



PETS International

THE GO-TO PUBLICATION FOR PET INDUSTRY PROFESSIONALS SINCE 1988

SEP 2024

COVER STORY

NUTRITION & LONGEVITY

How LitPet's dedication to lifelong pet wellness shines through in its strategy



LATAM

Regional report & retailer interview

TREND REPORTS

Toys, dental health & pet populations

SUSTAINABILITY

Greenwashing, ESG & consumer attitudes





QDS[®]
BAKE



DRY & COOK & BAKE SOLUTIONS



- **New All-in-One technology:**
Dehydrating, cooking and baking by forced convection
- **Acceleration of Innovation:**
Allows to develop new foods and treats for pets
- **Great Versatility:**
Possibility to dry & cook & bake any type of product and format
- **Process Optimization:**
Continuous system, with superior performance and lower energy consumption
- **Full Connectivity 4.0:**
Full control of the process

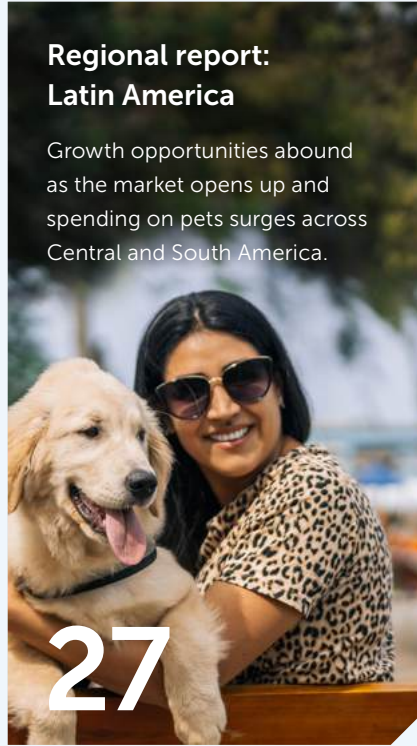
Inflationary pressures

Although the cost-of-living crisis is easing and prices stabilizing, pet owners are still feeling the effects of the high inflation of recent years.



Regional report: Latin America

Growth opportunities abound as the market opens up and spending on pets surges across Central and South America.



42



Taste of success

Exploring the interplay of taste, texture, shape and odor in the pursuit of pet food palatability.

How eco-aware are pet owners?

To what extent are pet parents committed to environmentally conscious buying – and what do they think about sustainability claims?



Everything to play for

Subscription boxes and ever-more interactive products are some of the ways pet toy manufacturers are looking to attract customers.

46



And more:

How has pet ownership changed since COVID?	08
Latest on the British market	10
Profiling Spanish pet parents	15
Interview: Pipa Nogaró, Co-founder and CEO of Puppis	33
The growth of premium pet products	48
Greenwashing: what pet industry players need to know	62

Cover story sponsored by LitPet

53



Gain an edge in a hungry market with functional pet treat solutions

Deliver pet treats and supplements with great taste and functional benefits by harnessing our broad portfolio of science-backed ingredients, formulation expertise, and end-to-end support.



DIGESTION



WELLNESS



MOBILITY



CALMING



SKIN



DENTAL



LONGEVITY

Let's Collaborate

+1 844-4413663

petnutrition@adm.com

Consciousness raising

The Earth is at the forefront of our collective consciousness – in daily conversations, headlines and business. Even the United Nations now speaks about "climate anxiety", referring to the distress felt by the population over climate change and its impacts on our planet.

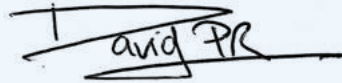
The pet industry is no exception in facing up to this new reality, and it is adapting to an awareness shift around sustainability that is also having an impact among some pet parents.

There's already been a lot of words written on the topic, but in this issue we aim to offer fresh perspectives. How are key players in the pet industry committing to making a positive contribution to the planet? What does the current regulatory landscape for anti-greenwashing practices look like across the world? We also consider whether pet parents, as a key

demographic, are still as engaged with environmental causes as they always were.

Meanwhile, although the number of households with pets continues to show a general slight global upward trend, some countries are experiencing stagnation or even a decline in the population of certain types of animals. We dive into the details, with specific examples of relevant trends in pet ownership across the UK and Spain.

I wish you an insightful and inspirational read.



David Palacios Rubio
Editor-in-Chief



“In the middle of every difficulty lies opportunity.”
ALBERT EINSTEIN, THEORETICAL PHYSICIST

 **PETS International**
part of  **GlobalPETS**

Intermedium Publishers BV
Newtonstraat 3
1098GX Amsterdam (NL)

+31-33-4225833
content@pets.nl

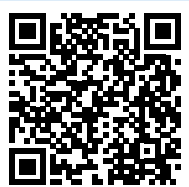
Editorial team

Managing Director: Philippe Vanderhoydonck
Editor-in-Chief: David Palacios Rubio
Head of Operations: Lisa van Roon
Senior Editor: Janetta Willis
Editors: Jessica Martindale, Lynn Radford,
Mandy Wolters-Savage, Elizabeth Youens
Design: Hester de Gier

© Copyright 2024, Intermedium Publishers BV.
All rights reserved.

While we, as the publisher, aim for accuracy and completeness in the information and statistics presented, we cannot guarantee that. We cannot be held liable for any use of this information. The publisher is not responsible for the content of advertisements or sponsored editorial.

globalpetindustry.com



Don't miss out on key updates in the dynamic pet industry!

Subscribe to our newsletter at globalpetindustry.com, or just scan this QR code for an easy sign-up process.



UK gives go-ahead for use of cultivated meat in pet food

London-based cultivated meat firm Meatly is the country's first to receive authorization from the Animal and Plant Health Agency (APHA) to sell pet food made from lab-grown meat. This approval is also the first in Europe.

"This is not only momentous because we're the first, but because we've done this in only 2 years, with £3.5 million (\$4.6M/€4.2M)," said Meatly's CEO Owen Ensor.

It is expected that dog food will be the first pet food to contain the novel protein and will hit UK shelves before the end of 2024.

US exported \$2.4 billion pet food in 2023

Pet food makes up the second largest commodity by value among US animal food exports after corn co-products, which accounted for \$4 billion (€3.6B).

The American Feed Industry Association (AFIA) estimates that in 2023, around 5,650 US animal food manufacturers, including pet food manufacturers, generated \$267.1 billion (€239B) in total sales.

According to the US Department of Agriculture (USDA), Canada, China and Mexico were the top export destinations for dog and cat food in 2023.

Italian players join to create a new pet group

Pet accessories company Croci has acquired 100% of Camon, a Verona-headquartered distributor and producer of high-quality pet products.

The integration will create a complete group in terms of distribution channels, as it is expected to have a presence across leading international specialized chains, independent stores and pharmaceutical channels.

With joined-up capabilities, the group hopes to hit revenue of €100 million (\$109.2M).



AAFCO and FDA to end their collaboration from October

The Memorandum of Understanding (MOU) between the Association of American Feed Control Officials (AAFCO) and the US Food and Drug Administration (FDA), outlining the responsibilities for defining animal feed and pet food ingredients, won't be renewed.

The FDA is evaluating its pre-market animal food review programs to ensure that ingredients have a predictable path for market entry before issuing final guidelines.





Thailand poised to hit \$2.5 billion in pet food exports in 2024

The Thai Office of Agricultural and Industrial Trade Promotion from the Department of International Trade Promotion (DITP) forecasts that the country's pet food exports will represent \$2.5 billion (€2.4B) this year, an annual improvement of 3%.

Pet food exports have been consistently increasing since the beginning of the year: in January (+9.1%), February (+21.5%), March (+29.6%), and April (+52.9%).

The Thai government believes that the country is poised for export market success due to low production costs – particularly in labor – providing a competitive edge over rivals in the market.

The Nutriment Company acquires 4 companies so far this year

The Swedish pet food manufacturer has made headlines with its strategic acquisitions in 2024.

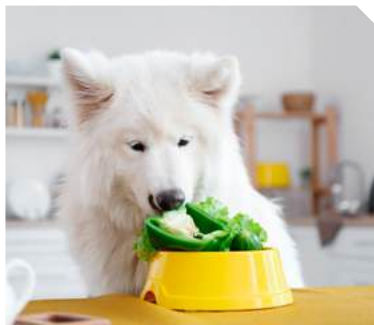
It recently acquired Pet Treats Wholesale, a British manufacturer of natural dog treats and chews, to further strengthen its natural treats business.

Earlier in the year, it bought 2 more UK companies in the same sector: Totally Natural Pet Products in April and Natural Instinct in July. It also acquired PETMAN, a German raw pet food company.



British vets give cautious support to vegan diets for pets

The British Veterinary Association (BVA) has updated its position on diet choices for cats and dogs, recognizing



that dogs could be safely fed a vegan diet as long as it is nutritionally complete and has no negative long-term impact on their health.

"It is possible to feed dogs a plant-based diet, but owners should be aware of the difficulties in balancing these diets for nutritional needs, the lack of robust long-term data on their safety, and should monitor their dog's health for long-term impacts," reads a policy note.

The BVA also notes that nutritional confidence in meat-based diets does not yet exist in other diets and further scientific evidence is needed.

Pets are factor in interior design choices, survey finds

Design simulator tool Redecor found that over three-quarters (78%) of American pet parents admit they consider aesthetics within a budget when purchasing pet accessories. Almost a quarter (23%) were not willing to spend over \$25 (€23) on accessories. Only a small percentage of pet owners (12%) cited a willingness to splurge up to \$500 (€461.5).

More than 4 out of 10 respondents refrained from purchasing items for their homes because they were concerned their pets would damage them.



Nestlé's CFO admits Purina's business deceleration

Anna Manz, Chief Financial Officer at Nestlé, has conceded that the multinational's pet care business is witnessing some deceleration after "exceptional growth" over the past 4 years. "This is driven by slowing contribution from pricing and some softening of category volume growth as consumers spend less time at home," she said.

Nestlé has cut its guidance for the 2024 financial year, expecting the corporation's organic sales growth rate to be at least 3%. This figure is down from its previous guidance of 4%.



Pet-friendly policies key to employee satisfaction

A new survey by US pet insurance company PetPartners and the Human Animal Bond Research Institute (HABRI) found that 8 in 10 HR professionals in North America agree that pet-friendly policies are instrumental in recruiting and retaining talent.

Respondents shared that over half (53%) of company employees were pet owners. Those working at companies offering pet insurance benefits (84%) are more satisfied with their jobs than those in workplaces that don't (78%).

HR professionals most recognized the benefits of pet ownership among three-quarters of Gen X employees, followed by 1 in 7 millennials, 63% of baby boomers and 61% of Gen Z employees.



Cutey

**LOOKING FOR
DISTRIBUTORS AND PRIVATE LABEL
MANUFACTURERS**



شركة تموين الشرق للتجارة
ORIENT PROVISION & TRADING CO.

Orient Provision & Trading Co. Po. Box 11035, Jeddah 21453, Kindom of Saudi Arabia.
Head Office Jeddah, Tel: +(966) 12 699 0999, Fax: +(966) 12 660 9201, Email: optc@optcl.net

DATA INSIGHT

15%

is the percentage of American dog parents that used food toppers in the last 12 months

According to the American Pet Products Association (APPA) Dog and Cat 2024 report, popularity has doubled since 2018 when such products were only used by 7%.



NEW APPOINTMENTS



Nestlé

Laurent Freixe, formerly Executive Vice President and CEO Zone Latin America, took the reins of the multinational as CEO on 1 September.



Pet Valu

The Canadian pet retailer has appointed Greg Ramier as the company's new President and Chief Operating Officer.



Petco

Joel D. Anderson started his tenure as Chief Executive Officer at the California-headquartered pet retailer.

TOP 3 INVESTMENTS

1

British pet food manufacturer **Inspired Pet Nutrition (IPN)** has acquired Butcher's Pet Care for an undisclosed amount. Both companies are expected to hit gross sales of over £350 million (\$461.49M/€413.34M).

2

Vancouver cell based firm **CULT Food Science** received C\$3.3 million (\$2.3M/€2.2M) to ramp up its cat and dog cultivated-meat pet snacks under its Noochies! brand.

3

PetIQ, a pet health and wellness company from Idaho, entered a definitive agreement for a \$1.5 billion (€1.37B) acquisition by a private investment firm. The company reported net sales of \$637.4 million (€583.7M) in H1 2024.

MOST READ NEWS ON THE WEBSITE

Symrise reports dynamic growth for its pet food business

The performance of the German chemicals business's pet portfolio in China, Malaysia, Thailand, Columbia, Brazil and Mexico displayed a double-digit organic growth rate in H1 2024.



LATEST NEWS





Post-pandemic shifts in pet ownership

Worldwide, pet populations have significantly fluctuated since 2021. PETS International takes a look at what's popular now among the world's pet parents.



Jessica Suni
Contributor
PETS International

The rise in pet numbers driven by the COVID-19 pandemic appears to have plateaued. Yet a comparison of 9 countries across various parts of the world shows that people are still very much interested in having pets as companions.

