
**Brakke Consulting's
Animal Health News & Notes for April 11, 2014**
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COMPANY EARNINGS RELEASES

> **Cargill** reported net earnings of \$319 million in the fiscal Q3-2014 ended Feb. 28, down 28% from the year-ago period. Third-quarter revenues were \$32 billion, essentially even with the year-ago period. Third-quarter earnings rose considerably in Animal Nutrition & Protein compared with the same period a year ago. (*Feedstuffs*)

BRAKKE CONSULTING, INC.
GLOBAL EQUINE MARKET STUDY
EARLY ORDERS DUE BY APRIL 15

Brakke Consulting and Ipsos Agriculture and Animal Health are planning to conduct a comprehensive study of the equine animal health market in seven major horse-owning countries – Australia, Brazil, Canada, France, Germany, Spain and UK.

The global study will be fielded in May, with completion by Aug. 15. Companies that order by April 15 and pay in advance receive a \$1,000 early-order discount. Purchasers of the 2014 Equine Market MegaStudy will receive an additional \$1,000 discount. Upon publication, the price of the global study is \$29,000.

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COMPANY NEWS RELEASES

> **Merck Animal Health** announced the availability of MILDVAC-Ma5, a vaccine to control Massachusetts-type infectious bronchitis virus (IBV) – the most prevalent IBV serotype worldwide. Research results show MILDVAC-Ma5 can provide broad coverage across multiple IBV strains and protection against ciliostasis. MILDVAC-Ma5 can be administered by coarse spray at 1 day of age or older or in the drinking water at 2 weeks of age or older. (*company press release*)

> **Mars** announced an agreement to acquire **Procter & Gamble's** Iams, Eukanuba and Natura brands in major markets for \$2.9 billion in cash. The geographic regions included in the acquisition, which account for approximately 80% of P&G Pet Care's global sales, include North America, Latin America and other selected countries. Markets not included in the transaction are primarily European Union countries; P&G is developing alternate plans to sell its Pet Care business in these markets. (*Pet Age*)

> **Kemin Industries** announced the launch of two new supplements for US veterinarians. Re-Flex Ultra joint supplement combines specific ingredients of the company's Re-Flex 3 and Re-Flex 4 joint health products; Protegrity EZ promotes optimum intestinal health. (*Animal Pharm*)

> **Novus International** announced the appointment of Francois Fraudeau as its new president and chief executive, following the retirement of Thad Simons as chief executive. Mr. Fraudeau was previously the company's chief operating officer. (*Animal Pharm*)

> **OPTIMIZERx Corporation** announced it has launched VoucherDVM. VoucherDVM offers a technology solution that provides a simple and efficient way for animal product manufacturers to offer automated savings to veterinarians and their customers to encourage more affordable and convenient point-of-care purchases for their products. (*Marketwatch*)

> **Regeneus** announced a partnership with Hennessy Research for the production of its new canine cancer immunotherapy, Kvax. **Hennessy Research** will produce Kvax for the upcoming marketing trials in the US. Kvax immunotherapy uses material from a tumor or biopsy from the patient as source material to produce a personalized vaccine. (*proactiveinvestors.com.au*)

> CHINA Eli Lilly, parent company of **Elanco**, announced a non-legally binding memorandum of understanding with **China Animal Healthcare** that covers the possible commercialization of a protein supplement that increases milk production in healthy lactating cows. Eli Lilly holds a 20.35% stake in China Animal Healthcare. Elanco will likely provide China Animal Healthcare with the supplement, which the latter will market and distribute in China. (*Animal Pharm*)

> SWEDEN **Intervacc**, the leading player in the veterinary pharmaceutical market in Scandinavia, announced a merger with **Nordvacc Läkemedel**. Nordvacc, which recorded 2013 sales of SEK 95 million (\$14.5 million), manufactures vaccines, pharmaceuticals and vitamins for food-producing animals and horses. Financial terms were not disclosed. (*Animal Pharm*)

> JAPAN **DS Pharma Animal Health** announced the Japanese launch of Interberry α, a lyophilized recombinant strawberry expressed canine interferon alpha – 4 for reduction of

symptomatic gingivitis in dogs. The product is manufactured by Hokusan KK. (*company communication*)

**BRASSE CONSULTING, INC.
UNDERSTANDING THE OVER-THE-COUNTER MARKET**

Whether your business is considering the OTC channels for new business opportunities or you have been distributing in the OTC channels for years, Brasse Consulting's team can provide significant and quality assistance to businesses seeking to learn more about the details of the OTC channels of distribution. If you are looking for meaningful insights into the OTC channels, the trends found there, and the opportunities that exist, contact our Dallas office or Joel Adamson at jadamson@brasseconsulting.com.

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ANIMAL HEALTH NEWS

> US - VETERINARY MOBILITY ACT The US House Energy and Commerce Committee has approved H.R. 1528, the Veterinary Medicine Mobility Act. The bill would allow veterinarians to legally transport, administer and dispense controlled substances in the field to provide the highest level of care to their patients. The bill next moves to a vote in the full House. The Senate has already unanimously passed its version of the bill back in January. (*bovinevetonline.com*)

**BRASSE CONSULTING, INC.
US ANIMAL HEALTH INDUSTRY WEBINAR
Wednesday, April 16, 2014
11 a.m. to 1 p.m. CDT**

The two-hour presentation will include a review of the current issues impacting the U.S. animal health industry and veterinary profession, data on size of the animal health market and growth trends, sales of leading companies, and expectations for the coming year. This year will also highlight pet insurance and preventive care plans and their effect on veterinary medicine. Participants will also have an opportunity to ask questions of the presenters.

Registration cost is \$385.00 per person. To register or for more information, go to www.BrasseConsulting.com and scroll to the "What's New" section.

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BRASSE CONSULTING VIEWPOINT

The news this week covers a number of product launches for various species and product categories. The most significant story in our opinion is the purchase of the majority of Proctor & Gamble's pet food business by Mars Corporation. This acquisition adds additional leading pet food brands to an already large pet food business for Mars. How the specialty brands are integrated into the marketplace will be important to retailers, veterinary clinics and distributors.

It appears in the US that warmer weather is finally arriving, which should assist in reminding pet owners that it is time to purchase their seasons flea, tick and heartworm products. We will be interested in observing the success of the tactical marketing strategies that will be implemented this season by the leading brands. The success or failure of this large category of products has a

significant impact on the financial results of a number of companies. Good luck!

Have a good weekend!!

Ron Brakke

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