

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for November 13, 2015**  
Copyright © Brakke Consulting, Inc.

*Editor: Lynn Fondon DVM MBA*

\*\*\*\*\*

IN THE NEWS:

Brakke Consulting news  
[Flea Control and Heartworm Markets report](#)  
[OTC Channel](#)

earnings news  
[Aratana Therapeutics](#)  
[Heska](#)  
[ImmuCell](#)  
[Kindred Biosciences](#)  
[Phibro](#)  
[Trupanion](#)

other news  
[Abaxis](#)  
[Alltech](#)  
[Bakker Consulting](#)  
[Baltic Zoolife](#)  
[Banfield](#)  
[Blue Buffalo](#)  
[Champion Feed Services](#)  
[Cuattro Veterinary](#)  
[Harrisvaccines](#)  
[Heska](#)  
[Hi-Pro Feeds](#)  
[Integrated Animal Health](#)  
[InVivo](#)  
[Kinetic Vet](#)  
[Masterfeeds](#)  
[Merck](#) (Harrisvaccines)  
[Merck](#) (Safe-Guard)  
[Ralco](#)  
[Standard Process](#)  
[VIP Petcare](#)  
[Welgro](#)

\*\*\*\*\*

**BRAKKE CONSULTING, INC.  
US FLEA CONTROL AND HEARTWORM MARKETS  
LAST WEEK TO PRE-ORDER**

Brakke Consulting will soon be publishing our 2015 report on the US Flea Control and Heartworm Markets. The report includes valuable information on the US market for small animal parasiticides including:

- Product descriptions, prices, and sales for the leading veterinary flea and heartworm products
- an overview of the veterinary and OTC flea control markets
- discussion of the impact of new oral flea and tick products

- 2015 survey of 300 veterinarians
- 2015 survey of 500 pet owners

The report on the US Flea Control & Heartworm Markets will be available for a purchase price of \$6,995 if ordered by **SUNDAY, NOVEMBER 22**, and \$7,500 after that date.

Please contact Dr. Lynn Fondon at (972) 243-4033 or [lfondon@brakkeconsulting.com](mailto:lfondon@brakkeconsulting.com) to pre-order the report, or for more information visit our website at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

\*\*\*\*\*

## COMPANY EARNINGS RELEASES

> **Phibro Animal Health Corporation** announced its financial results for its first quarter ended September 30, 2015. Animal Health net sales were \$120 million, an increase of 8% excluding the prior year \$6.0 million in vaccine licensing milestone revenue; sales grew 2% including the prior year vaccine licensing milestone revenue. *(company press release)*

> **Heska** reported results for the third quarter of 2015. Total revenues were \$28 million, an increase of 29% compared to the prior year period. Net income attributable to Heska was \$1.4 million compared to net income of \$513,000 in the prior year period. *(company press release)*

> **ImmuCell Corporation** announced financial results for its third quarter ended September 30, 2015. Total product sales were \$1.77 million, an increase of 40% compared to the same period in 2014. Net income was \$351,000 compared to net income of \$10,000 during third quarter 2014. *(company press release)*

> **Aratana Therapeutics** reported results for the third quarter of 2015. The company reported revenues of \$229,000 and a net loss of \$(54.4) million, compared to revenues of \$43,000 and a net loss of \$(10.1) million in the same period in 2014. Due to recent developments related to its products and product candidates, Aratana recorded a non-cash impairment charge totaling \$43.4 million on four of its intangible assets. *(PRNewswire)*

> **Kindred Biosciences, Inc.** announced financial results for the third quarter ended September 30, 2015. The company reported a net loss of \$(7.1) million for the quarter, compared to a net loss of \$(6.1) million for the same period in 2014. As of September 30, 2015, KindredBio had \$83.6 million in cash, cash equivalents and short term investments. *(PRNewswire)*

> **Trupanion** reported financial results for the third quarter of 2015. The company reported revenues of \$37.9 million for the quarter, an increase of 25% over the same quarter last year. Net loss was \$(4.6) million, compared to a net loss of \$(8.5) million in the prior-year quarter. *(FierceAnimalHealth)*

\*\*\*\*\*

## COMPANY NEWS RELEASES

> **Merck Animal Health** and **Harrisvaccines, Inc.**, announced the companies have entered into an agreement under which Merck Animal Health will acquire Harrisvaccines. Financial terms were not disclosed. *(company press release)*

> **Merck Animal Health** announced FDA approval for its Safe-Guard AquaSol (fenbendazole) dewormer for chickens. The over-the-counter product is indicated for the treatment and control of adult *Ascaridia galli* and *Heterakis gallinarum* in chickens. *(Animal Pharm)*

> **Standard Process Veterinary Formulas** introduced VF Thymex to help support a healthy thymus gland. Its special formula combines bovine thymus Cytosol extract, calcium lactate, magnesium citrate, and ascorbic acid to provide targeted support to the thymus gland and the immune system. (*marketwired.com*)

> **Kinetic Vet** announced the launch of Equishield SB, SPF 30 Sun Block for horses with soothing aloe vera. (*company press release*)

