
**Brakke Consulting's
Animal Health News & Notes for June 11, 2010**
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**KC ANIMAL HEALTH INVESTMENT FORUM
AUGUST 31, 2010**

June 25 application deadline is approaching!

The KC Animal Health Corridor is now accepting applications for the second annual KC Animal Health Investment Forum on August 31, 2010, in Kansas City, Missouri.

The forum will showcase animal health and nutrition companies from throughout the world. The selection committee will consider companies that meet the following criteria:

- Seeking \$500,000 to \$20 million in funding
- Revenue projections of \$20 million within 5-7 years

If your company meets these criteria and you would like to apply to present, please go to our application web site at www.kcanimalhealthforum.com. Applications must be submitted by **June 25, 2010**.

For inquiries about the application process, email Chris Walsh at cwalsh@stlrcga.org. All other inquiries can be directed to Lynn Parman at parman@thinkKC.com.

COMPANY EARNINGS RELEASES

> **KMG Chemicals**, Inc. announced financial results for the third quarter ended April 30, 2010. Animal Health generated net sales of \$3.2 million or 6% of the total compared to net sales of \$3.5 million or 7% of net sales in the comparable period in the prior year. (*Business Wire*)

COMPANY NEWS RELEASES

- > **Intervet/Schering-Plough** Animal Health announced that Nobivac Canine Flu H3N8 has been granted a full license by the USDA. The licensure follows evaluation of use of the vaccine by veterinarians since May 27, 2009, when a conditional license was awarded. (*PRNewswire*)
- > **Digital Angel** announced that its Destron Fearing unit has signed a contract extension with **Intervet/Schering-Plough** to provide syringe and RFID microchip systems and readers through December 31, 2010. Intervet/Schering-Plough markets Destron Fearing's companion pet products under the HomeAgain brand. (*Business Wire*)
- > The Procter & Gamble Company announced that is voluntarily recalling specific lots of its **Iams** ProActive Health canned cat food in North America as a precautionary measure. Diagnostic testing indicated that the product may contain insufficient levels of thiamine (Vitamin B1), which is essential for cats. (*CVM*)
- > **Land O'Lakes Purina Feed** announced the launch of Ultium Growth horse formula, a premium nutritional feed specially formulated for broodmares and growing horses. (*MarketWire*)
- > **Radio Systems** Corp., announced it has acquired **Veterinary Ventures** Inc., the manufacturer of the Drinkwell Pet Fountain. Financial terms of the deal were not disclosed. (*Pet Product News*)
- > **iM3** announced the release of LED Advantage dental hand piece to the Veterinary market. The LED Advantage hand piece is self generating, so requires no pre-existing fiber optic wiring or expensive modifications and fits all air driven dental machines. (*company press release*)
- > **Nonin Medical**, Inc. announced the release of the 2500A VET handheld pulse oximeter to the US and international markets. (*PRNewswire*)

ANIMAL HEALTH NEWS

- > **JAPAN - FMD** Japan reported that foot-and-mouth disease has spread to Miyakonojo city, Japan's largest producer of pork and beef, in the southern prefecture of Miyazaki. All 208 animals in the farm were culled, raising the number to about 158,600. The government plans to cull an additional 113,600 animals, including uninfected ones, to prevent the disease from expanding further. (*Business Week*)
- > **US - GRAS PILOT PROGRAM** The FDA's Center for Veterinary Medicine (CVM) announced the beginning of a Pilot Program to accept and review GRAS notices for substances used in animal food. The GRAS notification pilot program will now provide a voluntary mechanism for an individual, called the notifier, to inform FDA of their determination that the use of a substance is GRAS, rather than petition FDA to affirm that the use of a substance is GRAS. FDA will evaluate whether the submitted notice provides a sufficient basis for a GRAS determination and whether information in the notice, or otherwise available to FDA, raises issues that lead the agency to question whether use of the substance is GRAS. For the complete press release, go to <http://www.fda.gov/AnimalVeterinary/NewsEvents/CVMUpdates/ucm214432.htm> (*CVM*)
- > **US - CARCASS TREATMENT** A study by scientists at the USDA's Agricultural Research Service has shown that using a cleansing solution composed of lauric acid and potassium hydroxide was effective in removing foodborne pathogens from eviscerated chicken carcasses. ARS is searching for alternatives to chlorine rinses because other countries do not use them in poultry processing. (*Meating Place*)

> US - ETHANOL PRODUCTION The USDA raised its estimate of corn use for ethanol in the 2009/10 marketing year ending in September by 150 million bushels to 4.55 billion bushels and its forecast for use in the 2010/11 marketing year by 100 million bushels to 4.7 billion bushels. The increased estimates reflect the continued record pace of ethanol production and usage through March based on the latest data from the Energy Information Administration. (*Meating Place*)

**BRAKKE CONSULTING, INC.
MERGER / ACQUISITION / LICENSING**

Are you interested in growing your business by purchasing another company, product line or technology? Have you been thinking about selling your company, product line or technology? Have you considered merging your company with another firm to improve shareholder value?

Brakke Consulting, Inc. has assisted many clients with mergers, acquisitions, divestitures and licensing. Find out more about our services on our website at www.BrakkeConsulting.com

BRAKKE CONSULTING VIEWPOINT

As promised, the Volks' march up and around the Crazy Horse Monument that is being carved in the Black Hills was a great success last Saturday. The walk up to this large monument is everything it's reported to be. We'd recommend it highly if you're into hiking!!

On the animal health front it was another quiet week for the industry. There remains continued interest in the integration of some of the recent or future mergers occurring in the industry. While some product line distribution decisions have been made, there remains a number of outstanding decisions related to 2011. With many companies now in the early planning processes for 2011 the level of interest and speculation seems to have intensified.

Earlier in this newsletter we mentioned the Animal Health Venture Forum. We would encourage those firms needing capital to apply for the opportunity to present your firms plans to over 20-plus venture capital and equity funds that will be in attendance. Whether you're a company needing funding or an investor looking for opportunities in animal health, you'll be hard pressed to find a better venue for match making and understanding of the animal health industry. We look forward to seeing you in Kansas City on August 31.

Have a great weekend!!

Ron Brakke

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