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Brakke Consulting's
Animal Health News & Notes for August 23, 2013
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Editor: Lynn Fondon DVM MBA
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IN THE NEWS:

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other news
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Merck (Cargill)
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Responsible Transportation
STATKING Animal Health CRO
Unitech Industries
Vetoquinol
Virbac

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BRAKKE CONSULTING, INC.
VETERINARY PRACTICE MANAGEMENT

Veterinary CE Seminars – Providing Value-added Service to Your Customers

Brakke's Practice Management Consultant Jessica Lee speaks on a wide array of topics that can provide added value to your veterinary customers. Jessica will be speaking at the Colorado Veterinary Medical Association Convention on Thursday, Sept. 19 12:30 - 5:00 pm on the topic "Where We Are, How We Got Here, and How We Can Create a Different Future."

Jessica is also a regular contributor to various veterinary publications. You can read her column for *DVM360* on splitting a mixed animal practice at http://veterinarybusiness.dvm360.com/vetec/Veterinary+business/Your-mixed-veterinary-practice-needs-to-be-split/ArticleStandard/Article/detail/816484 ; read another column for *Veterinary Team Brief* on otitis externa at http://www.veterinaryteambrief.com/article/otitis-externa-hot-button-issues.

Consider booking Jessica to present Veterinary Continuing Education seminars for lunch or dinner meetings or to moderate at all-day workshops for your veterinary customers. For more information, contact Jessica at jglee@brakkeconsulting.com or 919-444-3279.

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COMPANY EARNINGS RELEASES

> Patterson Companies, Inc. reported financial results for the fiscal 2014 first quarter ended July 27, 2013. Sales for the **Patterson Veterinary** unit increased by 4.5% to $200 million. Contributing to the gain was nearly a 4% increase in consumable sales, as well as double-digit growth in the equipment and software category. *(company website)*

> PetSmart, Inc. reported financial results for the second quarter of 2013. Total sales for the quarter increased 5% to $1.7 billion. Comparable store sales, or sales in stores open at least a year, grew 3%. Net income totaled $93 million, compared to $79 million in the second quarter of 2012. *(Business Wire)*

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COMPANY NEWS RELEASES

> Merck announced it will temporarily suspend sales of Zilmax in the US and Canada to ensure effective implementation of the company's recently announced Five-Step Plan to re-certify every feedlot operator, animal nutritionist and veterinarian that gives Zilmax to cattle, as well as audit the path of Zilmax-fed animals to meatpacking plants. The announcement follows Tyson Foods Inc.'s decision last week to suspend purchases of cattle fed Zilmax. *(WSJonline)*

> Cargill announced it will suspend the purchase of beef cattle fed **Merck Animal Health**'s beta agonist feed additive Zilmax (zilpaterol), after a transition period to clear its current supply chain. Cargill stressed that Zilmax has not been linked to any specific incidents involving animal well-being, nor are there any food safety issues associated with Zilmax. *(Animal Pharm)*

> Virbac announced an expanded recall alert for Iverhart Plus Flavored Chewables due to several lots being below ivermectin potency levels prior to their expiration. No heartworm-related adverse reactions or illnesses have been reported. This recall does not affect Iverhart Max products. *(PetMD.com)*

> Vétoquinol announced the availability of Flexadin joint supplement. Each chew provides 40 mg of undenatured type II collagen (UC-II), as well as Omega-3's and Vitamin E. *(Vet-Advantage)*

> IDEXX Reference Laboratories announced two new additions to the GREER Aller-g-complete system. The Aller-g-detect Allergen Preliminary Panel is a serum test that detects the presence of allergen-specific IgE antibodies for four common allergen groups. IDEXX will also offer sublingual immunotherapy with GREER Aller-g-complete Drops to give patients and clients an alternative to injection therapy. *(company website)*

> STATKING Clinical Services and Animal Care Centers announced a working alliance that will create a new animal health contract research organization, to be called **STATKING Animal Health CRO**. The new entity will provide a complete clinical services solution for animal health companies developing new animal feed, drug, biologic and medical device products. *(Marketwatch.com)*

