this morning's Federal Register. It includes the 100% indemnity payments to control the disease sought by the commercial poultry industry, but only for those producers who participate in the voluntary National Poultry Improvement Programs. USDA will pay only 25% indemnity to commercial producers who are not enrolled in the NPIP. (*Feedstuffs online*)

> **US - WAL-MART RFID REQUIREMENTS** Wal-Mart will double the number of suppliers shipping pallets and cases with radio frequency identification tags by January, the end of its fiscal year. That means about 1,000 suppliers will be fully RFID-enabled or in the advanced stages. Wal-Mart wanted most of its suppliers on board by the beginning of 2006, but expense, privacy concerns and rapidly changing technology slowed efforts. (*Pork Alert*)

\*\*\*\*\*

## BRAKKE CONSULTING VIEWPOINT

Interest in the new Equine Market Mega-Study has been gratifyingly brisk. Thanks to all of you who have early-ordered. The high level of interest probably shouldn't be a surprise. The study was client driven – it grew out of requests from multiple clients for similar information.

While the Equine Market Mega-Study is just getting underway, the biennial Sales Force Effectiveness Study is nearing completion. This study has rapidly become an industry staple. We know many of you are eagerly awaiting the results. We're excited about new insights that were added through a qualitative component this year, as well as an outstanding response by veterinarians to the quantitative survey. We think it's the best Sales Force Effectiveness Study yet.

Are there other information needs that you would like to see addressed through multi-user

studies? Just let us know. We'd be happy to explore them with you.

Have a great weekend.

*John Volk, Chicago*

\*\*\*\*\*

*This electronic newsletter is the sole property of Brakke Consulting, Inc.  
Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.*

For more information about Brakke Consulting's services and syndicated studies, visit our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com).

Brakke Consulting, Inc.  
2735 Villa Creek, Suite 140  
Dallas, TX 75234 USA