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NOV 2023

## **FOOD & INGREDIENTS**

BARF, raw & frozen,  
protein sources

## **EASTERN EUROPE**

Country reports &  
a retailer interview



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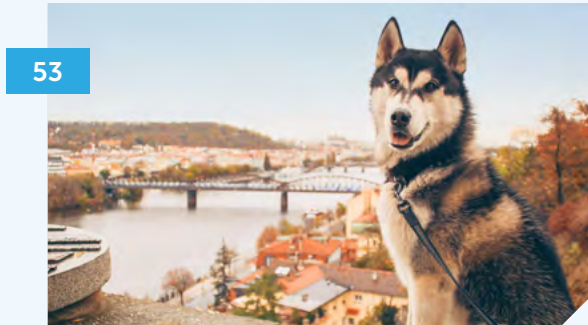
## Food and ingredients

The competitive landscape of companies offering BARF products is heating up. What are the market dynamics and what is its potential? How do consumers feel about BARF? We look at underutilized proteins, such as sardines and anchovies. And what are the latest cat food and treat trends?



## Global pet industry

Are gyms for dogs a passing trend? And how has inflation impacted visits to the groomer? You'll discover how the pet industry is leveraging Artificial Intelligence (AI) to improve its offering. Also, we analyze regulatory changes in labeling for pet food in Europe and the US.



## Eastern Europe

How is the pet industry doing in Eastern Europe? We present a snapshot of the industry in different countries, with a deep dive into Georgia and Poland. We also sit down for an interview with the largest Eastern European pet retailer, Plaček.



## Cat food trends

What are the winning categories? Which attributes are the most popular? Are there differences between generations? Where do pet owners shop? And more: [Page 25](#)



## AI & pet start-ups

Pet start-ups are using AI to improve their processes and strengthen their offering. What can we learn from them? And what are the potential downsides? [Page 42](#)



## Retailer interview

What has Eastern Europe's largest pet retailer been up to? How are they performing and what are their future plans? An interview with Dušan Plaček. [Page 61](#)

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# The end of another year: looking to the future

Despite being our final edition of the year, this issue is very much future-focused. For example, as the topic of Artificial Intelligence (AI) seems to be dominating the headlines on LinkedIn, X and news websites, we thought it was a good time to take a closer look. How are start-ups embracing this emerging technology in the pet industry? And what can the rest of us learn from that?

There are some regulatory changes in the pipeline in pet food labeling. To help you prepare, we provide an overview of what's happening in Europe and the US, as well as an update on certifications.

On the food and ingredients front, we zoom in on the current state of the BARF industry as well as the challenges and opportunities, plus the impact on sustainability. You'll also find the results of a consumer survey we did with Yummypets to investigate consumers' perceptions and buying behavior in the context of BARF and fresh pet food. Moreover, based on another survey, we reveal the impact of inflationary pressures on the pet grooming industry.

To help you identify new trends and developments, we've analyzed the cat food and treats space. We also highlight some underappreciated proteins, such as sardines and anchovies.

For this issue's regional focus, we take you on a deep dive into the Eastern European pet industry. You'll find an overview of the region, as well as a more detailed analysis of Georgia and Poland. And don't miss our exclusive interview with the largest pet retailer in the region, Plaček, to learn about the company's innovative approach and future plans.

Last but not least, looking slightly further into the future, tickets for next year's GlobalPETS Forum are selling fast. So if you haven't signed up for this great networking event yet – or if you want more details about the topics and the speakers – go to [globalpetindustry.com/gpf](https://globalpetindustry.com/gpf).

I hope to see you there!

*Philippe*

Philippe Vanderhoydonck  
Managing Director

*P.S. If you don't receive our newsletters yet, go to [globalpetindustry.com](https://globalpetindustry.com) and sign up to keep a finger on the pulse of the industry.*



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### Zooplus strengthens footprint in Central and Western Europe

In partnership with GXO Logistics, online pet supplies retailer zooplus has added a new distribution center in the town of Bor, Czech Republic. The 60,000 sqm parcel fulfillment facility will carry the full product portfolio and will become the company's automated e-commerce hub. According to the company it is in "pole position to shape the future of pet e-commerce and win the growing European pet market".

To drive further customer loyalty, the Munich-headquartered firm has also launched a subscription model for deliveries of own-brand zooplus pet food, litter and treats in Germany and Austria. The program is expected to roll out across 20 European locations in the near future.

### Tesco to launch online marketplace

Tesco, the UK's biggest supermarket chain, is gearing up to offer "a broad range of third-party products" on its website. The new e-commerce platform is expected to spotlight pet food, in addition to health and beauty products and alcohol, and offer larger pack sizes than those available in-store.

The launch date of the new marketplace is unknown, but some sources suggest it could be in early 2024.



### US investor snaps up Assisi Pet Care

Chicago-based private equity firm Wind Point Partners has acquired Assisi Pet Care, a British manufacturer in the natural pet food and treats segment. According to the investor, Assisi operates "in an attractive way" and is well positioned through its focus on premium and natural pet foods and treats.

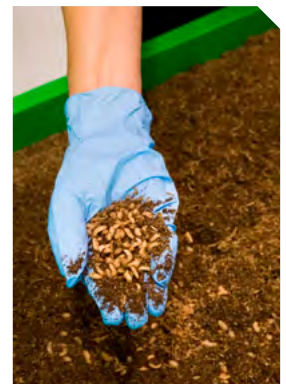
Last year, Assisi took over 2 dog treats producers: Maced in Poland – with the participation of Crescent Capital Group – and UK-based Pet Munchies.



### Tyson Foods invests in insect supplier Protix

American manufacturer Tyson Foods has acquired a minority stake in Dutch insect supplier Protix. The investment, valued at €55 million (\$58.2M), will help the Dutch firm fund its global expansion strategy.

Both companies have also formed a joint venture to construct and operate a low-footprint insect ingredient facility. The new production plant will be able to produce up to 70,000 tons of live larvae (LLE) annually and have the capacity to convert 250,000 metric tons of waste into high-quality nutritional products. This is 3 to 4 times more than the firm's current annual production of 14,000 metric tons of LLE at its Bergen op Zoom facility in the Netherlands.



### New hirings at Mars Petcare



Pet food manufacturer Mars Petcare has appointed Christoph Heyn, a former IKEA VP, as Chief Digital Officer (CDO) to lead its digital strategy. The multinational describes Heyn as having an “impressive track record of digital transformation at scale across retail, hospitality and financial services industries” and says it is excited to have him on board.

The company also announced the hiring of Najoh Tita-Reid as its new Chief Brand & Experience Officer (CBExO). She will be responsible for leading the company’s growth agenda and creating a seamless brand and consumer experience across the portfolio.



### New regulations for pet professionals in Malta

Malta’s Ministry for Agriculture, Fisheries and Animal Rights has recently published a white paper proposing a new set of rules to establish standards for breeders, trainers, groomers and pet sitters operating on the island. To achieve a “quality mark for service excellence”, this could include the creation of a compulsory register for local pet professionals.

Officials in the country believe that there is a need for stricter regulations for employees in the pet sector to coincide with the introduction of new animal welfare standards.

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### Australian vet care provider acquired by Swedish PE firm

Swedish private equity firm EQT has taken over VetPartners after reportedly bidding \$1.4 billion (€1.3B). VetPartners is regarded as a leading vet care provider across 267 clinics in Australia, New Zealand and, more recently, Singapore. For the financial year 2023, it reported revenue of A\$661 million (\$417.5M / €396.6M).

EQT was attracted by the company’s strong veterinary background, and hopes to develop VetPartners by investing significantly in diagnostic equipment, technology and innovation.

### South Korean telecoms giant enters pet care market

SK Telecom, South Korea’s largest telecoms company, has closed a deal with Japanese insurance firm Anicom Holdings to distribute its own Artificial Intelligence-based diagnostic system, X Caliber, to veterinary hospitals in the country. Anicom Holdings is partnered with around 6,000 clinics, and is believed to hold a 46% share of the South Korean pet insurance market.

Min Yong Ha, Chief Development Officer at SK Telecom, says that the company is striving to “popularize” its AI diagnostic and pet medical services beyond the domestic market.



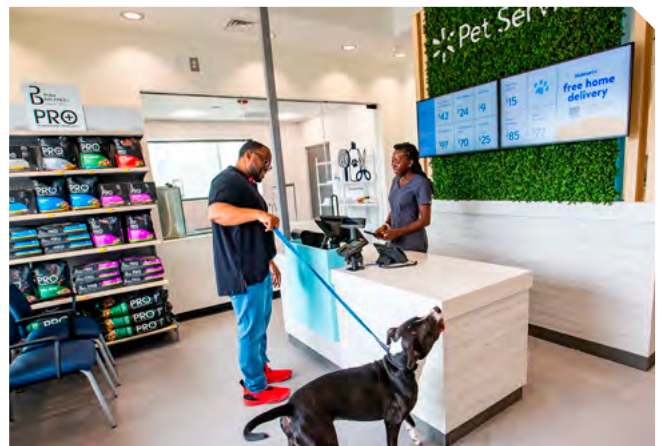
### Walmart’s new pet center concept

The biggest retail corporation in the US has recently opened its first-ever Walmart Pet Services center in Dallas, Georgia. This signals a move to create a one-stop-shop solution for pet products and services alongside daily groceries.

“We saw an opportunity to solve this problem for our customers, enabling them to save valuable time, money and effort,” a spokesperson for the company told PETS International. The retail giant expressed the ambition to replicate the Walmart Pet Services model elsewhere in the future, but declined to specify the exact timeline.

Danny Zhang from Oliver Wyman’s retail and consumer goods practice believes that Walmart’s new concept is what the majority of US customers want. “Consumers are looking for convenience, quality and price in a seamless, omnichannel environment,” he says.

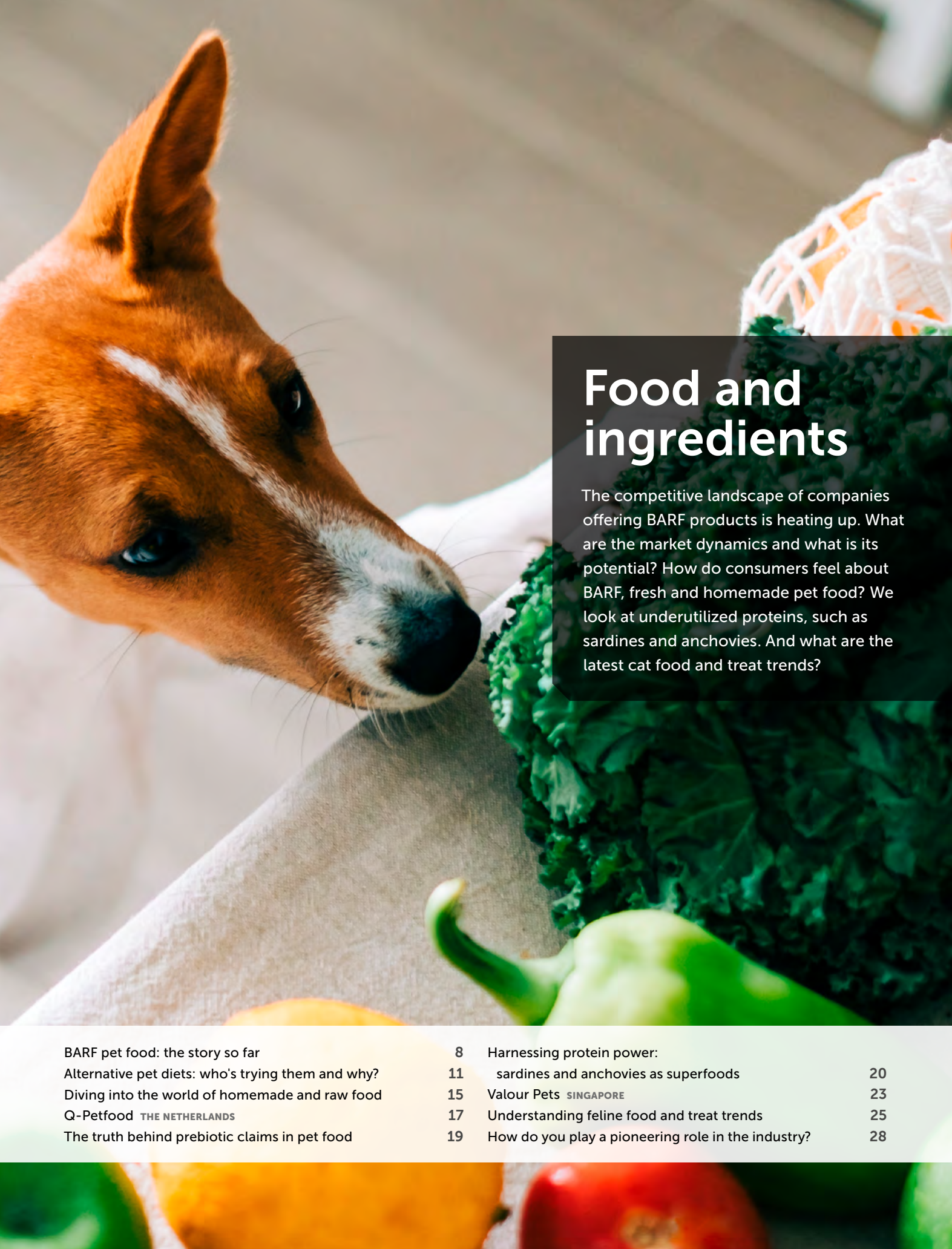
The fact that this center is separate from Walmart’s other big retail locations across the country can also make it more attractive to customers. “Having a separate entrance and



storefront is following similar, successful predecessors like PetSmart,” adds Stefan Hartung, Executive Creative Director at the strategic creative agency Kick.

Insiders acknowledge that this move has the potential to impact pet specialty retailers the most, as well as online retail players.





# Food and ingredients

The competitive landscape of companies offering BARF products is heating up. What are the market dynamics and what is its potential? How do consumers feel about BARF, fresh and homemade pet food? We look at underutilized proteins, such as sardines and anchovies. And what are the latest cat food and treat trends?

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# BARF pet food: the story so far

**The raw pet food sector is rapidly evolving, but there are some key challenges it needs to overcome.**

It may still be in its infancy – at least in terms of perceived market share – but biologically appropriate raw food (BARF), a diet made up of fresh uncooked meat, grains and vegetables, as well as dairy and supplements, is a rapidly growing market. It is attracting interest from pet owners who are appreciative of its nutritional benefits and the ‘naturalness’ attached to it.

## What’s really driving the interest?

According to Pierre Kemseke, Co-founder of Belgian brand Freshfrozen for Pets, there are 3 major drivers behind the rise of raw pet food. First, unsurprisingly, is the humanization of pets – and people are more wary of what they themselves eat than ever before. But also, less trust in ‘black-box’ dry kibble (a lack of ingredient transparency) as well as expensive wet food. Thirdly, a back-to-nature approach to feeding, with owners saying that dogs are descendants of wolves – who don’t eat kibble.

