
**Brakke Consulting's
Animal Health News & Notes for October 21, 2016**
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Editor: Lynn Fondon DVM MBA

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AnimalHealthJobs.com

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COMPANY EARNINGS RELEASES

- **Vetoquinol** reported results for the first nine months of 2016. Sales were EUR 257.5 million (\$289 million), up 2% compared to the same period last year. Organic growth for the period came to 5%, curbed by a 2.5% negative currency impact. (*company website*)
- **Nestle** reported results for the first nine months of 2016. Petcare sales were CHF 8.82 billion (\$9.10 billion), an increase of 6% over the comparable period in 2015. Real internal growth was 2.5%. (*company website*)

- **Hester Biosciences** reported financial results for the second quarter of fiscal 2016. The company reported revenues of INR 296 million (\$4.45 million), an increase of 23% over the comparable prior-year period. Net profit for the quarter totaled INR 60 million (\$0.90 million), an increase of 39%. (*Animal Pharm*)

COMPANY NEWS RELEASES

- **Zoetis Inc.** announced the addition of seven new Personal Wellness Modules to Vetvance, its free, web-based learning resource for the veterinary community. The new 2-3-minute video modules are a response to the growing body of evidence that veterinary professionals worldwide experience mental illness, depression, and suicidal tendencies at a significantly higher rate than the general population. (*BovineVetOnline.com*)
- **BioZyme Inc.**, introduced the natural feed additive AO-Biotics through its new swine and poultry supplement brand Imunabiotics. Created from a proprietary strain of *Aspergillus oryzae* through a unique, multi-step fermentation process, AO-Biotics (acting as a prebiotic) has been research-proven to support gut health and performance in weaning piglets and sows. (*company press release*)
- **ImmuCell Corporation** announced it has entered into definitive agreements with institutional and accredited investors for the private placement of approximately \$3.5 million of ImmuCell's common stock. ImmuCell has agreed to sell an aggregate total of 659,880 shares of common stock at a price of \$5.25 per share to outside investors. (*Marketwired.com*)
- **Kriser's Natural Pet**, a multi-unit retailer specializing in natural pet food, supplies and grooming, announced that it has acquired **Wylie Wagg for Pets**, a natural pet food and supplies chain with five stores in Washington, D.C., and northern Virginia. Financial terms were not disclosed. (*Pet Age*)
- **Worldwise, Inc.**, announced the addition of **SHERPA** to their brand portfolio. SHERPA's sells pet carriers, totes and accessories. Financial terms were not disclosed. (*Pet Age*)

ANIMAL HEALTH NEWS

- **US - VETERINARY CLINICS** A walk-in veterinary clinic that opened last month at a Walmart store in western Florida could be the first of a chain of practices leasing space in the superstores. The clinic's veterinarian owner says that the new clinic's goal is to reach those pet-owning families that don't go to the veterinarian at all. It offers a limited list of services and is designed to supplement, not supplant, conventional full-service veterinary hospitals. (*News.VIN.com*)
- **US - HURRICANE IMPACT ON LIVESTOCK** Flooding from Hurricane Matthew has killed as many as 5 million poultry birds in North Carolina, most of them chickens, according to the state's top environmental official. The secretary of the North Carolina Department of Environmental Quality also reported that some pits holding hog waste on farms had been inundated with floodwaters. The waste, mixing with water, may eventually make its way into rivers, streams, and the Atlantic Ocean. (*Vet Advantage - Reuters*)
- **US - PRODUCT REGULATION** The FDA published a notice about veterinary regenerative medicine and animal cell-based products, stating that most animal cell-based products meet the legal definition of "drug" because they are intended to treat, control, or prevent a disease

or other condition (such as osteoarthritis) or to affect the structure or function of the body (such as improving fertility). Therefore, FDA regulates these products as animal drugs, and before cell-based drugs can be legally marketed, they must be reviewed and approved by FDA. The FDA issued a guidance for industry (GFI #218) in 2015, which discusses the approval requirements for animal cell-based products that meet the legal definition of “drug” and how the agency intends to regulate them. The Guidance can be read at <http://www.fda.gov/downloads/AnimalVeterinary/GuidanceComplianceEnforcement/GuidanceforIndustry/UCM405679.pdf> . (FDA)

- NETHERLANDS - POULTRY DIAGNOSTICS A researcher at the Dutch scientific institution GD Animal Health has developed two new diagnostic tests for the economically damaging *Mycoplasma synoviae* disease in poultry flocks. One test allows more effective detection of *M. synoviae* infections in vaccinated and unvaccinated poultry; the second test can be used to genotype the *M. synoviae* strains detected. The test allows poultry workers to differentiate between infected and vaccinated birds. (*Animal Pharm*)
- AUSTRALIA - ANTIMICROBIAL RESEARCH Researchers at Sydney University have discovered that milk from Tasmanian devils could offer up a useful weapon against antibiotic-resistant superbugs. The marsupial's milk contains important peptides called cathelicidins that appear to be able to kill hard-to-treat infections, including MRSA. It also appeared to kill Vancomycin-resistant enterococcus, as well as *Candida* yeast. The research was published in the Nature journal *Scientific Reports*. (*AVMA Smartbrief - BBC*)

BRASSE CONSULTING, INC.
2016-2017 PET PHARMACEUTICAL MARKET SHIFT STUDY
TODAY IS THE LAST DAY FOR EARLY-ORDER DISCOUNT

Brasse Consulting and Trone Brand Energy are pleased to announce the upcoming Pet Pharmaceutical Market Shift Study. The first study, completed in 2015, identified the desire of pet owners to be free to buy prescriptions outside the veterinary hospital. About 25% of clinics were already experiencing revenue decreases as a result of a change in buying behavior, and a majority of pharmacists believed they should be dispensing more pet medications due to market demand.

The 2017 follow-on study will identify what veterinarians need to do to maintain client buying loyalty. Also, veterinarians attitudes and reactions towards manufacturers and distributors selling directly to human pharmacies or the internet will be measured, along with what actions are open to manufacturers and distributors to help veterinarians maintain loyalty with their clients.

The study will be completed in early 2017. For more information, contact David Goodnight at 830-285-1259 or dgoodnight@brasseconsulting.com.

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BRASSE CONSULTING VIEWPOINT

For a number of years we have been suggesting that at some point one or more groups would put companion animal clinics in Walmart stores. Several of our consultants also believe that the number of limited service practices are going to grow rapidly. There is a strong likelihood that these types of clinics will increase the number of pets seeing veterinarians.

In other stories several companies have either introduced or purchased brands that focus on natural products of one type or another. Natural and organic seem to be the current buzzwords in marketing. The traditional products produced by many animal health companies face increasingly challenges from these products. Just this past week I was exposed to two companies that now claim their nutritional products for pets will be non-GMO certified! Where is this all going to end?

Have a great weekend!

Ron Brakke

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Brakke Consulting, Inc.
12005 Ford Rd., Suite 530
Dallas, TX 75234 USA