



December 26, 2003 7:30 a.m. EST

Impact Of Mad-Cow Scare Still Unknown To Industry

By FRANK BYRT

OF DOW JONES NEWSWIRES

(This article was originally published Wednesday)

BOSTON -- It is apparently still too early to tell the impact of the mad-cow disease scare on some suppliers to the cattle and farm industry.

Frank Mitsch, an analyst for Fulcrum Global Partners Llc, said he thinks "it's too early to see clearly how widespread this will become," but the mad-cow disease scare could be a negative for the farm economy and therefore could have an impact on Monsanto Co. (MON) and even Dupont's (DD) Pioneer Hybrid Seed Co. as farmers could cut back spending in a variety of areas.

Monsanto is a major pharmaceuticals supplier to raisers of cattle and swine but shares declined only 1% Wednesday on light trading.

A spokesman was unavailable for comment Wednesday, as Monsanto's offices are closed until Jan. 2, said an employee who answered the phone at its St. Louis corporate headquarters.

DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit: www.djreprints.com. • [See a sample reprint in PDF format](#) • [Order a reprint of this article now](#).

A spokesman was unavailable at Alpharma Inc. (ALO), a Fort Lee, N.J., supplier of pharmaceuticals products to the cattle industry, among its many products.

Alpharma's shares lost 2.2% before recovering in the abbreviated trading session as some company followers said the mad-cow discovery would create another overhang for the stock. The stock finished down 15 cents, or 0.7%, at \$20.10 on Wednesday.

"While dependence has lessened, Alpharma still has significant exposure to the animal feed additive market, cattle, poultry and swine," to the tune of 20% of its sales and operating income, CIBC World Markets said in a research note.

The firm said about 5% to 10% of Alpharma's total operating income - or 10 cents to 15 cent a share - is "estimated to be tied to cattle-related feed additives, which are sold almost exclusively to U.S. producers."

CIBC noted that Alpharma has announced its intent to explore the sale of noncore assets, which investors have automatically assumed to mean the company's struggling animal-health division. But the "disruption in the U.S. cattle supply obviously complicates any potential divestiture activity."

"With its U.S. generics business struggling to recover from FDA related manufacturing issues, mad cow related news flow could pressure ALO shares over the short term pending greater clarity on the extent of a potential outbreak," CIBC said.

- By Frank Byrt, Dow Jones Newswires; 617-654-6742; frank.byrt@dowjones.com

URL for this article:

http://online.wsj.com/article/0,,BT_CO_20031226_000575,00.html

Updated December 26, 2003 7:30 a.m.

Copyright 2003 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our **Subscriber Agreement** and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones

Reprints at 1-800-843-0008 or visit www.djreprints.com.