
**Brakke Consulting's
Animal Health News & Notes for June 9, 2017**
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OTC Channel

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other news
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JBS (Latin America sale)
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**BRAKKE CONSULTING, INC.
UNDERSTANDING THE OVER-THE-COUNTER MARKET**

Whether your business is considering the OTC channels for new business opportunities or you have been distributing in the OTC channels for years, Brakke Consulting's team can provide significant and quality assistance to businesses seeking to learn more about the details of the OTC channels of distribution. If you are looking for meaningful insights into the OTC channels, the trends found there, and the opportunities that exist, contact our Dallas office or Joel Adamson at jadamson@brakkeconsulting.com.

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COMPANY EARNINGS RELEASES

- The **J. M. Smucker Company** announced results for the fiscal year ended April 30, 2017. U.S. Retail Pet Foods net sales were \$2.14 billion, a decline of 5% compared to the prior year. (*company website*)

COMPANY NEWS RELEASES

- **Zoetis** announced the FDA has granted a supplemental approval for Clavamox (amoxicillin and clavulanate potassium) as a pork liver-flavored chewable in addition to the original coated tablets. *(Animal Pharm)*
- **Boehringer Ingelheim** announced that Surpass (1% diclofenac sodium) is back on the market after a two-year absence. *(TheHorse.com)*
- The FDA announced it has approved **Modern Veterinary Therapeutics'** generic Medetomidine Hydrochloride injectable solution as a sedative and analgesic in dogs. *(FDA)*
- **Aptimmune Biologics** announced the launch of Barricade PRRSV, the world's first mucosal vaccine for porcine reproductive and respiratory syndrome virus (PRRSV) according to the company. The autogenous vaccine is administered via a nasal spray and uses proprietary nanoparticles to deliver the vaccine payload to immune cells responsible for mucosal immunity. *(Animal Pharm)*
- **DuPont** announced the launch of swine probiotic Syncra SWI, an adaptive feed additive that powers the diet through improving energy and amino acid digestibility for grower and finisher pigs. *(Animal Pharm)*
- **PetMart Pharmacy** announced it has expanded the offerings of its non-sterile compounds and now offers over 100 compounded medications. *(PRWeb)*
- **Crum & Forster Pet Insurance Group** announced the launch of veterinary care insurance for companion horses, a product typically reserved for race or performance horses. According to the company, this is an industry-first for the equine community. *(company press release)*
- **Compassion-First Pet Hospitals** announced the opening of AirHeart Pet Hospital at JFK, the first-ever airport veterinary hospital. AirHeart Pet Hospital is inside The ARK, the world's first privately owned, 24-hour animal terminal and airport quarantine center at JFK. AirHeart will provide primary and urgent care to pets traveling through and living around JFK Airport, and eventually will add 24-hour emergency services to pet owners. *(company press release)*
- **Germinder & Associates, Inc.** announced an expansion of its digital capabilities with the introduction of GNFP Digital, extending the company's capabilities in digital communications. Reputation management services in the digital setting will also be offered. *(company press release)*
- JAPAN **Kyoritsu Seiyaku** announced it has acquired 60% of shares in **Tamura Seiyaku**; it will purchase the remainder stocks from Tamura before the end of this year. Tamura manufactures generic food animal health products including antibiotics, feed additives and disinfectants and is a toll manufacturer for other animal health companies. In fiscal 2013, Tamura had sales of around \$21 million. Financial terms of the deal were not disclosed. *(Animal Pharm)*
- BRAZIL **JBS S.A.** announced that its holding company, J&F Participações (J&F), has entered into a leniency agreement with the Brazilian Federal Prosecutor's Office. The leniency agreement includes paying a fine of 10.3 billion reais (\$3.2 billion) over 25 years, payable solely by J&F for its role in the federal investigations known as Operations Greenfield, Sepsis, Cui Bono, Bullish and Weak Flesh. JBS also announced earlier this week

that Joesley Batista has resigned from JBS as chairman and member of the board and from the committees in which he participated. *(Feedstuffs)*

- LATIN AMERICA **JBS S.A.** has announced it has entered a definitive agreement to sell its shareholding interest in other subsidiaries that own its beef operations in Argentina, Paraguay and Uruguay to **Pul Argentina S.A.**, **Frigomerc S.A.** and **Pulsa S.A.**, respectively, entities controlled by Minerva S.A, for a total of \$300 million. *(Feedstuffs)*
- ECUADOR Fish feed specialist **BioMar** announced it has acquired Ecuadorian shrimp feed producer **Alimentsa** for \$119 million. Alimentsa holds a market share of roughly 15% of the Ecuadorian market. *(Animal Pharm)*

ANIMAL HEALTH NEWS

- US - CANINE INFLUENZA Canine influenza has been documented in Florida, Georgia, North Carolina, South Carolina, Tennessee, Kentucky, Texas and Illinois since the University of Florida's College of Veterinary Medicine first reported a cluster of cases linked to dog shows in the region. *(AVMA SmartBrief)*
- US - ANTIBIOTIC USE Maryland has become the second US state along with California to pass a law banning the routine use of antibiotics in healthy livestock and poultry. Maryland's Keep Antibiotics Effective Act takes effect on Oct. 1; farmers in Maryland have until Jan. 1, 2018, to comply with the law. *(Vet Advantage)*
- EU - FISH FEED REGULATION The EU announced a regulation allowing the use of protein derived from insects in fish feed. The regulation, published in the EU's Official Journal, is seen by industry groups as a stepping stone to future approvals of insect-based feed for other farm animals. *(Animal Pharm)*
- UK - SHEEP RESEARCH Researchers at the University of Cambridge in the U.K. have designed an artificial intelligence (AI) system that is able to detect pain levels in sheep, which could aid in early diagnosis and treatment of common, but painful, conditions in animals. The system uses five different facial expressions to recognize whether a sheep is in pain and estimate the severity of that pain. The results may be applicable to other types of animals, such as rodents used in medical research, rabbits or horses. *(Feedstuffs)*
- US - EQUINE CANCER Scientists at UC Davis School of Veterinary Medicine have developed a test for a gene mutation that can be used to identify horses at risk for ocular squamous cell carcinoma, the most common cancer in equine eyes. *(Vetmed.ucdavis.edu)*

BRAKKE CONSULTING VIEWPOINT

There are some announcements this week related to new technologies arriving to the point of commercialization after the long road through research, product development and registration. We believe we will see additional companies introducing novel approaches to delivering vaccines and pharmaceuticals in the future. Ease and speed of application are almost as important as the active material in the product.

Several more of the announcements relate to services or capabilities of companies not associated with actual physical product offerings, though they may often be called a product. The animal health and pet markets make up a broad array of differing products and services that are

sold to various customers such as veterinary clinics, pet shops, producers and pet owners. There are lots of opportunities in this growing marketplace for innovative individuals to create a company.

Have a great weekend!

Ron Brakke

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