## More and smaller brands

More and more brands are popping up in the sector. Some have been operating in this space for a while now, like Big Dog (Australia), Naturaw, Bella & Duke, Nurturing by Nature (all in the UK), Voff (Sweden) or KIN Dog Food (Indonesia). Newer players include Dog Chef (Belgium), Instinct Pet Food, Viva Raw, Maev (all in the US) and Babarf (Switzerland).

Pierre Kemseke ascribes the new wave of BARF pet food brands to the low entry barrier for small-scale brands. The challenge, he says, is scaling up, as the main players today have been around for quite some time and are unlikely to be unseated any time soon.

## Noticing positive changes

But why is there a growing influx of raw pet food brands? Who better to ask than Karen Campbell, Founder of Totally Raw Pet Food, a Canadian brand set up in 2003. “Most pet owners report positive changes in their pet’s health just days after changing to a natural diet,” she says. She points out that while there’s very little advertising for raw pet food, it is the fastest-growing segment of the pet market.

More information on pet nutrition becoming available to consumers is also behind the increased popularity of this type of diet. “20 years ago, myths such as ‘raw food will make your dog vicious or wild’ were believed,” she recalls. “Now, many pet owners see the benefits of fresh food and look at the labels of not only their own food, but also their pet’s food.”

Campbell also warns about the hazards of ultra-processed foods (UPFs) on human health, adding that the same can be said for pet nutrition and that whole, fresh, natural food will obviously always be superior to UPFs.

# Unique synergy!

## Regional popularity

North America is the biggest market for raw and fresh pet food, according to Future Market Insights. This should come as no surprise, given that the US alone has the highest pet population in the world. Europe comes second on the list, with clear differences in different parts of the continent. Scandinavia, for example, already has a market share of over 15% for raw food in the specialty trade, while this is just 5% in the Benelux. In Southern Europe, there is now some interest, but there's a long way to go. Pierre Kemseke: "This is not the type of market where you can make a big jump in a given country all at once. It takes time for the mentality of the consumer to mature, and frozen logistics and shelf space need to be put in place too."

He adds that the demand for raw pet food overall remains very strong. "In the past 5 years, for instance, the specialty trade in Belgium has witnessed same-store sales growth, year after year, of over 25%, with some specialty chains going above 35%."

## Still a dog thing?

While BARF is mainly a 'dog thing', countries like Germany are emerging as strong markets for raw cat food. "For a long time, there was no focus on raw food for cats," Kemseke points out. "Back in 2016, we were one of the first to launch a dedicated range of products for cats, simply because it makes sense. Cats are, unlike dogs, strict carnivores."

The key is early adoption, to overcome cats' neophobia: their fear of anything new. Cats also prefer food at a certain temperature (around 38°C). Experts say this corresponds to that of fresh prey. Cats routinely reject cold or chilled food, which to them is a sign that the prey has been dead for a long time and is therefore potentially toxic.

## The sustainability challenge

BARF pet food does pose a giant sustainability question. As consumers become increasingly aware of the environmental impact of meat, and vegan pet food enters the mainstream, how does raw pet food fare?

Experts believe that while animal protein has a larger carbon footprint than plant-based food, this isn't necessarily the case with BARF. [▶ SEE NEXT PAGE](#)



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“Raw pet food usually accesses animal proteins lacking an adequate human food market. That means the raw material is being diverted into the raw pet food market without the ultra-processing that goes along with kibble,” explains Karen Campbell. “Raw is minimally processed and uses underutilized cuts of meat, organs and bone,” she adds.

Pierre Kemseke echoes this point: “Most of the ingredients we use are products that are commercially no longer interesting for human consumption, yet in perfect, healthy shape.” He highlights the fact that raw food allows for commercial repurposing of goods that would otherwise be waste. And that pet food producers tend to be small and local – using local ingredients – explaining that the cost of frozen logistics makes it hard for companies to be competitive too far away from the production plant.

But there are negatives as well. “We need quite a lot of energy to keep the cold chain intact, from production up to the point of sale,” says Kemseke. “With kibble, the production process is probably more energy-intensive due to the double heating – first to make the meal, then to make the kibble – yet once the final product is made, no further energy is needed.”

### Challenges versus opportunities

Kemseke says cost is one of the biggest hurdles in the raw pet food industry, whether that’s to do with high-quality materials or frozen logistics. And therefore, good relationships with suppliers are a must.

Campbell shares that view, explaining that kibble can be based on cheap fillers and highly processed, rendered animal protein. “But raw is based on high-quality meat, bones and organs,” she says. “Although it may cost more to feed raw, money is saved at the vet’s. Raw-fed dogs tend to be much healthier – clean teeth, fewer allergies, better weight control, etc.” Indeed, studies have shown that raw food promotes healthy gut function in dogs, and improves dental health and fur quality.

Storage is another challenge. Although raw is now conveniently packaged in single serving sizes, it’s still perishable and needs to be frozen or refrigerated. There is a line of raw pet food that

### *While there’s very little advertising for raw pet food, it’s the fastest-growing segment of the pet market.*

is dehydrated and shelf-stable, but that can be very expensive.

### Awareness

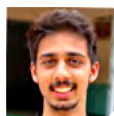
Then there’s the tricky matter of consumer adoption. Awareness is a big obstacle. In Belgium, for example, it is estimated that 50% of pet owners don’t visit specialty stores and don’t know anything about BARF. And even those who are aware of it may have misconceptions about its usage, believing that they need to completely switch from kibble to raw pet food – which is not the case.

Karen Campbell says that the kibble sector in Canada has close ties with vets: “This relationship has resulted in many vets selling kibble, which is a big part of their revenue stream. These vets tend to speak negatively about raw food.” But some influential groups are aiming to promote species-appropriate nutrition via vet education.

### Where will it go from here?

Pierre Kemseke puts the perception that BARF is expensive in context. While, on average, high-quality raw pet food can carry a 10-50% premium compared to high-end kibble, he feels that it’s a bit like comparing ‘real food’ to breakfast cereals. “What’s more, when compared to premium wet food, complete high-quality raw pet food always sells at a much lower price,” he says. “To be honest, raw pet food is crazily cheap. So there’s a lot of educating to do.”

Karen Campbell believes that natural feeding will continue to grow and, as it does, large kibble companies will take over the raw food space. Provided that all the fundamentals – sourcing, logistics and shelf space – move in the right direction, the future looks pretty good to Kemseke too. “In the next 5 to 10 years, we should be able to double our volume,” he predicts. ♦



**Anay Mridul**  
PETS International Contributor



# Alternative pet diets: who's trying them and why?

**A new survey reveals the level of acceptance of modern nutrition trends like BARF and homemade pet food among pet parents in 5 countries.**

With many diets offering great pet nutrition solutions, regional markets display different demands. In a PETS International survey conducted in partnership with Yummypets, more than 600 pet parents from France, Canada, the US, the UK and Belgium share what they prefer to feed their pets when it comes to alternative diets.

## Raw appeals to younger owners

The survey inquired about 5 types of diets: biologically appropriate raw food (BARF) or raw, homemade, fresh, frozen and dehydrated.

Only a quarter of all respondents had fed their companion animals BARF or raw pet food in the last 6 months, with Canadians accounting for 29%, followed by British (27%), French (25%) and American (20%) pet owners.

The younger generation (18–26 years) is the most open to making the shift to raw, with 4 out of 10 having fed their cats or dogs this type of food in the past 6 months. Pet parents aged 27–42 also seem quite open to a raw diet – 33% had given their pet this kind of food.

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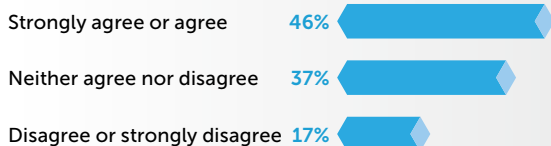


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On the other hand, the older generations are less receptive to the raw food diet: only 10% of pet parents over the age of 59 have fed their companion animals the BARF diet.

### Homemade food

Around half of respondents have tried homemade food (48%). According to the survey, UK consumers are by far the most likely to feed their dogs homemade pet food (63%).

French, Canadians and Belgians don't find this type of diet as appealing, and most wouldn't consider homemade food an option for their dogs or cats.

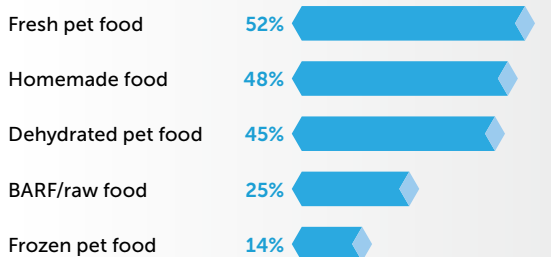
Pet parents aged 18 to 42 are more receptive to trying this type of diet for their pets (over 50%).

### Fresh, dehydrated and frozen

Most respondents (55%) admitted to feeding their dogs and cats dehydrated food in the last 6 months. As many as 73% of Belgian pet parents had provided their animals with this diet, followed by Canadian (57%) and French (54%) pet owners.

More than half of the pet parents (52%) admitted to feeding their animals fresh food. Pet parents in France

### Which type of alternative diet did you feed your pet within the last 6 months?



### Nearly 3 out of 10 Canadian pet owners have fed their pets raw food in the last 6 months.

(59%) find this diet more appealing, while those in the UK (34%) are less interested.

Frozen pet food seemed to be the least popular, with only 14% of respondents having tried it in the past 6 months. Canadians were the most likely to opt for this diet (21%), in contrast to French (8%) and Belgian (9%) pet owners.

### Perceived nutritional value

Almost half of respondents (46%) agree that raw food could provide all the nutrients cats and dogs need. Less than a fifth (18%) disagree, out of which a marginal 4% strongly disagree. This acceptance is considerably higher among British pet owners (55%), followed by French (37%) and Belgian (33%) pet parents.

When it comes to homemade pet food, 6 out of 10 respondents agree that this diet is better for their pets' health than commercial pet food. On the other hand, 9% disagree with this statement.

Regarding the difference in opinion between countries, this statement was supported by 62% of French pet owners, while only 51% of Belgians agree. 1 out of 10 pet parents in Belgium don't believe that homemade pet food is better than commercial food.

39% of pet parents consider alternative diets to be the best diets to provide immunity. However, wet food is preferred for other benefits, such as energy, weight management, digestive health or joint care. ♦

Special thanks to *Yummypets*



**David Palacios Rubio**  
Head of Editorial  
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# Diving into the world of homemade and raw food

**Alternative diets are popular, but the limited available research on the benefits and risks for both pets and people poses a difficult task to pet owners.**

Feeding of raw and homemade foods to pets – as their entire diet or a part of it – has grown to approximately 60% of pet owners, according to data published in the Veterinary Record in 2019. However, homemade diets, raw or cooked, require careful formulation to ensure nutritional requirements are met. There is an opportunity for increasing both the nutritional and microbiological safety of these options, through further research on products provided and pet owner education.

## Comparison and risks of feeding methods

There are different types of raw feeding methods, including Biologically Appropriate Raw Feeding (BARF), Raw Meat-Based Diet (RMBD) and Whole Prey and Nutrient. Each differs in methods of diet composition, presenting a risk that a 'complete' raw diet varies between feeding methods, which often differs from European Pet Food Industry Federation (FEDIAF) or National Research Council (NRC) definitions of complete nutrition.

Homemade diets, both cooked and raw, often vary considerably in nutrient profile, from macronutrient

profiles to the precision of preparation instructions. Many contain vague ingredient measurements; others lack clear instructions for vitamin and mineral supplementation. Often, pet owners do not choose professional homemade diet formulation, using alternative sources such as the internet. Studies examining the nutritional adequacy of such recipes found that none are considered complete and balanced to NRC or FEDIAF standards.

Nutritionally incomplete diets are linked to nutritional deficiencies. A concern of homemade diets is that even when formulated as nutritionally complete, pet owners adjust recipes over time, compromising the nutrition provided. The presence of supplementation does not guarantee dietary balance, and neither does providing ingredient variety.

A benefit of homemade cooked diets, compared to raw, is reduced microbiological risk – both to humans and pets. Microbiological safety is a hazard of raw feeding with the potential to cause human and pet illness through pathogenic and zoonotic bacteria.

[▶ SEE NEXT PAGE](#)

Antimicrobial-resistant bacteria transmission through raw diets and feces has emerged as a concern to be investigated. However, most raw-feeding pet owners are unconcerned with risks to safety, some considering this 'scaremongering'.

### Insights into pet owner behavior

With growing awareness of the role of diet in human health, pet owners are considering their pet's diet and its role in health and disease prevention as well. Recent pet food recalls have prompted some owners to reassess their pet's diet. Homemade food is a solution that some pet owners turn to, usually stating health benefits or mistrust of the pet food industry as the reason.

Owners choosing non-traditional feeding methods, such as raw feeding and homemade diets, believe this to be superior to traditional extruded commercial foods. Reasons include supporting particular health conditions, pets refusing commercial diets, desire to cook for their pets, and distrust of commercial pet foods. Concern regarding additives and bad quality ingredients in commercial pet food is also expressed, alongside confusion with pet food labeling.

Owners choosing raw often consider it better suited to cats' and dogs' carnivorous nature, or associated with health benefits. Comparison of dogs to wolves as a model of wild canids eating natural food is regularly seen as reasoning for raw food choices. These owners are more likely to find information from non-veterinary sources, such as social media. Raw feeders often rate veterinarians' knowledge of nutrition lower than their own, yielding limited trust in veterinary professionals regarding pet diets.

### New scientific research

There has been huge interest in raw and home-cooked diets in recent years, prompting an outpouring of new research. To name a few:

A comparative trial run by Milena Schmidt and the team at the University of Munich in 2018 found that raw feeding changed the dog's microbiome. When raw-fed and non-raw-fed populations were compared, a difference in their microbiomes and metabolomes was apparent. However, individual stool samples did not show statistically significant differences.

In 2021, a study published in *Frontiers* comparing the microbiome of raw-fed dogs to wolves found that the dog microbiome reacted to diet to become more closely matched to that of wolves when fed their raw meat diet. Results suggest that as diet changes from kibble to raw, the microbiome shifts from a carbohydrate-fermenting to a protein-fermenting focus.

Research by Holly Ganz and colleagues into the cat microbiome, published in *Veterinary Science* in 2022, found the microbiome of raw-fed cats contained fewer prevalent groups of bacteria, when compared to the microbiome of kibble-fed cats.

A 2021 paper in the *Journal of Animal Science* authored by Kristina Hiney found that raw-fed dogs showed a slight improvement in their composite clinical health score. The study also found raw-feeding owners were more likely to carry out interventions such as sporting activities and dietary supplements for their pets.

