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**Brakke Consulting's  
Animal Health News & Notes for December 31, 2009**  
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IN THE NEWS:

Brakke news  
[2010 Industry Overview](#)

other news

[Erigenate](#)

[In Clover](#)

[JBS USA](#)

[Petco](#)

[Pilgrim's Pride](#)

[Teva](#)

[Webster](#)

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**REGISTER NOW FOR  
BRAKKE CONSULTING'S 2010 INDUSTRY OVERVIEW  
AT NAVC AND WVC**

Brakke Consulting will be presenting its annual US Animal Health Industry Overview at the North American Veterinary Conference and the Western Veterinary Conference in 2010.

**NAVC Overview**

**Monday, January 18th, 2010**

2:00 – 4:00 pm

Gaylord Palms, Orlando

**WVC Overview**

**Date: Tuesday, February 16, 2010**

Time: 2:00 - 4:00 pm

Place: The Four Seasons Hotel, Las Vegas

To register, go to [www.brakkeconsulting.com](http://www.brakkeconsulting.com) and look for the Overview link in the "What's New" box. Payment by major credit card is required at time of registration.

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[top](#)

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**COMPANY NEWS RELEASES**

> **Teva Animal Health** announced it has expanded a voluntary recall of ketamine hydrochloride in the US after an increase in the number of serious adverse events associated with the product. The company had previously instructed distributors to return Ketamine Hydrochloride Injection USP CIII 100 mg/ml in 10 ml vials, but is now widening the recall to include veterinary practices. The recall includes all lot numbers within their expiry dates. (*Animal Pharm*)

> **Webster Veterinary** announced the upcoming release of DIA Equine, a new version of its popular client education software. A pre-release version of this program debuted at the AAEP conference earlier this month. DIA Equine will be available in February of 2010. (*company press release*)

> **Petco** announced the opening of its 1000th store in Emeryville, CA. (*Pet Age*)

> **Pilgrim's Pride Corp.** announced it has emerged from bankruptcy, according to court documents and filings with the Securities and Exchange Commission. The reorganization incorporates six subsidiaries that were debtors in the company's Chapter 11 proceedings, and includes the sale of 64% of the new common stock of the reorganized Pilgrim's Pride to **JBS U.S.A.** for \$800 million in cash. (*Meating Place*)

> **Originate Corporation** announced the USDA approval of its eTattoo tag. The approval marks the first ultra-high radio frequency identification tag (UHF RFID) and the first non-low frequency tag (LF) to be approved for use with the "840" Animal Identification Number (AIN). eTattoo is a panel-style tag that incorporates both visual and electronic identification. (*company press release*)

> **In Clover** announced the upcoming launch of a new healthy treat for dogs, called Grin Daily Treats. They contain natural ingredients – chlorophyll, anise, green tea and FOS (fructooligosaccharides) – to support a dog's health. (*company press release*)

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## **ANIMAL HEALTH NEWS**

> **US - E COLI VACCINES** USDA's Agricultural Research Service announced that its scientists have developed two forms of a vaccine that might reduce the spread of *E. coli* O157:H7 in cattle intestines. In both vaccines the *E. coli* strain produces a large quantity of immunogenic proteins. The USDA is seeking patents for the vaccines. (*Meating Place*)

> **US - CANINE H1N1 INFLUENZA** A 13-year-old neutered mixed-breed dog was diagnosed with H1N1 influenza last week and is now recovering. The dog's owner had been diagnosed earlier in the week with the H1N1 virus. This is the first confirmed H1N1 case in the US involving a canine, after two previously reported, but unconfirmed, cases emerged in China last month. (*DVM360*)

> **US - H1N1 FLU IN HOGS** A federal laboratory has confirmed the presence of the 2009 novel H1N1 flu virus in samples taken from pigs at two North Carolina farms. It appears the pigs at both farms caught the virus from humans; the hogs have since recovered. North Carolina is the fourth state with identified cases of H1N1 in hogs, following Minnesota, Indiana and Illinois. (*Meating Place*)

> **US - PET SUPPLIER ORGANIZATIONS** The American Pet Products Association (APPA) and Pet Industry Distributors Association (PIDA) announced that they will no longer contribute funding to the Pet Industry Joint Advisory Council (PIJAC), effective 2010. APPA has historically been PIJAC's largest financial contributor. PIJAC is moving forward and plans to adopt a new strategic plan in February. (*Pet Product News*)

> **US - E. COLI** As of Dec. 26, there were 19 cases of *E. coli* O157:H7 illnesses in 16 states being investigating for a possible association with blade tenderized beef products recalled last week by **National Steak and Poultry**. So far, there has been no expansion of the initial 248,000-pound recall. (*Meating Place*)

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## **BRASSE CONSULTING VIEWPOINT**

We hope you are having an enjoyable holiday break. With the weather we've had, I hope you're into winter sports.

What a year 2009 has been for the industry! The year started with the financial crisis in full swing, creating much uncertainty. Then, not one but two mergers among pharmaceutical companies were announced with major implications for animal health. Pfizer/Wyeth closed first with Pfizer Animal Health absorbing Fort Dodge and Boehringer Ingelheim acquiring the assets that were spun off. The purchase of Schering Plough by Merck led to more changes. Merck kept the Intervet-Schering animal health unit and spun off its 50% interest in Merial to its partner, Sanofi.

As we enter 2010, the industry is waiting with bated breath to see if Sanofi exercises its option to merge Merial with Intervet-Schering Plough. If that happens, two companies – Pfizer and Merial/Intervet-Schering – could represent nearly 50% of global animal health sales. Won't that create some interesting dynamics in the industry!

The last big news of 2009 was the official announcement of the long-rumored merger of Henry Schein's animal health business with Butler Animal Health, creating further consolidation in the companion animal distribution sector.

Given the consolidation among manufacturers, greater size and scale among distributors no doubt provides important ballast in the marketplace that will benefit veterinarians. There is already evidence of this with reports that distributors are negotiating more favorable and less restrictive contracts for 2010 that will allow them to offer their customers broader arrays of products. It is also important to note that the four largest distributors serving the animal health market – Schein/Butler, MWI, Patterson/Webster and AHII/Walco – are all public companies, bringing added transparency to the industry.

So while 2010 begins with some uncertainty, there is no question that animal health will look quite different than it did at the beginning of 2009. The good news is that the recession appears to be winding down, markets are up, and there are bullish prospects for both the companion animal and food animal markets in the new year. We'll have an opportunity to give you further updates on the changes taking place during our annual Industry Overview presentations at NAVC and WVC. Sign up today at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com).

Meanwhile, we wish each of you good health and a prosperous NEW YEAR!!

*Ron Brakke*

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