
**Brakke Consulting's
Animal Health News & Notes for September 30, 2016**
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**BRAKKE CONSULTING, INC.
2016-2017 PET PHARMACEUTICAL MARKET SHIFT STUDY
EARLY-ORDER DISCOUNT ENDS OCTOBER 14**

Brakke Consulting and Trone Brand Energy are pleased to announce the upcoming Pet Pharmaceutical Market Shift Study. The first study, completed in 2015, identified the desire of pet owners to be free to buy prescriptions outside the veterinary hospital. About 25% of clinics were already experiencing revenue decreases as a result of a change in buying behavior, and a majority of pharmacists believed they should be dispensing more pet medications due to market demand.

The 2017 follow-on study will identify what veterinarians need to do to maintain client buying loyalty. Also, veterinarians attitudes and reactions towards manufacturers and distributors selling directly to human pharmacies or the internet will be measured, along with what actions are open to manufacturers and distributors to help veterinarians maintain loyalty with their clients.

The study will be completed in early 2017. For more information, contact David Goodnight at 830-285-1259 or dgoodnight@brakkeconsulting.com.

COMPANY EARNINGS RELEASES

- **Neogen Corporation** announced results for the first quarter of its 2017 fiscal year, which ended Aug. 31. Revenues were \$84 million, a 12% increase compared to revenues in the first quarter of last year. Net income increased 6% to \$9.9 million. Neogen's Animal Safety segment reported revenues of \$44.6 million, an increase of 10% due to acquisitions in the previous 12 months. (*company press release*)
- **CVS Group** reported results for the fiscal year ended June 30, 2016. Revenue was GBP 218 million (\$292 million) for the year, an increase of 30% over the prior year. The acquisition of 67 veterinary practices during the year drove profit up 6% to GBP 9.1 million (\$12.2 million). (*Thisismoney.co.uk*)

COMPANY NEWS RELEASES

- **Nestle Purina Petcare, Merck and Zoetis** have joined forces to offer free pet diabetes screening tools to veterinarians through the Diabetes Pet Care Alliance. This year the Alliance will be doubling the number of veterinary practices that can enroll in the program, from 500 clinics in 2015 to 1,000 in 2016. Enrollment runs from Oct. 1 – 31, 2016, and is on a first-come, first-served basis. (*company press release*)
- **Piedmont Animal Health** announced it has received EPA approval Flynexx Granules (cyromazine) for the control of fly larvae in chicken, cattle and hog operations, in addition to horse barns. (*Animal Pharm*)
- **Akorn Animal Health** announced the launch of Gentamicin Sulfate Ophthalmic Solution for use in dogs and cats. (*company communication*)
- **Blue Buffalo Company** announced the construction of its new Heartland Pet Food manufacturing and R&D facility in Richmond, Indiana. The facility will produce dry dog and cat food and becomes the second company-owned manufacturing facility for Blue Buffalo. (*Vet Advantage*)
- **Lohmann Animal Nutrition GmbH**, announced that it will rename into **Kaesler Nutrition GmbH** in the fourth quarter of 2016. Lohmann Tierzucht GmbH, a company with whom they share a common history, instituted legal proceedings some time ago against the use of the name "Lohmann" in their company name. The decision to rename will avoid a time-consuming legal battle. (*PETS International*)
- **Petco** announced that Brad Weston will succeed retiring chairman and CEO Jim Meyers as of February 1, 2017. Weston currently serves as the company's president and chief merchant. (*Petbusiness.com*)
- **Wedgewood Pharmacy** announced the launch of Green Rabbit Rx, a new e-prescribing tool with new and improved features requested by veterinarians. (*Business Wire*)
- **Wells Pharmacy Network (WPN)** is recalling all sterile human and veterinary products prepared between February 22, 2016, and September 14, 2016, because the FDA has concerns about a lack of sterility assurance. (*Pharmacy Times*)

- **Petplan** announced it has re-launched its pet insurance products with a new underwriting partner, XL Specialty Insurance Company, an XL Catlin insurance company. According to the company, Petplan's new product represents the industry's first fully customizable pet insurance plan. *(company press release)*
- UK **Krka** announced the UK launch of Amflee Combo, the country's first generic fipronil/S-methoprene treatment. Amflee Combo is the company's first product launch in the UK. *(vettimes.co.uk)*
- SPAIN **Bionaturis** and **Labiana Life Sciences** announced a strategic agreement to explore business synergies in animal health. This will include the analysis of licensing opportunities to Labiana from Bionaturis' animal health portfolio and the joint development of new products for food-producing animals. The two firms will also explore the possibility of other strategic partnership agreements for distribution or production or formalization. *(Animal Pharm)*