### Where does this leave us?

Raw and homemade diets have grown in popularity and many owners consider them to be a preferable method of feeding their pets. Despite concerns regarding safety and nutritional adequacy of these diets, this owner demographic is aware of the behavioral needs of their pets. Surveyed raw-feeding pet owners requested research on the optimum composition of raw diets, nutritional quality, and associated benefits.

Several raw food suppliers addressed some concerns by formulating raw diets to meet FEDIAF nutritional requirements, with routine microbiological safety analysis. However, many suppliers of raw diets fail to provide food safety and preparation instructions, or warnings for pet owners. Further research is needed to increase the safety of these diets and to examine their effect on pet health. ♦



**Laura Ward**  
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---

# Q-Petfood makes frozen fresh meat suitable for small and medium-sized dogs and cats



**In response to consumer research, Q-Petfood is seizing new opportunities in frozen fresh meat products for dogs and cats, in terms of both packaging concepts and internationalization.**

In the Netherlands, Q-Petfood offers a wide range of frozen fresh meat products for dogs under the Smuldiër brand. With a market share of 14% by value, the brand is the market leader in the supermarket dog food segment. However, the majority of this turnover has traditionally been generated by owners of large dogs. This is perhaps understandable because, until recently, Smuldiër products were only available in 400 g packs.

Extensive research into deeper consumer insights revealed a growing interest in feeding fresh meat to dogs of all sizes, plus signs of rising demand for fresh meat for cats.

However, the study also found that a number of dog owners – and particularly pet parents of medium-sized and small dogs – regarded the ‘hassle’ of defrosting overly large portions and the subsequent difficulty of portioning as a barrier to switching to frozen fresh meat.

## Groundbreaking innovation

Q-Petfood seized the opportunity to fill this gap in the market. In early 2023, the company launched several innovative concepts based around small frozen loose chunks of fresh meat. The chunks are between 0.5 and 1.5 centimeters in size and weigh on average less than 1 gram each. Therefore, the chunks can be easily shaken out of the packaging and defrosted in no time.

Additionally, the pellets retain their shape once defrosted. They are extremely suitable as food for medium-sized and small dogs, as a snack, or to flavor dry kibble for larger dogs.

The groundbreaking nature of this development is confirmed by subsequent research, which has shown that 50% of purchasers of the new concepts are new buyers of frozen pet food. The same study reveals that 80% of buyers are owners of medium-sized and small dogs.

## Going international

Besides being present in Dutch supermarkets, Q-Petfood also introduced the new products in the nation’s ‘garden & pet’ retail channel. But the ambitions extend beyond the Netherlands alone; the company also sees great opportunities for this concept abroad.

In the context of these international plans, the company will introduce the Petfoodie brand on the market in early 2024. All existing Q-Petfood products, including the new concepts, will be available to international retailers under this new brand.

Petfoodie will be presented widely at Interzoo in 2024. However, anyone who would like more information before then is encouraged to contact Q-Petfood directly. ♦

## Q-Petfood

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# The truth behind prebiotic claims in pet food

Prebiotic claims are seen more and more in the pet food sector. But does the science behind them hold up?

In pet consumer research, almost 80% of pet owners state that prebiotic on-pack communication affects their interest in buying certain food products for their pets. This has led to some suppliers making unfounded prebiotic claims for their products.

## Prebiotic or not?

In the pet food industry at present, there are a large number of products being promoted as prebiotic which, in fact, they are not. These contain ingredients such as fermentable fibers or even resistant starches.

The only established prebiotics that have been scientifically proven to selectively encourage the growth of good bacteria and deliver related health benefits in humans – with corresponding evidence in pets – are inulin-type fructans. Chicory root fibers fall into this category. BENEÓ's natural chicory root fibers Orafiti® Inulin and Oligofructose, for example, are supported by the International Scientific Association for Probiotics and Prebiotics.

## How do chicory root fibers work?

When chicory root fibers reach the colon, they are selectively fermented by the good microbiota residing in the intestine, for example bifidobacteria, and selectively stimulate their growth and proliferation. Additionally, this fermentation by selected microbiota results in the production of short-chain fatty acids (SCFA), such as butyrate.

These fatty acids decrease the lumen pH in the gut and enhance its structure. They also strengthen the gut mucosa's barrier against pathogenic bacteria,

as butyrate is the primary source of energy for the intestinal cells.

## Scientifically proven prebiotic effect

BENEÓ's Orafiti Inulin and Oligofructose have been studied extensively for over 2 decades, both in human and animal nutrition, and there is a strong scientific basis for their prebiotic effect.

In human nutrition, a recent systematic review with meta-analyses that applied the Cochrane methodology (considered the strongest methodology in the hierarchy of scientific evidence) and was based on intervention studies, confirmed the prebiotic effect of inulin-type fructans sourced from the chicory root.

## Multiple benefits for dogs and cats

In dogs and cats, studies have shown that selective fermentation of chicory root fibers by specific beneficial bacteria leads to an increase in SCFA production and is linked with nutritional benefits for pets that go beyond the gut. For instance, as part of their prebiotic effect and the effect on digestive health, chicory root fibers support calcium and mineral absorption in dogs.

Further research has shown that these fibers can also support blood sugar management in dogs, as well as weight management in both dogs and cats. ♦



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# Harnessing protein power: sardines and anchovies as superfoods

**As consumers become increasingly focused on holistic pet care, superfoods are gaining more traction. Are protein superfoods being overlooked in pet nutrition?**

Pet food manufacturers are embracing superfoods, paralleling advances in pet nutrition with human health trends. Superfoods yield some similar benefits to pets as they do to humans. Nutrient-dense and packed with vitamins, minerals, antioxidants or omega-3 essential fatty acids, consumers are increasingly aware of their benefits. In pet food, protein superfoods such as sardines and anchovies could provide many nutritional rewards.

## Sardines and anchovies as protein-rich superfoods

Common examples of superfoods include chia seeds, squash, berries and spinach, to name a few. But what about the role of protein sources as superfoods?

Sardines and anchovies are both oily fish. They are widely considered a healthy protein source, packed with omega-3 essential fatty acids, calcium, selenium, iron, and vitamin B12. Sardines are especially high in vitamin B12 and D, while anchovies boast more iron. What benefits could these nutrients potentially bring?

## Health benefits

Protein is an essential macronutrient, providing the building blocks for tissue growth and repair, as well as an energy source. Proteins also have functional roles in vital processes such as hormonal pathways, enzymatic reactions and immune responses.

However, not all protein sources are nutritionally equal. Sardines and anchovies are also packed with essential fatty acids. Pets cannot synthesize these

themselves, relying solely on their diet to provide them. Studies have shown that omega-3 fatty acids can improve skin and coat health, and support a healthy heart, nervous system and immune system. They also have anti-inflammatory properties, as the omega-3 fatty acids EPA (eicosapentaenoic acid) and DHA (docosahexaenoic acid) inhibit some key inflammatory pathways. Since many chronic diseases have been linked to long-term inflammation, a diet rich in EPA and DHA may offer some therapeutic benefits.

Moreover, these fish are low in saturated fats. With increasing obesity levels in the pet population, the importance of pet foods that support a healthy weight cannot be overlooked. Calcium and vitamin D support bone health, while selenium is an essential trace element that promotes the production of naturally occurring antioxidants in the body.

## Mercury levels

Mercury is a naturally occurring element, which is known to be toxic. Methylmercury in the water is taken up by plankton, which is ingested by small fish. Large predatory fish consume a great number of small fish, resulting in methylmercury accumulating in their tissues. As a general rule, the older and larger the fish, the greater the potential for high mercury levels.

Compared to some of their counterparts, sardines and anchovies are lower in mercury, as they are small and short-lived fish, situated low down in the food chain.

### Not for hyperthyroid cats

Anchovies and sardines are rich in iodine, making them unsuitable for hyperthyroid cats. Iodine is used to produce the thyroid hormone thyroxine, meaning cats with hyperthyroidism ought to be fed low-iodine food. In fact, iodine-restricted diets can be effective in reducing the total serum thyroxine concentration of hyperthyroid cats.

### Novel proteins

With the rise of allergies in both dogs and cats, the veterinary community is increasingly recommending novel protein sources as part of their management. When dogs and cats have dietary allergies, these tend to be to proteins such as beef or chicken, both commonly found in pet food. Novel proteins such as sardines and anchovies could offer healthy alternative protein sources for pets with atopy. The high omega-3 fatty acids offer the additional benefit of supporting skin health and reducing inflammation.

### Sustainability

While all fish are at risk of overfishing – and naturally this risk increases the more we (or our pets) consume –

### *Sardines and anchovies are widely considered a healthy protein source.*

at present sardines and anchovies are one of the more sustainable options. They reproduce rapidly, have a short lifespan, and are naturally found in abundance. Energy is also saved on growing and maintaining fisheries. However, stock levels, do vary naturally with the climate.

With over half of pet owners being likely to purchase fish oil supplements in the next 6 months, incorporating these protein superfoods into pet treat or pet food formulations could offer marketing benefits – as well as health benefits to the pet. However, more research is needed as to species-specific safe quantities and potential adverse effects. ♦



**Sarah-Jane Molier**  
Veterinary Surgeon

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# The future of happier pets through innovation

**At the core of Valour Pets, constant adoption and adaptation are igniting the embers to create high-quality products that improve the lives of pets worldwide.**

Established in 2007, and headquartered in Singapore, Valour Pets is a pet products company built on the pillars of innovation and technology. For close to 2 decades, it has been distributing several sought-after pet product brands, each catering to a different segment in the pet industry, across more than 25 countries worldwide.

## Embracing added value

As pet owners themselves, the company has a keen understanding of the multitude of daily frustrations and concerns that many owners endure. As such, Valour Pets is dedicated to developing innovative and value-added products that can create significant opportunities for the company's brands and provide better solutions for today's consumers.

The 3 key brands are Aatas Cat, NUTRIPE and Bronco. These brands are representative of Valour Pets' commitment to not only bringing the best to pets and pet owners

alike, but also to offering a specialized selection of products that are valuable options for satisfying pet-related concerns.

## Collaboration with leading experts

To constantly push the boundaries of innovation, Valour Pets works closely with leading experts in their field who share a similar passion for – and commitment to – the health and well-being of pets globally. From veterinary practitioners to nutritional scientists, their knowledge of animal clinical nutrition and advanced technologies plays a significant role in improving the company's pet products.

For example, the key brand NUTRIPE is the result of continuous collaboration with skilled professionals to address the changing nutritional needs of pets across all life stages. Inspired by the raw meat diets that cats and dogs thrived on long before domestication, the innovative team behind NUTRIPE works closely with experts to

grow and refine unique formulas that push the boundaries of nutritional science. This underlines that pets' needs, health and well-being remain Valour Pets' top priority.

## Investments in a strong foundation

Valour Pets has made significant investments in establishing its manufacturing facilities in New Zealand. Besides adhering to stringent international standards and principles to safeguard the core quality of all its products, these facilities are equipped with cutting-edge technology. The manufacturing approach has been carefully tailored to fulfill the distinctive requirements of the pet product brands, and to continuously uphold their reputation for excellence in quality, consistency, food safety and sustainability. ♦

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# Understanding feline food and treat trends

With 35% of US households owning a cat, the category has a lot of potential. Let's take a look at the current trends.

The pet food and treats market surpassed \$58 billion (€55.1B) in 2022, representing over 40% of the pet industry. To top it off, food and treats represent the highest spending category by more than \$22 billion (€20.9B). The American Pet Products Association (APPA) predicts the overall pet food and treats category will reach nearly \$63 billion (€59.9B) in 2023.

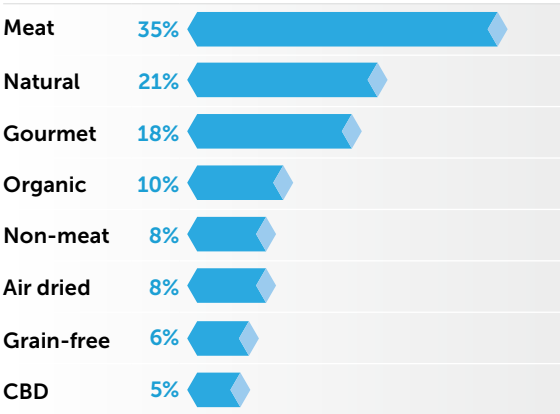
### Premiumization and generic reign supreme

Today's pet store aisles – whether virtual or in a bricks-and-mortar establishment – are filled with countless options, ranging from specialty foods to address specific health concerns to the tried-and-true mainstay brands known for their quality and nutrition.

Premium cat food and basic (or generic) cat food continue to dominate as the food cat owners most often purchase. They are also the 2 types of food cat

owners most often feed their feline family members. While premium cat food edges out basic/generic food

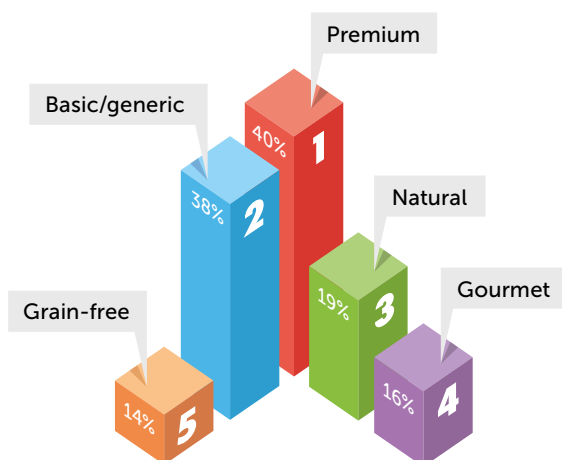
### Most purchased treats by US cat parents (2022)



Source: 2023-2024 APPA National Pet Owners Survey

▶ SEE NEXT PAGE

## Top 5 cat food purchased (2022)



Source: 2023-2024 APPA National Pet Owners Survey

purchased by most cat owners (40% versus 38%) in the past 12 months, basic cat food is fed most often by more owners (29% versus 27%).

When it comes to the food people give their pets, most cat owners report feeding their cats dry food most often and canned food occasionally.

### Special attributes in cat food

According to the 2023–2024 APPA National Pet Owners Survey, half of all cat owners say they have purchased cat food with special attributes, with the most popular including non-GMO (15%), environmentally friendly packaging (14%), human-grade ingredients (12%), clean label ingredients (12%) and functional ingredients (11%). Very similar patterns are seen when cat owners are asked if they plan to purchase cat food with any special attributes.

Whether a veteran ‘cat lady’ or a younger adult entering the cat-owning lifestyle, the vast majority of cat owners purchase treats for their pets (91%). This current percentage – or 9 out of 10 cat owners – is the highest ever recorded by an APPA survey.

