

## Merial, Zoetis enter into strategic agreement for dairy products

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Merial, the animal health division of Sanofi, and Zoetis India, a subsidiary of Zoetis announced that they have entered into an exclusive marketing and distribution agreement for medicines and vaccines for Dairy cattle in India.

Merial will market and sell Zoetis' products, including global/local brands such as Bovical, Lutalyse, Xnel Dectomax and vaccines like Rispoval and Spirovac. The products will be marketed by Merial India beginning in April 2016. Financial details of the agreement were not disclosed.

"The newly added products complement Merial's existing ruminant business in India, which includes vaccines, therapeutics and nutritional products. It increases our presence in the important dairy segment and expands our current product offerings. We now have a robust portfolio that has strong customer loyalty, making us a key player in the rapidly growing India ruminant market," said Dr Sandeep Karkhanis, country manager, Merial India. "For Merial, this agreement reinforces the strategic importance of India and the animal health market in the country. We plan to keep our focus and investment in product innovation, acquisitions and alliances, growth areas and services to meet the evolving needs of our customers."

In India, Merial has a diversified local portfolio of over 50 brands comprising of vaccines, therapeutics and nutritional products for ruminants, poultry and pets.

Mr Ketan Dhamanaskar, managing director, India, GM South Asia, Zoetis, added, "This agreement helps both companies use the strengths of our product portfolios and market strategies to grow in a more effective way. Zoetis' leading dairy brands and innovative vaccines, combined with the strong distribution reach and presence of Merial in India, will enable us to make these products available in the most efficient manner in the Indian market. As a result of this arrangement, Zoetis India Limited will also be able to focus its field force and resources on building a stronger presence and market leadership in the Poultry and Companion Animal sectors in India, which grew at 18.6 and 12.8 percent respectively in 2015."

India is the world's largest milk producer, with 16 percent of global production. Therefore, presence in the ruminant business is strategically important for Merial in India as it constitutes 54 percent of the animal health market in the country. The Dairy sector continues to be a major livelihood source for rural India and a significant contributor to the country's agricultural economy. As per the industry estimates, the share of value added dairy products in the milk and milk derivatives segment is growing by around 25 percent every year and is expected to continue to grow at the same rate until 2019-2024.

India is the sixth largest chicken producing country in the world with annual production of more than 2 billion broilers and is the third largest egg producing country with 4 Million+ metric tons eggs produced in 2015. The India poultry market is expected to grow at 14.4 percent in the next five years. Consumption of poultry meat and eggs also witnessed burgeoning growth at 2.7 to 4.2 percent year on year in the past 5 years and is expected to grow at an accelerated pace in the next five years.