
**Brakke Consulting's
Animal Health News & Notes for January 2, 2009**
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US ANIMAL HEALTH INDUSTRY OVERVIEW

Registration is now open

Brakke Consulting will be presenting its annual US Animal Health Industry Overview at the North American Veterinary Conference and the Western Veterinary Conference in 2009.

NAVC Overview

Monday, January 19th

2:00 – 4:00 pm

Gaylord Palms, Orlando

WVC Overview

Monday, February 16th

2:00 – 4:00 pm

Four Seasons, Las Vegas

Registration is now open for the NAVC and WVC Overviews.

To register, go to www.brakkeconsulting.com and look for the Overview box on the home page. Payment by major credit card is required at time of registration.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **Dainippon Sumitomo Pharma** reported results for its fiscal year 2007 ended March 31, 2008. Net sales for the Animal Science Division were almost flat at Yen 27,242 million (\$272 million) compared with fiscal 2006. (*company communication*)

COMPANY NEWS RELEASES

> **Merial** and **Imugene** announced they have signed a comprehensive agreement allowing Merial to obtain exclusive rights to Imugene vector technology. Under the Strategic Alliance, Merial will progress candidates through the product development process to global sales. Additional vaccine candidates will be evaluated for proof of concept and, if successful, will also progress into the product development process. The terms of the Strategic Alliance include the Poultry Productivity Enhancer previously sublicensed to Merial. This vaccine candidate will now be progressed with other FAV (Fowl Adeno Virus) and PAV (Porcine Adeno Virus) vectored vaccine candidates. (*company press release*)

> **King Pharmaceuticals, Inc.** announced the successful completion of the tender offer by King's wholly owned subsidiary, Albert Acquisition Corp., for all outstanding shares of Class A Common Stock of **Alpharma Inc.** for \$37.00 per share in cash. (*company website*)

> **IVX Animal Health** announced the change of its company name to **Teva Animal Health Inc.** Teva Animal Health is a subsidiary of Teva Pharmaceuticals, Inc. (*company website*)

> **Sergeant's Pet Care Products, Inc.** introduced the SentryHC Good Behavior Pheromone Collar for Dogs. The collar lasts up to 30 days, but it can be worn longer without any side effects. (*Business Wire*)

> **Midmark Corporation** reported it has acquired **Sharn Veterinary Inc.** Sharn makes monitoring and critical care equipment for animals under the Cardell, CardEX and Versaflo brand names. Terms of the deal were not disclosed. (*Mfg&Technology e-journal*)

> **IN Partners, LLC**, an Indianapolis-based venture capital fund, announced the initial closing of MidPoint Food & Ag Fund and MidPoint Food & Ag Co-Investment Fund for a total of \$27.8 million. The invest focus is in (1) bio-based products and processes; (2) human wellness; (3) food safety; (4) animal health; (5) environmental technologies; and (6) production technologies. (*company press release*)

> **Digital Angel** announced that its USDA-approved Swine Premise Tag has been adopted by **Cargill Pork**. While not for use as individual animal identification, the new tags provide a valuable tool to enhance the traceability of breeding stock and to support the National Animal Identification System. (*Business Wire*)

> **PharmaCom BioVet, Inc.** announced that the company has located initial commercial sites throughout the US to begin the full scale build out of the nation's first branded dedicated Veterinary Oncology Treatment Centers. These initial centers will be located in Houston, Texas; Kansas City, Missouri; and Greenwich, Connecticut. These centers will provide companion animals with cancer treatment using licensed proprietary technologies. (*CNN Money*)

> **Preferred Pet Care Inc.** has reportedly put an \$8 million bid in on eight veterinary clinics owned by **Pet DRx Corporation (VETS)**. Preferred Pet Care acquires and operates veterinary practices in the California market and is a competitor of Pet DRx. (*bizjournals.com*)

> **Radio Systems** Corp., owner of the PetSafe brand, announced it has acquired the assets of Canada-based **MultiVet International** and the rights to manufacture and sell the MultiVet pet training product line. Financial terms were not disclosed. (*Pet Product News*)

> **Signostics**, Inc. announced it has launched SpeqView, the world's smallest and most cost-effective veterinary ultrasound device. (*Vetsurgeon.org*)

ANIMAL HEALTH NEWS

> **US - SLAUGHTER LAWSUIT** The National Meat Assn. (NMA) has filed a lawsuit seeking to overturn part of a California law passed this summer that bans the slaughter of non-ambulatory livestock for meat for human consumption, and the American Meat Institute (AMI) has moved to intervene in and broaden the action. NMA is seeking to block enforcement of the law as it applies to hogs at federally inspected meat plants. AMI is seeking to prevent enforcement of the law as it applies to other livestock except cattle that were banned from processing for meat for human consumption by the USDA if non-ambulatory earlier this year. NMA and AMI maintain that federal law permitting the slaughter of non-ambulatory hogs, goats and sheep takes precedent over the California law and that animals are often non-ambulatory due to injuries, not disease. (*Feedstuffs Foodlink*)

> **US - NAIS TOOLKIT** The USDA's Animal and Plant Health Inspection Service (APHIS) has released A Veterinarian's Toolkit for use with the National Animal Identification System (NAIS). The online toolkit provides veterinarians with quick access to NAIS program information and resources. A Veterinarian's Toolkit is available to all veterinarians and veterinary students through the NAIS Web site at www.usda.gov/nais. (*TheHorse.com*)

> **US - NAIS MEMO CANCELLED** The USDA's Animal and Plant Health Inspection Service-Veterinary Services (APHIS-VS) has officially cancelled Memorandum No. 575.19 (issued on Sept. 22, 2008) as of Dec. 22, 2008. Memorandum 575.19 mandated premises registration under the National Animal Identification System (NAIS) for producers engaged in interstate commerce and who participate in any one of the dozen or more federally regulated disease programs. The Memorandum was cancelled following a formal letter sent by R-CALF USA demanding that the agency retract Memorandum because it was initiated and implemented without public notice or opportunity for comment, as required by the Administrative Procedure Act. (*OpEdNews.com*)

BRAKKE CONSULTING VIEWPOINT

We hope you are all enjoying the Holidays and planning your activities in the New Year. The first quarter is filled with major meetings, and the results achieved at those meetings often set the tone for the year.

What a difference a year makes! Last year at this time, we were contemplating the impact that \$4.00 per gallon gasoline and \$8.00 per bushel corn would have on the industry. We were not considering the impact of the implosion of the financial and housing markets that happened in the 3rd and 4th quarter of 2008. We now know that in December 2007 the US had entered a recession; however, our politicians and others were reluctant to recognize the reality of the situation.

As we enter 2009 we're now experiencing \$1.50 per gallon gasoline and \$3.00 per bushel corn. The financial markets still remain in a state of confusion. A great deal of hope is being placed on

the actions of a new Administration that will come into office on January 20th while many of us are in Orlando at NAVC.

We hope that many of you will do your part in protecting our industry from a decline in revenue in 2009. Aggressive investments in marketing, research and human capital will be one of the keys to whether or not the industry moves forward in 2009 and in the near future. We would encourage you to register for our "2009 Overview of the Animal Health Industry" which will cover many of the issues and trends in 2008 and 2009.

Happy New Year
Bonne Année
Prosit Neujahr
Feliz Año Nuevo
Buon anno
Ano bom
謹賀新年

Ron Brakke

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