Downward trends: US, Japan

The pandemic had a profound impact on our lives and pet ownership numbers grew. But since 2021, many countries report stable or reduced pet populations. In the US, according to the American Pet Products Association (APPA), there has been an overall decline in the total pet population, with the share of households owning pets dropping from 70% in 2020 to 63% in 2024. The decline in dog ownership, from 54% in 2020 to 44% in 2024, is greater than that of cats, which went from 35% to 30% at the same time.

Figures from the Japan Pet Food Association (JPFA) indicate a decline in the number of annually adopted animals between 2022 and 2023: 7% fewer dogs and 17% fewer cats. This marks the end of a 3-year increase driven by the pet industry's pandemic boom.

Continuing increases: France, UK

Some European countries have reported increases that have continued since COVID. In France, for example, the number of pets grew by 5% between 2020 and 2024. This was mainly driven by the rise in households owning a cat or dog. Ownership of most other types of pets in the country remained stable or declined. This includes indoor birds (from 5.3 million to 3.7 million) and terrariums (from 3.3 million to 2.5 million).

The UK witnessed a remarkable increase in pet ownership between 2021 and 2024, with a 9% rise overall from 29 million to 32 million. The growth was seen across different types of pets. Dog numbers increased by 13% and cats by 4%. Populations of indoor birds, tortoises and snakes also rose slightly. The exceptions were rabbits and guinea pigs, with lower numbers recorded than in 2021.

The UK witnessed a remarkable increase in pet ownership between 2021 and 2024, with a 9% rise overall.



Slight rises: Italy, Austria, Netherlands

Both Italy and Austria have reported a 1% increase in pet numbers since 2021. The number of dogs in both countries has more or less stabilized, at just under 9 million in Italy and 840,000 in Austria, while there were only slight changes in other pet populations.

The Netherlands had a total of 7.8 million pets in 2022, also equaling a 1% increase from 2021, although cat numbers decreased by 200,000.

Declining populations: Australia, Germany

Australia experienced the largest decline in pet ownership among the countries analyzed, with a 6% decrease from 30.4 million in 2021 to 28.7 million in 2022. Despite this overall decline, the number of cats in the country increased by 9%, suggesting a shift in pet preferences rather than a total drop in popularity.

In Germany, the number of pets in households dropped by 1% between 2021 and 2023 to 35.5 million. The most notable change was a 6% decrease in the number of cats kept as pets, while the number of dogs increased by 2%.

Fish and small animals

There are interesting developments in some countries where fish populations are registered as pets. France has seen the biggest change, with a 15% increase in fish numbers between 2021 and 2023, and 29.8 million fish now in household aquariums. In contrast, the Netherlands and Germany saw declines of 4% and 5% respectively, while Italy (29.9 million) and Australia (11.3 million) reported stable numbers of fish, reflecting a steady interest in this kind of pet.

Another notable trend during the pandemic was the increased popularity of smaller pets like hamsters, rabbits and reptiles. The trends diverge across countries, though. The UK and the Netherlands saw category increases of 9% and 5% to 3.6 million and 1 million respectively, while in Italy the numbers were flat. In Germany and France there were 5% and 10% drops in smaller pet numbers. ♦

The types of pets included in the total pet population numbers given in this article may vary slightly due to the availability of detailed statistics.

Spotlight on the UK: What's going on among British pet owners?

How is pet ownership changing? And how are financial pressures impacting on consumer spending and on the pet food market as a whole? A recent survey provides some answers.



Nicole Paley
Deputy Chief Executive
UK Pet Food

A study by trade association UK Pet Food has revealed some interesting insights based on data acquired from British pet parents. The UK is witnessing demographic shifts in pet ownership, economic instability in the pet food market and new consumer spending patterns.

Pet ownership demographics

In the UK, cat ownership is currently most common in the 25-44 age group. Meanwhile, people under 54 are more likely to own a dog than those over 55. Geographically, London ranks top for both dog and cat ownership, with 46% of homes having a dog and 44% having a cat. Dog ownership in other regions is not far behind, with percentages ranging from 40-42%, whereas cat ownership outside London drops to 30% or lower, according to the study.

For the first time since the pandemic-induced puppy and kitten boom, age data for newly acquired cats and dogs has been collected. The figures reveal that 24% of new pet acquisitions were kittens, 23% were adult cats, 34% were puppies and 19% were adult dogs. This equates to approximately 2.5 million households acquiring adult cats and around 2.1 million households acquiring adult dogs over the past 4 years.

It is encouraging to see this growing appreciation for mature pets across all demographics. One notable gender difference can be observed, with more men than women choosing to adopt adult cats (27% compared with 18%).

Nuance in the pet food market

The UK pet food market in 2024 presents a complex picture of growth and challenges. While the market value has reached new heights, driven by the increasing popularity of cats and dogs, the overall pet population has seen a decline due to reductions in small animal numbers.

Economic instability continues to exert a significant influence over the pet food market. For example, the challenges brought about by Brexit remain evident. Exports to the European Union (EU) fell by 4% in 2023. Although this is a slight improvement from the 8% decline recorded in 2022, official data from the UK government reveals that the decrease in EU exports is not being offset by gains from exports to non-EU countries. These declined by 7% between 2022 and 2023.

Economic instability continues to exert a significant influence over the British pet food market.

Additionally, the ongoing war in Ukraine has exacerbated economic pressures by driving up energy prices. This has resulted in the highest inflation rates seen in many years, further compounded by rising interest rates. The increased costs of production have inevitably filtered through to consumer prices, leading to higher costs for basic food items, including pet food.

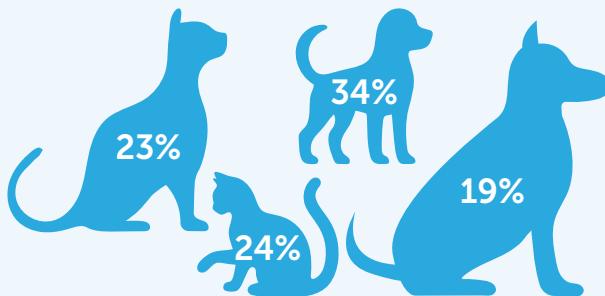
Pet owners' spending habits

As a result of this cost-of-living crisis, some pet parents are adapting their spending habits. According to the survey, 8% of British pet owners have had to make cuts in their spending on pets due to financial pressures. Behaviors include sticking to one product format while opting for cheaper alternatives, buying in bulk when products are on promotion or changing the pet's diet from wet food to dry complete food. Pet parents are also increasingly likely to switch between retailers.

The survey also indicates that spending on pet treats has stabilized. This suggests that the surge in treat purchases observed during the pandemic – when pet owners were at home more and likely to treat their pets more frequently – has returned to more typical levels.

Additionally, the researchers believe that more pet owners are supplementing their pets' diets with table scraps and home-prepared food, instead of commercially prepared pet food. This economic environment has created a challenging landscape for pet food manufacturers and retailers active in the UK. ♦

Percentage of adult vs young cats and dogs acquired in the UK



Source: UK Pet Food, Market Data Report 2024

GOLDEN

Nature

PURE NATURAL FIBRES



Biodegradable

Compostable

Super-fast clump formation



pet-earth

pet-earth GmbH

+49 (0) 5731 868310-0 info@pet-earth.de

www.pet-earth.de/en



OLIVE IT

The next generation of antioxidants is within.

Each product in Kemin's VERAFT™ line leverages the power of botanicals, such as olive extract, working synergistically with other natural antioxidants to enhance performance and sustainability for pet food and rendering companies.

KEMIN[®]
Compelled by Curiosity[™]

Pandemic puppies: pals or pests?

Compared with the expectations people have of owning a dog, the reality can sometimes be challenging. New research questions whether the pandemic worsened canine behavior.



Dr. Rowena Packer
Royal Veterinary College



Dr. Claire Brand
Royal Veterinary College

The COVID-19 pandemic resulted in unprecedented demand for puppies globally – the so-called ‘pandemic puppy’ phenomenon. Concerns soon arose over a potential welfare crisis for these puppies, with worries including poor purchasing practices and limited early-life experiences during lockdowns.

How the research was conducted

A team at the Royal Veterinary College (RVC) in London have followed a cohort of pandemic puppies – dogs purchased in 2020 under the age of 16 weeks – in the UK. The team have recently published their findings in the scientific journal *Animals*.

The study examined the behavior of 1,000 dogs, along with owner training habits, to compare expectations against realities as the pets reached 21 months of age. The researchers asked owners to identify any behaviors in their dog that were problematic, ranging from jumping up to aggression.

Behavioral findings

Almost all owners (97%) reported at least 1 problem behavior. The most common were concerns often dealt with at training classes (84%), such as pulling on the lead and poor recall. The least common were aggression-related (25%), including aggression towards other dogs, strangers or familiar people, or resource guarding.

The average number of owner-reported problem behaviors at 21 months was 5, while 20% of owners reported 8 or more. Although these figures seem very high, they are quite similar to pre-pandemic levels.

This suggests that all dog owners, not just pandemic puppy owners, are likely to find some aspects of their dog’s behavior challenging, and it is therefore important that this ownership reality is communicated to prospective owners by canine professionals.

Training methods

The study also examined the methods and tools used by owners to train their dogs, especially exploring whether these were reward-based or aversive training methods.

Worryingly, compared to pre-pandemic studies, a greater number of owners (82%) were using at least 1 aversive training method, with 39%

[▶ SEE NEXT PAGE](#)

using 3 or more. It is important to note that aversive training methods, such as electronic collars and lead corrections, have been scientifically associated via numerous studies with poor welfare outcomes for dogs, as well as being ineffective. Interestingly, owners who used aversive methods were likely to report more problem behaviors than those who only used reward-based methods.

However, owners were less likely to use aversive training techniques if they had attended online puppy classes with their dog (while under 16 weeks of age) during the pandemic. This demonstrates the value of educating owners in humane training techniques at an early stage of ownership. It also shows that online classes can be an effective alternative for owners who find attending in-person classes difficult due to personal circumstances.

It is crucial that all dog owners are guided towards appropriate puppy and adult dog training programs and advice sources that promote reward-based methods. Owners need to understand that using aversive training does not effectively improve dog behavior and could actually cause more problems, while also damaging the dog-owner bond.

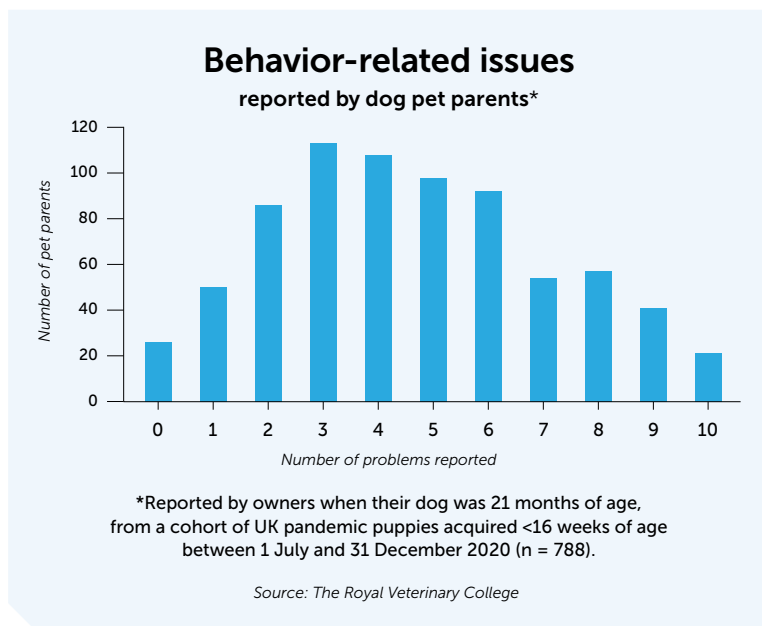
***Almost all dog owners (97%)
that participated in the study reported
at least 1 problem behavior.***

Creating realistic expectations

Finally, owners in the study reflected on their expectations for their dog's behavior and training soon after acquisition and compared this to the reality of ownership. Overall, 15% of owners considered their dog's behavior to be worse than they expected, and a third of owners had found training their dog harder than expected.

First-time owners in particular were more likely to have underestimated what was involved in training and maintaining their dog's 'obedience'. Therefore, prospective owners need to understand that dogs are complex animals and need extensive and lifelong training to fit acceptably within our human lives and expectations.

Owners should be well-prepared, realistic, and confidently able to meet these needs before considering taking on a dog or puppy. ♦



What we can learn from profiling Spain's pet parents

Their relationships with their animals, the type of food they buy and the retail channels they prefer determine the kind of pet parents they are.



Paula Flores
Contributor
PETS International

Around 49% of Spanish households are believed to have a pet, with 39% of owners considering their pet to be a part of the family. Recent research has classified the country's pet-owning demographic into 5 different profiles according to their attitudes and habits.

5 profiles

The Spanish Association of Trade and Industry of the Pet Sector (AEDPAC) study concludes that not all pet parents relate to their pets in the same way.