### Generational differences in cat ownership

Speaking of types of cat owners, the APPA National Pet Owners Survey uncovered several different behaviors and preferences among different age groups. A significantly higher percentage of older cat owners

*As much as 39% of cat owners in the US report purchasing food for their feline every month.*

(Gen X and baby boomers), for example, purchased basic cat food and premium cat food than younger cat owners.

On the other hand, younger cat owners (Gen Z and millennials) are more inclined to purchase a wider variety of cat foods such as natural, organic, raw, specialty, and food with added pre/probiotics than older cat owners. Gen Z and millennials are also much more likely than Gen X and baby boomers to purchase cat food with special attributes.

Gen Z, in particular, favors non-GMO and environmentally friendly, while millennials prefer food that is non-GMO, made with human-grade ingredients that is sold in green packaging. Younger cat owners are more likely to try different forms of cat food than their older counterparts, and 94% of both Gen Z and millennial cat owners purchase treats for their pets.

### Where cat owners shop

From local pet stores down the street to online outlets like Chewy and Amazon – and everything in between – cat owners have a variety of avenues to purchase food and treats. But which of these channels are they frequenting?

Supermarkets are the outlet of choice for 42% of cat owners to buy cat food, up slightly from the 2021–2022 APPA National Pet Owners Survey. Discount stores, online-only outlets and pet superstores make up the second tier of outlets. Of this group, online-only outlets are the only option that saw an increase from the previous survey.



*Older cat owners prefer basic and premium cat food, while younger generations opt for products with special attributes.*

In addition, cat owners are indicating a shift toward purchasing cat food more often. The percentage of owners who buy cat food every 2 weeks has increased, while those who purchase every 2 to 3 months have decreased.

As much as 39% of cat owners report purchasing cat food every month, unchanged from the 2021–2022 survey.

### Key takeaways

In thinking through how retailers, pet food and treat companies and other pet industry stakeholders can best position themselves with burgeoning cat owners, Gen Z and millennials, it is clear variety is important. This includes a range of product offerings to meet both what pet owners are looking for and what their feline family members need.

Whether it is natural ingredients, green packaging or generic options, younger cat owners want choice when it comes to the type of food and treats they are purchasing.

In line with this, cat owners are looking for variety and choice around where and how to purchase cat food and treats. Be sure to use the channels pet owners are frequenting – whether in-store or online, among others – to reach repeat and potential new customers.

All of these trends are important to keep in mind as you shape and refine business plans, solidify your online presence and determine how to best supply consumers, especially younger cat owners, with their preferred pet products. Doing so will not only help your business succeed and grow in the short term, but it will also help prepare for the future, as many of these trends are here to stay. ♦



**Ingrid Peña**  
VP of Research and Insights  
American Pet Products Association (APPA)



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# How do you play a pioneering role in the industry?

**The answer: through innovation. That might sound far too simple, but if innovation and fresh ideas are managed and used properly, a pet food company will have the opportunity to position itself as a genuine pioneer.**

Beware of good ideas! Although it sounds strange that a company could be harmed by having good ideas about new products, services or business models, in practice people do find it hard to part with ideas that initially promised great success or groundbreaking change.

Becoming far too devoted to an idea, and holding on to it for too long, is a human instinct that affects creative minds, as well as project members, managers and decision-makers. Wasting time and money can be avoided by introducing a professional method that literally puts all new ideas to the test.

## The right tools

Your choice of tools for this process is extensive. Erbacher, the Food Family, uses the Business Model Canvas technique devised by Alexander Osterwalder and Yves Pigneur.

It has combined these tools and methods into a set that focuses entirely on the customer.

## Why failure is good

Everything starts with a hypothesis. This is tested throughout the process, both internally and – most importantly – with customers.

It's important not to shy away from rejecting a previous hypothesis. An early obstacle allows you to improve your approach to an idea.

You could otherwise end up pursuing a path because the idea seems so perfect. Only then to discover that it does not satisfy any real customer need.

To avoid this scenario, hypotheses are reviewed within the team and with customers. What if the team thinks the idea is excellent, but there is little interest evident in customer surveys? In that case, the idea is put to the test and then perhaps reconsidered or discarded.

## Good ideas work for customers and the company

Over the years, Erbacher's innovation team has devised various new products and processes, put them through their paces, and abandoned some again. This approach has produced many pioneering pet food brands over recent decades: the very first insect food 5 years ago, the first vegetarian dog food designed specifically for a dog's needs 10 years ago, and a variety of sustainable solutions.

They also took the occasional wrong turn, but that's OK. Because as a pioneer, your work follows the well-known saying: the proof of the pudding is in the eating – with a little help from innovation management. ♦



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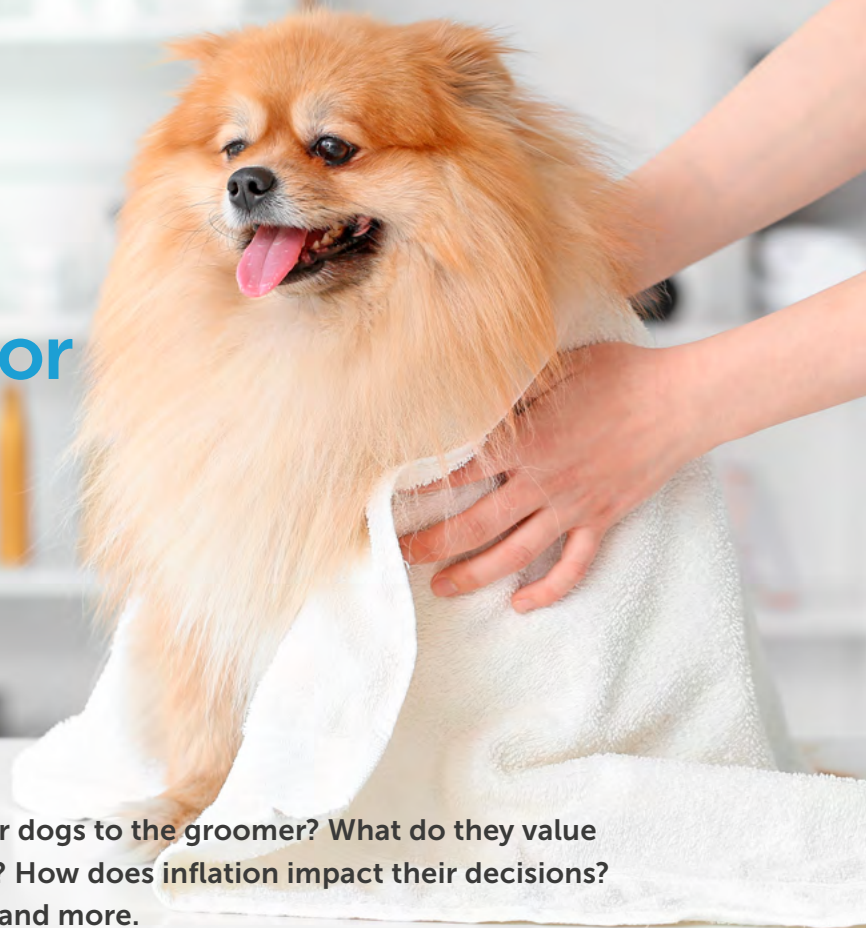


# Global pet industry

Are gyms for dogs a passing trend? And how has inflation impacted visits to the groomer? You'll discover how the pet industry is leveraging Artificial Intelligence (AI) to improve its offering. Also, we analyze regulatory changes in labeling for pet food in Europe and the US.

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# Consumer preferences in the booming grooming sector



**How frequently do owners take their dogs to the groomer? What do they value most when choosing a professional? How does inflation impact their decisions? Fresh data answers these questions and more.**

A new survey by PETS International and Yummypets concludes that 25% of pet parents in the US, Canada, the UK, France and Belgium visit a grooming service at least once a month.

## Frequency

Just over 2 out of 10 (21%) respondents take their dogs to the groomer twice a month or more. The survey found this amount jumps to 40% among American pet parents, while only 8% of French and 10% of Belgian dog owners visit a groomer with that frequency.

Of the 500 respondents, 37% visit a grooming service every 2–3 months. Occasional visits – once or twice a year – account for 14%. Only 2% of respondents say they never take their dogs to the groomer.

## Price and inflation

When pet parents consider a grooming service, price is the most important factor for nearly half of the respondents (47%). This factor is very important for Canadian dog owners (62%), while only 39% of pet

owners in France consider price a determinant for their decision-making.

When asked if they had reduced the frequency of their visits because of inflation, the vast majority (59%) admitted they did not. Only 41% of respondents had reduced the use of grooming services in the last few months, with Americans and Canadians accounting for more than half (51% each).

Just over 7 out of 10 Belgians admitted they have not reduced their visits to the groomer due to price hikes, followed by 67% of French dog owners.

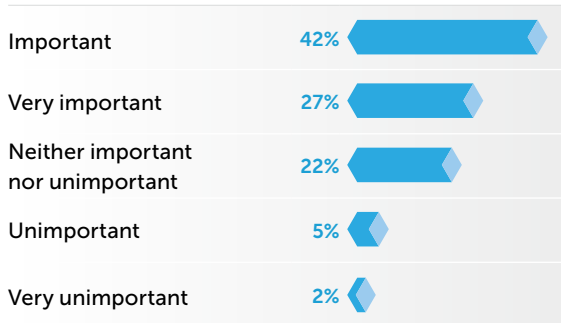
## Other factors

When it comes to choosing the right groomer for their companion animals, half of the respondents look for friendliness and expertise.

The hygiene and cleanliness of the establishment are important to 40% of pet owners when making a decision. This is followed by the range of services



### How important are certifications when choosing a dog groomer?



offered (32%), the reputation and review (32%), and the location and convenience (31%).

Most survey respondents value a groomer's qualifications. As much as 69% of pet parents – most of them regular users of these services – consider this very important or important.

Certifications seem to be most important to dog owners living in the UK and the US, with 79% of pet parents in the US and 78% in the UK considering this

important when choosing a groomer. 8% of French respondents do not think this is important.

### Local groomers

Local groomers are by far the most popular choice, with over half (54%) of the respondents saying they were their preference. Other options include grooming services offered by pet stores (22%) and mobile groomers (5%).

The data suggests that younger pet parents are more likely to use pet stores as their grooming provider.

The older generation of pet parents (those aged 60 and over) are least likely to take their dogs to be groomed. ♦

Special thanks to *Yummypets*



**Olivia Hooper**  
Associate Business News Editor  
GlobalPETS



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# Transitioning the UK grooming industry into maturity: is it time?

The sector is booming, but the lack of regulation regarding groomer qualifications and licenses needs to be tackled.

The UK pet grooming industry is alive and well. With an estimated 12 million dogs in the UK, pet groomers have never been so busy. However, this has resulted in challenges arising too.

## The global picture

The British pet grooming market is currently estimated to be worth £420 million (\$509.8M / €485M) and is forecast to grow by 5.7% annually over the next 10 years.

It is estimated that there are 10,600 pet groomers in the UK. Approximately 2,500 have a high street location, with the remainder working from home setups. The biggest chain of groomers is Pets at Home, which offers grooming in 339 of its stores.

Many grooming salons in the UK are independently owned and operated, typically consisting of a single outlet, with many running their businesses part-time to fit in with their lifestyles.

## Growing up

However, despite the healthy numbers, the industry still has significant room for growth and development.

In the UK, anyone can work as a dog groomer. Unlike other animal activities, such as dog daycare, home boarding, kennels and catteries, there are no licensing regulations around grooming.

This is despite the fact that pet groomers will service more pets than any of the other activities mentioned. There is a movement in the devolved nations (Scotland and Wales) to look into pet grooming becoming a licensed activity, but the British government seems reluctant to increase the burden on local authorities to inspect.

## Qualifications

Currently, there is no requirement to qualify to become a pet groomer, but there are a number of pathways to be recognized as such.

For those wanting to do a college course, the most popular and gold standard is the City & Guilds Level 2 Dog Grooming Assistant qualification. This is ideal to begin working in the industry and learn the basic skills needed to work under supervision in a dog grooming salon. The City & Guilds Level 3 Diploma in Dog Grooming allows you to work as a professional groomer across the UK.

City & Guilds courses are government-funded in colleges, but not in private training salons, where they need to be privately funded. More recently, other awarding bodies have seen the opportunity in the grooming industry and have started offering level 3 courses (without the need to do level 2 as a pre-requisite) and at lower prices to entice private grooming training salons to adopt their qualifications.

*In the UK, there are no licensing regulations around grooming.*

### Professionalization

So, how does the market operate? UK pet groomers get repeat business from pet owners who like their work and how they style their dogs. But with groomers being fully booked, sometimes weeks ahead, pet owners have little choice available to them once they have found a pet groomer.

Of more concern is the fact that the owner has little idea as to whether their groomer is qualified.

### Having a license is key

The Pet Industry Federation (PIF) remains concerned about the state of the UK pet grooming sector for several reasons. In a recent survey of its membership, 92% thought the pet grooming industry should be licensed.

With licensing, there is the potential for pet groomers to hold a qualification or have undergone some form of training. And this is where the problem starts. Groomers who have worked in the industry successfully for many years do not believe they need to undergo training. But the PIF believes that with groomers seeing pets more often than vets or any other service business, they should have some form of current underpinning knowledge so they can advise pet owners appropriately.

As already stated, the pet owner will judge the quality of the groom itself and decide whether to stay with that groomer or not. But it's also really important that the pet groomer can offer appropriate advice and knows when to tell the owner to visit the vet, or can deal appropriately with any immediate issues that might occur with the animal.

The grooming sector needs to understand that it has an important role to play in a pet's life and, as such, should prioritize professionalism rather than competing on price. ♦



**Nigel Baker**  
CEO  
Pet Industry Federation (PIF)

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# Next-generation skin and coat care products

**Trending ingredients, category innovations and recent launches – here’s a round-up of the year-end highlights for skin and coat care products.**

The global skin and coat care market for pets was valued by Grand View Research (GVR) at \$4.13 billion (€3.9B) for 2022. GVR anticipates a potential compound annual growth rate of 9.8% by the end of the decade, based on the developments seen in the segment in recent times.

## Skincare is a top concern

Skin is a good indicator of the overall well-being of an animal. According to Zesty Paws, skin issues are 1 of the top 5 concerns for pet owners in the US, and 26% of them are interested in products that can help them with their pet’s skin problems. “Demand for natural and holistic formulations is set to persist, driven by pet parents seeking clean ingredient lists and minimal additives,” says Yvette Tyszka, VP of Marketing at Zesty Paws and Solid Gold.

Pet nutrition company ADM highlights the fact that the skin – which makes up approximately 10-15% of body weight in cats and dogs – plays a crucial part in regulating various bodily functions, such as immunity, hydration, and sensory and temperature regulation. “A dull coat, excessive shedding or skin issues may signify underlying health problems such as allergies, infections or nutritional deficiencies,” says James Kyffin, EMEA lead for ADM Pet Solutions.

