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**Brakke Consulting's  
Animal Health News & Notes for August 26, 2016**  
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*Editor: Lynn Fondon DVM MBA*

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IN THE NEWS:

Brakke Consulting news

Generics Veterinary Drugs report –**early-order discount ends. Aug 31**  
Transaction Assistance

earnings news

J. M. Smucker  
Patterson  
PetVivo  
Zomedica

other news

DS Pharma  
Jitsubo Company  
PetLife Pharmaceuticals  
PetSmart

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**BRAKKE CONSULTING, INC.  
NEW REPORT: THE US VETERINARY GENERIC DRUGS MARKET  
Coming in Fall 2016**  
**Early order discount end August 31**

Brakke Consulting is pleased to announce a new report on the US market for small package generic products. The report will be an in-depth look at a part of the market that intrigues many industry participants. The report will include such information as:

- the origin and evolution of animal health generics
- estimated market size
- generics use in large vs. small animals
- growth of small animal generics
- profiles of generics manufacturers

The report will also include surveys of small and large animal veterinarians and producers, probing their understanding and perception of generic products, current and expected future usage.

The report will be priced at available for a price of \$7,995; **orders placed by August 31** will be eligible for the early-order price of \$7,500. For more information, contact project manager Dr. Lynn Fondon at [lfondon@brakkeconsulting.com](mailto:lfondon@brakkeconsulting.com) or 972-243-4033.

[www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

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**COMPANY EARNINGS RELEASES**

- Patterson Companies, Inc. reported financial results for its fiscal first quarter ended July 30, 2016. Reported net sales for **Patterson Animal Health** were \$763 million, up 37%. Sales for the quarter included a full-quarter contribution from the Animal Health International (AHI) acquisition; sales in the year-ago quarter included an extra sales week and only a six-week contribution from AHI. Internal growth for the quarter was 4.5%. (*company website*)
- The **J. M. Smucker** Company announced results for the first fiscal quarter ended July 31, 2016. The Retail Pet Food segment reported net sales of \$520 million, a decrease of 6% primarily due to unfavorable volume/mix. Segment profit was \$122 million, an increase of 5%. (*company website*)
- **PetVivo** reported results for the fiscal year ended March 31, 2016. Revenues were \$75,000 compared to \$0 revenues in the prior fiscal year. Net loss for FY2016 was \$(4.7) million compared to a net loss of \$(1.6) million in the prior fiscal year. (*company 10K*)
- **Zomedica Pharmaceuticals** results for the second quarter of 2016. The company recorded a Q2 net loss of \$(1.1) million, compared to a loss of \$(0.1) million during the same period of 2015. The loss was due to increased R&D spending and general expenses. Zomedica currently has no revenues but is developing two product candidates. Zomedica had cash of around \$1.7 million as of June 30, 2016. (*Animal Pharm*)

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**2016 KC Animal Health Corridor Events**  
**August 29-30, 2016**  
**Kansas City, MO**

The KC Animal Health Corridor hosts a trifecta of exceptional industry events during Global Animal Health week this year.

Market Insight Seminar

August 29, 3:30 – 5:00 pm

click here for details <http://kcanimalhealth.thinkkc.com/events/market-insight-seminar>

Animal Health Corridor Homecoming Dinner

August 29, 5:00 – 9:00 pm

click here for details <http://kcanimalhealth.thinkkc.com/events/homecoming>

Animal Health Investment Forum

August 30, 7:30 am – 5:00 pm

Click here for details <http://kcanimalhealth.thinkkc.com/events/investment-forum>

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**COMPANY NEWS RELEASES**

- **PetSmart** announced the grand opening of its new concept store, the PetSmart Pet Spa in Oceanside, New York. The new store features innovative elements aimed at offering an enhanced pet lifestyle customer experience. The store features a self-service dog wash; Grooming services; and a coffee bar-lounge area that provides complimentary coffee and comfortable seating for pet parents. (*Vet Advantage*)
- **PetLife Pharmaceuticals** announced it has rebranded its products in preparation of beginning the FDA process of its core product Escozine for Pets. The new name for all PetLife products will be Vitalzul. (*Globenewswire*)