The biggest group is those who genuinely love their animals, representing 24.2% of Spanish pet parents. The loyal and friendly (23.8%) and first-time owners (22%) follow. Nearly 2 out of 10 pet parents in the country (17.6%) consider their pets companions, while 12% are eco-conscious.

In love

The largest group consists of couples with an average age of 44 and with 2.4 pets – 35% of these pet owners have both a dog and a cat. They enjoy a comfortable income, and, as the name suggests, love is the

strongest feeling toward their pets. Unsurprisingly, this group is the most likely to refer to their pet as 'son' or 'daughter' (12%), and more than 8 in 10 consider their pet as a member of the family.

Loyal and friendly

With an average age of 47, these couples live comfortably within their means. This group is most likely to have both dogs and cats (40%) and is also among the highest to keep birds (13%).

Their pets provide these owners with affection (83.9%). After loving owners, they are the most likely group to consider their pets as family members (75%).

First-timers

This category is for those who have become pet owners for the first time. They tend to have children and 1 pet and are, on average, 45 years old.

In fact, this is the group most likely to have a dog (71%) – the highest proportion of all pet parents. They love their pets for their companionship (50%). [▶ SEE NEXT PAGE](#)

Pet parents' spending goes beyond food; treating their pets is also important.

Happy companions

These are couples with children who have always had pets. At an average age of 47, they have, on average, 2.1 pets and live comfortably within their means. Similar to first-timers, their pets provide them with companionship (58%), but happiness (53%) is also quite strong.

Eco-conscious

These pet parents are mostly couples with no children, 46 years old on average, and are people who have always had a pet.

They are more likely to be less affluent than the other pet parents, and companionship (63%) is the strongest feeling they have toward their pets. Just 6 in 10 consider their pets members of the family, the lowest proportion across all groups.

Shopping habits

Eco-conscious (48%) and in-love pet parents (45%) are more likely to shop at bricks-and-mortar and online retailers.

More than half of first-timers shop at bricks-and-mortar stores only (56%) – the highest proportion among all pet parents. This is closely followed by happy companions (53%) and loyal and friendly (52%). Happy companions and in-love owners, on the other hand, prefer to shop exclusively online (9%). However, pet parents' spending goes beyond food; treating their pets is also important. The in-love, happy and

friendly groups are more likely to buy toys to play with their furry friends (93% and 92%, respectively). Happy companions, on the other hand, are the least likely group to buy toys (17%).

Loyal and friendly (75.8%), in-love (74.6%) and first-timers (72%) are most likely to buy Christmas presents for their pets. Loyal and friendly are also among the biggest splurgers, with an average spend reaching €29 (\$31.71).

Feeding preferences

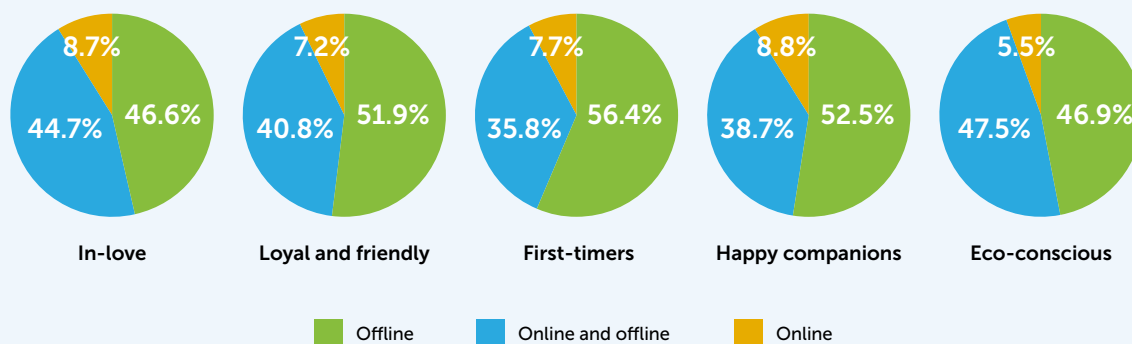
Overall, most pet parents feed their pets dry pet food (92%) and over half (56%) wet pet food. Nevertheless, pet owners also showed differing behaviors toward the type of food, particularly when it came to homemade food or BARF diets.

In fact, a third of the eco-conscious group (34%) feeds their pets homemade food – the highest among pet parents. The in-love group has a similar propensity, with 33% feeding homemade food, followed by 32.9% of first-timers.

Regarding BARF diets, eco-conscious pet parents are also more likely to feed this type of food, whether cooked (13%) or raw (15%), and 1 in 10 happy companions also feed their pets these diets (10%).

Regardless of the type of food chosen, most pet parents spend, on average, €60 (\$65.61) on pet food per month. ♦

Where do the 5 profiles of Spanish pet parents shop?



Source: Barometer of the New Habits of Pet Parents in Spain, AEDPAC-Hamilton, 700 online interviews, February 2024

Kormotech UKRAINE

A Ukrainian pet food pioneer going global

Discover Kormotech's remarkable journey, from local start-up to ranking in the world's top 100 pet food manufacturers.



Kormotech, the largest Ukrainian pet food company, has grown significantly since its inception in 2003. Founded and managed by the Vovk family in western Ukraine, it was the first to produce pet food in the country that meets international standards.

Over the past 20 years, Kormotech has captured over one third of the domestic market and ranks 49th among the world's top 100 pet food manufacturers by sales. It is the only Ukrainian company on this list, which is traditionally dominated by long-established US and European giants.

Strategic growth and global expansion

In response to the internal instability caused by the conflict in Ukraine, Kormotech revised its strategy in 2024 to focus on international expansion. The goal is to become one of the 30 largest pet food companies in the world by 2028, with \$500 million (€459M) in sales.

This approach has opened up new opportunities, positioning Kormotech as an anti-fragile company.

Despite the challenges, in 2023 Kormotech increased its annual turnover by 22% to over \$152 million (€140M), surpassing its planned indicators by \$2 million (€1.8M). Sales volume reached 77,400 tons, a 15.7% increase from the previous year. These achievements solidified Kormotech's global standing and placed the company in the top 50 for the first time.

Innovations and new brands

Last year, Kormotech launched a new wet pet food brand, Delickcious, and revamped its mass-market brand, My Love!. The company also introduced Rocketo, an innovative dehydrated raw organic pet food acquired through a venture investment.

Kormotech operates two production plants, in Ukraine and Lithuania, with a combined capacity of 102,000 tons of pet food per year. The Lithuanian plant's expansion has earned the company major investor status from the Lithuanian Ministry of Economy and Innovation, providing tax and duty exemptions until 2028.

Expanding international reach

By 2023, Kormotech products were sold in 42 countries, including many European nations and other regions including Azerbaijan, Turkey and Chile.

In 2024, the company expanded into South Korea, with at least 12 online platforms distributing its flagship brands, Optimeal and Club 4 Paws.

Kormotech is strategically focused on Central and Eastern Europe, with sales teams in Romania, Poland and the Balkans. Kormotech Global, headquartered in Warsaw since 2023, supports international promotion.

The company regularly participates in international pet food trade shows and industry events across Europe, Asia and the US. As part of expanding its marketing efforts in Asia, Kormotech presented its brands at the International Industrial Fair in Kobe, Japan, in 2023. ♦

Kormotech
kormotech.com

Reflex[®] Plus⁺⁺

in every moment of life



www.reflexmama.com
www.liderpet.com.tr



M&A: what is the state of play?



Pandemic positivity has been replaced by new priorities for consumers, manufacturers and service providers. What does a pet care company now need to do to attract investors?



Bryan Jaffe
Managing Director
Cascadia Capital

The pet industry enjoyed a positive and protected narrative in both the media and investment landscape for the period that spanned both the global economic downturn and COVID recession – between 2008 and 2021. That time was characterized by consistent industry growth, fueled mainly by pet humanization.

Upgraded pet care

At its core, growth in the past 15 years has been driven by an upgrade cycle in underlying pet nutrition, where a broad set of owners adopted pet food solutions that were higher quality. This was either because of their willingness and ability to pay, or in response to the marketing strategies of product providers.

Over time, that premium mentality spilled into other pet-related categories and – collectively – produced a rising tide that carried the industry. It then traveled from industrialized countries to the developing world, creating continuing confidence in the industry globally.

The early COVID period was a boon for the category. Pets were being adopted at accelerated rates. Owners stocked up on products and purchased solutions to support work from home. Companion animals were providing their owners with physical and mental benefits during a dark hour in society. Investors followed, pushing industry deal volume to historic levels in 2021.

Post-pandemic reality

As the premium mentality gave way to inflation, and offices reopened, the industry found it harder to maintain its positive narrative. There is evidence of an absorption cycle in ownership growth, as owning a pet becomes more expensive. Recent category growth reflects price gains rather than volume.

The operators seeking transactions, as well as the investors looking for them, need to be guided by a new set of principles. For the pet care industry to succeed going forward, operators must first accept the reality that 'more-of-the-same-only-better' will no longer deliver comparable successful results.

► [SEE NEXT PAGE](#)

The fact is that, in industrialized markets, humanization is no longer the primary growth driver. But the new – and younger – generations of pet owners do want their companion animal to live its happiest, healthiest and most mobile life. And their product purchases reflect that tendency.

This is known as the health and wellness growth driver, and the companies that have aligned their marketing strategies with this theme are likely to experience faster growth and higher margins. And, ultimately, to enjoy more value creation and investor interest.

Omnichannel leads to higher valuations

Based on syndicated retail data from NielsenIQ, pet-related e-commerce picked up almost 13% share points between 2019 and 2023. The COVID pandemic pushed online purchases out of necessity, and these gains were captured by brands selling directly online and by major e-commerce platforms.

Consumers learned during that time how convenience gives them little to no extra cost, while easing the burden of an additional shopping trip – without having to sacrifice brand choice. This behavior has proved to be long-term, reinforced by the generational shifts within pet ownership.

At the same time, dedicated online brands are finding joy in physical retail, as there is still a dedicated bricks-

and-mortar pet consumer. What we have gleaned from COVID and post-COVID transaction data is that a brand's ability to implement an omnichannel strategy correlates with more closed deals and higher valuations.

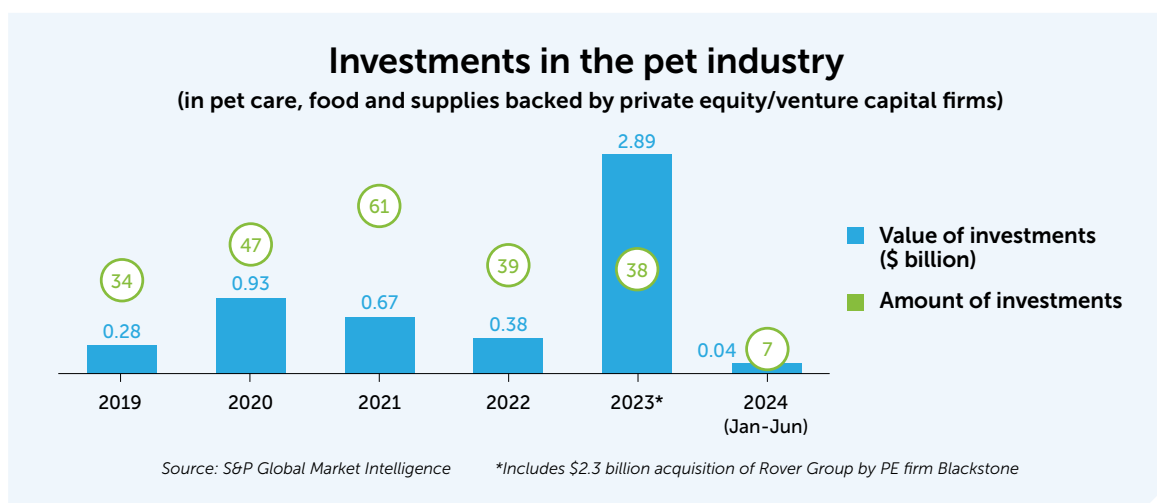
Buyers looking for profitable growth

The pet industry is clearly in a maturity phase in industrialized markets. Innovation will continue to push the boundaries of the industry and create new entrepreneurial opportunities, especially in consumables, but the practical reality is that both financial and strategic buyers are underwriting based on profitability, and bidding as a multiple of income as opposed to revenue. The sun has set on the '3 x revenue' paradigm often cited by sellers.

While the main arbiter of applied multiples will be volume-based growth rates and profit realization percentages up and down the income statement, vertical integration will be increasingly critical to attracting strategic buyer interest. If a company can leverage data to increase marketing efficiency, can prove supply chain durability, and succeeds with an omnichannel sales strategy, it will be awarded premium multiples relative to its peers and historical norms.

Emphasis on developed countries

During periods of economic and social uncertainty, investors exhibit a flight to quality. This is indicated



by elevated deal volume in developed nations in comparison with emerging markets. These markets offer more transparency, liquidity and safety, often at the expense of growth.

In the years leading up to the pandemic, exposure to developing markets – mainly Asia – was viewed as positive. Where companies had succeeded in exporting and selling in these faster growth markets, a premium generally followed. Today, we see investors placing much more emphasis on capitalizing on channel and category opportunities in developed countries, before seeking to export brands to new markets.