> **Heska Corporation** announced the acquisition of **Cuattro Veterinary, LLC**, a global leader in digital radiography, PACS, and other imaging technologies for veterinarians. Heska agreed to deliver \$6.0 million in stock for 100% ownership of Cuattro International, and will assume approximately \$2.1 million in debt as part of the acquisition. Cuattro International generated approximately \$6 million in revenue for the twelve months ended September 30, 2015 and was profitable during this period. (*CNNMoney*)

> **Abaxis, Inc.** announced that a five year supply contract has been signed for Abaxis to provide VetScan HM5 Hematology analyzers and sell the associated consumables to all **Banfield Pet Hospital** locations. (*company press release*)

> **Blue Buffalo Company, Ltd.** announced a voluntary recall of a limited production of Blue Kitty Yums Chicken Recipe Cat Treats that may contain low levels of propylene glycol, which is not permitted by the FDA for use in cat food. The affected product was distributed nationwide in the US and Canada through pet specialty stores and e-commerce. (*FDA*)

> **Ralco**, a global leader in animal health, announced that it has entered into a definitive agreement to acquire the animal health division of **Bakker Consulting, Inc.**, a family-owned animal and plant nutrition company. Financial terms were not disclosed. (*FierceAnimalHealth*)

> **VIP Petcare** announced the expanded availability of its preventative vet clinics in Massachusetts, Virginia and Maryland. The clinics are conveniently located at pet stores, feed stores and other host locations in communities throughout the regions. (*Marketwired.com*)

> CANADA **Alltech** announced it will acquire 100% of the outstanding shares of **Masterfeeds Inc.**, from Ag Processing Inc., providing complete ownership of Masterfeeds. Masterfeeds operates 18 feed manufacturing and premix facilities and three retail stores in Canada and markets its animal nutrition products and programs to farmers and ranchers directly and through an extensive dealer network. Financial terms were not disclosed. (*Lanereport.com*)

> CANADA **Hi-Pro Feeds** announced it has acquired **Champion Feed Services Ltd.**, a group of companies including three feed mills, stores and an oat processing facility located in northern Alberta, Canada. The purchase also includes the assets of Champion Oat Processors. Financial terms were not disclosed. (*WattAgNet.com*)

> INDONESIA **InVivo** announced it has acquired Indonesian poultry feed specialist **Welgro** as part of its ongoing expansion plans in Asia. Welgro has 110 employees and an industrial plant with a capacity of 150,000 tons. Financial terms were not disclosed. (*Animal Pharm*)

> EUROPE **Integrated Animal Health, LLC** announced it has expanded distribution of its innovative products in Northern Europe to Latvia, Lithuania, Estonia and Belarus through an agreement with **Baltic Zoolife**. (*company press release*)

\*\*\*\*\*

**ANIMAL HEALTH NEWS**

> JAPAN - AVIAN INFLUENZA DIAGNOSIS Japan's Kagoshima University has developed rapid detection diagnostic for avian influenza, which could shorten the virus identification time from 150 minutes to 20 minutes. The technology uses magnetic force in a solution containing a specimen with metal and magnetic particles without a large centrifugal separator, which is integrated into a small gene analyzer developed by the Kansai Center of the Japan National Institute of Advanced Industrial Science and Technology. The research institutes intend the technology to be used in the field as a point-of-care device. (*Animal Pharm*)

> US - XYLITOL POISONING Xylitol, a sugar substitute increasingly used by food manufacturers, is causing a surge in accidental dog poisonings. The Pet Poison Helpline reportedly has had 2,800 calls about known or suspected xylitol ingestion so far this year, up from 300 in 2009. (*Vet Advantage - Wall Street Journal*)

> US - FOOD LABELING The FDA is asking the public to provide information and comments on the use of the term "natural" in the labeling of human food products. Specifically, the FDA asks for information and public comment on questions such as: Whether it is appropriate to define the term "natural;" if so, how the agency should define "natural;" and how the agency should determine appropriate use of the term on food labels. The FDA is accepting public comments beginning on November 12, 2015. To electronically submit comments to the docket, visit [www.regulations.gov](http://www.regulations.gov) and type FDA-2014-N-1207 in the search box. (*Feedstuffs*)

\*\*\*\*\*

**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).

[www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

\*\*\*\*\*

**BRAKKE CONSULTING VIEWPOINT**

There was a reasonable amount of activity in the industry this week.

Several of the acquisitions involve specialty nutrition and feed companies. Nutrition continues to be an area of expansion as pressure continues to mount on other product forms for increasing production and health.

We believe that there will be increasing science-based claims related to the value of various nutritional products in promoting the health and growth of animals. A number of these nutrition companies have significantly increased their research and development activities to support the claims being made. Those firms with solid data will continue to challenge the traditional animal health companies products.

The diagnostics area, which is growing faster than the traditional animal health products segment, was also in the news with one acquisition and a major distribution agreement.

We will cover in more detail the growth of diagnostics and nutritional specialties in our 2016 animal health industry overview to be held at NAVC in early January 2016.

Have a great weekend!

*Ron Brakke*

\*\*\*\*\*

Trouble viewing this newsletter? You can view it online at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

*This electronic newsletter is the sole property of Brakke Consulting, Inc.  
Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.*

For more information about Brakke Consulting's services and syndicated studies, visit our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com).

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