
**Brakke Consulting's
Animal Health News & Notes for June 19, 2009**
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COMING IN AUGUST
The U.S. Animal Health Industry:
Its pioneers and their legacy of innovation
LAST DAY FOR EARLY-BIRD DISCOUNT IS JUNE 19!

Brakke Consulting is pleased to announce the imminent publication of an all-new book chronicling the history of the animal health industry in the US. This professionally produced 144-page hardcover book traces the evolution of the industry, from its beginnings in the late 19th century battling hog cholera to today's \$5 billion industry.

Don't miss the opportunity to own this unique look at our industry. Orders placed by **Friday, June 19** will receive the early-order price of \$24.50 plus shipping. For more information, contact Jane Morgan at jmorgan@brakkeconsulting.com or 972.243.4033.

COMPANY EARNINGS RELEASES

> **Smithfield Foods** Inc. reported its first net loss in 30 years: a net loss of (\$190 million) for fiscal 2009 ended May 3, 2009, on revenues of \$10.45 billion. That compares with net income of \$129 million on revenues of \$9.6 billion for fiscal 2008. (*Meating Place*)

COMPANY NEWS RELEASES

> **Vivalis** and **Merial** announced the signing of a new research license to use the EB66 cell line, a Vivalis proprietary technology, for the production of veterinary vaccines. Through this

collaboration, Merial intends to test the EB66 cell line for the production of 10 different vaccines. Terms were not disclosed. *(company press release)*

> **Abbott Animal Health** announced the launch of AbbottAnimalHealthCE.com, a new online learning center devoted to educating veterinarians and technicians in the areas of fluid therapy, anesthesia and blood glucose monitoring. The first series of modules on AbbottAnimalHealthCE.com focuses on fluid therapy and include 10 CE-accredited modules covering a wide range of topics from leading experts. *(company press release)*

> **Imulan BioTherapeutics** and **Oncura Partners** announced the formation of a personalized cancer program aimed at creating a patient specific approach to tumors. Imulan's apSTAR laser technology will be integrated into Oncura's existing oncology network. *(company press release)*

> **Chemnutra**, Inc., pleaded guilty to distributing a tainted ingredient used to make pet food, which resulted in a nationwide recall of pet food and the death and serious illness of countless pets across the US in 2007. More than 800 metric tons of wheat gluten tainted with melamine was imported by Chemnutra. By pleading guilty, Chemnutra admitted that melamine was substituted wholly or in part for the protein requirement of the wheat gluten so as to make it appear the wheat gluten was better or of greater value than it was. *(USDOJ.gov)*

> **PetSmart**, Inc. announced the appointment of Robert F. Moran as Chief Executive Officer. Moran has been the company's president and chief operating officer since 2001, and will retain his title as president. Current Chairman and CEO, Phil Francis, will become executive chairman of the board. *(Marketwire)*

> **McAllister Software Systems** announced the launch of AVImark Practice Builder, a new service that offers quarterly data optimization, monthly business metrics reporting, and profitability seminars around the country for AVImark practices. *(company press release)*

> **Sumitomo Chemicals** announced it is investing Yen 15 billion (\$150 million) in an expansion of its production plant in Ehime, Japan, with the aim of increasing its methionine production capacity by 40%. Once work is complete, the factory will be able to produce an additional 140,000 tons a year. *(Animal Pharm)*

> EU **Fort Dodge Animal Health** announced that Duvaxyn WNV vaccine against West Nile virus is now available in Europe. The product, an inactivated whole-virus vaccine, is the first to gain European approval for the protection of horses against West Nile. *(Animal Pharm)*

> JAPAN Nippon Zenyaku Kogyo ('**Zenoaq**') announced it has acquired vaccine distributor **Nippon Biologicals** Inc (NBI) for an undisclosed sum. NBI provides a range of poultry vaccines manufactured by Lohmann Animal Health in Germany and Bioproperties in Australia. It has also acted as a distributor for some of Zenoaq's poultry vaccines since 2004. NBI will continue to distribute these products as an affiliate of Zenoaq. *(Animal Pharm)*

ANIMAL HEALTH NEWS

> US - BOVINE TB Bovine tuberculosis has been confirmed in a cattle herd at a West Texas dairy. Texas has maintained its TB-free status since October 2003. *(KWTX)*

> US - VESICULAR STOMATITIS A horse in Starr County, Texas, has been reported as the nation's first case of vesicular stomatitis in 2009. The disease was last found in 2006 in Wyoming. In most states, VS-infected animals and their herd mates must be quarantined until at least 21 days after all lesions have healed. *(TheHorse.com)*

> US - EQUINE PIROPLASMOSIS A 7-year-old Quarter Horse gelding in Missouri has tested positive for equine piroplasmosis. The Missouri Department of Agriculture placed the premises where the horse had resided, a facility with 63 other equids, under quarantine, and tests are pending. The origin of this infection was listed as unknown or inconclusive. Florida's Department of Agriculture and Consumer Services in February wrapped up on investigation into equine piroplasmosis in that state; prior to that outbreak, the disease had not been identified in the US since 1988. (*TheHorse.com*)

> US - HOG PROGRAM CANCELLED A group of US pork producers who proposed the Producer Retirement Program announced Thursday that the sow cull program will not take effect due to a lack of participation. The PRP was designed to supplement the cull price that the members would otherwise receive for their sows if they decided to exit sow production for two years. The retirement program was dependent on enough pork producers with sows signing up and paying a \$20-per-sow subscription. (*Meating Place*)

> US - FOOD REGISTRY The FDA is asking for comment on its Reportable Food Registry (RFR) draft guidance for the food industry. The RFR applies to all FDA-regulated categories of foods, including animal feed. The RFR requires a responsible party to file a report through an FDA internet portal when there is reason to believe that an adulterated food will cause serious adverse health consequences or death to humans or animals. For more information, go to <http://www.fda.gov/AnimalVeterinary/NewsEvents/CVMUpdates/ucm167267.htm> (FDA)

ANIMAL HEALTH INVESTMENT FORUM
SEPTEMBER 1, 2009
DEADLINE TO APPLY IS JULY 3!

The first annual **Animal Health Investment Forum** will be held Tuesday, September 1, in Kansas City, Missouri. This forum offers the only opportunity in the world for companies exclusively in the animal health sector to present their vision and business plan to potential investors. Because of its industry concentration, the KC Animal Health Corridor offers a uniquely supportive environment for start-up and early stage entrepreneurs in the animal health industry. Visit www.kcanimalhealthforum.com to learn more or to register to attend.

www.kcanimalhealthforum.com

BRAKKE CONSULTING VIEWPOINT

It's amazingly quiet in the industry. Either everyone is on vacation enjoying summer, or you're holed up revising your plans for the balance of 2009 and 2010.

The feedback we're receiving from those in the industry paints a mixed review of sales results year-to-date. It appears that those companies that have new products and are maintaining their original marketing plans are doing well. Those that have little new to talk about and have cut their promotional budgets are not faring so well.

From the general market perspective the food animal segment is experiencing some difficult times in all species. The companion animal area continues to show some growth but at lower levels than in past years. Veterinary clinic revenue continues to be challenged, particularly in the areas of elective and costly services.

This is the first week that I've written the comments from our new Kansas City office. We've enjoyed interfacing with a number of clients this week in the KC area. We'll see more of you here in the coming weeks.

Have a good weekend!!

Ron Brakke

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