- JAPAN **DS Pharma Animal Health** and **Jitsubo Company** have entered a joint development and commercialization agreement to develop ghrelin for early improvement of symptoms associated with chronic diseases and post-surgery inappetence in dogs. The companies are also looking at the potential use of ghrelin in livestock. (*Animal Pharm*)

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**BRAKKE CONSULTING, INC.**  
**TRANSACTION ASSISTANCE**  
**When the Time Is Right**

Buying, selling or merging? We can help!

Brakke Consulting assists many clients with mergers, acquisitions and divestitures. Our transaction experts can provide the insight, ability and contacts you need in the animal health, pet, veterinary and specialty chemicals markets. Please contact any of our offices for a confidential consultation.

[www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

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**ANIMAL HEALTH NEWS**

- US - BOVINE TB The Indiana State Board of Animal Health reported that bovine tuberculosis has been found in a white-tailed deer, marking the first time the disease has been found in the wild in Indiana. Wildlife is being tested on the cattle farm where the TB was found in the 2-year-old doe. (*Agweb.com*)
- CANADA - PEDV University of Saskatchewan researchers have developed a vaccine for porcine epidemic diarrhea virus that appears to protect up to 100% of piglets, and field testing is underway. Developers are partnering with **Huvepharma** to bring the vaccine to market in North America. (*AVMA Smartbrief - CBC.ca*)
- FINLAND – CANINE GENETICS Research conducted by **Genoscooper Laboratories**, the University of Helsinki and the University of Pennsylvania have found that many canine inherited disorders are actually more widespread than previously believed. Nearly 7,000 dogs representing around 230 different breeds for predisposition to almost 100 genetic disorders were tested. Results showed one in six dogs carried at least one of the tested disease predisposing genetic variants in their genome. In addition, one in six of the tested genetic variants was also discovered in a dog breed in which it had not previously been reported in scientific literature. (*Animal Pharm*)
- US - FDA MEDICATED FEED REGULATIONS The FDA announced a direct final rule to ensure that drugs used in animal feed remain available for therapeutic purposes in food-producing minor species after changes are made to remove the production claims from these drugs. The FDA is amending its regulations in order to base the categories of animal drugs used in feed only on approved uses in major animal species; animal drugs for minor species remain subject to the requirements of their FDA-approved label despite any changes in categorization. To electronically submit comments to the docket, visit [www.regulations.gov](http://www.regulations.gov) and type FDA-2016-N-1896 in the search box. (*FDA*)
- US - FDA FEED REGULATIONS The FDA issued a final rule that extends and clarifies the compliance dates for certain provisions in four of the seven foundational rules of the Food Safety Modernization Act (FSMA). Animal food companies other than small and very small businesses will need to come into compliance with Current Good Manufacturing Practices (CGMPs) under the Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based

Preventive Controls for Food for Animals rule by September 19, 2016, and with preventive controls by September 18, 2017. (FDA)

- US - HORSE PROTECTION ACT AMENDMENT The USDA's Animal and Plant Health Inspection Service (APHIS) has proposed amending the 1970 Horse Protection Act in order to better protect horses from soring, bringing it into alignment with current U.S. Equestrian Federation standards. (DVM360)

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## **BRAKKE CONSULTING VIEWPOINT**

We hope to see a number of you in Kansas City this weekend and early next week. The Kansas City Corridor continues to put forward programs and events important to the industry. Don't miss the opportunity to participate in the various weekend events.

As it relates to news this week, it appears that the FDA is one of the more active participants with some new regulations in the animal feed area. The FDA regulations appear to keep piling up creating increasing challenges for industry to compete and produce profits that can be plowed back into research and innovation.

Have a great weekend!

*Ron Brakke*

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