While the industry may be experiencing a relative malaise, conditions are expected to normalize in the coming year.

Interest in services will re-accelerate

While the industry may be experiencing a relative malaise, conditions are expected to normalize in the coming year. A recent Morgan Stanley Alphawise survey suggests interest in new pet ownership has increased by 6% since 2022, primarily among younger generations.

Interestingly, younger owners tend to take their pet to the vet more often, despite relying on them less as a primary source of information around pet care. Return-to-the-office initiatives will particularly affect this group of pet parents, leading to an increased need for non-medical pet services, such as daycare and boarding.

There is a considerable list of veterinary service practice roll-ups – backed by institutional investors – waiting for exit markets to improve. When they do, this will create trades that, in turn, trickle down to small practices, which will then be worth more as ‘tuck-in’ acquisitions (when a large business entity completely absorbs a smaller one).

Increasing interest in pet services also offers major pet specialty retailers, like Petco, the opportunity to expand their offerings and to stay competitive among the emergence of challengers across various channels. ♦

New in the SoftCat line

SoftCat[®] WITH YUCCA



LONG LASTING



SUPER
ODOUR CONTROL



COMPOSTABLE



Schulze Heimtierbedarf GmbH

Osterkamp 11 | 32457 Porta Westfalica

✉ info@portapet.de

☎ +49 5731 98200-0

Examining the pieces of the inflation puzzle



Good news is on the horizon as price levels stabilize globally. But how is the situation still affecting pet owners?



Paula Flores
Contributor
PETS International

Inflation surges and the cost-of-living crisis were hallmarks of 2022 and 2023. These were years marked by significant price hikes across many different sectors, including pet food, and consumers are still grappling with the effects.

Past the peak

A journey through the global economic landscape reveals a sobering reality: headline inflation has reached heights not seen in two decades. But 2024 is election

year in many countries, and there is a glimmer of hope as inflation levels are showing signs of easing.

Recent data from the EU's statistical office Eurostat shows annual inflation in the Euro zone – countries that have the Euro as their currency – as 2.5% (as of June). This is a slight decline from 2.6% in May, and a far cry from 5.5% in June 2023. The harmonized index for pet-related products for the same month shows a modest 1.6%.

UK prices now dropped

In the UK, headline price hikes hit their peak in March 2023, with Consumer Price Index (CPI) inflation

Despite positive developments in the US, pet food prices remain 23% higher than in 2019.

reaching 10.1%. Despite gradual deceleration, rates remained high for much of the year, finally dropping below 5% towards the end of last year.

The latest data reveals that inflation reached 2% in June overall. Pet care inflation stood at 3.6%. This marks a significant decrease from its January 2024 high of 8.5%, and a considerable improvement from the April 2023 peak of 15.4% – the highest on record.

Downward trend in the US

In the US, the world's largest pet care market, pet owners have also felt the strain of rising prices in recent years. Year-on-year inflation in the sector peaked in 2022, reaching a high of 15% in October, which spilled into early 2023. But by the end of that year, this had dropped to 5%, further declining to 4.8% in January 2024.

The downward trend has continued, with annual inflation in pet product prices decreasing to 1.8% in March, -0.1% in April, -1.1% in May and -3.6% in June. Despite these positive developments, pet food prices remain 23% higher than in 2019. Overall CPI stood at 3% in June – its slowest rate since the previous June, and a 0.1% decline from the previous month.

Similarities in European markets

Pet owners across European markets have not been immune to inflationary pressures either. The trends in several countries reflect a Europe-wide effort to control inflation and provide some relief to consumers, who have faced significant price increases in recent years.

In January, people in Spain were paying 4.5% more for pet food compared to the previous year, although the rate nearly halved in the following month. The latest data from May shows the inflation rate in this category at 1.9%, reflecting a 0.2% increase from April.

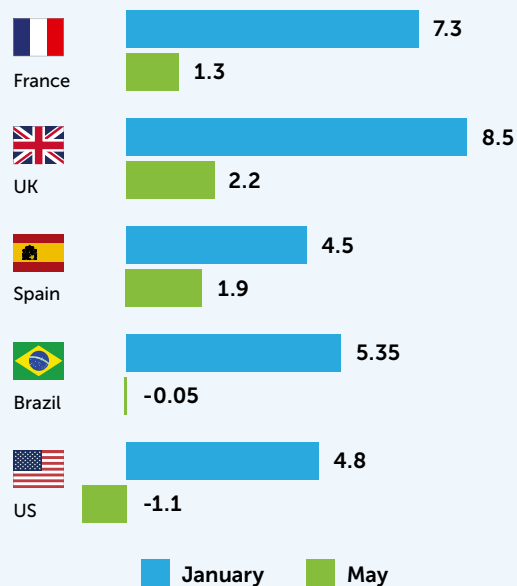
France experienced a similar trend. At the start of the year, pet food inflation was at 7.3%. The market in that country has since managed to bring the rate down to

1.3% (in May), showing significant progress has been made in efforts to curb inflation.

The pet owner experience in Italy is no different. In January 2024, Italian consumers were paying 5.4% more for pet food compared to the previous year. However, inflation in the pet food sector has since decreased, currently standing at 1.5%, with a 0.2% variation from the previous month. [▶ SEE NEXT PAGE](#)



Pet food inflation 2024 (in %)



Source: Insee, ONS, INS, IBGE, BLS

INDIAN HERBS

STRONGER
BONES, MUSCLE & JOINTS



BoneForte PPS
Oral liquid supplement
For optimum growth and healthy bones

PetFIRST
Nature's way to pet wellness

Please send your enquiry to
✉ anganroy@indianherbs.in
☎ +91 9903084749
🌐 www.indianherbs.org



Farm Company ITALY
A stylish winter with Farm Company

Farm Company presents its new collection of winter padded jackets, sweaters and bags. Italian design, high quality, attention to details, comfort and practicality are the features of this refined, classic yet trendy collection. The enchanted mountain resort of Bielmonte – Oasi Zegna is the shooting location for this year's Winter catalogue, to share our love for animals and celebrate the beauty of our territory. Download catalogue now:

Farm Company Srl
info@farmcompany.it
farmcompany.it



The networking event of the year

Join us in January 2025 in Prague.

What is the GlobalPETS Forum?

- **300 executives** from the world's leading pet companies together in 1 room
- **Network** with new international business partners
- **Get inspired** by the latest trends and developments to stay ahead of your competition



More info? www.globalpetindustry.com/GPF



Finnish consumers have been feeling the pinch too. Annual CPI averaged 6% and pet food inflation reached 14.4% in 2023. But Finland is also on the right track now. From 5.5% in January, pet food inflation rates have consistently dropped, with the latest rate (May) standing at -0.6% – even less than the 1.5% CPI that month.

Relief in southern continents

Overall, Brazilian price increases stood at 4.2% in June, while consumers paid 0.6% less for their pet supplies. This represents a significant drop from January, when pet food prices were 5.4% higher than the previous year – more than the overall CPI of 4.5% at the time. The lower prices come as a relief to Brazilian pet owners.

In Australia, meanwhile, pet food inflation in the quarter to March 2024 stood at 3.6%. This marked the fifth consecutive quarter of lower annual inflation since the peak of 7.8% in the sector in the last quarter of 2022.

How consumers are coping

While all these figures are encouraging for consumers, the reality is that the prices they are paying for their supplies have not seen any substantial declines. So, pet owners have had to develop strategies to cope with the persistently higher costs.

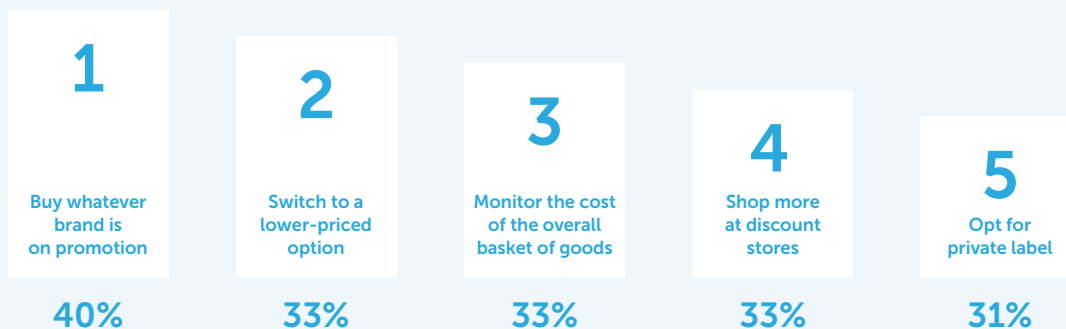
According to NielsenIQ, an average 41% of European households are now worse off financially than they were a year ago. So, to manage expenses, 93% of these consumers have changed how they shop, such as buying on promotion or stocking up. Unsurprisingly, brand loyalty has also been affected, with buyers opting for lower-priced options or private labels.

Another popular strategy in 2023 was going shopping more often. Across many markets, the number of consumer shopping trips has increased exponentially since the beginning of the pandemic. In 2019, the average in France was 112 trips, but last year this was 123. Spanish consumers also increased their number of supermarket trips slightly – from 162 to 181.

Forecasting the future

European Commission forecasts have been revised downward, as inflation is expected to continue declining for the forecasted period. The International Monetary Fund (IMF) projects inflation to stand at 2.4% in the Euro area, declining to 2.1% in 2025 (2.4% for the whole EU) and 2% in 2026 (2.1% for the EU). ♦

Top 5 money-saving strategies among European consumers



Source: NielsenIQ Europe

NEO life



2 complete ranges,
specifically designed to meet the needs
of **dwarf rabbits** and **guinea pigs**



VETERINARY
approved



Good for
MY PET



NEOPARK



- Adjustable large playpens
- Protective net and mat **included**
- 15 additional accessories available
- Eco-designed range
- Jointly created and tested by owners of small animals

 **1% FOR
ANIMALS**

 **Founder Group** 

ZOLUX.COM





Is it Latin America's time to shine?

Changing consumer behavior, increased local pet food production, retail mergers, new e-commerce offerings – there's a lot going on south of the US.



Edgar Maciel
Contributor
PETS International

In recent years, new brands and companies have been strengthening the Latin American pet market. Industry experts have no doubts: the region offers the best growth opportunities in the near future, compared with more structured markets such as Europe and the US.

From scraps to premium products

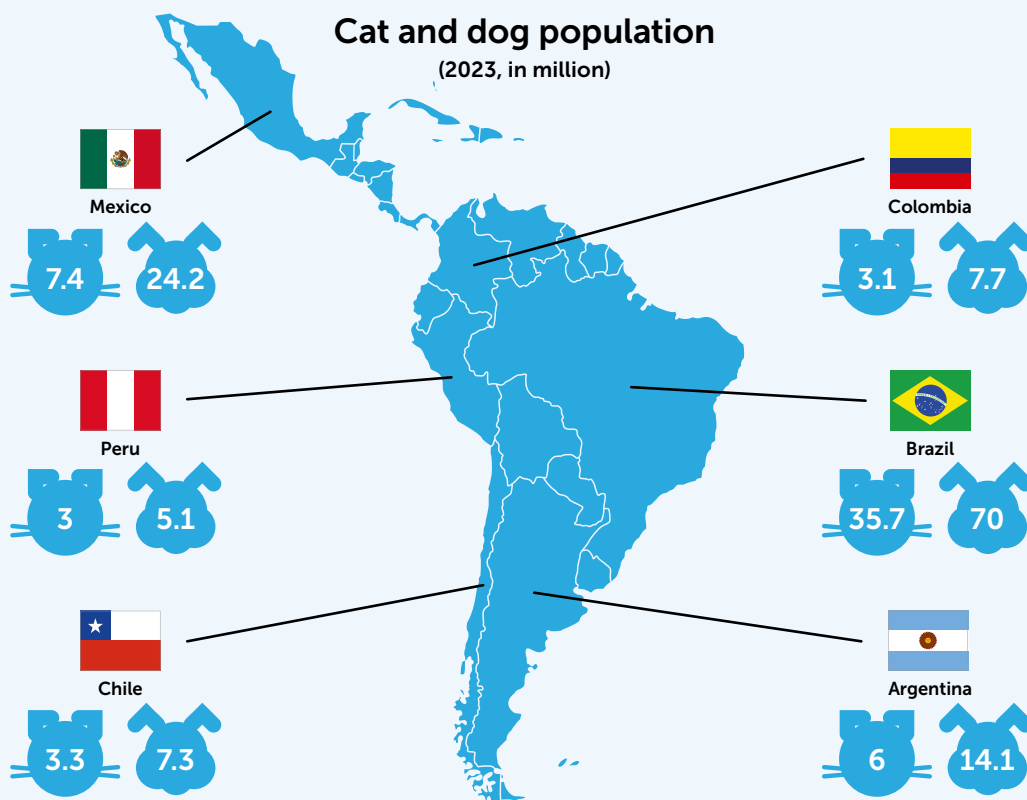
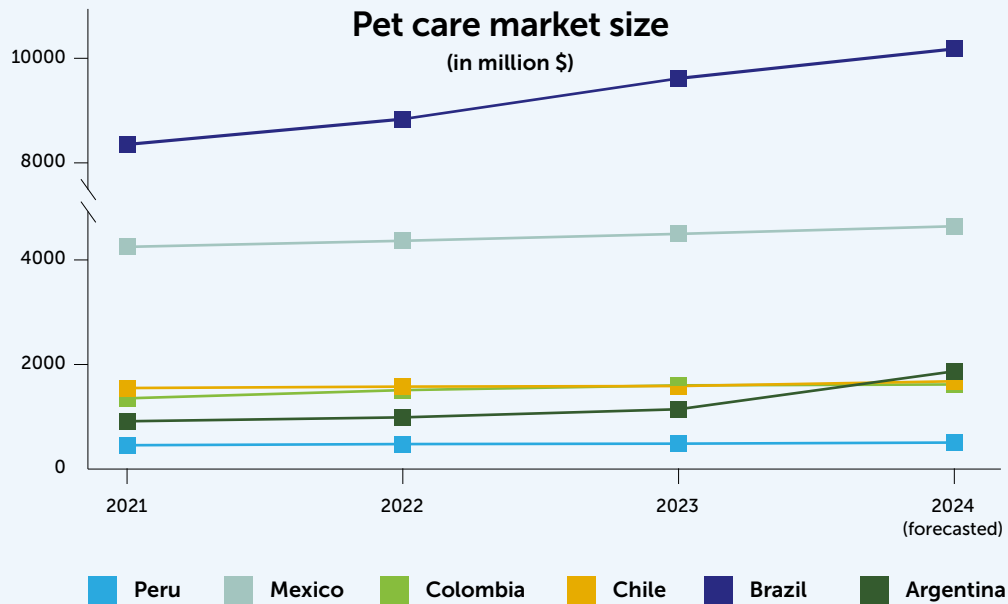
According to marketing data analytics company Kantar, 6 out of 10 households in Central America still feed their pets with table scraps. But this trend is decreasing as

