
**Brakke Consulting's
Animal Health News & Notes for May 31, 2013**
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**BRAKKE CONSULTING, INC.
STRATEGIC PLANNING SERVICES**

Brakke Consulting is an excellent resource for your company's strategic planning. Some of the services we offer include:

- Reviewing revenue estimates and success probability of your product pipeline.
- Reviewing the timing of various new product introductions and estimate the impact of various scenarios.
- Benchmarking various functions against company competitors in the larger markets, which might include sales force size, technical services and/or R&D spending vs. sales.

Through strategic planning, Brakke Consulting can help improve the likelihood of success for your company's future endeavors. Contact us for professional assistance in any of these areas.

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COMPANY NEWS RELEASES

> **Virbac** announced a collaboration and license agreement with **NovaBay Pharmaceuticals, Inc.** to acquire exclusive worldwide rights to develop NovaBay's proprietary compound, auriclosene (NVC-422), for global veterinary markets. Virbac's option exercise follows its extensive testing of auriclosene for veterinary uses during the 12-month option period. NovaBay's Aganocide compounds, led by auriclosene, are patented, topical antimicrobials with a broad spectrum of activity against bacteria, viruses and fungi. (*Nasdaq.com*)

> **Veterinary Instrumentation** announced that **Butler Schein Animal Health** will bring the former's line of surgical instruments and veterinary orthopedic devices to the US market. UK-based Veterinary Instrumentation develops instruments and implants designed for veterinary surgery and dentistry. (*Animal Pharm*)

> **Vivalis** and **Intercell** announced a merger to create a new company, **Valneva**. Valneva will focus on developing vaccines and antibodies. The company's product portfolio is a mix of human and animal health products. Valneva, headquartered in France, plans to launch a rights issue of around EUR 40 million (\$51.4 million). Financial terms were not disclosed. (*Animal Pharm*)

> **Lumora** announced a license and development agreement with **Biogal Galed Labs ACS** to develop a series of veterinary tests. The partnership will involve a pipeline of test development starting with leptospirosis. (*Genengnews.com*)

> **Smithfield Foods** has agreed to a takeover by **Shuanghui International Holdings**, the Hong Kong-based majority shareholder in Henan Shuanghui Investment & Development Co, which is China's largest meat processing enterprise. The two companies have agreed to a deal that values Smithfield at approximately \$7.1 billion, including the assumption of Smithfield's net debt. The company will continue to operate as Smithfield Foods under its current management team, and its headquarters will remain at Smithfield, Virginia in the US. Smithfield had total sales of \$13 billion in its latest full financial year. (*Animal Pharm*)

> CHINA **Ceva Sante Animale** has signed a scientific cooperation agreement with University of Guangzhou (South China Agriculture University), which specializes in poultry health. The immediate objective is to evaluate Ceva's Vectormune AI vaccine against local virulent strains of avian flu, but the company intends that bringing its teams and the Chinese university laboratories together will also contribute to developing new products with the Chinese partners. (*Animal Pharm*)

ANIMAL HEALTH NEWS

> BRAZIL - BSE The World Organization for Animal Health (OIE) has declared Brazil free of bovine spongiform encephalopathy (BSE). (*Animal Pharm*)

> EU - FIPRONIL The European Food Safety Authority (EFSA) has implicated the active ingredient fipronil as a risk to bee health when used as a crop insecticide. EFSA concluded fipronil poses a high acute risk to honeybees when used as a seed treatment for maize, particularly from dust drift, but less from nectar and pollen. (*Animal Pharm*)

BRAKKE CONSULTING, INC. ANIMAL HEALTH BREAKFAST ROUNDTABLE JUNE 13, 2013

Please join Brakke Consulting and Stinson Morrison Hecker LLP in Kansas City for the next roundtable, "How Changing Ownership is Shaping Animal Health," on Thursday, June 13, 2013.

Susan Warren of Brakke Consulting and Stinson Partner Scott Claassen will provide a review of the mergers, acquisitions and consolidations in recent years and how those changes are impacting the industry and the veterinary profession.

To register, go to <http://www.stinson.com/registeranimalhealthjune2013/>.

BRAKKE CONSULTING VIEWPOINT

This week two of the stories are about transactions or agreements involving Chinese companies. There has been a great deal of discussion and action the past few years related to Chinese companies entering the North American animal health generics market. What some may have overlooked is the high interest that developing countries have in supplying increased volumes of quality food for their growing population.

The proposed Smithfield acquisition by a Chinese company appears to us in the short term to be a win for the US pork and animal health industry. If the acquisition is completed there will most likely be increased numbers of swine born, fed and slaughtered in the US, which should result in increased revenue for products and services to the swine industry. We believe this acquisition demonstrates the strength and capabilities of the North American food production agriculture. North America has the feed grains, genetics and technology needed to be a major supplier of animal protein around the world. We're likely to see more transactions of this type in the future.

Have a great weekend!!

Ron Brakke

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