> Responsible Transportation, which owns a slaughterhouse in Sigourney, Iowa, announced it is dropping plans to slaughter horses in the wake of a federal judge's ruling that temporarily banned the practice. A federal judge issued a restraining order earlier this month in a lawsuit

brought by the Humane Society of the United States and other groups against the USDA. *(Vet-Advantage)*

> CHINA **Boehringer Ingelheim**, in partnership with Taizhou China Medical City in Jiangsu Province, China, held a ground-breaking ceremony for a veterinary vaccine manufacturing plant. The joint venture, with investment totaling EUR 58 million, will become a leading manufacturer of veterinary vaccines in Asia upon its completion. *(ThePigSite.com)*

> BRAZIL **IDEXX Laboratories,** Inc. announced that it has acquired all outstanding shares of **Madasa do Brasil Ltda**. Based in Sao Paulo, Brazil, Madasa is a distributor of IDEXX Dairy and bovine testing products, as well as other food safety testing products. Over the remainder of 2013, the acquisition is expected to contribute approximately $2 million of revenue and have no financially material impact to earnings. Financial terms were not disclosed. *(company website)*

> NEW ZEALAND **DSM** announced it has acquired **Unitech Industries**, a New Zealand-based manufacturer of nutritional products for the human and animal markets. Financial terms were not disclosed. *(Pet Food Industry)*

> AUSTRALIA **Nexvet Biopharma** announced it has received an A$1.5 million grant from Commercialisation Australia to help bring its product portfolio to market. The latest grant from Commercialisation Australia follows previous funding of A$321,100 awarded by the government agency to Nexvet in February this year. *(company press release)*

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ANIMAL HEALTH NEWS

> ITALY - AVIAN INFLUENZA Italy reported that there has been an outbreak of highly pathogenic avian influenza at a large poultry farm in northeastern Italy. The outbreak is currently only classed as H7 until further investigation identifies the actual strain. Some 105,000 chickens have been confirmed as avian influenza cases with a further 128,000 classed as susceptible. *(Animal Pharm)*

> NEPAL - AVIAN INFLUENZA An avian influenza emergency has been declared in parts of Nepal's capital. Trading of birds is completely banned and culling ordered in the areas declared as emergency zones. More than 60 cases of the H5N1 strain have been reported in the capital in past month. *(TheHindu.com, ABC.net.au)*

> US - VETERINARY GAME The American Veterinary Medical Association (AVMA) has developed a new online game. "AVMA Animal Hospital" is available for free through Apple's AppStore, Google Play, and AVMA's website. The game takes place at a virtual veterinary clinic, where clients bring their pets in for treatment. Players must race the clock as they learn about each animal's condition, diagnose its ailments, and provide treatment. *(Vet-Advantage)*

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BRAKKE CONSULTING, INC.
EQUINE MARKET MEGASTUDY III
NOW ACCEPTING ORDERS

Brakke Consulting, Inc., and Ipsos Forward Research announce the upcoming publication of the third edition of the Equine Market MegaStudy, a comprehensive study of horse owner buying and decision-making behavior. This highly popular survey includes over 400 brands of equine products in 17 categories. The study also measures readership of equine publications, catalogs and websites, and provides a wealth of information on horse owner demographics and segments.

The study will be fielded in October, with completion by December 15. Companies that order by September 20 and pay in advance receive a $1,000 early-order discount. Advance purchasers also have an opportunity to review the questionnaire prior to fielding the study. Upon publication, the price of the study is $12,000.

For more information, contact project manager John Volk at jvolk@brakkeconsulting.com or 773-327-4941.

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BRAKKE CONSULTING VIEWPOINT

The fallout continued this week related to the impact of the decision by Tyson and now Cargill not to purchase animals treated with Zilmax until alleged concerns are resolved. Merck needs to be commended for its positive and constructive response and approach to resolving the concerns of the packers and producers concerns. Hopefully this issue will be resolved to the benefit of all the parties involved.

Several of the stories this week relate to companies involved in new relationships in China and Southeast Asia. These animal health growth regions of the world continue to offer some unique opportunities both in markets and new technology. We continue to believe that the future growth is bright in both the food and companion animal markets in this part of the world.

Have a great weekend as we prepare to close out August 2013 next week!

Ron Brakke

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