pet owners are now increasingly aware of the need to replace human food with other balanced and healthy options. Although there are differences among the more than 30 countries that make up Latin America, education has generated a premiumization movement overall.

A Euromonitor survey shows that 74% of owners see their pets as their children. This explains the rise in spending on pets, and the focus on better food, healthcare and quality recreation time. The post-pandemic period has been crucial in accelerating a change in consumer behavior, with increasing demand for products that offer pet health benefits.

[▶ SEE NEXT PAGE](#)

The numbers behind the Latin American pet industry



Source: Euromonitor International

According to Kantar, 94% of pet owners in Argentina are willing to spend money to keep their pets happy and healthy. In Mexico, data from government agency Condusef shows that Mexican families spend about 20% of their monthly budget on pets. The World Bank forecasts a 1.6% increase in the regional economy this year, followed by further increases of 2.7% in 2025 and 2.6% in 2026.

Regional pet food production up

Pet food manufacturing has shown steady growth in the region in the past decade. According to Feedlatina, a body representing pet food players in Latin America and the Caribbean, production of pet food in the region reached 7.3 million tons last year. That's 3.8% more than in 2022.

Brazil leads this growth in production, due to its logistics and infrastructure advantages, as well as its capacity to supply essential raw materials like corn and soybean meal. Mexico, Colombia, Chile and Argentina also stand out in the market.

Pablo Azpiroz, Executive Director of Feedlatina, tells PETS International that Latin America is "very well-prepared", with its large production capacity and extremely competitive costs. "We have taken advantage of this period of uncertainties and rising production costs, especially in Europe. Here, the scenario is completely the opposite: we have less inflationary pressure and readily available raw materials to drive the growth," he says.

Costa Rica goes local

Only 30% of Costa Rican pet owners give home-made food to their furry friends. And over the last decade, the local market has shifted from imported brands to national options – experts say from just 2 to 50 local brands.

"In smaller markets like Costa Rica, you have to educate your consumer and make them understand that the quality of your product is important for a better life for their pet. It's also about earning the trust of veterinarians, who initially preferred imported foods, and showing them that more natural options produced here can be superior," says Marco Guzmán, founder of pet food manufacturer Technovet.

The production of pet food in the Latin American region reached 7.3 million tons last year. That's 3.8% more than in 2022.

The company, set up in 2012, has a portfolio of 16 different dog and cat food brands. Last year it increased its annual growth by 15% and it is forecasting a 25% jump for 2024, after expanding to Guatemala and planning further expansion to El Salvador and Panama.

High taxation affects Brazil

In a region full of contrasts, Latin America is home to the third largest pet market in the world: Brazil. It has a 5.54% share of global revenue, amounting to R\$68 billion in 2023 (\$12.1B/€11.1B) and projected to reach R\$76.3 billion (\$13.6B/€12.5B) in 2024, according to a survey by the Instituto Pet Brasil (IPB).

The Brazilian market is currently undergoing a period of readjustment after the growth boom during the COVID pandemic. Despite controlled price inflation, the retail sector in the country has struggled with high tax burdens and tight profit margins on sales.

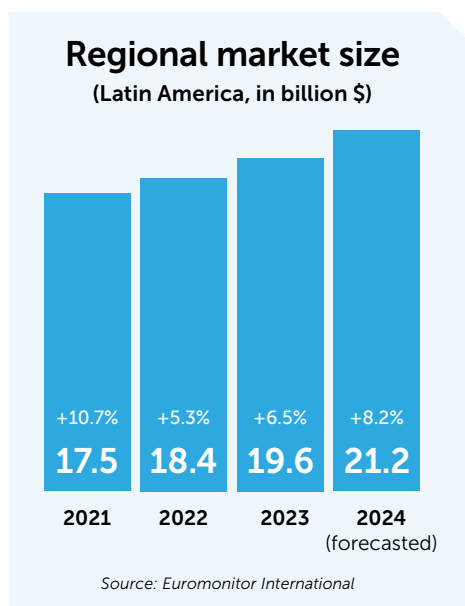
"About 50% of the price of pet food is due to taxes, because the government classifies pet food as a luxury item – the same classification as alcoholic beverages and cigarettes," explains Caio Vilella, Executive President of IPB. The main goal of the trade association is to achieve tax reductions in the sector, so that Brazilian companies can be more competitive and boost sales growth.

A new Brazilian pet giant

Major pet retailers Petz and Cobasi have announced that they are merging to become a national pet platform offering a unique value proposition for Brazilian pet parents. The new entity, with 494 stores in 140 Brazilian cities, is expected to generate R\$6.9 billion (\$1.3B/€1.2B) in net revenue.

"The main goal of the merger is to bring down costs, so that consumers can have access to better prices than those we can give them today. We are very complementary companies, and this union will make us even stronger," Petz CEO Sergio Zimmerman tells PETS International.

► [SEE NEXT PAGE](#)



The transaction still needs the green light from the companies' shareholders at general meetings and the Administrative Council for Economic Defense (CADE), Brazil's competition regulator.

Data from JP Morgan indicates that 22% of Petz retail units are located less than 1 km from a Cobasi store, and some 60% of Petz stores are within 3 km. This suggests that authorities may require the closing or selling of some stores in order to approve the merger.

Meanwhile, a competitor in Brazil is also expanding its footprint in the market: Petland has been investing in its franchise system. The retailer already has 108 stores nationwide and plans to add 15 more by the end of the year.

Adding bricks-and-mortar to online

Petlove, the third largest Brazilian retailer, has been the country's biggest online brand for many years. It now aims to develop an omnichannel model to get closer to its customers. The company plans to open 20 new locations this year and have 100 stores in 2025.

This new sales channel is expected to have an impact on its revenues. While last year the company turnover was R\$1.3 billion (\$231.7M/€209.4M), it aims to reach R\$1.8 billion (\$320.7M/€289.8M) this year. "We know that the physical operation will allow us to create touchpoints, promote unique experiences, and foster brand recall – extremely relevant criteria within our business plan," CEO Talita Lacerda says.

In a similar move in Colombia, where it is believed that 7 out of 10 people still prefer to shop in physical stores, online pet supplies platform Laika is planning to open up to 12 outlets by the end of 2024 in cities like Bogotá, Medellín and Cali. With this expansion, the company estimates it will grow from 300,000 to 500,000 users by the end of the year.

Rapid e-commerce growth in Paraguay

Last year, 4Pets started up as an online platform in Paraguay for selling pet food as well as veterinary, dog walking and pet boarding services. The company is primarily focused on the capital Asunción but aims to expand its 24-hour service nationwide. Its goal: \$140,000 (€129,000) in revenue and \$35,000 (€32,000) in net profit by the end of the year.

"In just 1 year of operation, we already have a base of 3,000 monthly customers. Growth can be very rapid when you have a market like ours which is lacking in options. Expansion opportunities become infinite," CEO Tomás Salas explains to PETS International.

Despite the growth of e-commerce, 4Pets recognizes the need to also pay attention to offline services and plans to open physical stores to serve Paraguayan customers. The company understands that there is still a connectivity and cultural gap that requires closer proximity.

"We are still lagging behind in a technological respect. It's hard not to use the word education, but online shopping does require that. You need to train your customer. And today they are asking us for a physical store to see the products up close," says Salas. "We want to aim for a hybrid model – an omnichannel approach that is sustainable in the long run."

Investments in the region

US pet retailer Petco already owns more than 1,550 physical stores in the US, Mexico and Puerto Rico, and has decided to expand its operations in the region. Grupo Gigante, which operates in Mexico with 111 physical stores and e-commerce, has invested \$2 million (€1.8M) to open branches in Chile. In June 2023, it opened its first 2 stores in the capital, Santiago, and also offers home delivery through online marketplaces.

Latin America is home to the third largest pet market in the world: Brazil, with a 5.54% share of global revenue.

Nestlé Purina has announced significant investments in the region too. In Chile, the brand completed the \$140 million (€129M) Teno plant – around 170 km south of the capital – earlier this year, with a new production line and the expansion of the distribution center, generating 100 new jobs. Its goal is to produce super-premium products that the country previously imported.

Mexico is Purina's main market in Latin America. The company announced in May that it will be opening its third and fourth production lines for wet and dry food in Silao, Guanajuato, a state in the center of the country.

Entrepreneurs and the future

Recent research conducted by Sebrae, a non-profit body that promotes the sustainable and competitive development of small businesses, shows that small and large entrepreneurs in Latin America are increasingly willing to invest in the sector. The pet industry is the second most interesting sector for those looking to invest in the region, coming in just after health and wellness, but before online businesses and digital marketing.

"In Brazil alone we had 18,000 businesses focused on the pet market in 2023. It is a versatile sector that always creates demand due to the growing humanization of pets," researcher Flávio Barros explains. With increasingly dynamic markets, many experts say that the next decade will be crucial for Latin America.

"It is a combination of urbanization, changing family patterns and the appreciation of pets, but also the quality of local products and businesses that are showing us a very promising scenario for the entire continent," says IPB's Vilella.

"There is no region in the world with more growth potential than Latin America – in terms of manufacturing and services. The global pet market needs to pay more attention to what is happening here in the global south," concludes Feedlatina's Azpiroz. ♦



Are you our new distributor?

ProBiotic LIVE is a functional Super Premium pet food, which contains viable gut flora stabilisers to support gut functions.

By strengthening the gut, you improve the general condition of the pet.

Through our patented production process, we guarantee the livelihood and high concentration of the gut flora stabilisers to secure the probiotic effect.

Promoting the well-being of the pet from the inside and out

Wanting to distribute ProBiotic LIVE?
Reach us at j.baymler@bacterfield.com



Unique formula to keep
your cat healthier

wanpy®



Safe, Delicious & Healthy Cat Food
Pets are our friends and part of our family



Head Office: Yantai China Pet Foods Co., Ltd. STOCK CODE: 002891 Angie@wanpy.com.cn www.wanpy.com.cn



Pipa Nogaró, Co-founder and CEO of Puppis

"There are still huge opportunities for pet players in Spanish-speaking countries in Latin America"

The Buenos Aires-based retailer is increasing its footprint in the region as local parents are becoming more conscious of their pets' well-being.



David Palacios
Editor-in-Chief
GlobalPETS

With a burgeoning network of over 70 pet stores and online business across Argentina, Colombia and Mexico, Puppis is well placed to capitalize on the fact that customers who combine online and offline purchases spend over 8 times more than those who only shop in-store – but the business has no intention of stopping there.

Puppis health arm Petplus operates with 20 vet clinics and 4 veterinary hospitals in Colombia and is working to opening its first site in Argentina. CEO Pipa Nogaró

tells PETS International why he firmly believes that the combined supplies and services model offers a win-win proposition in Latin America.

You started in the business nearly a decade ago. How has the Latin American pet industry changed since then?

When I started looking at the business, I was living in the UK and I saw Pets at Home and Pets Corner. The professional chain format was just starting in Latin America – Spanish-speaking LATAM was virgin territory. The industry has evolved a lot in terms of professional multi-regional chains like ours. It's very early days compared to developed markets and there are still huge opportunities in Spanish-speaking countries in the region.

