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**Brakke Consulting's  
Animal Health News & Notes for December 2, 2016**  
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IN THE NEWS:

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AnimalHealthJobs.com

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Pilgrim's Pride  
Quat-Chem Ltd.  
The Maschhoffs  
Zoetis

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**COMPANY EARNINGS RELEASES**

- Nippon Zenyaku Kogyo Company (**Zenoaq**) reported financial results for the first half of 2016. Revenues were ¥15.2 billion (\$134.5 million), an 18% increase in sales. (*Animal Pharm*)

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## COMPANY NEWS RELEASES

- **Zoetis** announced the availability of its FluSure XP swine influenza vaccine updated with clusters IV-A and IV-B of the H3N2 subtype. (*company press release*)
- **Mars Inc.** filed a lawsuit against **J.M. Smucker** for alleged trademark infringement of Mars' Greenies Pill Pockets treats by Smucker's Milk-Bone Pill Pouches pet treats. Mars asked the court to determine damages and to prohibit the sale of the Pill Pouch brand and that all inventories of the treat be destroyed. J.M. Smucker's attorney responded that at least six other brands have similar products, such as Butler Scripts Pill Pals and Zoe Pill Pops. (*Petfoodindustry.com*)
- **Phibro Aqua**, a division of Phibro Animal Health, announced the launch of PAQ-Gro for Hatchery, a new nutritional feed supplement to maximize fish health during grow-out in hatcheries and nurseries. PAQ-Gro for Hatchery is a proprietary blend of natural ingredients, specifically formulated for the early stages of aquaculture development. (*Animal.agwired.com*)
- **Jaguar Animal Health**, Inc. announced that it has entered into a definitive agreement to sell securities to certain institutional investors in a private placement for aggregate gross proceeds of approximately \$1.0 million before deducting offering expenses payable by Jaguar. Jaguar will sell an aggregate of 1,666,668 shares of its common stock at a price of \$0.60 per share. The purchasers will also receive warrants to purchase common stock in the future. (*company press release*)
- **Anivive Lifesciences** announced it has licensed a novel kinase inhibitor, PX-886, from the University of Arizona to develop the product as a treatment for solid tumors in canines. PX-866 is a novel small molecule drug derived from the natural product wortmannin. (*UANews.Arizona.edu*)
- **Pilgrim's Pride Corp.** announced a definitive agreement to acquire **GNP Co.**, a leading provider of chicken products in the Upper Midwest, from **The Maschoffs** in an all-cash, \$350 million transaction. The addition of the GNP's portfolio of Just BARE certified organic and natural/American Humane Certified/no-antibiotics-ever (NAE) product lines to Pilgrim's existing NAE and organic production capabilities will further position Pilgrim's as a leading provider of high-quality products in the fastest-growing chicken segments. (*Feedstuffs*)
- BRAZIL **Ceva Santé Animale** announced it has acquired **Hertape Saude Animale Ltda.** and **Inova Biotecnologia Saude Animale Ltda.**, two leading Brazilian veterinary biopharmaceutical companies. The combined businesses could potentially establish the new business in the top 5 of the Brazilian market. Financial terms were not disclosed. (*company press release*)
- UK **Neogen Corporation** announced that it has acquired United Kingdom-based **Quat-Chem Ltd.**, a chemical company specializing in the development, manufacture and sale of agricultural, industrial, and food processing biocidal hygiene products, including cleaners and disinfectants. Quat-Chem's annual revenues are approximately \$12 million. Financial terms were not disclosed. (*company press release*)

- FRANCE **GOUR Medical** announced the successful completion of its direct listing on Marché Libre Euronext Paris, the French securities market. The issued share capital of GOUR Medical currently comprises 2,830,000 shares. Based on a price per share of EUR 5.69 at the time of listing, the Company's market capitalization is EUR 16.1 million (\$17 million). (*company press release*)
- CHINA **Pancosma** has acquired an 80% majority shareholding in **Jangsu Keybio Biology Technology Co. Ltd.**, a Chinese company that specializes in additives. The remaining 20% of the capital is retained by Jangsu Hanshang Import & Export Co. Ltd. which is Pancosma's longstanding partner in China. Financial terms were not disclosed. (*WattAgNet.com*)
- INDIA Cipla has hired Rothschild Bank to find potential buyers for its animal health business, **Cipla Vet**. Several Indian buyers have reportedly submitted bids for Cipla Vet, which is a leading veterinary pharmaceutical exporter with a presence in over 100 countries. (*Business-Standard.com*)

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## ANIMAL HEALTH NEWS

- EUROPE - AVIAN INFLUENZA Cases of H5N8 avian influenza have been detected in wild ducks in Northern France amid a recent outbreak of the disease in Europe. Outbreaks in neighboring countries including the Netherlands, Switzerland and Germany prompted the French Agriculture Ministry to impose additional precautions at farms and restrict hunting and bird gathering earlier this month. France is Europe's largest poultry producer. (*Euronews.com*)
- JAPAN - AVIAN INFLUENZA Japan has begun culling more than 300,000 chickens and ducks after the discovery of H5 avian influenza on farms in the north of the country. The outbreaks are the first in nearly two years in Japan. (*Huffington Post*)
- US - CWD Minnesota State wildlife officials are investigating after two harvested deer tested positive for Chronic Wasting Disease. The two deer are the only deer to test positive from 2,493 samples collected between November 5 and 13. While CWD has turned up in deer in Wisconsin and northeastern Iowa, this is the first case in wild deer in Minnesota since 2010. (*USAtoday.com*)
- WORLD - ONE HEALTH The Johns Hopkins Bloomberg School of Public Health and the Ross University School of Veterinary Medicine in the Caribbean announced the formal creation of a program to collaborate on One Health research and training. The agreement would allow students at Johns Hopkins to travel to the Caribbean for field projects, and students at Ross to travel to Baltimore to begin studies for a master's degree in public health. The agreement will also allow for collaborative research projects among professors at both schools. (*AVMA Smartbrief - Baltimore Sun*)
- US - MUMS The FDA announced an open period for applications for grants to support the development of new animal drugs intended for minor species or minor uses in major species (major species are horses, dogs, cats, cattle, pigs, turkeys and chickens). This is Funding Opportunity Announcement #RFA-FD-15-004. Applications must be submitted electronically by January 13, 2017, through [www.grants.gov](http://www.grants.gov). (*FDA*)

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## BRAKKE CONSULTING VIEWPOINT

The news this week focuses on a number of transactions and technologies in international markets. Several companies continue to be aggressive in building their business by acquiring or in-licensing transactions. We believe this activity continues to reflect the shallow research pipelines in a number of companies related to bringing new technologies to market. One has to wonder when companies will increase their R&D investment to support continued revenue growth in future years. Have animal health companies fallen into the trap of current improved quarterly or annual earnings being more important than the future?

Have a great weekend!

*Ron Brakke*

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