ANIMAL HEALTH NEWS

- **WORLD RABIES DAY** September 28 marks the 10th annual World Rabies Day. Rabies remains endemic in Africa, Asia and parts of Latin America and is responsible for around 60,000 deaths per year. The Global Alliance for Rabies Control (GARC) has launched End Rabies Now, the global campaign aimed at ending human deaths from dog-transmitted rabies by 2030. According to the IFAH-Europe President, the animal health industry has donated millions of canine vaccine doses and provides veterinary training to support global rabies eradication programs. *(Eureporter.co)*
- **US - BEEF EXPORTS** China's Ministry of Agriculture announced today that China's ban on imports of US bone-in and boneless beef from cattle under 30 months old has been lifted. The ban was initially enacted in 2003 after bovine spongiform encephalopathy (BSE) was found in Washington state. China announced in 2006 that it would allow some boneless beef products, but imports were never fully resumed until now. *(Feedstuffs)*
- **US - VETERINARY EDUCATION** The AAVMC has introduced a new web-based IT tool that will help veterinary college applicants and students make better decisions regarding the cost and course of their professional education. The Cost Comparison Tool (CCT) provides a convenient, transparent and reliable resource for estimating the cost of attending a veterinary medical college in the United States. *(Vet Advantage)*
- **US - FOOD PRICES** The American Farm Bureau Federation's (AFBF) "Fall Harvest Marketbasket Survey" reported lower retail prices for several foods, including eggs, whole milk, cheddar cheese, chicken breast, sirloin tip roast and ground chuck. The informal survey shows the total cost of 16 food items that can be used to prepare one or more meals was \$49.70, down 8%. *(Feedstuffs)*
- **US - EGG SALES REPORT** The USDA's Agricultural Marketing Service, through its Livestock, Poultry & Grain Market News Division, has published a new report adding transparency to the cage-free shell egg market. The new monthly report includes wholesale price information for cage-free shell eggs, as well as additional retail feature price information. The report also provides information on estimated production of cage-free shell eggs in the US. *(Feedstuffs)*
- **US - VET TECHNICIAN SPECIALTY** The National Association of Veterinary Technicians in America announced that the Academy of Veterinary Ophthalmic Technicians is the latest veterinary technician specialty academy. The AVOT joins the existing 12 NAVTA-recognized

veterinary technician specialties. According to the numbers provided by the individual academies in their annual reports, there were 924 veterinary technician specialists as of 2015. (AVMA)

**BRAKKE CONSULTING, INC.
EXECUTIVE, SALES FORCE and TECHNICAL SERVICES RECRUITING**

At Brakke Consulting we find the right person to fit your company's needs. We have an unequalled network in animal health, and unique insights into what veterinarians value in an animal health professional, including the sales rep attributes that correlate to higher sales volume.

As part of our executive recruiting services, we manage the entire process of identifying and recruiting top candidates, including:

- Developing metrics to help rank candidates
- Scheduling interviews and arranging for travel
- Maintaining communications with candidates throughout the process

For more information about our recruiting services, visit our website or call one of our consultants:

- John Mannhaupt at 972.243.4033
- David Goodnight at 830.285.1259

www.BrakkeConsulting.com

BRAKKE CONSULTING VIEWPOINT

Today, September 30th, ends the third quarter of the fiscal year for most companies. It also signals that fall is here, even though temperatures in some parts of the US don't reflect it.

In the next few weeks we will start receiving the financial reports for the first 9 months of 2016, which normally spells out what the year-end is going to look like for most companies. Our view is that it has been a reasonably uneventful year except for some significant consolidations of several companies. Consolidation is the new norm and without it we'd have little to report.

Hopefully you read earlier in the newsletter that we have launched a new study, "2016-2017 Pet Pharmaceutical Market Shift Study", this is a follow up to our prior 2015 study on the same topic, which was very successful and laid out a number of challenges facing manufacturers and distributors as pet owner buying habits are shifting away from veterinary clinics. We encourage your firm to look seriously at the findings this new study will generate. We believe the information in the study will assist both manufacturers and distributors in strategic planning for marketing and sales activities down the road.

Have a great weekend!

Ron Brakke

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