
**Brakke Consulting's
Animal Health News & Notes for December 5, 2008**
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**NOW AVAILABLE:
US FLEA CONTROL AND HEARTWORM MARKETS**

Brakke Consulting has published its annual report on the market for flea, tick and heartworm products. The report includes an annual survey of over 250 veterinarians and their usage and perceptions of flea, tick and heartworm products, as well as sales estimates, product pricing, information on new and developing products, and advertising expenditures.

The report on the US Flea Control & Heartworm Markets is immediately available for a purchase price of \$5,500. Please contact Dr. Lynn Fondon at (972) 243-4033 or lfondon@brakkeconsulting.com to order the report or for more information.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **ECO Animal Health Group** Plc reported a six-month loss before tax of (GBP 623,000) (\$916,000) compared to a loss of (GBP 736,000) a year ago. Total revenue was GBP 8.4 million (\$12.4 million), compared to GBP 6.9 million in the previous year. (*RTTNews*)

> **Del Monte Foods** reported net sales for the second quarter fiscal 2009 ended October 26. For the second quarter, Pet Products net sales were \$409 million, an increase of 18.7% over the prior year period. (*company website*)

> **Smithfield Foods**, Inc. announced second quarter results. Sales were \$3.1 billion versus \$2.7 billion a year ago. Net income was \$4.2 million for the second quarter compared to \$17.4 million a year ago. Current results included a loss from continuing operations of \$30.0 million. (*company website*)

> **Sanderson Farms** reported a net loss for fiscal year 2008 ended October 31 of (\$43.1) million, compared with a net income of \$78.8 million for last year. Net sales for fiscal 2008 were up 17% at \$1.7 billion. (*Meating Place*)

COMPANY NEWS RELEASES

> The FDA amended the animal drug regulations to reflect approval of a new animal drug application (NADA) filed by **Elanco Animal Health**. The NADA provides for use of ractopamine hydrochloride Type A medicated articles to make Type B and Type C medicated feeds used for increased rate of weight gain and improved feed efficiency in finishing turkeys. (*AnimalNet - Federal Register*)

> **Oculus Innovative Sciences**, Inc. announced that the company's Vetericyn Wound Spray for animals will shortly be available in all North American PetSmart stores. Non-irritating and antibiotic-free Vetericyn Wound Spray (formulated with the Microcyn Technology) helps rinse, debride and eliminate odors in wounds. (*Business Wire*)

> **DRE Veterinary** unveiled the DRE Waveline ProVet, a lightweight vital signs monitor that displays as many as eight colorful waveforms. The sleek Waveline ProVet features a 15" high-resolution display. (*PRWeb*)

> **Pilgrim's Pride** announced that it has filed for voluntary Chapter 11 bankruptcy protection. The processor is also seeking approval to receive debtor-in-possession financing amounting to \$450 million in order to continue the daily operations of its business, including the payment of wages. (*Meating Place*)

> **Cal-Maine Foods** Inc., the largest commercial egg producer in the U.S., announced an agreement to acquire the egg production and marketing assets of Florida-based **Tampa Farm Services** Inc. The agreement covers 4 million hens, pullet-growing and in-line egg-laying facilities, two feed mills and a fleet of delivery trucks for eggs and feed. The agreement also includes the 4-Grain specialty eggs brands. Financial terms were not disclosed. (*Feedstuffs*)

ANIMAL HEALTH NEWS

> US - RESEARCH FACILITY SITE CHOSEN The Department of Homeland Security has recommended a site in Manhattan, Kansas for a new \$450 million laboratory to study biological threats like anthrax and foot-and-mouth disease. The new lab will replace the 24-acre research complex on Plum Island, New York. (*AnimalNet - AP*)

> US - BOVINE TB The Minnesota Board of Animal Health reported that three cows from a herd inside the state's bovine tuberculosis management zone have tested positive for the disease. The finding will not change Minnesota's split bovine TB status. (*Star Tribune*)

BRAKKE CONSULTING VIEWPOINT

Everyone seems to be sitting on pins and needles regarding sales revenue and profits for the final quarter of the year. We've heard a lot of anecdotal field information from both manufacturers and distributors indicating that sales revenue dropped dramatically in October and November. We'll really not know the full extent of this drop until the companies begin reporting in mid-January.

For the companion animal market, we'll have some excellent hard data in just another week or 10 days. We're in the midst of analyzing data from surveys of both veterinarians and pet owners for the Brakke Economy and Pet Care Study. It will be published in the middle of this month, and will provide the companies that purchase it with significant information on veterinarian and pet owner purchases of services and products in 2008, and expectations for 2009.

In the food animal sector we fully expect sales will remain challenging for the next several months. There is little on the horizon that will cause significant positive changes. The food animal producers in 2009 will continue to face increased costs with limited increases in selling prices of their product.

Have a great weekend!!

Ron Brakke

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