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**Brakke Consulting's**
**Animal Health News & Notes for November 6, 2009**
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Sigma Biomedics

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**COMING SOON!**
**US FLEA CONTROL AND HEARTWORM MARKETS**
**2009 UPDATE**
**ORDER NOW FOR EARLY-BIRD DISCOUNT**

Brakke Consulting will soon be publishing our 2009 report on the US Flea Control and Heartworm Markets. The report includes valuable information on the US market for small animal parasiticides including:

- an overview of the veterinary and OTC flea control markets
- Product descriptions, prices, and sales for the leading veterinary flea and heartworm products
- Overview of advertising expenditures for veterinary flea and heartworm products

The report also includes a 2009 survey of over 200 veterinarians regarding topics such as product usage, brand switching, the effect of the economy on product sale; the impact of product sales outside the veterinary clinic channel; and developing resistance to new-generation products.

The report on the US Flea Control & Heartworm Markets will be available for a purchase price of $4,995 if ordered by WEDNESDAY, NOVEMBER 20, and $5,500 after that date.

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

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## COMPANY EARNINGS RELEASES

**>** King Pharmaceuticals, Inc. announced results for the third quarter ended September 30, 2009. Revenues from the **Alpharma Animal Health** business were $96 million for the third quarter, an increase of 2% compared to the third quarter of 2008. *(company website)*

**> ImmuCell** Corporation announced the results of its operations for the third quarter ended September 30, 2009. For the three-month period ended September 30, 2009, product sales increased by 9% to $1.0 million in comparison to the same period in 2008. The net loss was ($19,000) during the three-month period in comparison to a net loss of ($268,000) during the same period in 2008. *(company press release)*

**> Ridley** Inc. reported its financial results for the first quarter of fiscal 2010 ended September 30, 2009. Revenue in the first quarter of fiscal 2010 was $136 million, a decline of 20% compared to the first quarter of 2009 substantially due to lower volumes as measured in tons of feed products sold and lower raw material prices. Net earnings after taxes for the first quarter of fiscal 2010 were $1.1 million compared with net earnings after taxes of $2.9 million in the same period of fiscal 2009. *(company website)*

**> MWI Veterinary Supply**, Inc. announced financial results today for its fiscal year ended September 30, 2009. Total revenues were $941 million for fiscal year 2009, 13% higher than revenues for fiscal year 2008. Net income was $24.9 million for fiscal year 2009, 25% higher than net income for fiscal year 2008. *(company website)*

**> Animal Health International**, Inc. announced that net sales declined 5% to $161 million for the three months ended September 30, 2009. Net loss was ($0.7 million); last year, net income for the first quarter was $0.3 million. *(company website)*

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## COMPANY NEWS RELEASES

**> Merck & Co**., Inc. announced the completion of Merck's merger with **Schering-Plough** Corporation. The new company has five primary divisions: Global Human Health, Animal Health, Consumer Health Care, Merck Research Laboratories and Merck Manufacturing. *(company press release)*

**>** The FDA's Center for Veterinary Medicine (CVM) and **Intervet/Schering-Plough Animal Health** are alerting veterinarians and pet owners that Vetsulin, a porcine insulin zinc suspension used to treat diabetes in animals, may have varying amounts of crystalline zinc insulin in the formulation, potentially affecting the product's stability. While Intervet/Schering-Plough is working with FDA on resolving this issue, supplies may be limited. *(FDA)*

**> Merial** and **Scynexis**, Inc. announced that Scynexis has earned a payment for meeting certain milestones in its multi-year research collaboration with Merial, which began in 2005. Scynexis is focusing medicinal chemistry, advanced biological screening, bioanalytical and ADMET efforts towards designing novel compounds that specifically address animal health needs. *(Business Wire)*

**> IDEXX Laboratories,** Inc. announced the new IDEXX HerdChek PRRS X3 Antibody Test Kit for porcine reproductive and respiratory syndrome (PRRS). This new ELISA detects PRRS in plasma or serum with 99.9% specificity and 98.8% sensitivity. The test also reduces false-positive singleton reactors by 90%. HerdChek PRRS X3 is available in Europe, Asia and Latin America. Launch in the US is planned for mid-2010. *(company website)*

**> Aribex**, Inc., developer of the NOMAD family of handheld x-ray sources, announced that it has filed a patent infringement complaint for unspecified damages against manufacturer **DigiMed** Co., Ltd,. **Sigma Biomedics**, and **Dentalaire Products.** Sigma and Dentalaire distribute the Bio-Ray Prox, a portable x-ray device which is manufactured in Korea by DigiMed. The complaint alleges that Aribex intellectual property rights are being knowingly and unfairly violated. *(company press release)*

**>** The **CAO Group** unveiled the 9W Pilot Diode Laser, an innovative surgical and therapeutic instrument for veterinarians. On its lowest settings, the Pilot is gentle enough to use for bio-stimulation, hemostasis, decontamination, otitis externa and periodontal treatments. At the highest settings, the Pilot is a superior surgical instrument that handles similarly to a scalpel. *(company press release)*

**> SeaBuck Equine** announced its new super fruit supplement, SeaBuck Complete. An all-natural equine health and performance supplement developed using the nutrient profile of the seabuckthorn berry, SeaBuck Complete provides anti-inflammatory and antioxidant functions. *(Business wire)*