[▶ SEE NEXT PAGE](#)

"Pharma products account for 15% of our revenue, and we think it could grow by at least 50%."

How does Puppis fit in with the regional pet retailing ecosystem?

We believe in an omnichannel strategy. The store acquires customers – it is a service center, delivery platform and place to discover products. What works best is a medium-sized store of about 250 sq m with a great assortment. If the customer wants more colors or more sizes, they can purchase them online. This model works for us and we want to use it going forward.

Where are you mainly located?

Generally on the high street, always close to services like hypermarkets. But we're also in shopping malls, with around 20% of our shops there. Being there gives you branding, awareness and prestige, but then always next to the supermarket and service area.

What are the challenges of operating in different markets?

The model works very similarly in all markets – branding is the same and the product mix very similar. In Mexico, we have a lot of competition from Petco. They're doing a great job but we manage to bring another offering to the market. We focus on cats and dogs in Mexico, but we sell our whole range in Colombia and Argentina.

In more open markets like Colombia, we have many products from abroad. Argentina is much more restrictive, while Mexico is somewhere between the two. Colombian pet parents spend slightly more on pampering than they do in Argentina, so grooming is a bigger business over there.

What is the average expenditure of your customers in Colombia, Argentina and Mexico?

The average ticket price – so how much a customer spends during one visit – is around \$20 (€18) across the markets we operate in. Our recurring customer comes into the store once every 45-60 days, which means that average annual expenditure is around \$120 (€111) to \$160 (€148) per customer.

This is mostly driven by pet food, but other categories are growing as customers start to see a wider assortment. Currently, pharmacy products make up about 10% of our revenues, but we think that could grow by at least 50% in terms of share of revenue.

In Colombia, purchases are often driven by services...

Yes, services do account for nearly 15% of our revenue in the Colombian market. What's also interesting on the service side of things is the 'whole health plans'. We have our own product called Prevention Plus and that's growing very strongly year-on-year.

Is there any difference in expenditure depending on the market?

The numbers are similar in all markets. After the new Argentinian government came into power, it devalued the peso, but things have now evened out. In Mexico, we currently have a slightly higher ticket price – mainly because we're in Monterrey, a wealthy city. Pricing is also quite similar in all countries in the region: Argentina was much cheaper a year ago, but now it's level with the others.

How has the economic situation in Argentina changed with the new government?

Our category is super resilient – actually we're doing very well in terms of volume, although accessories are probably down by over 20% year-on-year in units. The premium market is holding up very well as a category with a lot of customer loyalty. Chains like ours gain share during crisis periods. So Argentina is a great opportunity for our business despite global opinion that it is a no-go market.





What is your approach when it comes to private label?

We think that working with local brands and big players is key, but we also have our own products and we bring exclusive products to our markets – selling them with a great value proposition. Nufood is our own brand for food and Puppis is the best selling brand in accessories, and both have great customer feedback. Our private label strategy is really bringing directly to our customers under our brands the best of what we've learned over the years.

Many products we develop under our brand are only sold at Puppis – we don't sell them on marketplaces or other platforms. Private label currently accounts for 6% of sales, but we're aiming to hit 40% in the next few years.

Are Latin American pet parents becoming more interested in natural and healthier products?

That's definitely a trend we are seeing, although much more noticeable in Colombia than in Argentina because of the product offering. It's all about educating the

customer, so that pet owners are conscious about what they've been feeding their pets and the benefits they could have from better nutrition. Then they start going up the product ladder, so I think that's a huge opportunity.

What can you tell us about your approach to loyalty programs?

We launched one in Colombia a few years back, and we are relaunching it this year in Argentina and Colombia with a different proposition, much more focused on customer behavior.

We're actually launching a new loyalty plan in the last quarter of 2024. This is going to be called Puppis Club and will be a kind of premier service, including discounts and also the basic coverage for annual veterinary checks – the consultation plus vaccinations or anything else required. It should work really well.

You are also launching a franchise system in Argentina...

We are indeed launching a franchise model in the country, to cover the outskirts of urban areas and to partner with local players in the inner city of Buenos Aires and its suburbs. That is a way to scale up faster and to work with individual entrepreneurs.

What's next for Puppis?

We see opportunities to accelerate our growth and have around 200 stores in Argentina and Colombia. Mexico alone could have a few hundred stores and we have just landed there. Chile, Uruguay and Peru are also very attractive markets for us, and we'll be aiming to expand there as well. Central America is also very interesting as our ambition is any market big enough in Spanish-speaking Latin America where we can be a top 3 player.

That is our dream, but how far we'll go and how quickly we'll get there? It will all depend on how well we can implement our strategy. Our plan is to go towards 400 stores in the next 5 years. ♦

"The average that a customer spends in one visit is around \$20 (€18) across the markets we operate in."



Livalta UNITED KINGDOM Transforming ingredients

Nutrition, functionality, responsibility: Livalta's high-performance proteins for pets provide excellent nutrition, and they offer additional functionality for the well-being of dogs and cats. The company sources and produces local, non-GM raw materials and its gentle production processes based on the latest science and technology deliver high product quality and a good environmental footprint.



Livalta, an AB Agri Company
katarzyna.swirkowicz@livalta.com
livalta.com



Himadriyati INDIA Himalayan cheese bars – original and natural flavors

Handmade, natural and delicious! Transform play time with healthier rewards, straight from the Himalayas. Shipping worldwide.



**Himadriyati Food Products
Private Limited**
purbali@himadriyati.com
himadriyati.com



Golden Eagle FINLAND Hypo-Allergenic Lamb & Rice

Golden Eagle® Hypo-Allergenic Lamb & Rice Formula is designed for dogs who need extra support for their digestive system or are suffering from food intolerances or sensitivities.

Contains pre- and probiotics to help maintain microbial balance in the digestive tract. Golden Eagle Hypo-Allergenic Lamb & Rice Formula is a single animal protein source diet, meaning there is only lamb from UK farms as the main protein source, and the only carbohydrate is stomach-soothing rice.

Golden Eagle Petfoods Ltd Co.
info@goldeneaglepetfoods.com
goldeneaglepetfoods.com



Biogance FRANCE Organissime – organic certified line

Discover Organissime, Biogance's organic certified line, made from medicinal herbs in the heart of the Loire Valley in France.

As a leading French laboratory and a pioneer in organic and natural pet care products, Biogance continues to innovate using plants for the well-being of pets.

The company offers its worldwide distributors full marketing support to boost sales of its lines for dogs, cats, birds, reptiles and small animals.

Biogance SAS
info@biogance.fr
biogance.fr



Understanding the behavior and opinions of **Mexican** pet parents

With almost 70% of homes in Mexico now owning a pet, how is the country's economy and society changing in response?



Adriana Rico Villanueva
Centro de Opinión Pública
Universidad del Valle de México

A 2022 study by the National Institute of Statistics and Geography (INEGI) revealed that 69.8% of Mexican households had a pet, 54.7% of which were dogs (43.8 million), 20.2% of which were cats (16.2 million) and 25% of which were other animals (20 million). And, as pet parents become more responsible, the economic effects are being felt both in the family and the wider economy.

Pet parents' quarterly expenses

New research from the Universidad del Valle de México (UVM) concludes that 43% of pet parents allocate up to MX\$999 (\$55.46/€50.94) each quarter to buying

food for their animals, while 41% spend between MX\$1,000 (\$55.52/€50.99) and MX\$2,999 (\$166.51/€152.93). An additional 1 out of 10 respondents admit to assigning between MX\$3,000 (\$166.56/€152.98) and MX\$4,999 (\$277.55/€254.91) of their budgets to their pets every 3 months.

Dog food production in the country is believed to have doubled in the last decade, from 600,000 tons in 2013 to more than 1.2 million tons in 2022, accounting for over MX\$25 million (\$1.4M/€1.3M).

Hygiene and accessories

Pet hygiene and cleaning products represent a large part of Mexican pet parents' quarterly expenditures. Most (71%) spend up to MX\$999 (\$55.46/€50.94) per quarter, while 18% of respondents

► [SEE NEXT PAGE](#)

shell out up to MX\$2,999 (\$166.51/€152.93). Only 3% of owners are believed to spend up to MX\$4,999 (\$277.55/€254.91) per quarter on their pets' hygiene.

The amount spent on clothing, toys and accessories has increased by more than 300% in the last decade. A 2015 UVM survey concluded that the average expenditure in this category was MX\$264 (\$14.66/€13.46), while this year, as many as 65% of pet parents spent up to MX\$999 (\$55.46/€50.94).

In 2015, the maximum monthly expenditure in this category was MX\$2,000 (\$111.04/€101.99). In 2024, it is MX\$3,000 (\$166.56/€152.98).

Increase in local economy

The rising popularity of pet ownership across the country has led to a surge in businesses and professionals responding to the demand for products and services.

According to UVM's latest survey, as many as 72% of respondents agree that recently "some or many" pet food and supply stores have appeared in their neighborhoods.

The rising popularity of pet ownership across Mexico has led to a surge in businesses responding to the demand for products and services.

Nearly 6 out of 10 also noticed an increase in new veterinary clinics and grooming salons in their cities and towns.

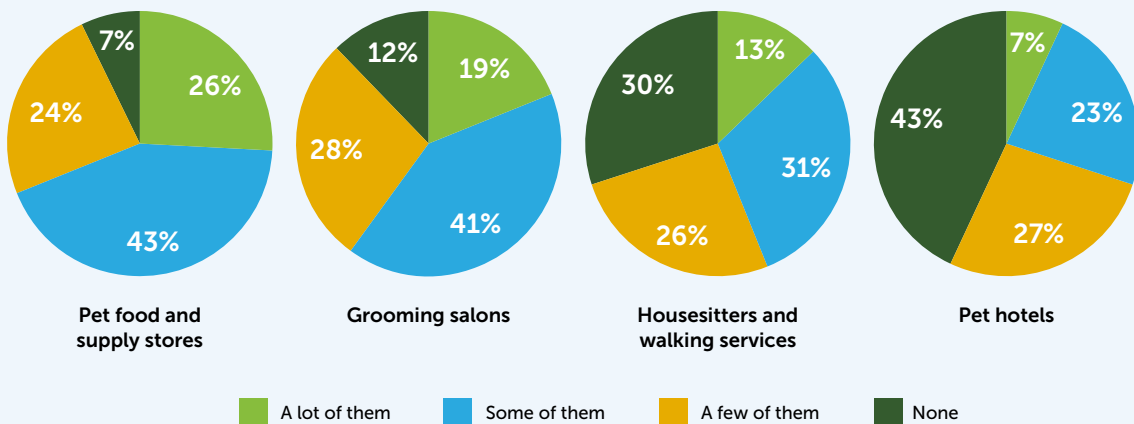
Pet hotels and pet walking services are yet to become commonplace, but they are gaining popularity in some areas of the country.

When asked about the professionalism of local vet businesses, 70% of survey respondents believe they are "somewhat or very" professional. Veterinarians are also the primary source of advice for 69% of owners, followed by the internet (48%), videos (33%) and scientific articles (15%).

Living in a pet society

As companion animals have generated awareness and visibility, the situation demands public policy action to promote animal protection and welfare, with attention on adoption, access, mobility and health issues.

The new pet businesses that Mexican owners are noticing in their areas



Source: Survey COP-UVM, January 2024 (n= 540)

According to the survey, most Mexican pet parents agree that public funds should be allocated to rescuing exotic species from illegal markets (96% strongly agree or agree), providing public resources for health initiatives such as sterilization campaigns (94%) and vaccinations (93%) and creating public veterinary hospitals (93%).

Owning or not owning an animal is a deciding factor in whether someone agrees with public initiatives such as dogs accompanying owners to shopping centers or restaurants, which find greater support among young pet parents (18-24 years old), followed by those aged between 35 and 44.

Cremation options

The number of pet parents who are open to using cremation services for their pets has increased in recent years. In 2015, UVM's survey concluded that 24% of pet parents who lost their companion animals decided to cremate them. Today, this figure has increased to 62%.

In 2024, professional options continue to compete with traditional choices of burying animals in parks or gardens. The survey concluded that 70% of pet parents in Mexico support interring their pets' ashes in a designated pet cemetery. ♦



HIGH QUALITY CARE FOR HEALTHY SKIN



The role of fatty acids in pet health

Fatty acids are vital for pets' wellbeing – but what are the different kinds and how much do pets need?



Diana Brozić
Assistant Professor
University of Zagreb

Fats and oils are an important part of pets' diet. They are a dense source of energy – more than two times higher than other macronutrients such as proteins and carbohydrates – and they increase the palatability of food. However, there is another, arguably even more important purpose: fats, or more specifically fatty acids, serve as essential nutrients for pets.

Fatty acids: a necessary dietary component

Two fatty acids cannot be synthesized by the body, but must be ingested with food and are therefore essential for all mammals: alpha-linolenic acid (ALA, omega-3) and linoleic acid (LA, omega-6). In the body, these are converted into longer fatty acid chains that fulfill various important functions.

