
**Brakke Consulting's
Animal Health News & Notes for June 26, 2009**
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Editor: Lynn Fondon, DVM, MBA

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General consulting services

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COMPANY EARNINGS RELEASES

> **Del Monte Foods** Company reported results for its full fiscal year 2009 ended May 3. Pet Products sales were \$1.67 billion, a 17% increase compared to the prior fiscal year. (*company website*)

COMPANY NEWS RELEASES

> **Intervet/Schering-Plough Animal Health** announced the availability of the first vaccine against canine influenza virus (CIV), which was granted a conditional product license by the USDA for use by veterinarians in the US. Canine Influenza Vaccine, H3N8 is made from inactivated virus. (*PRNewswire*)

> **Intervet/Schering-Plough Animal Health** introduced Nobivac Lyme, a vaccine designed to provide dogs with dual protection against Lyme disease. The vaccine targets two key outer surface proteins involved in the transmission of canine Lyme disease. (*DogChannel.com*)

> **Putney, Inc.**, announced the launch of carprofen caplets, a bioequivalent generic version of the canine medication Rimadyl caplets. Putney's carprofen caplets are available from selected licensed veterinary distributors and directly from Putney for large veterinary practices. (*company press release*)

> **Vetericyn Inc.**, announced the launch of its new Vetericyn equine product, available in a 16-ounce trigger spray for horses. Vetericyn contains a non-toxic antimicrobial oxychlorine compound. (*Business Wire*)

> **Global Animal Management, Inc. (GAM)**, a wholly-owned subsidiary of Intervet/Schering-Plough Animal Health, announced its next generation of electronic identification (EID) tags. The new tags, GAM TAGs, offer an enhanced microchip that increases its read range up to 20 percent and is part of the GAM data management platform, which provides integrated inventory management and support. (*CattleNetwork*)

> **Ganeden Biotech, Inc.** announced the launch of GanPro, an all-natural animal feed additive containing *Bacillus coagulans*. GanPro is appropriate for cattle, pigs and chickens. (*PRNewswire*)

> **Spectrum Brands** announced that it has reached agreement with the agent acting for its senior term lenders as to the terms of a settlement that would revise the terms of its senior term credit facility and resolve the senior term lenders' objection to Spectrum Brands' proposed Plan of Reorganization. (*company website*)

> **Smithfield Foods** has announced it will delay its plan to phase out gestation stalls for pregnant sows, which the company had announced in January 2007. The pork processor and producer cited its financial situation as the reason for delaying the removal of stalls from its farms. (*Feedstuffs*)

> **Patient Access Solutions, Inc.**, announced the launch of their new DPAS program into the Veterinary Market. The new DPAS Veterinary digital pen solution will allow small or large-animal practices and mobile or emergency facilities to accurately and quickly document pet history and registration information using pen and paper and export all of the information seamlessly into the facility management system. The information then can be stored in the DPAS document management program for later retrieval. (*GlobeNewswire.com*)

ANIMAL HEALTH NEWS

> **US - VESICULAR STOMATITIS** A horse in De Baca County, New Mexico, is reported to be positive for vesicular stomatitis. The premises have been under quarantine since June 18, 2009; no other horses are exhibiting signs of the disease. This is the second positive horse reported in the US this year. (*TheHorse.com*)

> **ECUADOR - FOOT AND MOUTH DISEASE** The Ecuadorian government confirmed 48 cases of foot-and-mouth disease in domestic animals, which prompted neighboring Colombia and Peru to take preventive measures on their meat imports. The government is expected to take drastic measures such as culling domestic animals that had not been vaccinated. (*KSU Bites - Xinhua News Agency*)

> **US - DAIRY HERD CULL** The National Milk Producers Federation reported that it will pay dairies to slaughter 103,000 US cows in coming months. Farmers are culling herds because exports plunged 26% in the first four months of the year, supplies rose and the cost of corn, the primary feed ingredient, averaged almost \$4 a bushel. According to economists, the cuts will lead

to the first two-year drop in output in four decades and higher prices in 2010 for butter, cheese, milk and the non-fat dry powder that is a benchmark for global exports. (*Bloomberg.com*)

> US - LIVESTOCK CARE STANDARDS Joint resolutions were proposed late last week in the Ohio House and Senate for a constitutional amendment that would establish a 13-member Livestock Care Standards Board. The board would be charged with developing and enforcing guidelines for livestock and poultry care. The council would include three family farmers; two veterinarians; a food safety expert; a representative of a local humane society; two members from statewide farm organizations; the dean of an Ohio agriculture college; and two members representing Ohio consumers. (*Feedstuffs*)

> US - FOOD PRODUCTION AND MEDIA MESSAGES When consumers go online for information about the production practices that put meat on their tables, they are more likely to see the kind of one-sided content featured in the documentary "Food, Inc." than content reflecting the views of conventional producers or major food brands, according to new research from online marketing firm v-Fluence Interactive. The research showed very few conventional producer groups or well-known food brands have a presence in the content that most frequently showed up when consumers search on these food production topics. For example, the research showed 70% of the content consumers are likely to see when they search for information about beef production comes from producers of organic or grass-fed beef, rather than from conventional producers. (*Meating Place*)

ANIMAL HEALTH INVESTMENT FORUM

SEPTEMBER 1, 2009

LAST WEEK TO APPLY: DEADLINE 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.

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BRAKKE CONSULTING VIEWPOINT

It's been another challenging week in animal health. The hot summer weather has hit most of the country, causing stress on both animals and man. It also appears from the lack of news that many of companies decided to start their July 4th vacations early.

We're not hearing much positive news from our contacts in the market place. Earlier this week, one senior executive indicated that if everyone thought that the pet products market was recession-proof, wait until you see the second quarter results for a number of companies. Sales numbers are soft for several companies and the distraction of pending mergers is having an impact on management team focus. Another executive last week told me "We're doing OK but we have to fight for every order." I reminded him that it's good that he still has his sales force so there is someone to fight for the order.

As many of you begin your planning process for 2010 don't forget that our experienced team of consultants has market insights that should be a resource for your firm. We have seen several industry downturns in the past 20- plus years and have helped clients prosper during these periods. We look forward to providing services that will assist your management teams in

completing 2009 with numbers as strong as possible and developing realistic marketing and revenue budgets for 2010 and beyond.

Have a great weekend and stay cool!!

Ron Brakke

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Brakke Consulting, Inc.
2735 Villa Creek, Suite 140
Dallas, TX 75234 USA