## Shampoos lead the way

Shampoos have always been the most popular products for skin and coat care, especially due to convenience and versatility, and they are estimated to have represented 42% of the total category revenue in 2022.

[▶ SEE NEXT PAGE](#)

Rising interest in addressing different skin and coat concerns with targeted products – and growing awareness of product availability – has led to shelves being stacked with products featuring oatmeal, aloe vera, coconut oil, shea butter and tea tree oil. A good mark of their popularity is Earthbath's Oatmeal & Aloe shampoo, which won the best dog shampoo for sensitive skin at the NBC Select Pet Awards 2023.

### Eco-friendly and hypoallergenic

In the US, the Doglyness product Immortelle Rejuvenating Shampoo, formulated with aloe and glycerin, is a top choice for vegan products. The company tells PETS International that as consumers are becoming increasingly aware of the environmental impact of their purchases, they are willing to pay more for truly high-quality, non-toxic and sustainable options.

The successful debut of Australian luxury brands DOG by Dr Lisa and CAT by Dr Lisa in the US market is a testament to the same. They have reported a 723% increase in US net revenue compared to 2022. Their portfolio hopes to “fill the gap” for eco-friendly, vegan and vet-developed pet products in both markets.

The hypoallergenic category is also becoming popular for pets with allergies and sensitive skin. HYPONIC's Hypoallergenic Shampoo for dogs is an attractive premium choice. Earthbath's no-rinse hypoallergenic and tear-free Foaming Facial Wash also tops many lists for the best-rated category products.

### Rinseless products

Innovations across shampoos, conditioners and other traditional cleaning products have been extended to targeted care. Rinseless products are the ideal way to deal with pets that make a fuss.

A good example is Trifecta Pets' Leave-in Foam Shampoo with activated charcoal, which targets the nourishment and moisturization of pet fur, promotes a healthy and lustrous coat, and prevents it from matting and shedding.

Similarly, PetClan's Dog Paw Cleaner Foam, formulated with oatmeal, olive oil and coconut, offers

### *Skin issues are 1 of the top 5 concerns for pet parents in the US.*

a quick solution to dirty paws. It has a community of 20,000 satisfied users. Targeting the same issue, Musher's Secret Dog Paw Wax won the Select Pet Award 2023 for the best moisturizer for dogs.

As winter approaches, snout care balms are expected to gain more popularity. The Natural Dog Company's Snout Soother balms have been a long-standing choice in this category. In September, DOG by Dr Lisa introduced a Winter Skincare portfolio, with a soothing balm and coat masque. And Nonipup is witnessing “tons of people stocking up on Boop Butter to prepare for the drier months”.

### Supplements, toppers and special recipes

The pet supplements category has displayed consistent growth patterns. For skin and coat care, it is omega-3 fatty acids, fish oils, zinc and vitamin E that are the popular choices to fight flare-ups, promote coat health, and relieve inflammation, itching and other dermatological concerns.

Zesty Paws' new Wild Alaskan Salmon Oil for skin and coat health has grown by 10% in the market over the past year, while overall sales of skin and coat targeted bites and chews have grown by 13.6% category-wide.

Petcurean brand Go! Solutions has launched its grain-free insect recipes for sensitive skin – for both cats and dogs. Dr. Marty's new Nature's Blend Radiant Select dog food is a premium freeze-dried formula for dogs with dry skin and dull coats.

In the second half of the year, pet care brand LuckyTail, under parent company Upexi, expanded its product line with all-natural dog supplements to include Flea&Tick and Skin&Coat chews. ACANA's Chewy Tenders were a September launch for skin, coat and digestive support. ♦



**Muskaan Gupta**  
Associate News Editor  
GlobalPETS



# Building a pet company with global reach

Schulze Heimtierbedarf is a family business based in the small German town of Porta Westfalica. A sailing trip 40 years ago was how it all started.

In the early 80s, Reinhard and Marlies Schulze were on a sailing trip. When the supply of their favorite pet Boxer's food ran out, it was almost impossible for them to find suitable, high-quality food. That was a light bulb moment. The couple decided to create their own healthy pet food brand.

## Global presence

What started at their kitchen table, in their garage, and with their car as the delivery service, has turned into a company with a global presence. Today, Schulze's products are distributed throughout the European continent, and they have even made their way onto the Chinese market.

The company is managed by Dirk Schulze, the second generation of the family, since 2021 supported by Jesper Bach Sørensen as CEO.

## Own and other brands

Schulze offers a wide range of innovative products they've developed in-house. The company seeks to not only be on trend with the best equipment as well as formulas that have novel or unique ingredients, but also

to provide a balanced and complete diet for dogs and cats. Its motto is 'Feed healthily instead of just feeding full'.

For example, super premium brand PORTA21 has become a favorite among pet owners and dealers across Europe, with 5-star reviews on online channels. The name is synonymous with tradition, quality and health.

Besides creating its own products, Schulze is an exclusive distributor in Europe of the American brands Starmark (*dog toys*) and Pioneer Pet (*drinking fountains*).

## Sustainability

The Schulze Heimtierbedarf company is characterized by its pioneering innovation in eco-friendly products, such as its patented line of environmentally friendly cat litter SoftCat. This product is made from grass and corn fibers and is produced with green energy.

The company also places great emphasis on its waste reduction policy. The



manufacturer has an ambitious long-term plan for making its packaging sustainable, recyclable and low waste to help reduce its carbon footprint.

## Retail excellence

In August 2023, Schulze launched a new, exclusive portal for its retail partners that offers convenience, speed and availability of products as well as exclusive deals. Consumers can buy the Schulze products in pet specialty stores all around Europe – whether they live there or are on a trip!

## Schulze Heimtierbedarf GmbH

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# The future is bright: trends in modern pediatric veterinary care



**Times are changing, and the way vets are approaching health issues in puppies and kittens is changing for good.**

Within the tiny, beating heart of a new puppy or kitten lies the promise of lifelong friendship. The modern approach to pediatric veterinary care is also becoming friendlier, focusing on positive behavior, addressing potential problems early, and thinking holistically about animal well-being.

## The first visit

The first new puppy or kitten check-up is a moment of unmistakable joy. A proactive and positive approach is necessary to build a strong foundation of trust in veterinary care for both owner and pet. It's also necessary for adolescents; play is important for the social, physical and cognitive development of young animals.

Hearts melt fast with playful little paws in the house. Millennials, quickly becoming the dominant pet-owning demographic, tend to put higher emotional salience on household pets. Yet, despite the excitement, people are often overwhelmed with the complexity and pace of change in companion animal healthcare. Navigating pet ownership grows ever more challenging as the quality of medicine rises.

## Investing in client success

While certain clinics still take a 'set it and forget it' approach to puppy and kitten healthcare, one of the most heartening trends in recent times is investing early in patient success.

Modern pet owners want a tailored approach to maneuver the bewildering modern information landscape. Right from the start, extended appointments allow time for conversations about nutrition, behavior

and developmental disorders. Frequent progress exams and personalized veterinary experiences engender trust through addressing owner concerns and correcting dangerous myths.

## Focus on behavior

The recognition that early experiences play a pivotal role in behavioral health is becoming a major focus. Puppies and kittens undergo crucial socialization periods during which behavioral modifications can profoundly influence their future emotional well-being. Early advice on positive training tools can prevent destructive and anxiety-based disorders later in life, and enhance the bond between pet and owner.

The profession is also becoming more aware of the impact of those early experiences in the veterinary setting. A revolution in low-stress handling techniques is underway, enhancing the patient's veterinary care experience. These animal-focused strategies can lay the foundation for a positive relationship with veterinary teams – especially for young pets.

Acknowledging the significance of a pet's emotional state also proves advantageous for business.

Certifications in low-stress handling and pet-friendly clinic environments have become a selling point for numerous clients concerned about their puppy or kitten's fear during healthcare visits.

## Early interventions are key

Behavioral problems aren't the only veterinary realm where prevention is better than a cure. Early discussions about the importance of vaccination, parasite control, and dental care are integral components of veterinary



*Navigating pet ownership grows ever more challenging as the quality of medicine rises.*

consultations for developing dogs and cats. In addition, breed-related disorders, such as hip dysplasia and brachycephalic obstructive airway syndrome, can be addressed and mitigated well before they become debilitating conditions later in life.

In line with this focus on preventive care, the importance of pet insurance is now routinely addressed during initial exams. A growing number of clinics are 'opting in', registering young animals for insurance coverage at the very first appointment.

### Virtual connections are real

Perhaps one of the most notable disruptors in veterinary health over the next decade will be the rise of digital health. Allowing more touchpoints between veterinary healthcare teams and young pets on the move, telemedicine and electronic health systems are poised to flourish with a new generation of tech-savvy pet owners. Although still in their infancy, real-time virtual appointments are already rendering veterinary care more accessible and adaptable, proving beneficial for overwhelmed puppy and kitten owners seeking support.

The future of pediatric veterinary medicine promises a swirl of new tech, progressing attitudes toward pets, and disruptive market forces. Genetic screening, wearable 'smart' gear, and the emerging field of nutrigenomics will rise and fall as the veterinary profession evolves and faces these new developments.

Nonetheless, the relationship between veterinary teams and their clients and patients remains the cornerstone of companion animal health. Veterinary medicine is advancing toward a more holistic and preventive ideal for puppies and kittens, with the foundation being laid at the very first visit. ♦



**Dr. Greg Bishop**  
Veterinarian

# Orphan puppies and kittens? Large litter? Poor quality of mother's milk?



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## Ever seen a dog on a wobble board?

### In recent years, a new trend has been steadily gaining momentum in the pet world: gyms for dogs!

Specialized gym facilities offer structured conditioning exercises for dogs, providing a unique way to integrate body awareness, strength training and flexibility into their regular exercise routine.

#### Benefits of structured exercise

Just as structured exercise routines benefit humans, gym workouts for dogs bring a host of advantages. Anna Lee Sanders is the founder of Canine Conditioning Coach, an online coaching platform based in the US. She says dogs can benefit from targeted workouts to increase mobility and prevent injuries.

“Just as humans benefit more from targeted workouts than playing in the backyard or walking in the neighborhood, exercises for dogs that focus on form and proper alignment can promote muscle balance in a way general exercise simply cannot,” she says.

#### Dog gyms catching on in the US

Zoom Room is an indoor dog training gym franchise that focuses on building confidence through the use of agility equipment. It allows dogs to exercise in a climate-controlled setting that has rubber flooring to reduce impact on joints and muscles.

Halley Hopkins, General Manager of Zoom Room Bellevue in Washington State, credits the surge in dog gym popularity to the increased amount of time people spent at home with their pets during COVID-19 lockdowns. Zoom Room has grown significantly, from operating in just 8 states in 2020 to now spanning

30 states across the US. The company has also quadrupled the size of its units within a 2-year period.

“Dog owners discovered the benefits of structured exercise and are now continuing to prioritize their pet’s physical and mental well-being post-lockdown,” says Hopkins.

#### Equipment for different needs

Understanding the various sizes, shapes and positions of boards can be invaluable for retailers and canine fitness professionals looking to design their own pet gyms. Different shapes and sizes offer unique challenges and benefits to dogs during their workouts. For instance, platforms come in various widths, enabling dogs to practice balance exercises while adjusting to different positions. This variety helps improve proprioception – the sense of position in space – and overall body awareness.

#### Wobble and rocker boards

Elevated platforms like wobble boards or rocker boards introduce dynamic instability. This engages a dog’s core muscles, enhancing strength and stability – key to injury prevention. But Anna Lee Sanders emphasizes the importance of using stable surfaces when first introducing dogs to fitness exercises. “This gives us the best chance of teaching correct alignment and ensures the dog is safe during the learning process,” she says.

While fancy inflatable equipment is available online, Sanders urges caution. Many of these pieces are

unsafe and more about marketing than functionality. She goes on to say that canine professionals can easily build their own equipment if they're handy. Or they can purchase from reputable brands, such as Blue-9, who make versatile inflatable platforms that can be safely used for dogs of all sizes.

### Physical and mental stimulation

Zoom Room's strategic approach resonates with those looking to grow their own pet fitness and training businesses. The company places a strong emphasis on socialization, positive reinforcement, human education and interactive learning to foster stronger connections between dogs and their owners. Working alongside their handlers to navigate challenging obstacles can also increase the bond.

"Clients who attend agility classes build a relationship through confidence and communication of body language," says Halley Hopkins. She also notes that dogs that attend gym workouts often show reduced problematic behaviors, thanks to the mental and physical enrichment they receive.

"Dog owners already know that physical exercise is critical to meeting a dog's physical needs. Attending a gym gives the dog a different experience in an unfamiliar environment, exercising their mental stimulation by applying skills and enjoyment in a new place," she explains.

### Future business opportunity

Gyms for pets are not just a passing trend, but a movement toward improved health and well-being for pets. Structured workouts, the right equipment and professional guidance are key to keeping dogs in optimal health.

As more pet owners recognize the benefits of these specialized fitness routines, the future looks promising for those looking to add canine gym equipment to their facilities. ♦



Jen Sotolongo  
PETS International Contributor



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# Artificial Intelligence in the pet start-up scene

**New technology is helping young companies to optimize their processes and their communications with customers. But to what extent does the industry want to rely on AI?**

Artificial Intelligence (AI) is a growing phenomenon across many industries. In the pet industry, most of the businesses that are relying on this technology, as a way to personalize, innovate and expand their products or services for their target audience, are start-ups.

## Customer interaction

For Brazilian pet marketplace Woof Pet, AI is a way of coping with growing business demands. The company was part of the 2022 Google for Startups Cloud Academy, a program that helps start-ups leverage data-powered innovation to accelerate and digitally transform their projects.

Woof Pet's online platform directs pet parents to the products or services they want, by linking them with the company's 7,819 affiliated retailers in 277 cities. Woof Pet has recently integrated into this platform the tailored 'Woofier' chatbot tool: a lifelike image of a dog that pops up on the consumer's screen.

According to the company, Woofier is different from a standard chatbot: he has his own personality and – thanks to AI – provides each pet parent with personalized advice based on the information that they share. The initial success of this business plan has already allowed the company to expand to the US.

## The benefits of chatbots

According to a report by software company Demand Sage, chatbots can complete 70% of conversations quickly, increasing customer satisfaction. AI platform HubSpot found that 40% of customers preferred a chatbot over an agent, as long as their query was resolved quickly.

The main appeal of AI-powered chatbots for pet start-ups lies in the reduction in human resource costs, as Lionel Robert, Professor at the University of Michigan's School of Information (UMSI), explains to PETS International: "It is quicker and easier in terms of cost, with a much lower cost barrier and it's much more scalable."

