
**Brakke Consulting's
Animal Health News & Notes for March 3, 2017**
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Editor: Lynn Fondon DVM MBA

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**BRAKKE CONSULTING, INC.
BOB JONES JOINTS BRAKKE TEAM**

Brakke Consulting is pleased to announced that Robert (Bob) W. Jones, formerly of Novartis AH, has joined the firm as a senior consultant effective March 1, 2017. Bob has had a thirty-year career in animal health and is experienced in leading commercial organizations in the US and in international markets, particularly emerging markets, and knows both the companion animal and food animal segments.

Bob will focus on general and strategic consulting with attention on assisting Brakke clients in assessing their sales forces and improving their competitiveness through people as well as products. Bob's recent experiences in the industry will allow Brakke Consulting to expand our geographical expertise, product category insights and services. Bob can be reached by email at bob@rwjcllc.com or by phone in the office at 336-643-1590 or cell at 336-456-0583.

COMPANY EARNINGS RELEASES

- **Dechra Pharmaceuticals** reported results for the half-year ended December 31, 2016. Total revenue was GBP 173 million (\$213 million), an increase of 56% compared to the comparable prior-year period (+35% at constant exchange rates). Total core revenue excluding acquisitions increased 7% at constant exchange rates. Reported net profit was GBP 12.8 million (\$15.7 million), an increase of 7%. (*company website*)
- **Heska** reported results for the full year 2016. Revenues were \$130 million, an increase of 24% from the prior year. Net income attributable to Heska was \$10.5 million compared to net income of \$5.2 million in 2015. (*company website*)
- **Kindred Biosciences**, Inc. announced financial results for the full year ended December 31, 2016. KindredBio reported a net loss of \$(22.5) million versus a net loss of \$(27.1) million for the same period in 2015. As of December 31, 2016, KindredBio had \$57.8 million in cash, cash equivalents and investments. (*company website*)
- **Zomedica Pharmaceuticals Corp.** reported financial results for the year ended December 31, 2016. The company recorded net loss and comprehensive loss for the year ended December 31, 2016 of \$(6.0) million compared to a loss of \$(1.5) million for the period from May 14, 2015 ("inception") through December 31, 2015. Zomedica had cash of \$3.23 million as of December 31, 2016 compared to \$3.24 million as of December 31, 2015. (*ptcommunity.com*)
- Australia's **National Veterinary Care** announced financial results for the 6 months ended December 31, 2016. Revenues were \$32.5 million, an increase of 71% compared to the comparable prior-year period. Net profit was \$2.6 million compared to a loss of \$(302,000) in the comparable prior-year period. (*Couriermail.com.au*)
- **Land O'Lakes Inc.** reported results for the year ending Dec. 31, 2016. Animal Nutrition reported 2016 net sales of \$3.8 billion on pretax earnings of \$72.9 million, compared with \$4.2 billion in sales and \$57.8 million in pretax earnings in 2015. The business experienced growth in all customer channels. (*WattAgNet*)

BRASSE CONSULTING, INC.

COMING IN APRIL:

2017 PAIN MANAGEMENT PRODUCTS REPORT

Pain management is one of the leading topics in veterinary medicine today. Brakke Consulting's annual report on **Pain Management Products for Dogs and Cats** includes such valuable information as:

- overview of acute and chronic pain in small animals
- review of new products, including Galliprant, Nocita, and Onsior for Dogs
- estimates of US sales and prices of leading products
- pain management products in development
- review of nutritional supplements used for chronic pain
- review of therapeutic diets for joint care
- 2017 survey of 300 small animal veterinarians regarding use of pain management products

Pain Management Products for Dogs and Cats 2017 can be purchased for \$4,995 if ordered by

March 31, 2017, and \$5,500 thereafter. The report will be completed in April. Questions about the study can be answered by project manager Lynn Fondon, DVM, MBA at 972-243-4033, or email Lfondon@brakkeconsulting.com.

www.BrakkeConsulting.com

COMPANY NEWS RELEASES

- **Zoetis** announced that the USDA has granted an expanded label claim for the Defensor 1 and Defensor 3 to include protection against rabies in ferrets ages 3 months or older. *(company press release)*
- **Bayer** announced the launch of Advantus (imidacloprid), the first FDA-approved soft chew for fleas available without a prescription. Advantus starts to kill fleas within one hour and is safe to give daily as needed. It will be sold through both retail outlets and veterinary clinics. *(Veterinary Advantage)*
- **Addison Biological Laboratory, Inc.** announced the approval of the world's first commercial *Moraxella bovoculi* vaccine for the prevention of pinkeye in cattle. Previously the only method of prevention against *Moraxella bovoculi* was autogenous services. The USDA conditionally licensed product features 8 different *Moraxella bovoculi* isolates and an easily syringeable adjuvant. *(company press release)*
- **Lallemand Animal Nutrition** announced the acquisition of **Nova Microbial Technologies**. Nova Microbial Technologies markets direct-fed microbials, *Yucca schidigera* whole plant powder extract, immunoglobulin Y technologies, silage inoculants and specialty products. Financial terms were not disclosed. *(Feedstuffs)*
- **Genus** announced that its division **PIC** will acquire the genetic rights and intellectual property of **Hermitage**, an established pig breeding company in Europe. Hermitage will also become a strategic supply chain and distribution partner for PIC. In addition, PIC will acquire certain Hermitage customer relationships in various geographies, including Russia, the US and several European countries. Financial terms were not disclosed. *(Feedstuffs)*
- **Tyson Foods** announced it will eliminate the use of all antibiotics from its chicken carrying the Tyson brand sold at retail in June 2017. The move follows a 2015 announcement that Tyson would eliminate the use of antibiotics also used in human medicine from its US broiler chicken flocks. *(Watt Agnet)*
- EU The European Medicines Agency's Committee for Medicinal Products for Veterinary Use (CVMP) announced a positive opinion for **Elanco's** Credelio (lotilaner), a chewable treatment for flea and tick infestations in dogs. *(Animal Pharm)*
- NORWAY **EW Group** announced it has acquired **GenoMar Genetics** from **Norway Fresh Group**. GenoMar is an Oslo-based tilapia breeding company with operations in the Philippines. Financial terms were not disclosed. *(Feednavigator.com)*

