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**Brakke Consulting's  
Animal Health News & Notes for September 2, 2016**  
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IN THE NEWS:

Brakke Consulting news  
OTC Channel

earnings news  
Anatara Lifesciences  
Phibro

other news  
Benchmark Holdings  
Dechra  
Evax  
Gallant Custom Laboratories  
IDT Biologika  
Nestle Purina  
Valneva  
Zoetis (GeneMax)  
Zoetis (Cefshot)

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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](mailto:jadamson@brakkeconsulting.com).

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

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**COMPANY EARNINGS RELEASES**

- **Phibro Animal Health** Corporation announced its financial results for its fiscal year ended June 30, 2016. Animal Health net sales for the year were \$486 million, an increase of 3%. Excluding the prior year \$8 million of vaccine licensing milestone revenue, Animal Health net sales grew 5%. (*company press release*)
- **Anatara Lifesciences** reported results for the fiscal year ended June 30, 2016. The company posted a loss of Aus\$(0.7) million (US\$0.5 million) compared to a loss of Aus\$(1.8) million in the previous fiscal year. Total revenues for the year were Aus\$2.3 million (US\$1.6 million), compared to zero sales in the previous fiscal year. (*Animal Pharm*)

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## COMPANY NEWS RELEASES

- **Zoetis**, Angus Genetics, Inc. (AGI) and Certified Angus Beef (CAB) announced updates to GeneMax Advantage to help with replacement heifer keep/cull decisions, as well as breeding and marketing decisions for commercial cow-calf operations. The updates include upgraded marker effects, up-to-date economic assumptions, an expanded reference population for comparing animals and individual trait reporting. (*Agwired.com*)
- **Dechra Veterinary Products** announced the launch of PhycoDent Rawhide Chews. PhycoDent Chews are designed not only for a pet's dental health but also to support joint health. (*Vet Advantage*)
- **Purina** announced the launch of Pro Plan Veterinary Diet's EN Gastroenteric Low Fat Canine Dry and Canned Formulas. (*company press release*)
- UK **Zoetis** announced the UK launch of Cefshot (cephalonium), a next generation cephalosporin dry cow intramammary antibiotic indicated for treatment of subclinical mastitis at drying off with action against Gram positive and Gram negative bacteria. (*Vetsurgeon.com*)
- CANADA **Gallant Custom Laboratories**, a subsidiary of **IDT Biologika**, announced a commercial license agreement with **Valneva** that gives Gallant access to Valneva's EB66 cell line to boost development of its core range of vaccines for livestock and poultry. (*Animal Pharm*)
- UK **Benchmark Holdings** announced a partnership with Swiss firm **Evax** to develop a recombinant vaccine to prevent and treat sweet itch, an allergic immune response to *Culicoides* midge saliva, in horses. Benchmark's animal health division will pay GBP 1.12 million (\$1.47 million) and is contributing up to a further GBP 4 million over the next four years towards the vaccine development, in return for the worldwide rights for sales, distribution and manufacturing of the product (excluding Switzerland). (*Animal Pharm*)

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## ANIMAL HEALTH NEWS

- US – AVIAN INFLUENZA USDA has reported that the H5N2 strain of highly pathogenic avian influenza (HPAI) was detected in a mallard from a state wildlife refuge near Fairbanks. This is the first detection of the H5N2 in the US since June 2015. (*Agri-Pulse*)
- UK - AVIAN INFLUENZA RESEARCH New research by the Pirbright Institute indicates the genes of some chickens make them almost resistant to avian influenza. The researchers examined two genetically distinct lines of chickens and found that birds carrying the virus were genetically resistant to the disease and only shed the virus through their respiratory tract and for a limited period of time; birds susceptible to the disease also shed the virus in feces and over a longer time period. (*Animal Pharm*)

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## BRAKKE CONSULTING VIEWPOINT

We've closed out another month and with the start of September it is clearly autumn in some parts of the US. Most companies are now comfortable with their forecasts for the balance of the year and are completing their 2017 planning and budget process. As we approach 2017 it does not appear there are any significant new product entries on the near horizon.

We will have the completion of the Boehringer Ingelheim and Merial merger at the end of 2016, and the integration process will continue for most of 2017 if not longer. Will there be another merger happening in the ranks of the top 20 companies this year or in 2017? Based on the consolidation history in animal health, we would expect at least one additional merger in the top 10 and several smaller acquisitions in the next 18 months.

For those of you in the US, have a safe and great Labor Day holiday weekend! Come back fresh and ready to finish off the third quarter and then the full year.

*Ron Brakke*

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