Furthermore, the software can be easily replicated and implemented into the business. For example, a company pays for a chatbot system 'as a service', which is advantageous as the upfront investment is limited and the company gets updated versions of the software as they become available.

## Personalization

Professor Robert believes that another "huge advantage" of AI is that it allows pet start-ups to have personalized interactions with their customers. Woof Pet is not the only pet-industry start-up to be exploring

this opportunity. In Belgium, direct-to-consumer (DTC) pet-care start-up Just Russel uses AI on health-related data to personalize the products offered to each animal and to offer a data-driven pet care approach.

“As we are in direct contact with the customer and have multiple data points about pets, we can personalize the whole customer journey and present products based on the pet’s needs,” states Co-founder Victor Mortreu. The company also offers services based on the individual pet’s needs. For example, besides being presented with recommendations for weight-loss food, overweight pets can receive an invitation to participate in Just Russel’s online weight management program.

### The downsides of AI

Pet companies are especially keen to implement AI technology to communicate with the younger generations of pet parents. Millennials in particular are more accustomed to using chat features on apps rather than making phone calls, so having this feature available can boost a platform’s appeal.

However, companies must be careful that AI-powered technology does not violate privacy laws when absorbing personal data from customers. Professor Robert emphasizes that this deserves attention: “Especially if you’re in Europe, there probably will be issues of privacy – not so much for the pet itself, but for people interacting with the pet.”

The use of AI can present some other challenges, including a lack of control over algorithms in AI software which can lead to biases in decision-making. Mortreu explains that in the past, Just Russel encountered problems with some versions of the ChatGPT models producing misleading suggestions to customers.

### The use of biotechnology

Australian animal biotechnology company VetChip is using AI to determine whether an animal’s Heart Rate Variability (HRV) indicates that it is happy or stressed. A biosensor is placed under the pet’s skin to provide health-related data. By using AI on the gathered data, VetChip claims it is able to “provide owners with unprecedented peace of mind that their much-loved pets are happy and safe”.

***40% of customers preferred a chatbot over an agent, as long as their query was resolved quickly.***

“AI can be trained to recognize a range of ‘normal’ and ‘abnormal’ signals as well as the intermediate classifications to determine an animal’s state of health and well-being,” Garnett Hall, VetChip CEO and Founder, comments to PETS International.

### DNA applications

London-based PetGenoma is in the early stages of creating DNA test kits for dogs, and is also turning to AI for help with analyzing and interpreting genetic data accurately and efficiently. “With AI, we can unlock a wealth of information that can aid in disease prevention, breed improvement, drug development, personalized medicine, genetic counseling and much more,” states the company’s Founder and CEO, Jackeline Palma.

Currently, other similar companies only test part of the pet’s DNA sequence, which can lead to inaccurate results. Palma highlights that it would be impossible to gain accurate answers about the whole genome sequence of the pet at the speed PetGenoma achieves without the use of AI.

### Monitoring pets’ health and behavior

Ongoing innovation means that the future of AI is still wide open. Professor Robert believes that ‘robot pets’ to monitor and improve the mental health of companion animals could be the next big AI-powered solution in the pet industry. He adds that robot pets could especially help to engage a pet in mentally stimulating behavior.

At Just Russel, they similarly envisage AI technology opening up future opportunities related to monitoring pet behavior. The company’s co-founder says he expects to see more advanced AI models being integrated into daily pet care, including for behavioral-based advice. ♦



**Olivia Hooper**  
Associate Business News Editor  
GlobalPETS

# Key considerations in the direct-to-consumer shift



## What are the opportunities and challenges for pet food companies when expanding their direct-to-consumer footprint?

The shift in people's buying behavior – from bricks-and-mortar stores to online channels – has accelerated growth in the direct-to-consumer (DTC) space across all industries, and the pet food sector is no exception.

### DTC pet food market

As companies look to enter the DTC market for pet food, there are a number of ways to expand their business online, including selling through e-tailers, working with marketplaces, or setting up their own DTC channel. Therefore, it is important to align the approach with the specific business needs.

### A brief overview

By 2032, the global DTC pet food market is expected to reach \$18.6 billion (€19.7B), up from \$2.1 billion (€2.22B) in 2022, with an expected yearly increase of 25.1%.

This global DTC growth can be attributed to several factors:

- the demographic split of pet owners is skewing younger (millennials and Gen Z consumers account for 49% of pet ownership nowadays)
- owners are placing an increased priority on pet health and wellness
- more than half of the world's population is estimated to own at least 1 pet.

### Opportunities

Younger consumers are generally more active online and more open to establishing direct connections with brands. The skewing demographic among pet owners therefore offers growth opportunities for pet food companies. The most successful DTC pet companies

create unique, value-added experiences for pet owners that are not available in stores, through strategies such as recurring product subscriptions, personalized food and product offerings, and a superior digital experience.

### Subscription-based models

Pet product subscriptions offer a flexible yet managed way to guarantee replenishment of pet owners' favorite items, and the ability to customize DTC orders appeals to a specific niche in the industry. In the US, HelloFresh recently capitalized on this opportunity by launching personalized meal subscriptions for pets through its Pets Table brand.

A subscription model is a great way for pet companies entering the DTC market to manage a smaller set of products while increasing the likelihood of repeat purchases. Subscriptions also tend to provide unique and exclusive benefits, such as free delivery or discounts, to encourage pet owners to buy online over traditional in-store purchases. Customization can be one way to differentiate from the competition.

### Personalized food and product offerings

Premiumization in pet food and other pet products has grown in recent years and shows no signs of slowing down. Pet owners seek the best for their pets – and that often means turning to human-grade food in the form of fresh, frozen and freeze-dried varieties. Several digitally native brands including Maev, Ollie and Freshpet have tapped into this trend, offering a personalized diet based on the pet's life stage and health needs.

Humanization of pets is also fueling the desire for accessories and products tailored to each pet. Pet owners enjoy ordering personalized collars, bowls, pictures and other items for their furry friends. For companies, these items can serve as add-ons to help grow the online business footprint.

### **Controlled and user-friendly experience**

The biggest benefit of owning the DTC experience is the ability to control the brand messaging to best resonate with pet owners and stand out from the competition. For example, a growing number of pet companies are testing the use of 'petfluencers' to develop their brand's messaging. Petfluencers serve as brand ambassadors, portraying the benefits and usage of products in social media channels to attract like-minded pet owners. A survey by OnePoll on behalf of Mars Petcare showed that 30% of pet owners follow petfluencers on social media platforms.

Additionally, it is imperative to create a user-friendly online experience for customers. Pet owners are more likely to consider purchasing products online when they have access to detailed information about the brand and products. Moreover, prioritizing a superior pet owner experience through clear Frequently Asked Questions (FAQs) and contact methods on the website will reassure pet owners that the brand provides sufficient support.

Not unimportantly, these touchpoints across the DTC website (and associated social channels) can help to capture valuable first-party data that translates into insights to drive future business decisions.

### **Challenges**

Before diving into the DTC pet market, it is critical to assess the financial, technological and operational investments to identify the possible level of ownership over the end-to-end process. The biggest challenges companies face are often related to logistics and marketing execution.

### **Warehousing, shipping and logistics management**

Manufacturers should keep in mind that supply chain logistics are a critical first step when expanding into a new channel or entering a new market. Home delivery is more expensive than wholesale deliveries to retailers, and most pet owners expect to receive free shipping.

## ***The biggest benefit of owning the DTC experience is the ability to control the brand messaging.***

Selecting a distribution partner or building logistics capabilities close to a dense urban population will make it easier to reach the highest number of pet owners while keeping shipping and fulfillment costs down. This is how Chewy opted to cost-efficiently expand operations into Canada, for example.

### **Investment in technological infrastructure**

Developing a DTC channel typically requires investment in new technologies to enable ordering, engagement and fulfillment. Given the steep upfront costs and recurring fees to manage the backend systems for an online shop, companies need to be intentional about investing in DTC.

Could omnichannel selling be an option to test and learn before making a bigger investment in the necessary DTC infrastructure, such as advanced enterprise resource planning (ERP), payment and tax options, customer service and order fulfillment? Selling products online through partnerships with leading bricks-and-mortar or e-commerce retailers could be more cost-effective in the near term.

### **Looking ahead**

Expansion into DTC presents numerous opportunities for pet food companies to both establish an incremental revenue stream and build deeper relationships with pet owners. Offering a DTC experience can also open doors for emerging brands to reach pet owners online in regions where there is limited retail store distribution.

Before entering the market, however, it is necessary to have a clear understanding of the business goals in order to evaluate whether owning the DTC model is right for the company in question. A 'pet owner-first' mindset can help to drive the critical decisions around investment in technology, operations and resources. ♦



**Lorraine Mackiewicz  
Reed McKenzie**  
Clarkston Consulting

# Pet Sustainability Coalition: helping businesses to reduce their environmental impact

With its wide range of resources, the Pet Sustainability Coalition has over 10 years of experience in supporting pet industry companies of all shapes and sizes on their sustainability journey.



Although sustainability looks slightly different depending on the type of organization, from small own-label manufacturers to large multinational brands, they can all take steps to minimize their environmental impact. The Pet Sustainability Coalition (PSC) has a multitude of resources to help all kinds of pet industry companies with their sustainability initiatives.

## Sustainable proteins

The food consumed by cats and dogs accounts for an estimated 25-30% of the environmental impact of animal agriculture in terms of land use, water consumption, greenhouse gas (GHG) emissions and other indicators. Therefore, it is critical for pet food and treat companies to take action to address their own role in this.

A good starting point is the Pet Sustainability Coalition's 4-Factor Framework for Protein Evaluation in Petfood, which covers 4 impact areas: social impact, nutrition, animal welfare, and environmental impact. Companies can use this report as a guide to evaluate the sustainability performance of the proteins they use in pet food, and to learn about foundational concepts, issues and best practices associated with pet protein sustainability.

## Emissions tracking

Greenhouse gas accounting – the process of measuring and tracking emissions-related data – helps companies to set clear goals and identify improvements. Companies usually start by calculating Scope 1 & 2 emissions; these are the emissions

that they themselves control, whereas Scope 3 emissions are generated by their wider supply chain. By quantifying and understanding *all* emissions, companies gain insight into the bulk of their carbon footprint and can address potential risks or opportunities throughout their value chain.

## Sustainable packaging

A growing number of companies are committed to reducing the impact of their packaging by switching to more sustainable packaging: recyclable, compostable or refillable. This is reflected by the rising number of PSC Packaging Pledge signatories.

This increased focus on sustainable packaging is due to both consumer demand for sustainable packaging, and emerging legislation such as Extended Producer Responsibility (EPR) strategies. Under EPR, producers are held accountable for the full life cycle of their products, including disposal. Companies that sell in US states such as California, Oregon, Colorado and Maine, or in European countries that have passed EPR laws, may incur higher tax costs if they utilize or manufacture products with negative environmental impacts.

## Getting started

According to PSC, some of the biggest barriers to implementation can be a lack of executive buy-in, high potential or perceived costs, and insufficient time dedicated to sustainability initiatives. PSC provides a wide range of research-based resources, ranging from presentations and articles to case studies, to help businesses address these barriers head-on.



Simple strategies for getting started include:

- ensuring that production facilities have waste management systems in place that enable recycling and/or composting
- monitoring and setting targets for reduced energy and water use
- sustainable purchasing policies that will educate and engage the team.

Additionally, third-party certifications are becoming more prevalent across the industry. Pet industry companies should ask current and potential new suppliers about their third-party sustainability-related certifications. PSC's third-party certification tool provides guidance on which certifications may be most relevant for different types of organizations.

### PSC resources

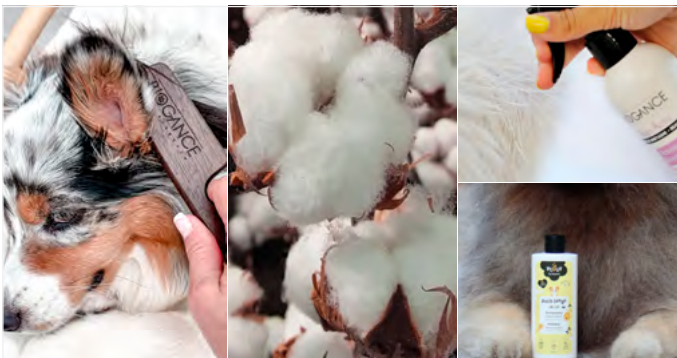
The PSC Sustainability Toolkit contains a myriad of free tools in 7 performance areas: Integrated Strategy, Culture & Engagement, Building & Climate Efficiency, Supply Chain, Brand, Packaging, and Diversity, Equity & Inclusion.

There are numerous benefits to becoming a PSC member. PSC has expertise in working with members to understand where they are in their sustainability journey. It utilizes the Sustainable Development Goals (SDG) Action Manager Assessment tool to benchmark where companies are today, and to create a roadmap for their sustainability goals with clear recommendations and next steps.

PSC also offers hands-on project support and consulting covering a wide range of sustainability topics, ranging from supplier questionnaires and life cycle assessments, to carbon accounting (including Scope 3 emissions), codes of conduct, and energy and waste facility audits. Based on its 10 years of success, PSC is an all-encompassing partner to drive sustainability for any pet industry business. ♦



**Amy Maxey**  
Senior Member Services Specialist  
Pet Sustainability Coalition (PSC)



### Biogance FRANCE The French pet care specialist

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# Changes ahead in US labeling guidelines

## From new nutrition facts to visual icons, what will the new rules mean for all pet food manufacturers operating in the US?

From 2024 onwards, pet owners in the United States will begin to see new-style labels on the packaging of pet food and specialty pet food products, including treats and nutritional supplements. The first major update in more than 40 years is aimed at ensuring clarity and consistency in label design to make consumers' buying decisions easier.

### Setting new standards

The revised guidelines, *Model Regulations for Pet Food and Specialty Pet Food*, set new standards for all manufacturers and distributors of pet food products distributed in the US. The Association of American Feed Control Officials (AAFCO) and industry stakeholders have worked collaboratively since 2015 to develop these guidelines through a methodical process. This supports AAFCO's aim of supporting growth and innovation in the pet food industry, while also helping consumers to make more-informed buying decisions.

So, what will be the impact of this important update, and what do pet food manufacturers need to know about the new labeling guidelines?

AAFCO will publish its 2024 Official Publication that will include the revised guidelines and details of what manufacturers can expect. In the meantime, here is a sneak peek.

### New labeling guidelines

To make their pet food labels clearer and easier to understand in line with the new guidelines, manufacturers will be required to update the following 4 key areas:

- **Nutrition Facts Box.** This must be reformatted to look more like the nutrition facts box found on human food packaging. Familiar household measuring units should be used, e.g. can, cup or treat, along with the weight in grams. The nutritional adequacy statement must be placed at the bottom of all nutrition facts boxes for pet food and specialty pet food.
- **Product Purpose Statement.** This must be displayed on the front of all packaging to identify the species, use and animal life stage that the product is intended for.
- **Ingredient Statement.** This should be modernized to include language, styling or naming conventions more commonly understood by consumers, such as the use of parentheses and common or usual names for vitamins.
- **Handling and Storage Instructions (optional).** New icons may be included on pet food and specialty pet food packaging to provide consumers with visual cues about how that particular product should be handled and stored.

