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Brakke Consulting's
Animal Health News & Notes for December 31, 2010
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IN THE NEWS:

Brakke news
2011 Industry Overview

other news
Aurora Pharmaceutical
Bioniche
Digital Angel
Garmon
GenVec
IMV Technologies
Intervet/Schering-Plough
Merial
Overby Farm
Pfizer
Synbiotics
Target
Vétoquinol

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REGISTER NOW FOR
BRAKKE CONSULTING'S 2011 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 2011.

NAVC Overview
Monday, January 17th, 2011
2:00 – 4:00 pm
Gaylord Palms, Orlando

WVC Overview
Date: **Tuesday, February 22, 2011**
Time: 2:00 - 4:00 pm
Place: The Four Seasons Hotel, Las Vegas

To register, go to 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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COMPANY NEWS RELEASES

> Pfizer Animal Health announced an agreement to acquire **Synbiotics** Corporation. Synbiotics estimates that its common shareholders will be entitled to receive up to approximately $0.306 per share in cash in connection with the acquisition, of which approximately $0.019 per share will be

held in escrow as a fund against which Pfizer may make claims for losses arising from any breaches of Synbiotics' representations, warranties, covenants and agreements and similar customary matters. The acquisition is expected to close this week. *(PRNewswire)*

> Merial and **GenVec**, Inc. announced an agreement to develop and commercialize GenVec's proprietary vaccine technology for use against foot-and-mouth disease (FMD). Merial will be responsible for all costs related to the development and commercialization of FMD vaccines developed through the collaboration. GenVec will receive development milestones and royalties on sales. *(PRNewswire)*

> Digital Angel announced that its Destron Fearing unit has signed a contract extension with **Intervet/Schering-Plough Animal Health** to provide syringe and RFID microchip systems and readers. While the terms of the contract were not disclosed, the extended agreement runs through December 31, 2011. Intervet/Schering-Plough Animal Health markets Destron Fearing's companion pet products under the HomeAgain brand. *(Business Wire)*

> Bioniche Life Sciences Inc. announced that its Animal Health division has signed an agreement with **IMV Technologies** (France) for the exclusive distribution of a Bioniche cattle reproduction product and a select group of embryo transfer media products in Europe (excluding Spain, the UK and Ireland). This agreement extends to India, where IMV will assist Bioniche in the development of marketing plans for that jurisdiction. *(PRNewswire)*

> Target announced it is testing the market for veterinary pharmaceuticals by selling prescription drugs for pets in four states. The company began filling prescriptions for animals at pharmacies in 35 stores in Minnesota, North Carolina, Tennessee and Georgia. In addition to filling pet prescriptions for medications used by humans, Target carries veterinary-specific medications. *(Vet Advantage)*

> Aurora Pharmaceutical announced the launch of Barrier Waterless Skin Prep for field surgery. Barrier Waterless Skin Prep contains 2% titratable iodine that does not require rinsing, thus reducing surgical prep time. *(company press release)*

> The **Garmon Corp**., manufacturer of NaturVet pet supplements announced it has acquired **Overby Farm**, which manufactures Hip Bones pet treats and Hip Flex supplements. Financial terms were not disclosed. *(Pet Product News)*

> EU **Vétoquinol** announced the EU launch of two new injectable antibiotics for livestock in its domestic and export markets. The products, Ceftiocyl (ceftiofur) and Kefloril (florfenicol), are being brought to market by the group and its subsidiaries and are now registered in the majority of European countries. Ceftiocyl and Kefloril are registered for use in cows and pigs *(Animal Pharm)*

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ANIMAL HEALTH NEWS

> US - UNAPPROVED DRUGS The FDA announced that it is soliciting comments from stakeholders on strategies to address the prevalence of animal drug products marketed in the US without approval or other legal marketing status. For complete information, go to http://www.fda.gov/AnimalVeterinary/NewsEvents/CVMUpdates/ucm234024.htm
(FDA)

> US - PESTICIDE USE California pet product retailers and manufacturers have agreed to put warning labels on flea and tick collars that contain a chemical called propoxur. The chemical is listed as a carcinogen in California so products must be labeled with a warning when it is used as

an ingredient. The agreement settles a lawsuit filed last year against 18 pet product retailers and manufacturers by the Natural Resources Defense Council. *(APPA e-news)*

> DENMARK - ANIMAL WELFARE Denmark has opened a new national center for animal welfare, the Danish Center for Animal Welfare, with the intention of widening knowledge about livestock production in the Scandinavian country and overseas. The center's first task is to update the current status of animal welfare by collecting all data available from research and from public authorities' inspections of animal welfare. The center will also collate and compare data from researchers and public authorities to ensure that Denmark is at the leading edge of animal welfare development. *(Animal Pharm)*

> US - PETFOOD RECALL Kroger announced it was recalling some packages of three petfood brands it sold in 19 states, mostly the South, because they may contain aflatoxin. The brands affected are Kroger Value, Pet Pride and Old Yeller brands of dog and cat food. Kroger manufactured all of the recalled products at a Kroger-owned factory in Springfield, TN. *(Vet Advantage)*

> US - ANIMAL ID The Pork Checkoff has calculated that 92% of all US swine premises now have a nationally standardized premises identification number (PIN). The nationally standardized PIN is the cornerstone for more rapid and accurate traceability, which supports a faster response to animal-health events from the farm level on up. *(Meating Place)*

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BRAKKE CONSULTING VIEWPOINT

There are some interesting stories in this week's newsletter regarding continued consolidation and licensing agreements within the industry. One of particular interest is the announcement by Pfizer Animal Health that it is acquiring Synbiotics, which will put the largest animal health company as of today in the diagnostics business.

For a number of years many of the larger companies have contemplated moving into diagnostics but never quite reached the goal line. It appears that this has now changed. We have suggested for some time that one of the growth areas in animal health in the coming years will be diagnostics. Combining diagnostic products and services with other product lines will make for some interesting marketing opportunities in veterinary medicine.

The other story that should be of interest is the announcement that Target will be begin filling veterinary prescriptions for both human and animal drugs in a market test. It will be interesting to see if Target can make a go of dispensing Rx drugs for animals. And will it work cooperatively with veterinarians, or in competition with them? We live in interesting times!

We'll see many of you in Orlando where we'll have lots to talk about in our Industry Overview!!

HAPPY NEW YEAR!

Ron Brakke
Joel Adamson
Ken Berkholtz
Ray Collier
Lynn Fondon
Atsuo Hata
Jay Lockhart
John Mannhaupt
Susan Mannhaupt
Richard Miles

Jane Morgan
Kevin Scott
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