
**Brakke Consulting's
Animal Health News & Notes for October 18, 2013**
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**BRAKKE CONSULTING, INC.
ANIMAL HEALTH BREAKFAST ROUNDTABLE
WEDNESDAY, OCTOBER 23, 2013
KANSAS CITY**

Please join us for our next Animal Health Breakfast Roundtable on Wednesday, October 23. This seminar is co-hosted by Stinson Morrison Hecker LLP and Brakke Consulting.

The featured speaker, John Mannhaupt from Brakke Consulting, will focus his presentation on recent news and developments in the animal health industry.

To register, go to <http://stinson.hostedlandingpage.com/AnimalHealthRoundtableOctober2013/>

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **Virbac SA** reported financial results for the third quarter of 2013. Consolidated sales were EUR 183 million (\$248 million), a 2.5% increase compared to the same period of 2012; +10% excluding the impact of exchange rates. At constant rates and scope, sales grew by 2%. (*company website*)

> **Nestle S.A.** reported financial results for the first nine months of 2013. PetCare sales were CHF 8.3 billion (\$9.1 billion), an increase of 7% compared to the comparable period in 2012. (*company press release*)

COMPANY NEWS RELEASES

> **Ceva** announced that it has received approval for an abbreviated new animal drug application (ANADA) for Meloxidyl (meloxicam) oral suspension. The product is indicated for control of pain and inflammation associated with osteoarthritis in dogs. (*FDA*)

> **Phibro Animal Health** announced that it has received approval for an abbreviated new animal drug application (ANADA) for Boviprol (amprolium) 9.6% Oral Solution. The product is indicated as an aid in the treatment and prevention of coccidiosis caused by *Eimeria bovis* and *E. zurnii* in calves. (*FDA*)

> **IDEXX Laboratories** announced the addition of fructosamine testing to its test menu for the Catalyst Dx Chemistry Analyzer. With a single fructosamine slide, veterinarians can get an average of blood glucose levels for the previous 2-3 weeks. (*company press release*)

> **Aratana Therapeutics Inc.** announced that it has agreed to acquire **Vet Therapeutics Inc.** Aratana agreed to pay to Vet Therapeutics' equity holders \$30 million in cash, issue 625,000 shares of common stock and issue a promissory note for \$3 million with a maturity date of December 31, 2014. Aratana also agreed to pay up to \$5 million in contingent cash consideration upon the achievement of certain regulatory and manufacturing milestones for Vet Therapeutics' treatment for B-cell lymphoma. (*Nasdaq.com*)

> **Del Monte Foods** announced that it has reached an agreement to sell its Consumer Products business to Del Monte Pacific Limited for \$1.675 billion. The sale of the Consumer Products segment will enable Del Monte to focus on its pet food and snack business. Upon closing, Del Monte Foods will change its name to reflect its focus on the pet products market. (*Business Wire*)

> **Kemin** announced the launch of three feline health supplements under the Resources brand. The products include Feline Urinary Tract Support, Feline Immune System Support, and Protegrity GI. (*DVM360*)

> **Advanced Animal Diagnostics (AAD)** announced the commercial introduction of QScout Farm Lab, a new breed of on-farm rapid diagnostic technology. The first QScout Farm Lab-ready test is the QScout MLD (milk leukocyte differential), the only rapid, on-farm test that measures and assesses the cow's immune response to infection, providing a positive or negative diagnosis for subclinical mastitis in each quarter in three minutes per cow. (*Agweb.com*)

> **PSPC, Inc.**, the manufacturer and patent holder of Phycos Soft Chews for Dogs announced that Mr. Greg Underwood has been appointed Chief Executive Officer. (*company press release*)

> **Danbred North America** announced that it has a new name — **DNA Genetics** — and a new focus, while remaining under the same independent US ownership. Trait selection will now be

based solely on a North American economic model instead of a European model of production. (Feedstuffs)

> **Whole Foods Market** announced the launch of Whole Paws, a line of 24 products for dogs and cats, ranging from adult dog food and training treats to canned cat food and litter. (Vet Advantage - Pet Product News)

> UK **Bimeda** announced that it has acquired UK-based **Telsol Limited**. Telsol manufactures and markets a range of large animal boluses that deliver superior benefits to livestock in the areas of weight gain and fertility. Financial terms were not disclosed. (company press release)

> CHINA Argentine animal health firm **Biogénesis Bagó** is to build a presence in the Asian market by constructing a foot-and-mouth disease (FMD) vaccine plant in China. The facility is part of a joint venture with **HILE Biotechnology**, a Chinese private-sector company that produces high-tech vaccines for swine and poultry. The plant will involve an initial investment of \$60 million. (Animal Pharm)

ANIMAL HEALTH NEWS

> AUSTRALIA - AVIAN INFLUENZA The Australian veterinary authorities have reported an outbreak of highly pathogenic avian influenza (HPAI) at a poultry farm in New South Wales. Tests confirmed the presence of the HPAI virus, serotype H7N2. A total of 435,000 birds showed signs of susceptibility, out of which 18,000 birds were found affected. All affected birds were reportedly found dead. No birds were destroyed and/or slaughtered; the property, which is under quarantine restriction. (ThePoultrySite.com)

> VIETNAM - AVIAN INFLUENZA Vietnamese veterinary authorities have reported an outbreak of highly pathogenic avian influenza (HPAI) in Hoa Binh, affecting ducks and chickens. Confirmatory tests have confirmed the presence of the HPAI virus, serotype H5N1. A total of 1175 birds were found susceptible, out of which 370 cases were reported. All 370 birds were found dead, while the remaining 800 birds were destroyed. (ThePoultrySite.com)

> US - CATTLE LOSSES Official estimates of the losses across South Dakota following an early October blizzard are 60,000 to 100,000 head. Agriculture officials estimated that herds will need up to two years to fully recover. (Vet Advantage - Vet Practice News)

BRAKKE CONSULTING, INC. **MARKET RESEARCH** **Look Before You Leap**

Depend on Brakke Consulting to build a market study to meet your company's needs, whether it is:

- Assessing the feasibility of a new product or technology
- Identifying the opinions and trends of veterinarians, pet owners or producers
- Determining the current market for products

With our in-house database of veterinarians and the ability to custom-tailor surveys of a wide variety of target audiences, we provide reliable insights into this unique industry. We also produce multi-client reports in a number of high-interest animal health market areas. For more information, see our website or call our Dallas office at 972-243-4033.

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BRASSE CONSULTING VIEWPOINT

The marketplace is anxiously waiting for the third quarter reports from a number of companies. If the results for this quarter reflect positive growth for the industry, we're likely to continue to experience the high level of interest by the financial community. However, if the reports reflect softness in the marketplace, some of the investor enthusiasm could be tempered. It's been a challenging year for many companies and it's possible that this could continue into 2014 in some product categories. We look forward to the company reports.

In last week's newsletter we mentioned the possibility of a second Animal Health Industry History book that will cover the last 15 years of the industry. A lot has happened in the past 15 years and we believe it is important to document the tremendous change while it's still fresh in our minds. Thanks to all of you that have expressed interest and support to date.

On a personal note, I'll be spending the next few weekends in South Dakota participating in the annual harvest of the ringneck pheasant. I also hope to visit some of my family that ranches in western South Dakota where the severe early snowstorm last week has caused the death of as many as 100,000 head of cattle. These dedicated ranchers and producers need our support during this trying period.

Have a great weekend!!

Ron Brakke

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