

Biopharma Play That May Bypass FDA Roulette

Published: Wednesday, 9 Jan 2013 | 6:28 PM ET

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Wouldn't it be nice if there was a way to profit from small cap biotech without being at the mercy of the **FDA** and its drug's approval process? Maybe there is.

But before we go any further – it's important to note that "Owning small, speculative drug stocks is a very high risk game," said Cramer. "The space is not for everyone."

However if you're willing to assume a little more risk there may be a way to play the space without playing FDA roulette.

"How about owning supplier to the pharmaceutical business?" I'm talking about [Charles River Labs, TICKER: CRL](#), an outfit that provides biopharma companies and universities with everything they need to discover new drugs and conduct early stage clinical trials."

With this stock, you won't have to bet on which drug will get approved next and which one won't – instead, it's **simply a bet that the search for speculative new drugs will be ongoing.**

"Charles River's tools make it easier and more efficient to discover new drugs," Cramer added. "And they enable their clients to more quickly decide whether an early-stage compound is worth trying to develop."

"Plus, as biopharma companies outsource more and more of their lab work, Charles River sees a major opportunity to take share over the next several years."

"If drug companies outsource to us we can do the work as fast or faster, as well or better and always a lot a lower price point because our facilities are built for efficiency," explained James Foster, the Chairman and CEO of Charles River Laboratories on Mad Money.

Company Profile

Charles River Laboratories International, Inc. is a global provider of solutions, which accelerate the early-stage drug discovery and development process. The focus of its business is in vivo biology; its portfolio includes research models and services required to enable in vivo drug discovery and development. The Company operates in two segments: Research Models and Services (RMS) and Preclinical Services (PCS). Through its RMS segment, the Company has been supplying research models to the drug development industry. The Company is engaged in the production and sale of rodent research model strains, principally genetically and microbiologically defined purpose-bred rats and mice. Its PCS business segment provides services that enable its clients to outsource their critical, regulatory-required safety assessment and related drug development activities to the Company. In August 2012, the Company acquired Accugenix, Inc. In January 2013, the Company acquired 75% ownership of Vital River.