Fatty acids serve as building blocks for cell membranes and are essential for the function of the retina, brain, heart and skeletal muscles. In addition, some of them, such as arachidonic acid (AA, omega-6) and eicosapentaenoic acid (EPA, omega-3), are highly involved in the inflammatory processes.

Pregnancy and neonatal care

Both omega-3 and omega-6 fatty acids are important for development during pregnancy and in the early lives

of puppies and kittens. The functions of the brain and retina depend mainly on docosahexaenoic acid (DHA, omega-3) not only during pregnancy but also after birth. Maximum brain growth begins in the third trimester of pregnancy and continues through the first months of neonatal life, so it is important to provide sufficient concentrations in the diet during this crucial period.

Research published in The Journal of Nutrition in 2004 found that a maternal diet enriched with ALA during gestation and lactation did not increase DHA in the dog's milk. Therefore, supplementation with vegetable oils such as flaxseed (rich in ALA) is not sufficient for this sensitive period and the diet should be supplemented with fish oil or algae, key sources of EPA and DHA. The same applies to cats, whose ability to produce EPA and DHA is considered negligible.

Comprehensive health benefits

Fatty acids are used as food supplements due to their many positive properties. Both EPA and DHA omega-3s produce mediators with anti-inflammatory effects. Therefore, omega-3 fatty acids derived from fish, krill or algae oil are used in veterinary diets targeting chronic

Borage oil and evening primrose oil are becoming increasingly popular as natural supplements for pets.

inflammatory conditions such as obesity, osteoarthritis and allergies. In addition, EPA and DHA are known to lower circulating triglyceride levels and are used clinically to treat hyperlipidemia (high cholesterol or fats in the blood) in pets.

Borage oil and evening primrose oil are becoming increasingly popular as natural supplements for pets. They are rich in the omega-6 fatty acid gamma-linolenic acid (GLA), which has a positive effect on skin health, reduces inflammation and promotes joint health in dogs.

Fatty acids called medium-chain triglycerides (MCTs), which are often obtained from coconut oil, have been shown to affect neurological disorders. MCT fatty acids, namely caprylic and capric acids, are converted into ketogenic bodies that have a neuroprotective and anticonvulsant effect. Studies have shown that their use is beneficial in dogs suffering from idiopathic epilepsy, with the incidence of seizures significantly lower in dogs fed an MCT diet at 10% of energy.

How much is enough?

The ratio between omega-6 and omega-3 fatty acids is very important, but there is little data to determine the ideal ratio in pets. The existing literature on dogs suggests that a ratio lower than the National Research Council (NRC) recommendations (<26:1) should be aimed for. Research published in Veterinary Dermatology journal has shown that a dietary omega-6:omega-3 ratio of around 5:1 and 10:1 decreased inflammatory markers in dogs' skin and increased anti-inflammatory markers, compared to a diet higher in omega-6s.

The fatty acid content of commercially available dog foods varies greatly. Some contain only minimal amounts of beneficial long-chain fatty acids (EPA and DHA). With this greater understanding of the necessity and benefits of these nutrients, it is important to ensure an appropriate fatty acid ratio and a sufficient content of long-chain fatty acids from fish oil, krill and algae. ♦

Only the best animal & vegetable proteins and fats

Cagemax is a key supplier of raw materials to the global animal feed industry. We work as a pivot between supply and demand of processed animal proteins and fats:

Over 50 products...
of different origins
and varying quality



The flavor factor: using science to make pet food more palatable

Ongoing research helps clarify the intricacies of making food agreeable to the taste, aiming to improve the eating experience for pets.



Laura Ward
Pet Nutritionist

Palatability is a complex and dynamic phenomenon, influenced by many interacting factors including taste, texture, shape and odor of food, as well as mouthfeel. As measurements of palatability become more sophisticated, a greater understanding of the role of flavor and aroma profiles in pet food quality and performance can be gained.

Quantifying palatability

Palatability is traditionally measured through amount of the food consumed and through use of A/B preference tests. Advances in measurements of palatability continue however, with methods such as 'nose in bowl' to measure a pet's focus on the food. False bottom bowls allow the influence of aroma to be studied separate to flavor. E-nose and e-tongue technology, meanwhile, allows us to identify the flavor and aroma profiles of foods.

Factors affecting palatability

Taste and smell

These two senses are interconnected and serve key aspects of palatability. Both dogs and cats' sense of smell far outweighs that of taste, making aroma crucial for palatability. For cats, umami taste is most appealing. They show no preference for sweet or salty tastes, as humans and dogs do.

Not only do these senses help dogs and cats select appropriate foods, they also enable them to detect rancidity or spoiled products. Cats, as hunters, exhibit this ability more strongly than dogs who evolved as scavengers. Ensuring appropriate preservation and communication of storage conditions is vital to achieving robust product palatability.

Texture and mouthfeel

For cats even more so than dogs, textures and mouthfeel greatly affect food palatability. Textures are varied within the wet food category, from smooth mousse to firm chunks, shreds to gravies. Size and shape are not considered for pates and mousses, but for chunks the size and shape should be optimized for the target pets.

Ensuring the viscosities are desirable, and it's important that greasiness and separation are avoided and chunks are firm and succulent. Emulsifiers, binders, humectants and hydrocolloids play important roles here to achieve the desired results.

Other factors

Cats often enjoy acidity, preferring foods of pH 4.5-5.5. Maillard reaction products (MRPs), created during the retort process when heating enables a chemical reaction between amino acids and reducing sugars, play a part in wet food palatability. Protein digestibility is reduced, but MRPs have a positive effect upon palatability, resulting in different flavors being produced and a

brown coloration. Palatants can include precursors to MRPs, to improve palatability post-processing.

Research published in 2023 showed that cats evaluate the nutritional content of their diet and moderate their food intake to reach their optimum protein and fat quantities and limit energy from carbohydrates.

Ingredients and palatants

Many professional palatant options are available, varying in their format and ingredients but all designed to boost pet food attractiveness. Palatants are included in wet food formulas prior to retort, or in particular components, such as the chunks, jelly or gravy. Hydrolysed animal protein is a popular palatant base due to the high quantities of short peptides and free amino acids delivered.

Spray-dried animal plasma is primarily used as an emulsifier and binding agent in a hydrocolloid-type role. It provides benefits for water retention and texture, juiciness and homogeneity.

Studies comparing plasma with wheat gluten found that 1.5-2.5% plasma reduced water loss and increased hardness of wet foods in both chunks in gravy and loaf formats. 2% plasma increased juiciness of wet food chunks by around 20% by increasing water absorption from gravy. Juiciness, defined as the release of moisture from meat when chewed, is well correlated to improved palatability.

Supplementation of particular nutrients can provide positive palatability drives. For instance, 0.3% choline chloride, which has a salt-like flavor, improved palatability for cats when added to food. As cats are not driven by a preference for salt, the process behind this finding is unknown. Propionic acid inclusion also displayed enhanced palatability and first choice in dogs, through enhancing flavors and stimulating appetite.

Palatability in pet food is both complex and multifactorial, but new research into pet behavior and environment is continuing to further knowledge in this field. ♦



Valuable and Sustainable Proteins and Fats Derived from Poultry!



- Conversion of Valuable Poultry By-Products
- Reduction of the Carbon Footprint (Local)
- Supporting Animal Health
- Natural nutrition needs
- Pets love the Taste!



PALATANTS. SOLUTIONS. SERVICES.

AFB is more than just palatants. We provide custom solutions to improve pet food palatability. Our services are tailored to the specific needs of each customer. We can partner to meet their objectives while making pet food taste great!



To learn how AFB brings value to pet food companies through research expertise, technical support and unparalleled customer service, visit afbinternational.com or contact your AFB account manager.



Why data-driven innovation is essential for pet food palatability

In the quest for perfect pet food, data-driven innovation is revolutionizing palatability by tailoring flavors and textures to the unique tastes of pets, ensuring consistency and quality in every bite.



Ana Rita Monforte PhD
Flavor & Data Sciences Manager
AFB International
afbinternational.com

Data-driven innovation is a well-established concept, as companies have been using data management techniques for years. Recently, technologies like artificial intelligence (AI) have enhanced our ability to derive insights from big data, making information a key asset.

Meeting the industry's evolving needs

Pets, like humans, have unique tastes and preferences. Data collection and analysis help identify which ingredients, textures and flavors appeal most to different pets. In palatant manufacturing, data collection and analysis are essential in unlocking innovation and improving the quality and consistency of pet food products.

By leveraging data from sensory evaluations, palatability trials, customer feedback, market research and ingredient analysis, solutions can be developed that meet the evolving needs and expectations of the pet food industry.

Measuring palatant performance

AFB International uses various in-house equipment and methods to measure and analyze the performance of palatants. For instance, E-Nose and E-Tongue are used for improving assessments of food quality characteristics. Coating Consistency measures the marker compound in the palatant to determine adherence. GC-MS/LC-MS, Chemometrics and Predictive Modeling are also used.

Data-driven innovation for consistency

Product consistency is crucial for AFB International, ensuring that each batch of pet food delivers the same enticing flavor and aroma. This consistency maintains pets' interest and enjoyment, promoting stable eating habits and reducing the risk of food aversion. It also assures pet parents and manufacturers that every batch meets high standards.

Data-driven innovation is key to robust product consistency. It allows AFB to measure and predict palatant performance, and control variability in raw materials and finished goods. AFB's solutions and customizable palatants offer pet food manufacturers a reliable partner in the production process. ♦

Play time: trends and diversification in pet toys



With toys becoming an essential item in pet parents' shopping baskets, we discover today's most popular products, new releases and latest innovations.



Muskaan Gupta
Associate News Editor
GlobalPETS

Industry insiders indicate an ongoing trend in pet toys, but they also highlight the need for new ideas to sustain the category's successful growth. So, what is the current state of the pet toy market, and which trends and products are driving the necessary diversification?

Growth in cat market outpaces dog

The most purchased pet toys by American dog owners in 2022 were chew toys (75%), followed by tug toys (65%) and fetch toys (64%). Among American cat owners, plush toys with and without catnip (59% and 52%, respectively), electronic toys including light, sound or motion (44%) and interactive non-electronic options (42%) were the most popular items. Interestingly, the rate of toy purchases by cat parents has been increasing more quickly than that of purchases by dog parents since 2018, suggesting market opportunities for relevant players.

Subscription boxes

There is a notable uptick in the use of subscription boxes to conveniently access an assortment of products catering to pets' needs. An estimated 14% of US pet owners purchased toys as part of a subscription service in 2022. These services are most popular

among Gen Z and high-income pet parents, according to the American Pet Products Association (APPA). For cat parents, popular subscription options include KitNipBox and MeowBox in the US, and Gus & Bella in the UK.

The dog subscription service offered by e-commerce company PupJoy won a Purina Pet Care Innovation Prize for its customizable toy and treat boxes. The 'build your own box' option allows customers to select up to 4 plush toys and set their subscription to recur for up to 6 months in the future. The company carefully sources its products to be "environmentally friendly, healthy and high quality".

Meanwhile, leading pet toy producer KONG offers a subscription box service through its members-only club. The monthly goody boxes include vet-selected dog toys for each pet's particular life stage and wellness needs. The service also extends to 24/7 vet guidance. Products include stuffed toys, rubber chews and squeeze toys.

Innovation in interactive toys

Presently, most product diversification is taking place in interactive toys – from electronic laser pointers to stimulate hunting instincts for cats, to interactive treat dispensers such as the range of Knock 'n' Nibble treat dispensing toys recently launched by Kansas-based toy and treat manufacturer SmarterPaw. In another

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

A close-up photograph of a horse's hindquarters and tail. The tail is dark and thick, with some lighter-colored hair visible at the base. The surrounding coat is a mix of dark and light brown.

cockoo®

WHERE COLOUR MEETS FUN!

Meet Cockoo – the ultimate brand for dogs, cats and their owners! At Cockoo, fun takes center stage, and we aim to bring more joy into the lives of you and your furry companion with our products!

We believe that pets deserve a world full of endless fun and playful moments. After all, life should always be colourful and enjoyable!

COMING SOON

www.cockoo.eu

Laroy GROUP™ | www.laroygroup.com



Pampered pets: The rising demand for luxury

Pet parents' growing focus on their companion animal's well-being is creating new opportunities for premium products and services.



Ismira Lutfia Tisnadibrata
Contributor
PETS International

Growing consumer interest in sophisticated pet-related offerings is driving the 'luxury' trend, with the pet care landscape evolving to include customized skin treatments, branded designer goods and even fine dining for dogs. Despite regulatory and cultural challenges in some regions, there are plenty of growth opportunities, especially in untapped rural markets.

Splashing out on pets

South Korea is a prime example of a country where pets have become important family members, partly due to societal changes such as the rise in the number of single-person households.

Data compiled by Korean credit card company Shinhan Card concluded that the average annual spending on pet services and products in South Korea was ₩353,000 (\$255/€234) per person in 2022, the highest in 4 years. In 2019, the average spent was ₩262,000 (\$196/€180), reaching ₩313,000 (\$233/€214) in 2021.

