

Michael Brigham

Yes there is a drop in the international sales; I am looking for that exact reference. But I did mention, I did disclose in the Q under the sales MD&A, that that drop was not the result of a drop in demand in our international markets which are primarily Canada, but also in to Japan and in South Korea, they were much more result of...when we are on backlog, we did have to allocate product, and we did take care of the large domestic market first, and that did force a drop in that international sales. So that comes...so again, that problem goes away, we are not allocating products.

Sam Rebotsky

Okay. And now you speak of 38% share of the market, when we get the Rotavirus, we talk about 2017. I assume, is it the first half or the second half or do we have a feeling on that? What percentage of the market can we achieve with the Rotavirus claim?

Michael Brigham

That's a great question, Sam, it's a tough question. The dating is a little bit easier for me, the timing is a little bit easier for me to answer, because it's not realistic to expect the early part of 2017, and we will have not met our expectations, I will be surprised if we are late in '17. We are in the middle of '17, fall is just subject to too much work that hasn't been done yet, and too many exchanges with the USDA that are not subject to strict timeline turnarounds. So they are a little bit out of our control, but the reason we have spent so much time, and so much money, and so much effort on Rota is because when we go head to head with the product from Zoetis called Calf-Guard, they may not have an E. coli claim as we do, but they do have a Rotavirus claim that we do not. And our goal is to be much more competitive to take away that competitive disadvantage, have the Rotavirus claim to be more competitive against the Zoetis Calf-Guard. And we know from the market research we've done that Calf-Guard product sells a very similar dollar value to our product, and it sells about half the price. So doing the math there, it's about twice the volume. So just a huge opportunity there, as long as, the customers are willing to pay a little bit more for a better quality product; a more effective product or a broader claim reach, and I think just better biology for the calf the way our product is delivered in comparison to the way they deliver their modified live virus vaccine.

Sam Rebotsky

Alright. It sounds good. Good luck, Michael.

Michael Brigham

Thanks, Sam. I appreciate it.

Operator

Again, if you have a question, please press "*" then "1." Our next question is a follow-up from Eric Miller of Heartland Advisors. Please go ahead.

**Eric Miller**

Yes, last thing, Michael. You talked about this \$17.5 million sort of the estimate budget for the Mast Out build out. Can you break out in rough figures, what do you think that...what's the capital and what's going to be expensed over the next few years on that?

Michael Brigham

Sure. Yes, we are capitalizing all of the building and all of the equipment. It is roughly half and half, as we start to get you know definitive bids in, and quotes in, and contracts in, on the work that building, and that equivalently capitalized. We have been expensing our labor as we go. As we move into production, we would capitalize that labor and take it through cost of goods. So that 17.5 million is capital item.

Eric Miller

Okay, and roughly percentage of where you would see that falling out in '16 and '17, is it 50:50 between the two or how should we look at that?

Michael Brigham

Yes, '16 is going to be light as the calendar winds by here and we get into the fall. I mean, because the early work is not the real expensive work, just we are in the design and permitting phase days, hoping to get a home ground here in the next couple of months, the excavation then putting up the shell, those are several million dollars worth of expenses. The big money comes from fitting out the equipment inside...fitting out the inside of the building, installing all the equipments, buying all the equipments that hits much more heavily in '17. And then, we will largely get through it because we expect to be manufacturing at least you know, second half or as early as possible in '18. So those expenses would be...I mean we can't manufacture, we haven't purchased and installed the equipment. It is little vague, but does it give you an idea? Is that a fair answer Eric?

Eric Miller

Yes, absolutely. Thank you.

Michael Brigham

Thanks.

Operator

Again, if you have a question, please press "*" then "1." I am showing no further questions. I would like to turn the conference back over to Joe Dorame of Lytham Partners for any closing remarks.

CONCLUSION**Joe Dorame**

Thank you, Dan. We want to thank you all for your participation on today's call. We look forward to speaking with you again in November with our third quarter 2016 financial results.

Have a great day.

Operator

And ladies and gentlemen, the conference has now concluded. Thank you for attending today's presentation. You may now disconnect.