

CME Report: Zoetis Conditional Licensing for a New PED Vaccine

05 September 2014

US - Zoetis (the independent company that is comprised of Pfizer's former animal health business) has received conditional licensing of a new vaccine available for PEDv. Deferred Lean Hogs futures reacted as expected, with summer contracts falling by 100 to 150 points yesterday.

Contracts from April through June are down fractionally in overnight trading. Harrisvaccines of Ames, IA introduced two generations of a PEDv vaccine last year. Merck and Boehringer-Ingelheim are reportedly working on PEDv vaccines as well. The Zoetis vaccine will be available before the end of September. It uses inactivated (ie. killed) viruses to stimulate and antibody response.

It will require two doses be given to pregnant sows so those sows can pass antibodies along to their newborn piglets in the colostrum provided shortly after birth. Is this a game changer for PEDv? Probably not. It will help but what we judge as pretty broad-based consensus among veterinarians and producers is that these vaccines are not likely to solve this problem. To support that claim, consider that, according to Reuters, Zoetis declined to comment on how successful the vaccine has been in reducing mortality rates in baby pigs or what field tests have shown so far.

In addition, a Zoetis marketing official was quoted in the same story as saying "We have proven at least some efficacy of those antibodies produced within the sow being transferred to baby" The phrase "prove at least some efficacy" does not leave us overwhelmingly confident of success. We don't mean to pick on Zoetis here.

Their effort to get a product to **market** this quickly has been Herculean and producing an effective vaccine for a coronavirus that impacts mucosal membranes of the intestines is a huge, huge challenge. As evidence, consider that vaccines for TGE (transmissible gastroenteritis), a similar coronavirus, have never been very effective. That hasn't stopped producers from trying them and any questions about efficacy will not stop producers from trying this PEDv vaccine either.

Producers will reach for anything — at least once—that promises to reduce the horrendous pre-weaning death losses seen since April 2013. The question, of course, is whether these vaccines will prevent the kind of explosion of PEDv cases we saw last winter (see chart). Virtually everyone we talk to says the vaccines will help in herds that have been exposed to the virus.

The Harrisvaccines product has reportedly had very little impact when given to naïve (ie. previously uninfected) animals. Most expect the same for the Zoetis product. The Harris product does in some cases appear to boost immunities in previously-exposed animals enough to provide some colostrum antibody protection to piglets.

As one vet told us, "Is just the 40 per cent of the sows that have not been infected so far in jeopardy this winter or are they all susceptible again?" No one knows for sure but the vaccines, new biosecurity procedures and better control of traffic — be that people, animals or trucks — will, used together, almost certainly help.

We note here that the National Animal **Health** Laboratory Network's data for the week ended 30 August showed 63 new positive case accessions, exactly 20 per cent as many as when positive accessions peaked in February. That is the lowest weekly figure since mid-October 2013. Only Iowa's had double-digit positive accessions with 11. There were 26 positive accessions during the same week last year.

All of these figures are updated weekly at www.aasv.com, the website of the American Association of Swine Veterinarians. On a positive note: Two measures of consumer attitudes improved again in August. The Conference Board's Consumer Confidence Index gained 2.1 points to reach 92.4, its highest level since October 2007.

The University of Michigan's Consumer Sentiment Index gained 0.7 points to match its post-recession high of 82.5. Current conditions are the strong positive force for the UM index while consumer expectations are still quite negative.