## 6-year discretionary period

AAFCO is urging state regulators to utilize enforcement discretion in their review of pet food and specialty pet food labels. The 6-year discretionary period, beginning in December 2024, provides plenty of time to make changes and updates to support a seamless transition for the industry.

Nevertheless, as states begin the rulemaking process of adopting and enforcing the *Model Regulations for Pet Food and Specialty Pet Food*, AAFCO strongly encourages manufacturers to adopt these guidelines without delay to ensure alignment and consistency.

## Implementation recommendations

Planning and timing are crucial for successful and unified implementation among manufacturers. AAFCO will continue to work with the pet food industry to foster a smooth transition, and recommends a number of immediate next steps for manufacturers. These include ensuring access to appropriate lab technicians and methods such as analysis and validation, engaging in collaboration, education and training, and managing dual labels during the discretionary period. Manufacturers should also become familiar with

state-specific processes and obtain the support of key stakeholders. Last but not least, manufacturers need to adjust their packaging design and associated marketing communication materials.

## State-by-state industry support

AAFCO is committed to working with US state officials as well as manufacturers to ensure the adoption process runs as uniformly as possible. Each state will determine its own approach to enforcement, with the formal rulemaking process starting in 2024.

In the case of pet food sold in the United States, manufacturers should reach out to the relevant state's feed administrators, since the requirements and regulations of this change are still up to each state. In the case of pet food sold internationally, manufacturers should follow the regulations of the relevant countries. ♦



**Austin Therrell**  
Executive Director  
Association of American Feed Control Officials  
(AAFCO)

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# Europe softens organic qualification criteria for pet food labeling

**Now that the rule has been changed from 100% to 95% organic agricultural ingredients, will this accelerate the pet food industry’s contribution to a sustainable food value chain in the EU?**

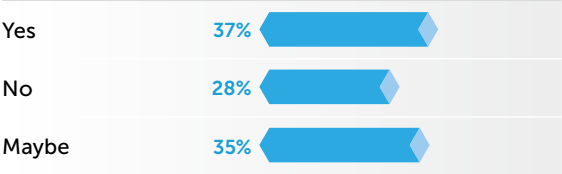
After a brief but intense outcry from the European pet industry, officials in Brussels have updated the legislation governing the labeling of organic pet food products. The Council of the European Union green-lit the change in early October. As a result, pet food and ingredients manufacturers will now be allowed to use the EU organic production logo if the formulation is made up of at least 95% agricultural ingredients of organic origin.

The new regulation removes the “excessively strict criteria” of 100% previously set by the European Commission in 2022. “This requirement was impossible for many pet food producers to satisfy, due to a lack of availability of appropriate organic ingredients,” admits the European Commission.

### Hunting or fishing ingredients

The new legislation also includes a provision that pet food marketed in Europe with the main ingredient stemming from hunting or fishing will be allowed to be labeled as organic, as is the case with human food. “As long as all the other ingredients are organic and the

**If the European organic pet food labeling requirements were less strict, would you launch more organic products?**



Source: GlobalPETS newsletter poll, 5 October 2023

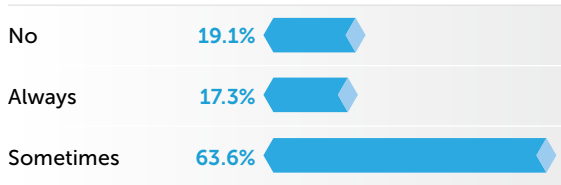
denomination is clear, it will be possible,” clarifies German MEP Martin Häusling, who was appointed by the European Parliament as rapporteur for this bill.

The new rules are part of the EU’s Farm to Fork strategy, which aims to ensure a sustainable food value chain in the region.

### Gray area

Until 2022, the labeling of organic pet food was regulated by national laws or, in the absence of those, by private standards recognized by the Member States. Those texts commonly contained the [▶ SEE NEXT PAGE](#)

### Do you buy organic food for yourself?



Source: Yummypets/PETS International survey among 1,568 pet owners in 2022

95% requirement to qualify for organic labeling. However, the EU-wide Organic Production and Labelling Regulation, which entered into force in 2022 and replaced the previous national rules, established that only feed products made 100% from organic agricultural ingredients were allowed to be labeled as organic.

No exceptions were made for pet food. Since then, the industry has been operating in somewhat of a gray area. Some pet food products labeled as organic have been on the market for over a year, despite not being fully compliant due to not entirely being made from organic agricultural ingredients.

"We all hoped that this would be changed back to the old situation, but nothing was official," says Rogier van Anholt, Project Leader Organic Legislation, Innovation & Sustainability at Yarra Organic Petfood. Van Anholt recognizes that some ingredient players decided to wait during this period, and put any planned release of organic products in the European market on hold until the issue was resolved.

### *The updated regulation will make it easier for pet parents to identify organic ingredients in the pet food they buy.*

Over the past months, the pet industry has been intensively looking for possible alternative solutions in case the European Commission would not lower the limit. "We spend a lot of time finding organic fish, organic yeast... all the things that are agricultural and that need to be organic as well," comments Van Anholt in a conversation with PETS International.

#### New market opportunities?

The European Commission believes that the updated regulation will make it easier for pet parents to identify organic ingredients in the pet food they buy, and will potentially increase the presence of such products in the market.

"Special labeling provisions should also be laid down to allow final consumers to identify the organic ingredients that are used in products which consist mainly of an ingredient that stems from hunting or fishing, provided that all other agricultural ingredients are organic," states the legislative text.

The European Pet Food Industry Federation (FEDIAF) regards the new rules as a "significant step" for the pet food sector and stresses that organic pet food plays a "crucial role" in enhancing the by-products of the organic food chain. "Additionally, pre-packaged organic pet food will prominently display the organic production logo on the packaging, providing consumers with clear and reliable information," it comments.

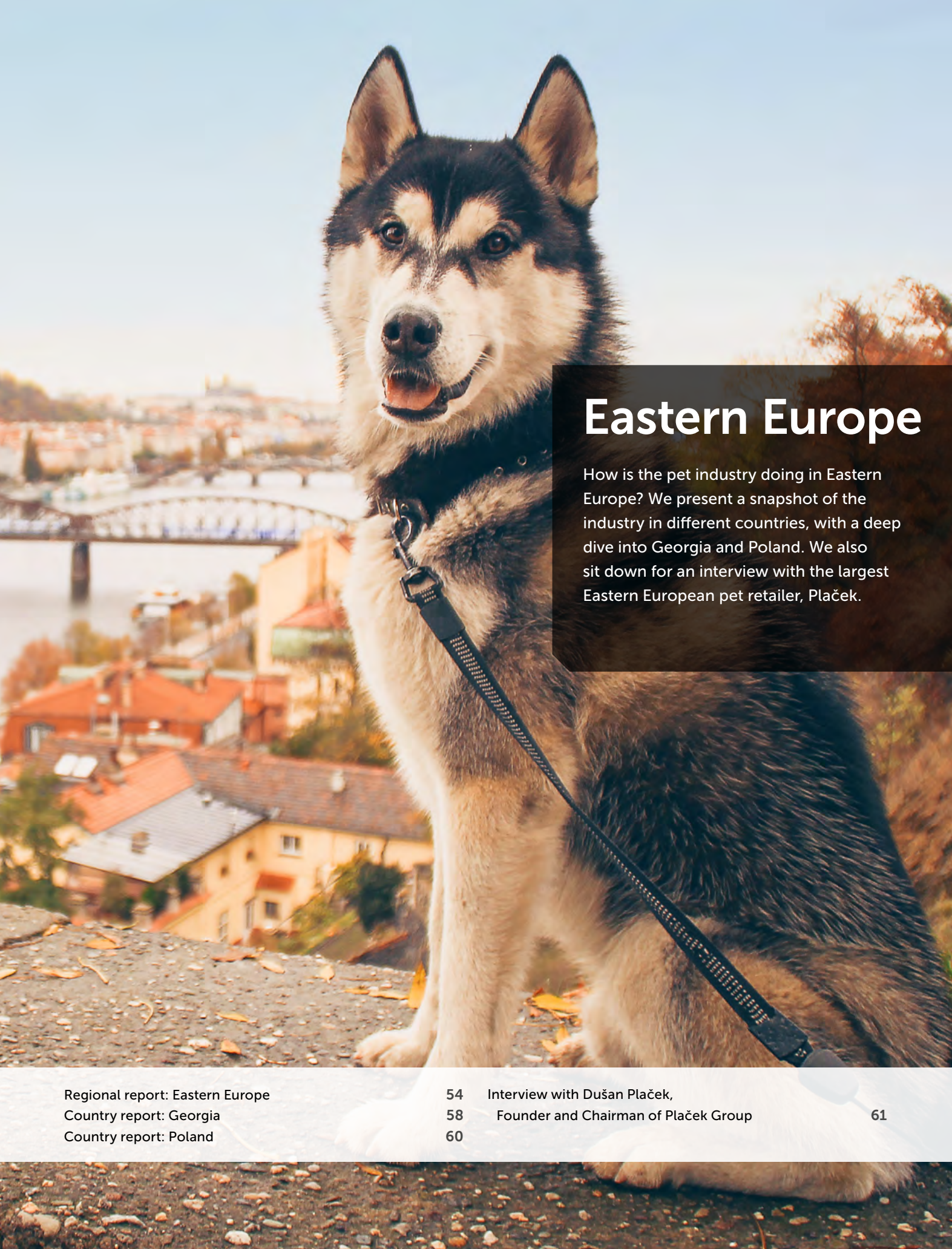
#### Final step

The new set of rules is now in force, as the text was published in *The Official Journal of the European Union* on 27 October. Manufacturers have until April 2024 to implement the EU organic production logo in their existing products that comply with the regulation. ♦



**David Palacios Rubio**  
Head of Editorial  
GlobalPETS





# Eastern Europe

How is the pet industry doing in Eastern Europe? We present a snapshot of the industry in different countries, with a deep dive into Georgia and Poland. We also sit down for an interview with the largest Eastern European pet retailer, Plaček.

Regional report: Eastern Europe  
Country report: Georgia  
Country report: Poland

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58 Founder and Chairman of Plaček Group  
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## Snapshot of a pet care market in turbulent times

**Inflation causes fluctuations in the Eastern European pet care market post-pandemic. But pet humanization and health claims are driving the market.**

Like other global markets, the Eastern European pet care market experienced a surge during the COVID-19 pandemic. In 2020, the total pet population in the Eastern European region had increased by 2%. Niche categories such as small mammals and reptiles experienced a more substantial growth of 6%, thanks to their reputation for easy maintenance. This resulted in pet food market growth of 8% in volume terms, with Romania, Bulgaria and Ukraine showing the fastest development.

### **Decline in overall pet population**

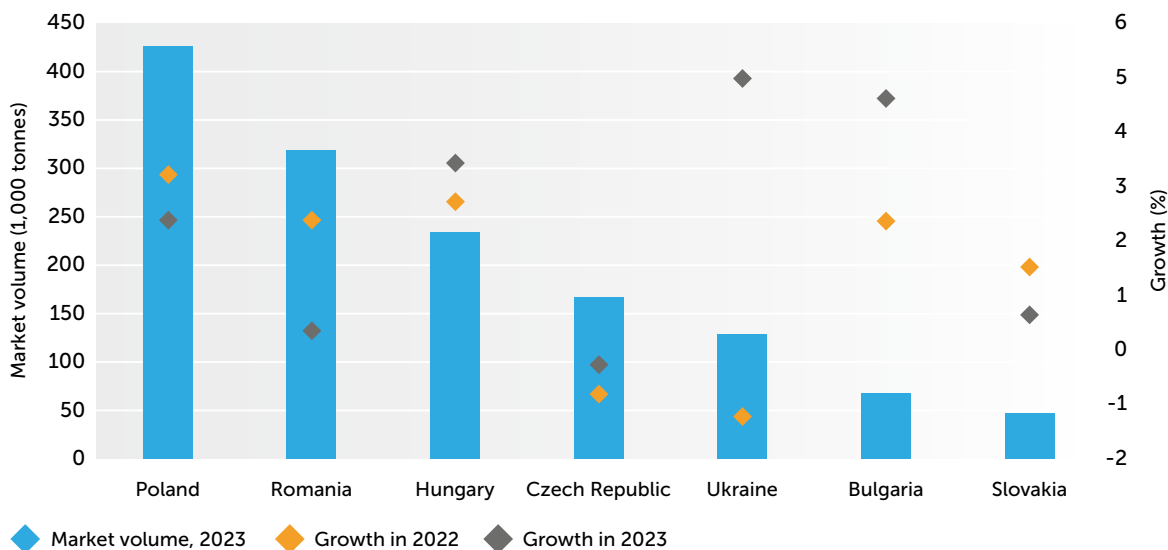
With a general decline in purchases of pet supplies in post-COVID times, pet populations in the Czech Republic, Hungary and Poland remained

stagnant in 2022, while in Bulgaria, Romania and Slovakia there was actually a slight decrease, but not amounting to more than 0.5%. In Ukraine, the war led to a 16% drop in the pet population, contributing to a 1.9% decline in the overall pet population of Eastern Europe.

Historically, Russia had accounted for nearly half of the pet care market in Eastern Europe, experiencing growth driven by the increasing humanization of pets and the expansion of the middle class. But the war in Ukraine has changed the dynamics, disrupting supply chains and prompting numerous market players to exit or curtail their operations due to the sanctions imposed on Russia.



## Pet food market dynamics in Eastern Europe (2022-2023)



Source: Euromonitor International

### Inflation and the cost of living

The performance of pet care in Eastern Europe has been impacted by inflation, which continues to put pressure on pet owners' disposable income. The impact has been more severe in Eastern European markets compared to other regions as they were more reliant on supply chains originating in Russia and Ukraine.

On average, if you exclude Russia and Ukraine, the unit price of pet care products in Eastern Europe saw a 14% increase in 2022. The most significant rise in pet care product prices – at 22% in local currency – was noted in Hungary, with Romania following closely at 19%.

All pet food markets in Eastern Europe recorded lower growth rates in 2022 in comparison to previous years. The negative dynamics in the Czech Republic were also impacted by the inflationary pressure that caused increasing polarization between lower-priced options and higher-end varieties. And this greatly affected mid-priced alternatives.

In 2023, price increases have slowed down, with 10% growth in Eastern Europe (excluding Russia and Ukraine). It has led to partial market recovery in Hungary, the Czech Republic and Bulgaria, which

### Hungary noted the biggest increase in pet care product prices in 2022.

recorded a higher growth rate in volume this year in comparison to 2022.