ANIMAL HEALTH NEWS

- BRAZIL - FMD Brazil's agriculture ministry announced it is laying the groundwork to stop vaccinating cattle against foot and mouth disease (FMD). Most of the country's 200 million-

plus cattle herd is already recognized as free of FMD; all but one Brazilian state still use vaccination to maintain this status. (*Animal Pharm*)

- US - VETERINARY SCHOOLS Texas Tech announced it will not pursue funding for a proposed school of veterinary medicine in Amarillo for the next two years, changing the status of the project Friday from "on pause" to "halt," citing statewide tightened budgets from the state legislature. (*Lubbockonline.com*)
- US - VETERINARY FUNDING Senators from Idaho and Michigan introduced the bipartisan Veterinary Medicine Loan Repayment Program Enhancement Act (VMLRPEA), which will increase funding available for grants through the Veterinary Medicine Loan Repayment Program (VMLRP). The VMLRP implements loan forgiveness for veterinarians who commit to serving in federally designated veterinary shortage areas. Companion legislation has been introduced in the US House of Representatives. (*TSLN.com*)
- US - GENE EDITING Scientists at the University of Edinburgh's Roslin Institute in Scotland have used gene editing targeting a portion of the CD163 molecule to produce pigs that are potentially resilient to porcine reproductive and respiratory syndrome (PRRS). Laboratory tests have revealed that cells from the pigs are completely resistant to infection with two major subtypes of the PRRS virus; field testing will be the next step. The research was published in the journal *Plos Pathogens*. (*Feedstuffs*)
- CANADA - FELINE ANALGESIA Researchers at the University of Montreal have determined that cats undergoing spay surgery an injection bupivacaine directly into their abdomen as their spay surgeries were completed remained comfortable after their procedures, and many did not require additional pain medication. The results were published in the *Journal of Feline Medicine and Surgery*. (*Morris Animal Foundation*)
- CANADA – EQUINE FOALING TEST A student at the University of New Brunswick has developed a system to predict when a horse is about to foal within 12-24 hours. The device tests the calcium and pH levels in a mare's milk, and results are sent directly to a smartphone. Pilot tests are being run this summer. (*AVMA SmartBrief - cbc.ca*)
- WORLD - GMO FOOD A study from the National Food Institute at the Technical University of Denmark (DTU) found no evidence that genetic material from food is absorbed in the human body. Research from both an analysis of human samples and an animal study indicated that when foreign microRNA is found in samples that have been isolated from human blood, it is most likely because the tests have been contaminated with animal or plant material that was present in the laboratory. (*Feedstuffs*)
- US - PET CARE COSTS A California state assemblyman has introduced a bill that would provide an income tax credit allowing Californians to write off half the money they spend on vet costs up to \$2,000 per year. The tax credit is limited to healthcare costs for dogs and cats. (*Vet Advantage - Sacramento Bee*)

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ANIMALHEALTHJOBS.COM

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Bachelor's degree, and 20% have some kind of advanced degree; one-quarter have over 10 years of industry experience.

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BRAKKE CONSULTING VIEWPOINT

Some impressive growth numbers were reported by Heska for full year 2016 and by Dechra for half year ended December 31, 2016. Some of the other companies' financial reports reflect the costs of creating new technology and products for the industry. Whether or not these firms will be successful depends on the quality of their technologies, management and the ability to raise capital to support their development activities.

There were a number of new product approvals and launches along with a couple of acquisitions announced. Hardly a week goes by that there is not two or three announcements of acquisitions or mergers. We are clearly in a consolidating industry, as are many other industries.

Earlier in the report you read that Robert (Bob) Jones has joined our firm as a senior consultant. In Bob's three decades in animal health he has worked not only with Novartis, but with Pharmacia, Alparma, Roche Vitamins and American Cyanamid. He is skilled in mergers and acquisitions and has led several major initiatives to expand and improve sales force effectiveness. Bob will be attending WVC next week and will be available to meet with interested parties; you can reach him at the mobile number listed above.

We look forward to seeing many of you in Las Vegas at WVC.

Ron Brakke

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