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**Brakke Consulting's  
Animal Health News & Notes for March 24, 2017**  
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*Editor: Lynn Fondon DVM MBA*

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**BRAKKE CONSULTING, INC.  
2017 PAIN MANAGEMENT PRODUCTS REPORT  
LAST WEEK FOR EARLY-ORDER DISCOUNT**

Pain management is one of the leading topics in veterinary medicine today. Brakke Consulting's annual report on **Pain Management Products for Dogs and Cats** includes such valuable information as:

- overview of acute and chronic pain in small animals
- review of new products, including Galliprant, Nocita, and Onsior for Dogs
- estimates of US sales and prices of leading products

- pain management products in development
- review of nutritional supplements used for chronic pain
- review of therapeutic diets for joint care
- 2017 survey of 300 small animal veterinarians regarding use of pain management products

Pain Management Products for Dogs and Cats 2017 can be purchased for **\$4,995 if ordered by March 31, 2017**, and \$5,500 thereafter. The report will be completed in April. Questions about the study can be answered by project manager Lynn Fondon, DVM, MBA at 972-243-4033, or email [Lfondon@brakkeconsulting.com](mailto:Lfondon@brakkeconsulting.com).

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## COMPANY EARNINGS RELEASES

- **Neogen Corporation** reported financial results for the third quarter of fiscal 2017 ended February 28. Revenues increased 15% to \$88 million; net income increased 24% to \$10.3 million compared to the comparable prior-year period. Revenues for the company's Animal Safety segment increased 8% to \$45 million compared to the prior year, aided by the May 2016 Preserve acquisition. *(company press release)*
- **Ouro Fino Saúde Animale** announced financial results for the full year 2016. The company reported sales of R\$456.6 million (\$148 million), a decline of 14.5% compared to 2015. Operating profit was down 81% to R\$18.8 million (\$6.1 million). *(Animal Pharm)*
- **Parnell Pharmaceuticals** reported results for the full year 2016. Revenues were A\$19 million (US\$14.6 million), an increase of 45% year-on-year. The company reported a net loss at A\$(21.7) million (US\$16.7 million) compared to a loss of A\$(13.7) million in 2015. *(Animal Pharm)*

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## **BRAKKE CONSULTING, INC. US ANIMAL HEALTH INDUSTRY WEBINAR APRIL 19, 2017**

Brakke Consulting, Inc. will present a two-hour webinar entitled "What's Driving the U.S. Animal Health Industry" on Wednesday, April 19 from 10 am - 12 pm CDT.

Presented by senior consultants John Volk and Cary Christensen, DVM, the two-hour presentation will include a review of industry performance over the last year, comments on leading companies, plus current issues impacting industry and the veterinary profession. The webinar will also provide insights on factors affecting both the food animal market and companion animal market and key findings from several recent studies. The webinar is interactive; participants will have the opportunity to ask questions.

The cost of registering for the webinar is \$395 per person. The deadline for registering is Monday, April 17.

To register, go to [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com) and scroll to the "What's New" box.

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## COMPANY NEWS RELEASES

- **IDEXX Laboratories**, Inc. announced that it joined the NASDAQ-100 Index, the NASDAQ-100 Equal Weighted Index, and the NASDAQ-100 Ex Technology Index. *(company press release)*
- **Vedco**, Inc. announced a multiyear distribution agreement with **Baycom Diagnostics** for the distribution of Baycom's whole blood glycohemoglobin (A1c) diagnostic device for diabetes detection in dogs and cats. A1Care measures the amount of sugar bound to the hemoglobin in red blood cells, and provides an average blood glucose level for the 70 days prior to testing in cats and the 110 days prior to testing in dogs. A1Care and other Baycom product offerings will be available through the Vedco group of distributors. *(company press release)*
- The FDA is investigating four cases of canine illness that may be related to ingesting high levels of beef thyroid hormone, which can cause increased thirst and urination, weight loss and elevated heart rate, among other issues. Three cases occurred after the dogs ate a canned variety of food made by **WellPet**, and one case involved a canned food manufactured by **Blue Buffalo**; certain lots under both brands have been recalled. *(AVMA Smartbrief - Food Safety News)*
- **J-Six Enterprises** announced it has acquired a pet treat manufacturing facility from **Perrigo Animal Health**. Financial terms were not disclosed. *(Pet Business)*
- **Manna Pro** announced it has acquired grooming products manufacturer **Espreo** to expand its companion animal business. Financial terms were not disclosed. *(Pet Business)*
- **Pet King Brands** announced the launch of Zymox hydrocortisone-free ear solution and Oratene antiseptic gel for brushless oral care. *(Pet Business)*
- **Radio Systems Corporation** announced it has acquired **Solvit Products**, which markets pet products for travel, active life, therapeutic and senior care. Financial terms were not disclosed. *(Pet Product News)*
- **Hyper Pet** announced it has acquired the Aussie Naturals, Outback Jack, and Wild Eats brands from **ABO Gear**. Financial terms were not disclosed. *(Pet Business)*
- Dutch aquafeed specialist **Coppens International** has entered into a strategic knowledge partnership with Brazilian fish nutrition company **Guabi**. The companies anticipate that algae technology will be a significant focus. *(Animal Pharm)*
- BRAZIL Brazilian federal authorities raided numerous meatpacking companies, including global companies **JBS SA** and **BRF SA**, in a probe called Operation Weak Flesh. The raids were reportedly the result of a two-year investigation into the alleged bribery of health inspectors by the meat companies. The police said the investigation found evidence that meatpackers bribed inspectors and politicians to overlook unsanitary practices such as processing rotten meat and shipping exports with traces of salmonella. *(Feedstuffs)*
- BRAZIL **Merck Animal Health** announced it has closed the acquisition of a controlling interest in **Vallée S.A.**, a leading privately-held producer of animal health products in Brazil. According to the original July 2016 announcement, Merck would acquire approximately 93% of the shares of Vallée S.A. in exchange for a payment of \$400 million, based on current exchange rates. *(company press release)*