Meanwhile, in Poland, Romania and Slovakia pet care prices are still high, with price growth rates almost at the level of 2022. Inflation keeps putting pressure on these markets, which are witnessing a continuous slowdown. According to Euromonitor's *Voice of the Consumer: Lifestyle survey*, in 2023, 39% of the respondents in Romania and 29% in Poland are going to put money into savings for next year.

### Development of e-commerce

The rise of e-commerce is also shaping the pet care market in the region. Online platforms offer convenience and a wide range of products, allowing pet owners to access a variety of options for their pets. After the e-commerce boom in 2020, when online sales in pet care in Eastern Europe grew by 50%, the channel continues to grow – though at a much slower pace.

Across the Eastern European countries, Poland has the highest share of e-commerce in [SEE NEXT PAGE](#)

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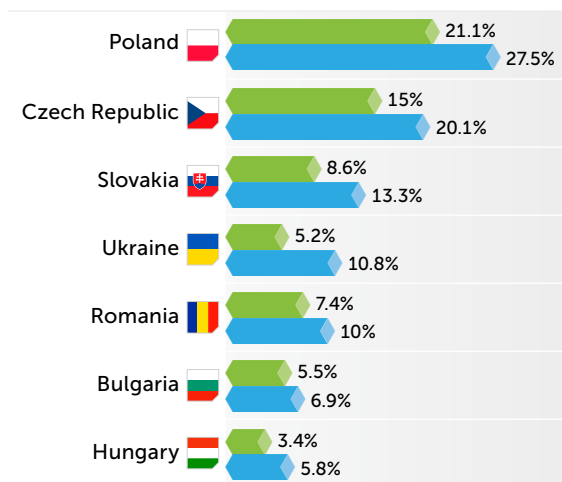


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### Share of e-commerce in pet care sales



Source: Euromonitor International

◆ 2019 ◆ 2023

pet care sales, with more than 1 in 5 products for pets sold online. As the market is already quite mature, its share is expected to remain stable in the future, with no significant growth. On the other hand, Bulgaria and Hungary have a very low share of e-commerce sales in pet care. Online in these countries is, in general, not a common channel for groceries.

Despite the fast development of e-commerce, offline remains the main sales channel in Eastern Europe. After the pandemic, consumers have started to come back to physical stores. Omnichannel is increasingly gaining ground, combining the advantages of e-commerce and offline channels. Further omnichannel adoption by companies in the pet care sector is increasingly providing a seamless shopping experience for pet owners.

### Humanization drives the premium segment

In 2023, in value terms, the pet care market in Eastern Europe is expected to grow by 15% to reach €11 billion (\$11.6B) and cover 6% of global sales. In the coming years, the markets are expected to experience a gradual recovery, benefiting from easing inflationary pressure and the growing trend of pet humanization, which is driving demand for premium options in this region too.

During 2022, the premium sector recorded relative resistance during the difficult economic times,

### Health claims are becoming one of the main driving forces of the premium segment.

benefiting from high brand loyalty and higher price elasticity of demand from consumers in higher income groups. Declining disposable income led to a decrease in the mid-price sector, as consumers switched to cheaper options. In volume terms, economy pet food was the fastest growing segment in 2022 in Eastern Europe, but the premium segment has almost reached the same pace in 2023 and is expected to regain leadership in the rate of development in 2024.

### Markets to watch

Over the next 5 years, Bulgaria is expected to show the fastest development in Eastern Europe, both in volume and value terms – thanks to increasing demand for premium pet food plus treats and mixers. The Romanian market is another area with growth potential in Eastern Europe, driven by the demand for premium cat food, as well as cat treats and mixers. Cats are increasingly popular in the country, as they are an easier and cheaper type of pet to keep in a small apartment.

### Healthy and functional food

With consumers looking to improve their pet's nutrition, health claims are becoming one of the main driving forces of the premium segment. According to Euromonitor Claims and Positioning data, every 5th pet product in Eastern Europe has a 'high protein' claim on its packaging. 'Good source of vitamins', 'natural' and 'no artificial preservatives' are also among the top claims of pet care products.

Healthy food and functional ingredients are gaining greater importance among pet owners and are expected to drive the future of the pet care market. As pet care products increasingly mirror trends in the human market, due to the growing humanization of pets, these factors are likely to play a significant role in shaping the industry in Eastern Europe. ◆



**Ekaterina Tretyakova**  
Consultant  
Euromonitor International

## A modest market that is starting to reap the benefits

In Georgia, the government is working together with local pet food players to build up the industry. The aim is to reduce the current dependency on imports and also to boost growth by generating more export opportunities.

As a country with just 3.7 million people, Georgia is keen to ride the momentum of the international pet industry and strengthen its own pet sector through exports. From its strategic location between Europe and Asia, it has mainly set its sights on countries in the neighboring European Union.

### A growing sector

Just over 1 million people live in Georgia's capital city, Tbilisi. According to a survey among 1,000 adults carried out by consulting company ACT, 36% of the capital's population owned at least 1 dog or cat last year. Giorgi Gvasalia, Head of the Pet Food division at Georgian manufacturer Nutrimax, confirms a positive trend in the local pet sector. "Over the past decade, this industry has demonstrated consistent expansion, with annual growth rates ranging from 7% to 10%," he says.

### Boosting exports

A recent program run by Enterprise Georgia, the country's economic development agency, is aimed at amplifying the export markets of 50 Georgian businesses, including pet food companies. "This groundbreaking scheme connects Georgian producers with competent international buyers by offering customized services and assistance in striking business agreements," a spokesperson for the government agency tells PETS International.

Nutrimax is one of the participants in this program. It has a production capacity of 2,500 tons and opened a new facility near the capital earlier in the year, specialized in the production of dry pet food and aquaculture. The manufacturer currently exports its products to regional markets, specifically targeting Kazakhstan and Moldova.

As part of the program, the company is now receiving personal assistance "to create effective marketing materials to communicate its story to potential buyers and boost sales in new international markets". It is hoped that the program will help the pet food producer to generate leads and expand its sales activities in different countries. "We are in the midst of negotiations with several European Union member countries, demonstrating our commitment to expanding our market reach," says Gvasalia.

### Easy access to Europe

The European Commission's December 2020 decision to allow pet food imports from Georgia was seen as a boost for the local industry. Today, 2 years later, the pet sector is starting to reap the benefits. Although Georgia's pet food industry is relatively modest in comparison to the vastness of Europe, new market expansion opportunities have been unlocked in this period. "Ease of access to the EU has streamlined export processes, reducing bureaucratic hurdles," Gvasalia states.

**Many players see an opportunity to reduce the dependency on poor-quality imports.**

### The challenges

The government initiative is also seen by many local players as a good opportunity to build up the industry and depend less on imports. Because of the current heavy reliance on imported goods, the local pet food industry suffers due to the volatility of prices and the poor quality.

"There is a notable influx of low-quality pet food products, exacerbating the challenge of ensuring the availability of high-quality options for pet owners," explains Gvasalia. He also admits that a lack of awareness about pet health is a prevailing hindrance. "This knowledge gap represents an ongoing obstacle in ensuring the well-being and proper care of pets in the region," he adds.

Murat Tusder, a local distributor for Turkish producer Çağatay and Georgian brand 4Pets, points out that one of the biggest challenges is the monopolistic nature of the market: "There are importers and resellers working

as 1 organization. They solely sell their own brands, and never trade with any other chains or independent stores." As a result, the sellers are "limited to their own assortment and brands," he comments.

### Optimistic outlook

According to Tornike Elizbarashvili, CEO of pet store chain Zoomart, the pet industry in Georgia lags behind developed countries by approximately 10 years. Despite this, he predicts the emergence of more pet store chains and e-commerce platforms offering pet supplies. "Grocery stores will also expand the assortment of pet supplies on their shelves," he concludes.

Similarly, Nutrimax expects the Georgian pet industry to grow "gradually" at a rate of between 5 and 10% annually in the coming years. This will mainly be driven by increased public consciousness regarding pet welfare and nutrition, the company believes. ♦



**Olivia Hooper**  
Associate Business News Editor  
GlobalPETS



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## A market that mirrors Western European trends

**How much do Polish pet owners spend on pet food? Which brands dominate the market? Here's a quick snapshot.**

The Polish pet food market was worth zł4.3 billion (€968M / \$1.03B) in the 12 months to August 2023, according to GfK's Consumer Panel Services. And it's estimated that the market will increase by between 5% and 7% each year.

### Average expenditure

Pet food is expected to move into the top 10 most-purchased products in the fast-moving consumer goods category by 2028. Annual cat owner expenditure is higher than the amount spent by dog owners, reaching zł438 (€99 / \$105) and zł311 (€70 / \$74) respectively between September 2022 and August 2023.

According to recent updates in GfK data accessed by PETS International, wet food is by far the most popular category. And Polish pet owners are most likely to buy pet food packages of under 5 kg, although larger ones have also been gaining popularity recently.

"A significant part of the purchased volume is products in packages of up to 100 g, which for most cats is the equivalent of 1 meal. Products of this type account for more than half of the value of purchased cat food," says GfK consultant Jakub Dubniak.

### Dog and cat population in Poland



Source: Euromonitor International

### Biggest players

The Polish pet food sector is dominated by the multinational giants Mars and Nestlé, followed by an assortment of private label operators, including supermarket chains Biedronka, Lidl and Auchan.

Drugstores also play an important role in the country's pet retailing landscape, as they offer small packages, especially cat food. German drugstore chain dm, active in Poland since 2022, recently said that its own brand 'Dein Bestes' is doing extremely well. The retailer told local media that around 75% of its total pet category turnover comes from this private label. ♦



**Jo Harper**  
PETS International Contributor



Dušan Plaček,  
Founder and Chairman of Plaček Group

**“I foresee franchising our model to France, Belgium or Sweden in the near future”**

The Czech firm Plaček Group wants to revolutionize pet retailing with an innovative in-store approach. Besides that, the company – which already has close to 400 locations in Eastern Europe – is now looking for business opportunities further afield.

At a time when many pet parents are thinking twice before making purchases, pet retailers around the world need to adapt to the new circumstances. For Plaček Group – which operates the retail formats Super Zoo in both the Czech Republic and Slovakia, Dino Zoo in Latvia, Kakadu Zoo in Poland and Zoo Market in the Czech Republic – the answer is to innovate and expand. But how far does the company want to go? Industry veteran and Founder Dušan Plaček sat down with PETS International to share his ideas.

*You have nearly 40 years of experience in the pet business. After all the recent disruptions, is the pet industry still as resilient as everyone thought?*

I've been in the business since 1989 and I've lived through a lot of different crises. I must say that up until today the pet business has always been strong, at least in our home markets of the Czech Republic and Slovakia. But the combination of COVID, the war in Ukraine and inflation is a challenging one.

**What's going to be the main challenge for Plaček Group in 2024?**

This year we have mainly been focusing on pricing and inflation, and we realize that prices will not return to the same pre-war levels anytime soon. Our challenge for 2024 is to be even more efficient and to reduce costs where possible. We see that our customers are anxious

**Size of key Eastern European pet food markets (in €)**

Poland	2022	1.49 bln	
	2023 (forecast)	1.56 bln	(+4.6%)
Czech Republic	2022	588,300	
	2023 (forecast)	589,800	(+0.3%)
Slovakia	2022	134,600	
	2023 (forecast)	134,600	(+0%)

Source: Euromonitor International

▶ SEE NEXT PAGE

***We expect the purchasing power among our customers to decline slightly in 2024.***

about the future, and although they still have money, they are less willing to spend it. Because of that, we expect the purchasing power among our customers to decline slightly next year.

***How is this impacting the customer journey in your stores?***

Today, our customers take a little bit more time to think whether they really need the products or not, so their rate of spending has slowed somewhat. This makes things more challenging for our sales staff. On the other hand, a percentage of Eastern European pet parents – especially dog owners – are keen to keep buying the same quality of products as before; they are not willing to compromise.

***To what extent does less purchasing power require you to adapt your product offering in line with new consumer demands?***

As a retailer, you change your portfolio regularly and, in our case, we are increasingly moving toward our own private label brands. However, we have great partnerships with some of the big manufacturers and we still want to support them.

***How are you being affected by competition from supermarkets and e-commerce giants?***

We are currently winning more customers from the grocery retailers, so this is a positive trend. E-commerce giants are the biggest competitors for us today, but our omnichannel strategy has helped us to compete successfully. Pet retailers with a combination of e-commerce and bricks-and-mortar stores will be the winners.



***How fast are you expanding?***

We open a new store almost every week. We have around 370 stores right now, and we hope to achieve 400 new locations by the second half of 2024. It depends partly on the speed with which developers build new retail parks, but this is the plan and we believe it is very realistic as of today.

***How is this expansion going to impact your logistics?***

If you are going to build 1,000 stores in 10 years, then you need to be sure that you have the right products in the right quantities. But it's a real challenge to achieve high-quality logistics support for the supply chain to ensure product availability. In the past, we had buffer warehouses in each country, but we are now centralizing everything in Poděbrady, which is 60 km from Prague. We already had a 20,000 sqm warehouse there and we just expanded it with an additional 10,000 sqm. We've invested €7.5 million in this new warehouse and it should now meet our needs for at least the next 7 years.

***And what about reaching new markets?***

We are present in the Czech Republic, Slovakia, Poland and Latvia, and we plan to continue to focus on these countries in the coming years. However, because the Super Zoo concept is interesting and there have been some positive reactions from Western Europe, I can imagine developing franchise partnerships for countries like France, Belgium or Sweden in the near future.

In September, we also opened 2 test stores just inside the Czech border: in Kraslice (near Germany) and Hatě (near Austria). The idea is to gauge how consumers in the German-speaking countries react to our concept







and our products, and so far the response has been overwhelming.

***You launched a few 24/7 stores a while ago. What are the benefits of this concept?***

We opened our pilot Super Zoo store in Týn nad Vltavou a year ago. Since then, we have added 2 more locations: a 500 sqm store in Pardubice Fáblovka, and a 565 sqm store in Brno Lesná, both in the Czech Republic.

Thanks to the advanced technology in the stores, firstly customers can visit at any time and make purchases using just their smartphone. Secondly, shoppers can use the technology if there are long lines at the regular checkouts during opening hours. Thirdly, it allows us to optimize our use of labor. For example, if the store is busy with customers we can deploy more sales associates there, and if traffic is low we can 'close' the store while still offering the option of self-service purchases.

***How do you see this concept evolving in the near future?***

We're still in the testing phase, but we will probably implement this concept in 10 new stores in the coming months. As a specialty retailer, we want to offer good service and advice through our staff, but at the same time we want to offer speed to customers who are in a hurry. ♦



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