
**Brakke Consulting's
Animal Health News & Notes for May 25, 2012**
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**BRAKKE CONSULTING, INC.
MARKET RESEARCH SERVICES**

Look Before You Leap

If your firm needs help assessing the feasibility of a new product or technology, identifying the opinions and trends of consumers and producers, or determining the current market for products, Brakke Consulting can build a market study to meet your needs.

We have an in-house database of veterinarians and the ability to custom-tailor surveys of veterinarians, producers and pet owners. We also produce syndicated studies in a number of high-interest animal health market areas. Further information can be found at our website or by calling our Dallas office at 972.243.4033.

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COMPANY EARNINGS RELEASES

> Patterson Companies, Inc. reported results for the fiscal 2012 year ended April 28. Sales of the **Webster Veterinary** unit increased 9% to \$686 million with the August 2011 acquisition of American Veterinary Supply Corporation. (*Marketwatch*)

> **PetSmart**, Inc. reported results for the first quarter of 2012. Net income totaled \$95 million, an increase of 34% compared to the first quarter of 2011. Total sales increased 9% to \$1.6 billion. Comparable store sales, or sales in stores open at least a year, grew 7%. (*company website*)

> **Tyson Foods** reported results for its second fiscal quarter ended March 31, 2012. Sales were \$8.3 billion, an increase of 3% compared to the comparable period in the prior year. Earnings were \$166 million, an increase of 4%. Results for its chicken, pork and prepared foods segments were above normalized operating margins, while the beef segment broke even. (*Feedstuffs*)

COMPANY NEWS RELEASES

> **Franck's Pharmacy** announced a recall of all sterile human and veterinary prescriptions distributed by Franck's Pharmacy from November 21, 2011 to May 21, 2012. This recall was initiated after the FDA notified the company that environmental sampling of its clean room revealed the presence of microorganisms and fungal growth. (*FDA*)

> **Diamond Pet Foods** has added cat food to its recall list due to possible Salmonella contamination. The newly recalled products are Kirkland Signature Super Premium Maintenance Cat Chicken & Rice Formula and Kirkland Signature Super Premium Healthy Weight Cat Formula dry cat food. No illnesses with pets have been reported. (*AVMA SmartBrief - annarbor.com*)

> **Alltech** announced the official launch of its Crop Science division. Fueled by the power of yeast, Alltech Crop Science says its products offer a viable alternative to conventional agrochemicals. (*Greenindustrypros.com*)

> FRANCE **Zolux** has acquired **Francodex Santé Animale** from **Virbac SA**, enlarging its current business in the pet health, care and hygiene sectors. The take-over includes the Mastery line of super premium pet foods. Financial terms were not disclosed. (*PETS International*)

> JAPAN **Fujitsu** announced it will launch a new service later this year that enables dog owners to monitor their pets' health through a card-shaped device attached to the animals' collars. The device records the number of steps taken, changes in body temperature and other health data. The information can then be downloaded wirelessly to either a smart phone or personal computer. The company plans to team up with pet firms to provide the new service. (*Animal Pharm*)

ANIMAL HEALTH NEWS

> SPAIN - DRUG RESIDUES Researchers from the University of Almeria (Spain) have developed a system to analyze milk powder and meat-based baby food to detect very low levels of residues of drugs given to livestock. Sulfonamides, macrolides and other antibiotic traces have been found, as well as anthelmintics and fungicides. In total, the researchers found five veterinary drugs in milk powder and ten in meat products, especially if they were chicken or other poultry. The study that was published in journal *Food Chemistry*. (*ScienceDaily.com*)

> US - EQUINE HERPESVIRUS The Colorado Department of Agriculture is investigating a confirmed case of Equine Herpesvirus (EHV-1) within the state. A quarantine has been placed on a Douglas County premises after a horse was confirmed with the virus. The horse was transported from Iowa by a private owner and was euthanized after showing severe neurological signs associated with the disease. There are three other facilities in Colorado that received horses from the same transport company; those horses are isolated and are being closely monitored for any clinical signs of EHV. (*Veterinary Advantage*)

> US - DOG TREATS The FDA has received 900 complaints since November of illnesses and deaths of pets that ate chicken jerky treats made in China. The implicated brands include Canyon Creek Ranch and Waggin' Train, manufactured by **Nestle Purina PetCare**, and Milo's Kitchen Home-style Dog Treats, produced by **Del Monte**. Extensive FDA testing since 2007 hasn't

identified a toxic agent in the treats, and reports from FDA visits to manufacturing plants in China haven't been released. Company officials say the illnesses are unrelated to their products.
(AVMA SmartBrief - MSNBC)

BRAKKE CONSULTING VIEWPOINT

The newsletter is shorter than normal this week, which is a bit surprising based on the activity we're seeing in the marketplace. The mild winter and positive spring weather conditions in most parts of the US are driving the flea and tick market to new heights. Based on the level of consumer and trade advertising we've seen, we're betting that the first and second quarters of 2012 will show record sales for this product category. As the year progresses, it will be interesting for us to compare the pet owner channel purchasing habits with 2011.

We want to wish all of you in the US a pleasant and safe Memorial Day Weekend!!

Ron Brakke

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