
**Brakke Consulting's
Animal Health News & Notes for September 11, 2009**
Copyright © Brakke Consulting, Inc.

Editor: Lynn Fondon, DVM, MBA

IN THE NEWS:

earnings news
[Smithfield Foods](#)

other news
[Cargill](#)
[Dopharma](#)
[Freshpet](#)
[Global Animal Mgmt](#)
[IGENITY](#)
[Intervet/Schering-Plough](#)
[Lloyd](#)
[Novartis](#)
[Virbac](#)

**BRAKKE CONSULTING, INC.
DUE DILIGENCE SEMINAR
OCTOBER 27 - 28, 2009
KANSAS CITY**

Brakke Consulting announces a two day seminar covering the details of due diligence, a key element in the successful acquisition of companies, assets and intellectual property.

The seminar is designed to increase a company's probability of success in a purchase or sale by providing the details to ensure that all the important phases of the due diligence process are included. Speakers at the Brakke seminar will include Ron Brakke, John Mannhaupt and Joel Adamson, Brakke personnel who are well experienced in due diligence, as well as outside speakers from the finance industry and the legal profession.

For more information on the seminar, visit our website at www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **Smithfield Foods** Inc. announced a loss of (\$108 million) for its first fiscal 2010 quarter compared with a loss of (\$29 million) in its first fiscal 2009 quarter. Smithfield attributed its loss primarily to a \$162 million loss in its hog production segment. The company reported sales of \$2.7 billion versus \$3.1 billion in the same period last year and attributed the decline principally to lower volumes, currency fluctuations in its international operations and lower fresh pork selling prices. (*Feedstuffs, Reuters*)

COMPANY NEWS RELEASES

> **Intervet/Schering-Plough Animal Health** announced USDA approval of a label extension for its Guardian scours prevention vaccine. The new label approval affirms that Guardian provides six-month duration of immunity (DOI) for *E. coli* K99 protection. This positions Guardian as the only multi-valent bacterial and viral combination scours vaccine with six-month DOI for *E. coli*. *(Cattle Network)*

> **Virbac Animal Health** announced the re-launch of new and improved Rebound Liquid Diet. Rebound has been reformulated to provide fortified and balanced nutrition for compromised patients in a palatable, versatile and easy-to-use liquid formulation. *(company press release)*

> **IGENITY** and **Global Animal Management (GAM)** announced a partnership to provide producers with the first-ever option to combine information from a comprehensive DNA profile with health, source and age records in one user-friendly package. GAM is a wholly-owned subsidiary of Intervet/Schering-Plough Animal Health. IGENITY is a division of Merial that offers DNA analyses for cattle. *(company press release)*

> Vet-A-Mix, a division of **Lloyd Inc.**, announced the introduction of Target IR, a highly palatable solution for optimal dietary management of horses at risk for obesity. The formula was developed in accordance with the Equine Cushing's & Insulin Resistance Group recommendations and provides a complete, readily absorbable balance of vitamins, minerals, antioxidants and fatty acids for the grass hay-fed horse. *(Feedstuffs)*

> **Freshpet** announced the launch of its new Veterinary Nutrition line. This veterinary-exclusive line of fresh formulas created with input from surgeons, veterinarians and board-certified nutritionists is designed specifically for post-operative and critical care applications. The new diets include: Canine Intensive Support, Canine Maintenance and Foundation and Feline Intensive Support. *(company press release)*

> **Cargill Pork** announced a new 100% vegetarian diet for hogs that supply its Good Nature pork line of products. According to Cargill, a vegetarian diet means hogs receive a mixture of natural grain — a diet completely free of any animal byproducts. The vegetarian diet is Cargill's most recent addition to its all-natural standards for Good Nature pork. The product is already guaranteed to be antibiotic-free, and hogs selected from the program never receive antibiotics or growth stimulants. *(Meating Place)*

> EU **Novartis** announced it has received regulatory approval by the EMEA and the European Commission for Onsiar (robenacoxib), the first and only coxib NSAID (non-steroidal anti-inflammatory drug) for the relief of pain and inflammation in both cats and dogs. Onsiar is dosed once daily and is available as an injectable solution and a flavored tablet. *(company press release)*

> EU **Dopharma** announced the EU launch of a generic version of the nonsteroidal anti-inflammatory drug (NSAID) meloxicam for large animals. Branded as Melovem, the product is a 5 mg/ml injectable solution. It has EU approval for the treatment of acute respiratory infections and diarrhea in calves and young cattle. In pigs, it is indicated for treating non-infectious locomotor disorders in order to reduce the symptoms of lameness and inflammation. Melovem is registered in 29 European countries. *(Animal Pharm)*

ANIMAL HEALTH NEWS

> CANADA - H1N1 FLU Ongoing surveillance for respiratory diseases in Manitoba swine herds has detected the (Type A) H1N1 influenza virus in several herds in various locations in the province. In the herds where the virus has been detected the disease was very mild; no deaths

have been reported in these herds. Movement of pigs from these locations was immediately limited to prevent transmission of the virus to other swine herds, and biosecurity protocols were enhanced to further protect both pigs and the workers in the barns. (*Pork Magazine*)

> US - PORK PURCHASE The USDA announced it will purchase up to \$30 million of pork products, which will be used for various federal food programs. USDA also is working to reopen pork export markets that closed in the wake of the H1N1 flu outbreak. The pork industry has lost more than \$4.6 billion in equity over the past two years. (*Pork Magazine*)

> US - E. COLI University of Missouri food scientists have developed a new method to detect live *E. coli* O157:H7 cells in meat and eggs. The two-step method, which needs only 12 hours to complete, can distinguish between dead and living *E. coli* cells. Dead cells will not make people ill, but as few as ten live cells can cause severe intestinal illness. The researchers have had success using the new technique on ground beef, chicken and eggs. (*Meating Place*)

BRAKKE CONSULTING VIEWPOINT

The summer is coming to an end and the kids are back in school, so it must be time to begin planning for 2010. It appears to us that a number of companies are hunkered down waiting for the two major transactions to be completed in the industry so that they'll know who their competitors, suppliers or customers are on some major products. If you're not part of a firm directly involved in the transaction then we see little benefit in waiting to see what happens. In fact, if you're aggressive in your 2010 sales and marketing activities, you might be able to create some advantages over those firms that will be involved in the integration process, which is not easy.

Hopefully, you noted earlier in this newsletter that BCI will be conducting a Due Diligence Seminar in October. A section of this seminar deals with integration and how best to handle it. In the past 23 years our firm has been involved in a number of transactions both on the seller and buyer side of the equation. In addition, we have assisted with integration and communications for a number of the transactions. It's never too late for a refresher course to help sharpen your management skills.

Also, in the past few days we've had a number of calls related to how we view the 2010 marketplace. Right now we're cautious but will be gathering a significant amount of industry information and input in the next 30 to 45 days to assist us in advising our clients on 2010 and forward.

Have a good weekend!!

Ron Brakke

*This electronic newsletter is the sole property of Brakke Consulting, Inc.
Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.*

For more information about Brakke Consulting's services and syndicated studies, visit our website at www.brakkeconsulting.com.

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