- AUSTRALIA **Anpario** announced it has acquired its Australian distributor **Cobbett** for approximately Aus\$1 million (\$780,000). Cobbett has been Anpario's distributor for 20 years, supplying products to Australia, New Zealand and Papua New Guinea. (*Animal Pharm*)

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**BRAKKE CONSULTING, INC.  
TRANSACTION ASSISTANCE**

Buying, selling or merging? We can help!

Brakke Consulting assists many clients with mergers, acquisitions and divestitures. Our transaction experts can provide the insight, ability and contacts you need in the animal health, pet, veterinary and specialty chemicals markets. Please contact any of our offices for a confidential consultation.

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**ANIMAL HEALTH NEWS**

- US - SCREWWORM The USDA's Animal & Plant Health Inspection Service (APHIS) announced the successful eradication of the New World screwworm (NWS) from Florida. APHIS considers an area to be screwworm free through surveillance, which includes trapping flies and visually inspecting animals for signs and symptoms of NWS infestation. No new cases of NWS have been reported in Florida since Jan. 10. (*Feedstuffs*)
- US - POULTRY VACCINE RESEARCH A researcher at Auburn University has developed a potential new vaccine for both Newcastle disease and infectious laryngotracheitis (ILT). This new vaccine was created by inserting a gene from the ILT virus into the B1 Newcastle disease vaccine, which is commonly used in broilers at one day of age. Research to evaluate the safety and efficacy of this new vaccine candidate is continuing. (*Feedstuffs*)
- US - PRION DISEASE DETECTION Researchers at Iowa State University have developed a highly sensitive method of screening for protein misfolding diseases - including BSE and chronic wasting disease - that involves intact, living brain tissue from model animals and maintaining them as live cultures. The new process produces data much faster and at less cost than was previously possible through the study of live model animals. The researchers have dubbed the process "OSCAR," short for Organotypic Slice Cultures and RT-QuIC. The research was published in *Scientific Reports*. (*Feedstuffs*)

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**ANIMAL AGRICULTURE ALLIANCE  
STAKEHOLDER'S SUMMIT  
MAY 3-4, 2017  
KANSAS CITY**

The Animal Agriculture Alliance's Stakeholders Summit is set for May 3-4, 2017 in Kansas City, Missouri.

With the theme "Connect to Protect Animal Ag: #ActionPlease2017," the conference will build on the 2016 Summit's focus of taking action to secure a bright future for animal agriculture. Speakers will give the audience actionable solutions to take home and implement on their farm or in their business.

To register and learn more, visit [www.animalagalliance.org/summit/](http://www.animalagalliance.org/summit/).

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## **BRAKKE CONSULTING VIEWPOINT**

How time flies! There is only one week left to generate revenue in the first quarter of 2017. The feedback we have from the field is that the year is off to a good start. The companion animal market appears to be outpacing the food animal sector in revenue growth, but that is expected with the current soft agricultural economy. However, the good news in the beef area is that the herd is rebuilding faster than was anticipated, so there are a few million more animals to treat versus 2015 & 2016. Producers may move to lower-priced options during this period but compliance should remain reasonably positive.

We'd like to encourage our readers in the food animal business to attend the Animal Agricultural Alliance Stakeholders Summit in early May. This organization provides a communications bridge between animal agriculture and consumers with positive messages on the values of animal agriculture.

Have a great weekend!

*Ron Brakke*

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