
**Brakke Consulting's
Animal Health News & Notes for January 23, 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 **Western Veterinary Conference** in 2009.

WVC Overview
Monday, February 16th
2:00 – 4:00 pm
Four Seasons, Las Vegas

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

> **Virbac SA** reported results for the full year 2009. Provisional net sales for the year were EUR 443 million (\$624 million), an increase of 1% compared to 2007 (6% increase at constant exchange rates). All geographic areas contributed to the performance with the exception of Latin America. (*company website*)

> **Vetoquinol** reported results for the full year 2008. Revenues for the year were EUR 234 million (\$330 million), unchanged from the prior year. At constant exchange rates, revenues for the year increased 3%. (*company website*)

> **PetMed Express**, Inc. announced its financial results for the quarter ended December 31, 2008. Net sales for the quarter were \$43 million, an increase of 16% compared to the comparable period in the prior year. Net income was \$4.9 million, an increase of 15% compared to the quarter ended December 31, 2007. (*Business Wire*)

COMPANY NEWS RELEASES

> The *Wall Street Journal* has reported that **Pfizer** is in talks to acquire rival drug maker Wyeth, parent of **Fort Dodge Animal Health**, in a deal that could be valued at more than \$60 billion and create the largest animal health company in the world. According to the article, the two sides have been in discussions for months and a deal is not imminent. Both companies declined comment for the article. (*Wall Street Journal, Feedstuffs*)

> **IDEXX Reference Laboratories** launched new fecal diagnostic tests that can detect a range of pathogens that cause diarrhea in cats and dogs. The company's new tests detect *Giardia*; *Cryptosporidium*; *Salmonella*; *Clostridium perfringens* enterotoxin A gene; canine enteric coronavirus; canine parvovirus 2; canine distemper virus; *Tritrichomonas foetus*; *Toxoplasma gondii*; feline panleukopenia virus; and feline coronavirus. (*Animal Pharm*)

> **Central Garden & Pet** Company announced the appointment of Glen Fleischer as President of the Pet Products Division. Mr. Fleischer's prior professional assignments include Kraft Foods/Nabisco, Inc., Bayer Consumer Health Care, Kimberly-Clark Corporation and The Procter & Gamble Company. (*company website*)

> **Generex Biotechnology** Corp. announced that it has entered into a distribution agreement with **Butler Animal Health Supply**. Butler will distribute Glucose RapidSpray, the Company's proprietary oral glucose spray product, in the animal health industry in the US. (*Globe Newswire*)

> **AgriLabs** introduced First Arrival with Encrypt, a paste that enhances the natural immunity of beef and dairy calves. First Arrival contains targeted egg-yolk proteins that help combat eight common scour-causing pathogens, as well as lactic-acid-producing bacteria and Encrypt, a unique carbon extract with antimicrobial properties. (*company press release*)

> **Wedgewood Pharmacy** announced it has expanded its oncology formulary to include both custom-compounded and manufactured chemotherapeutic and adjuvant agents. The larger oncology formulary has been developed in response to the increased frequency of inquiries from veterinarians searching for veterinary oncology treatment options. (*company press release*)

> **Arthrodynamic Technologies**, Inc., announced the introduction of Polychews, an oral supplement specifically designed to meet the unique needs of aging and geriatric dogs. Polychews is formulated to provide a comprehensive approach for older dogs dealing with stiff or inflamed joints, as well as providing support for multiple immune system and energy pathways. (*company press release*)

> **PetSmart** announced it is recalling seven of its Great Choice dog biscuit products because they contain peanut products made by a company that has been linked to a salmonella outbreak in 43 states and Canada. PetSmart said it "is not aware of any reported cases of illness related to these products" but has removed the products from the shelves as a precautionary measure. (*CNN*)

ANIMAL HEALTH NEWS

> US - CEM The Kentucky State Department reported that it believes that the current contagious equine metritis (CEM) outbreak was brought into the country by a Friesian stallion, Nanning 374, which was imported from the Netherlands in 2004. However, The Department cautions that it is not possible yet to state categorically that that the animal is the source of the outbreak. (*Animal Pharm*)

> US - PET INSURANCE WHITE PAPER The National Commission on Veterinary Economic Issues (NCVEI) released "A Veterinarian's Guide to Pet Health Insurance," an eight-page position paper written by the **Brakke Veterinary Practice Management Group**. The paper contends that an insured clientele is economically beneficial to the profession, and provides tips to practices for promoting the use of pet health insurance among clients. (*Vet Practice News*)

> CANADA - BSE LAWSUIT The cattle producers of Ontario have filed a class action law suit against the Canadian government in relation the BSE outbreak in 2005. The claim is based on the negligence of the government, in allowing animal by products containing brain material be fed to cattle. (*TheCattleSite*)

> US - VETERINARY FORENSIC PROGRAM The University of Florida (UF) in Gainesville announced that it will partner with the ASPCA to form the first Veterinary Forensic Science Program. The new program will offer undergraduate and postgraduate courses and continuing education for veterinarians, law enforcement personnel, animal control officers and others. Courses include forensic entomology, buried-remains excavation, bloodstain pattern analysis, bite-mark analysis and animal crime scene processing. Trainings will be done in classroom settings, online and through the just-formed International Veterinary Forensic Sciences Association. (*Dallas Examiner*)

> US - NATURALLY RAISED GUIDELINES The USDA has released new voluntary standards related to marketing claims for naturally raised livestock and their meat products. The standard sets the minimum requirements for producers who opt to run a USDA-verified program involving a naturally raised claim. The standard states that the livestock used in naturally raised meat products (1) have been raised entirely without growth promotants and without antibiotics (except for ionophores used as coccidiostats for parasite control); and (2) have never been fed animal byproducts. (*Meating Place*)

> US - GENETIC DISEASE LINK Researchers from the University of Missouri and the Broad Institute have found that the genetic mutation responsible for degenerative myelopathy (DM) in dogs is the same mutation that causes amyotrophic lateral sclerosis (ALS), the human disease also known as Lou Gehrig's Disease. As a result of the discovery, which will be published in the *Proceedings of the National Academy of Sciences* this week, researchers can now use dogs with DM as animal models to help identify therapeutic interventions for curing the human disease, ALS. (*EurekaAlert*)

North American Veterinary Conference
January 17-21, 2009
Orlando, Florida

Total attendance at this year's North American Veterinary Conference was tracked at 13,623, as of Tuesday, down about 12% from last year according to conference estimates. Veterinarian attendance was 5,258, while exhibitor attendance was 3,465.

BRAKKE CONSULTING VIEWPOINT

Like many of you, we've just returned from a very successful trip to the NAVC in Orlando. As always, we find this meeting to be a great start to a new year. Even though attendance was down this year for NAVC, we still found the opportunity to interface with the key players in the industry very worthwhile. We congratulate Dr. Colin Burrows and his staff on a job well done.

While at the meeting we did pick up a level of concern related to our economy and the possible negative impact on our industry in 2009. For those of you that attended the Overview, I hope we provided a clear picture regarding our concerns and how you might respond. Also, a number of you have requested more information related to my comments on the publication from Wharton Business School related to marketing in a difficult economy. Here is the link to that article: <http://knowledge.wharton.upenn.edu/article.cfm?articleid=2101> . We hope you find a few ideas that are helpful in the article.

We did note that the PetMed Express quarterly report was quite positive related to sales and earnings ending December 31, 2008. Depending on your point of view, this could either be positive or negative. Were they successful because sales of pet products to owners remained strong, or because many pet owners that normally purchase from veterinarians decided to purchase from them in order to save money?

We hope you have an enjoyable weekend!!

Ron Brakke

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