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**Brakke Consulting's  
Animal Health News & Notes for October 10, 2014**  
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**BRAKKE CONSULTING, INC.  
UNDERSTANDING THE OVER-THE-COUNTER MARKET**

Whether your business is considering the OTC channels for new business opportunities or you have been distributing in the OTC channels for years, Brakke Consulting's team can provide significant and quality assistance to businesses seeking to learn more about the details of the OTC channels of distribution. If you are looking for meaningful insights into the OTC channels, the trends found there, and the opportunities that exist, contact our Dallas office or Joel Adamson at [jadamson@brakkeconsulting.com](mailto:jadamson@brakkeconsulting.com).

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**COMPANY EARNINGS RELEASES**

> **Cargill** reported net earnings of \$425 million in the fiscal 2015 first quarter ended Aug. 31, down 26% from the year-ago period. Revenues in the first three months totaled \$33.3 billion, a 2% decline from last year. Segment results for Animal Nutrition & Protein rose moderately in the first quarter. (*WattAgNet.com*)

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## COMPANY NEWS RELEASES

> **Zoetis** announced that Synovex Choice has been approved for use in feedlot heifers, allowing feedlot managers to use the same implant for all cattle. *(Feedstuffs)*

> Scientists from the University of Glasgow, in collaboration with **Merial**, have developed a faster method of producing an effective vaccine against the Bluetongue virus. The new method allows the production of a reliable type of inactivated vaccine using a 'synthetic biology' approach. Synthetic viral particles created in the laboratory would be able to use the most appropriate mixture of genomic segments needed for the newly emerging virus strain. *(Animal Pharm)*

> **Akorn Animal Health** announced that it has completed its acquisition of five FDA (CVM) approved veterinary injectable brands: AnaSed, Tolazine, Yobine, Butorphanol and VetaKet, plus a very robust pipeline of injectable drugs from **LLOYD, Inc.** Financial terms were not disclosed. *(company press release)*

> **IDEXX Laboratories** announced the availability of two new laboratory tests: the *Sarcoptes* Antibody ELISA and the Ringworm RealPCR Panel. *(DVM360)*

> **Mars Petcare** announced the opening of its new, state-of-the-art, Gold-LEED certified \$110 million Global Innovation Center in Thompson's Station, Tennessee. The new campus is the third Mars Petcare innovation center and first in the US. *(Petfoodindustry.com)*

> The animal health, technology and loyalty marketing specialists of **Vetlocity** announced the launch of their new company, offering a unique automated loyalty program. The Vetlocity platform makes promotion, practice management system integration, sign-up and administration fast and easy-to-manage and offers analytics capabilities; the company's proactive services facilitate the validation, qualification and processing steps required for smooth program execution. *(company press release)*

> Quad-C Management, a leading middle market private equity firm, announced that it has formed **Veterinary Specialists of North America** (VSNA) in partnership with John Payne. VSNA is a veterinary services organization and its affiliated hospitals providing specialty, emergency and general veterinary care at facilities located in the mid-Atlantic region. *(Heraldonline.com)*

> EU The European Commission has approved Eli Lilly's (**Elanco's**) \$5.4 billion takeover of **Novartis'** animal health business. The Commission said it was satisfied that the deal would not hinder competition and cleared it unconditionally. *(Reuters)*

> JAPAN **Bayer Animal Health Japan** announced the launch of the AniGen PRRS ELISA 4.0 test kit, a test for porcine reproductive and respiratory syndrome (PRRS) virus in sera of pigs. *(Animal Pharm)*

> CHINA **Novus International** announced it has launched its heat stable protease enzyme Cibenza DP100 in China. The company said formulating diets with Cibenza DP100 allows producers to enhance the digestibility of a broad range of protein sources. *(Animal Pharm)*

> CANADA **Kane Biotech Inc.** announced the intention of the Corporation to undertake a non-brokered private placement offering of up to 20 million units at a price of \$0.06 per Unit for gross proceeds of up to \$1,200,000. It is anticipated that approximately 10 million of the Units offered pursuant to the Offering will be purchased by directors, officers and significant shareholders of the Corporation. *(company press release)*

> EU **ARTES Biotechnology, InstrAction** and **Q-Biologicals** announced they have established a three-party consortium for vaccine developments for veterinary applications. The effort will be funded for a three year period supported by the German Federal Ministry of Education and Research (BMBF) and the Flanders (Belgium) agency for Innovation by Science and Technology (IWT). (*einnews.com*)

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## **ANIMAL HEALTH NEWS**

> WORLD - PEDV The World Organization for Animal Health (OIE) has confirmed that, contrary to earlier reports, pig blood products such as dried plasma are not a likely source of infectious porcine epidemic diarrhea virus (PEDV) provided that good manufacturing practices and biosecurity standards are followed. (*Feedstuffs*)

> US - ANIMAL RESEARCH The NIH announced it will stop funding research that uses dogs from Class B dealers, those who provide dogs from shelters, breeders and other sources that might include stolen or abused pets. The change follows a 2009 National Academy of Sciences report that found use of dogs from such sources wasn't necessary and could damage public opinion of research. Class A dealers are corporate entities that provide dogs they raise themselves. The NIH made a similar move regarding research that uses cats in 2012. (*AVMA SmartBrief - Sciencemag.org*)

> US - PETFOOD RESEARCH Researchers in Chapman University's Food Science Program have published a study focused on commercial petfoods marketed for dogs and cats to identify meat species present as well as any instances of mislabeling. Of the 52 products tested, 31 were labeled correctly, 20 were potentially mislabeled and one contained a non-specific meat ingredient that could not be verified. Of the 20 potentially mislabeled products, 13 were dog food and seven were cat food. Of these 20, most contained meat species that were not included on the product label, with pork being the most common undeclared meat species. (*PetFoodIndustry.com*)

> US - ANTIBIOTIC USE The FDA has published its fourth annual report summarizing the sales and distribution data of antimicrobial drugs approved for use in food-producing animals. The report states that the total quantity of medically important antimicrobials sold or distributed for use in food-producing animals increased 16% over the 2009-12 period. The summary report can be found at <http://www.fda.gov/downloads/ForIndustry/UserFees/AnimalDrugUserFeeActADUFA/UCM416983.pdf>. (*Feedstuffs*)

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## **BRAKKE CONSULTING VIEWPOINT**

Several stories this week involve new technologies and products being launched in domestic and international markets. There were also announcements related to financial firms, managers and companies forming new commercial relationships to serve the animal health industry with either new or improved services and products.

All of these new approaches will add value to the industry. Innovative thinking with investment will most likely provide an above average financial return in most of these cases. Currently, new business models and creative solutions to industry and company challenges are probably just as important as new product approvals though a few "blockbusters" entering the market in 2015 would help resolve a number of issues.

Have a great weekend!!

Ron Brakke

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