**> Pet BioTech** announced the launch of their new pet products line designed for skin, pancreas, oral, gastro-intestinal, and systemic health. The current range of companion animal products, which are now available directly to consumers from Pet BioTech, are dermaTEC, oraTEC, uroTEC, gastroTEC, probioTEC feline, and probioTEC canine. Additional products will be available in 2010. *(company press release)*

**>** BRAZIL **Nutreco** announced it has acquired a 51% shareholding in **Fri-Ribe**, which produces and sells premixes, farm minerals, compound feed, horse feed, pet food and fish feed for the Brazilian market. With annual revenues of EUR 47 million ($70 million), Fri-Ribe is an important player in Brazil for shrimp and tilapia fish feed. The activities will be continued in a new joint venture between Nutreco and the company's current owners. Terms were not disclosed. *(Animal Pharm)*

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## ANIMAL HEALTH NEWS

**>** US - H1N1 FLU IN SWINE The H1N1 virus has been found in a commercial swine herd at an Indiana facility, the first such discovery in the country. Indiana Board of Animal Health spokeswoman said four samples came back positive for the virus. The location was not disclosed. *(Indychannel.com)*

**>** US - H1N1 FLU IN CATS A 13-year old cat in Iowa developed signs of a respiratory infection after several people in the household were ill. Confirmatory testing was positive for 2009 H1N1. The cat has recovered from its illness. This is the first report of a cat infected with H1N1. *(AVMA Alerts)*

**>** US - LIVESTOCK WELFARE Ohio voters passed a statewide referendum creating a board of experts to oversee livestock care in the state with more than 63% of the vote. The Ohio Livestock Care Standards Board will be chaired by the Director of the Ohio Department of Agriculture and

will comprise 13 Ohioans: The department director, three family farmers, two veterinarians (including the state veterinarian), a food safety expert, a representative of a local humane society, two members representing statewide farm organizations, the dean of an Ohio agriculture college and two members representing Ohio consumers. *(Meating Place)*

**>** US - ZOONOTIC DISEASE INITIATIVE The US Agency for International Development (USAID) has launched a five-year global program to fight emerging infectious zoonotic diseases in "hot-spot" regions across the world. The program, called RESPOND, is being funded by a $185 million grant from the DAI development agency, which will also lead the project. The project's multidisciplinary team aims to build the capacity of national institutions of animal and public health so that they can address emerging zoonotic diseases, through combining animal and human health epidemiology and disease surveillance. *(Animal Pharm)*

**>** US - DRAFT PIG GENOME COMPLETED A global collaborative has produced a first draft of the genome of a domesticated pig. A red-haired Duroc pig from the University of Illinois will now be among the growing list of domesticated animals that have had their genomes sequenced. The draft sequence, which is about 98% complete, will allow researchers to pinpoint genes that are useful to pork production or are involved in immunity or other important physiological processes in the pig. *(Feedstuffs)*

**>** HORSE GENOME PUBLISHED An international team of researchers has decoded the genome of the domestic horse, *Equus caballus*, revealing a genome structure with remarkable similarities to humans and more than one million genetic differences across a variety of horse breeds. The analysis was published in the journal *Science*. *(Feedstuffs)*

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**NOW AVAILABLE!**
**BRAKKE CONSULTING, INC.**
**2009 CANCER IN DOGS AND CATS**

In 2002, Brakke Consulting published an overview of the treatment of cancer in dogs and cats. We are pleased to announce that an update of this highly regarded report is now available.

The 2009 Cancer Study includes up-to-the-minute information on the incidence, diagnosis, and treatment of the common veterinary cancers, including treatment cost estimates. The study includes a survey of over 200 general veterinary practitioners as well as interviews with veterinary oncologists. Reviews of new and developing veterinary cancer chemotherapeutics are included in the report as well.

The report is now available for $8,500. For more information, please visit our website at www.BrakkeConsulting.com or contact Dr. Lynn Fondon at lfondon@brakkeconsulting.com .

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**BRAKKE CONSULTING VIEWPOINT**

It's been an interesting time here in South Dakota since the last newsletter. We've seen snow, sleet, rain and clear wonderful blue skies. The weather report for this weekend is highs in the 60's and low 70's. The farmers now have the combines in full gear trying harvest the remaining soybeans. There has been little corn harvested and much of that will need to wait until it dries out more.

During the week I was able participate in meetings in major cities on the East Coast and the Midwest. It's great that commercial air travel, along with the internet and cell phones, allows one to be connected with the world from almost any place one wishes to spend some time. When we

started the consulting business in 1986, we used telex machines and the first fax machines along with a telephone credit card to stay connected. Occasionally I run into one of those gray faxes in an old file. My, how times have changed!!

The major news for the week is was the conclusion of the second large transaction impacting the industry. There remains a great deal of speculation as what the next step might be related to the consolidation process in the industry!! We will watch and listen closely as the next moves are made.

In the meantime, last weekend was good for the South Dakota hunters changing the score to hunters 103 and pheasants 116. With the good weather this weekend the hunters should be able to move ahead by a reasonable margin. However, there are numerous handicaps that will need to be overcome by the hunters.

Have a great weekend!!

*Ron Brakke*

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