A similar rise in spending can also be seen in other East Asian countries such as China and Japan.

Skin treatments

Many South Korean pet parents are willing to travel from the other side of the country so that their cats and dogs can experience a full range of luxury skin treatments.

Animal skin clinic La Peau Claire opened in the wealthy Seoul neighborhood of Cheongdam-dong in 2023.

In Seoul, a 3-course menu for dogs is on offer at one restaurant where pets can dine alongside their owners.

"I established my clinic to offer various skin treatment options such as laser therapy and skin boosters for animals suffering from skin issues," Lee Tae-hyun, CEO and Chief Veterinarian of the clinic, tells PETS International.

Since its opening, the clinic has experienced steady growth. The increasing number of clients traveling from places as distant as Jeju Island, approximately 465 km south of Seoul, has prompted Lee to hire more nurses and veterinarians. This expansion aims to ensure more comfortable treatment experiences for the clinic's furry patients.

"As pets have become more important for people, I think it has become a trend to seek more professional, accurate and customized treatment. Therefore, there are many specialized clinics in Korea, especially in Seoul, including ophthalmology, dentistry and dermatology," Lee adds. "Currently, there are few facilities with a similar concept to ours, and I believe the market for animal skin treatment will gradually expand worldwide."

Lee's clinic has recently introduced 6 new skin treatment methods, and new services to treat skin atopy and alopecia in animals, in addition to performing exosome procedures. Based on a trend emerging from human medicine, exosome procedures offer regenerative skin treatments aimed at improving skin texture and tone, reducing anti-aging symptoms like wrinkles, and promoting hair growth (i.e. fur growth in pets).

Branded designer goods

Nowadays, pet parents can style their pets with luxury designer goods from high-end brands. Christian Dior, Tommy Hilfiger, Hugo Boss, Goyard, Hermès and Gucci are among the big names that include pet collections in their fashion lines.

In early June, for example, French luxury fashion house Louis Vuitton unveiled its men's and man's best friend matching range in its Spring/Summer 2025 Men's Pre-Collection.

► SEE NEXT PAGE

**Finest
Petfoods,**
Always a treat

Private label Himalayan cheese treats

At Finest Petfoods, we believe that good health and excellent taste can go hand in hand. Meet our Himalayan Cheese Bars, the ultimate snack for dogs. **Made in India and in stock in the Netherlands.** Produced following a traditional recipe and meeting the highest modern quality standards. These cheese bars come in various sizes and flavors, are rich in calcium, and have an irresistible taste. The snacks are **100% natural, free from grains, gluten, preservatives, and colorants.**



Strawberry



Turmeric



Mint

We offer excellent private label options with multilingual labels, perfect for your brand.

- Packaged in 5 kg bags
- Low MOQ, starting from 240 kilos
- Mix different flavors per order (min. 20kg)
- Original cheese bar & fruit infused flavours



Available
sizes

S

M

L

XL

**Contact us to discuss your private
label needs and request a sample!**

info@finestpetfoods.com • finestpetfoods.com





Titled Dog L'Vers, the range includes not just dog-inspired menswear, but also dog accessories. The luxury canine collection features items such as carriers, bowls, leashes and bandanas, all styled in Louis Vuitton's natural cowhide leather trim and displaying the brand's unmistakable monogram.

Luxury daycare and boarding

As pet parents worldwide increasingly indulge their furry friends, demand for premium pet care services is on the rise. One such service is Little Gems by My Second Home, a luxury daycare and boarding resort exclusively for small dogs that opened in Dubai in January this year. The resort has more than 1,000 luxury suites and 30,000 sq ft of play areas. This high-end facility is the latest business expansion of My Second Home, an established Dubai-based canine care center.

The rise in luxury dog boarding corresponds with a pet care market forecast by Fairfield Market Research. This predicts that the dog segment will continue to dominate the industry in the coming years, following

on from the significant growth in the global pet care market in 2022. Specifically, Fairfield expects the Asia Pacific region to be the fastest-growing market for pet care due to the region's economic growth, which has led to a surge in pet hotels, grooming salons, daycare centers and training facilities.

Gourmet dining for dogs

Premium pet meals are gaining in popularity. There are even some restaurants offering pets 'omakase' experiences – a Japanese word commonly used in restaurants indicating the guest's trust in the chef to customize their order. In Seoul, for example, one restaurant offers a 3-course menu for dogs starting at ₩23,000 (\$16.50/€15.25), with pets dining alongside their owners. According to local media reports, the average number of meals served per week has grown to 40 since the enterprise's opening in 2021.

In Indonesia, gourmet dog food brand Tofu's Kitchen offers pet food that resembles human cuisine. The options include Hainanese chicken rice, a typical Japanese bento box and a plate of dim sum and spring rolls. Dishes are prepared with high-quality and organic ingredients, such as Wagyu beef. A full 3-course meal with appetizer, main course and dessert costs about Rp300,000 (\$19/€17) and Tofu's Kitchen can earn a profit of 20-30% from sales.

Terrilynn Tjipta launched the concept in May in collaboration with a luxurious, pet-friendly apartment complex in a southern suburb of Jakarta. "The business took off after I posted the food on Instagram and many responded that they also wanted to have the same food for their dogs. But this is not a mass product because it's still a home industry and I only produce the food in certain seasons or for occasions such as Christmas, Easter or Indonesia's Independence Day," she says.

Tjipta now plans to set up an office to manage increasing orders and further develop her fine-dining experience for pets and their parents, which she calls Dine in with Paws. ♦

Nowadays, pet parents can style their pets with luxury designer goods from high-end brands.



Innovations in oral hygiene products for pets

With dental health emerging as a significant concern among pet owners, PETS International analyzes the key trends and novel product launches in the pet oral care market.



Muskaan Gupta
Associate News Editor
GlobalPETS

Analysis of 3 million pets by Banfield Pet Hospital in the US revealed that a significant majority of the nation's dogs and cats had oral health issues in 2023. 73% of dogs and 64% of cats seen across the veterinary care provider's extensive network were diagnosed with dental-related issues. Oral health concerns spanned smaller dogs like beagles, dachshunds and Chihuahuas, as well as larger dogs such as terriers, Labrador retrievers and golden retrievers.

Prevention is better than cure

Not all pet parents turn to vets for help with their pet's oral care. Cargill's Cat Parent Survey Report 2024 found that only 17% of pet parents in the UK, US, France and Germany sought veterinary support for dental issues. The American Pet Products Association (APPA) estimates that 36% of owners in the US have their veterinarian take care of their dog's dental health needs.

An additional 53% say that they (or a family member) do it themselves.

Products targeted at prevention include Dental Wand from UK-based company Inventor Cat, which recently bagged investment on TV reality show Dragons' Den. The product is a soft, chewable, bristled toy that clears plaque build-up, serving as a stress-free cat toothbrush. This innovation was necessary as traditional brushes require "cooperation from the cat, technical ability from the owner and motivation from the owner", explains Victor Carpio, Director of Inventor Cat.

Similarly, Chewmate unveiled the TreatBrush Toothbrush at SuperZoo to "appeal to pet owners looking for efficient and effective ways". Besides maintaining oral hygiene, it also provides mental and physical stimulation with its in-built treat dispenser. "This new wave of innovative products not only promotes good oral health, but also provides mental stimulation, fun and entertainment for pets," says co-founder Dr. Allan Coopersmith.

[▶ SEE NEXT PAGE](#)

Earlier this year, US pet care company Skout's Honor launched an oral care line including toothpaste alternatives such as dental wipes, dental drops, water additives and an oral gel. Its products are increasingly being carried by specialty retailers like Petco, PetSmart, Pet Supermarket and others in North America.

Oral care led by convenience

Coopersmith believes that consumer attitudes "are likely to remain positive towards products offering convenience, effectiveness, and an enjoyable experience for both pets and their owners". In this context, it is unsurprising to find dental wipes gaining popularity among consumers. SmileDenX, Vet's Best, Pet MD and MAXI/GUARD are all examples of current dental wipe offerings in the US.

Meanwhile, Antelope Pets' Ark Naturals brand offers an innovative product called Cleaning Dental Chews. These crunchy tuna and chicken-flavored treats for cats have toothpaste hidden in the center to provide a convenient and effective solution for oral care.

Breath-targeting products have been popular for a few years. APPA data suggests that 43% of dog and 22% of cat owners in the US have purchased treats with dental and breath-freshening benefits. Baby boomers (24%) are leading this trend, while only 15% of Gen Z have purchased such products. However, new innovations are consistently raising the bar.

For example, N-Bone, an American manufacturer of functional and teething/dental treats, has launched Flossta. This innovative dog chew not only combats plaque and tartar build-up, but also uses natural herbs like parsley and fennel to target bad breath. Similarly, Stella & Chewy's recently introduced Dental Delights treats with peppermint and parsley flakes for fresh breath, while Idaho-based pet health company PetIQ has debuted natural-flavored dental treats called Minties for large dogs.

Trends in ingredients

An experimental study on the benefits of biotics for pet dental health by animal nutrition player ADM found that a heat-inactivated proprietary postbiotic strain (*Lactiplantibacillus plantarum*) helps reduce dental plaque, supports periodontal health and balances

APPA data suggests that 43% of dog and 22% of cat owners in the US have purchased treats with dental and breath-freshening benefits.

pets' oral microflora, preventing bad breath. Using this research, ADM has formulated and launched a functional treats range for the European market, including a soft dental chew product with the specific postbiotic strain, inactivated yeast, botanicals, vitamin C and calcium.

Another study, by insect ingredient multinational Protix, found that consuming black soldier fly larvae (BSFL) ingredients improves bad breath, as well as dental and gum health in dogs.

Following the trial, pets consuming an insect-based protein meal reported a 7% decrease in the volatile sulfur compounds-producing bacteria responsible for periodontal disease. In addition, consuming a BSFL diet also created an abundance of *Moreaxella*, a beneficial bacteria. Industry stakeholders expect these results to impact future product formulations.

Capitalizing on growth potential

It's clear that pet parents are increasingly preferring high-quality, innovative products that make it easier to maintain consistent dental cleaning and flossing routines for their pets. Dental wipes, dental chews and breath fresheners have gained traction among dog owners, while cat owners look for products tailored to their pets' unique needs such as dental treats and toys that double up as stress-free toothbrushes to promote teeth cleaning and gum health.

As the awareness of these products increases, consumers will demand a wider range of products catering to their pets' preferences and needs, according to Coopersmith: "This includes products with different textures, flavors and functions to suit various pet personalities and dental care requirements."

He describes manufacturers and retailers who can offer a diverse range of oral care solutions at different price points as "well-positioned" to capitalize on the segment's growth potential. ♦



LitPet HONG KONG

Pioneering through innovation and science

LitPet is dedicated to more than just selling products, aiming to improve pet and owner health and happiness. The company motto: "healthy nutrition, lifelong companion".

While many in the industry focus on quick fixes for pet appetites, LitPet prioritizes the holistic welfare of pets. Its innovative LitPet Care Pyramid caters to a broad spectrum of pet health needs – from fundamental to advanced – ensuring a healthy lifestyle and preventing nutritional imbalances.

What sets LitPet apart?

LitPet believes in serving pets first by improving their health and longevity, bringing peace of mind to pet owners. Providing healthcare solutions that are an extension of the cherished bond between pets and their owners.

Since its start, LitPet has achieved several remarkable milestones:

- Academic collaborations: partnering with experts from the universities of Oxford and Cambridge, showing its dedication to cutting-edge pet health science
- Pet Care Pyramid: LitPet adapted Maslow's hierarchy for pet needs, setting an industry standard

- Recent launch of the anti-stress supplement Pawsitive Powder: widely covered by Chinese media and receiving more than 1 million views

Expanding product lines and markets

LitPet offers 3 main product lines: nutritional, professional and medical. The nutritional line includes freeze-dried supplements for joint and urinary care, dental health and hair nutrition, plus a fish oil ointment series.

The professional line focuses on special pet needs (stress, cataracts), and the medical line is only used upon veterinarian's advice at Hong Kong vet clinics.

LitPet rigorously selects a variety of medicinal and nutritional Chinese herbs for the development of its products. This approach seamlessly integrates Eastern and Western philosophies that support and enhance each other harmoniously.

LitPet is well-known in the Asian market, especially in Greater China, and plans to expand into Southeast Asia and Europe. Despite premium pricing, its freeze-dried nutrition products achieved over HK\$1 million in sales within 3 months. In Hong Kong, its medical products hold a 33% market share. Independent consumer studies consistently praise LitPet for customer satisfaction and effectiveness.

Shaping the future

LitPet follows the principles of "evidence, exploration and innovation". With aspirations to become a global leader in scientific pet care, the company is developing new supplements and healthcare products for pets at all life stages. Visit its website to learn about LitPet's innovative approaches and join its mission for a brighter future for pets worldwide. Together, let's advocate for better pet health. ♦

LitPet E-Commerce Co. Ltd
onepetfamily.org

Delving into what pet parents think about sustainability claims



Pet owners in different markets have varying perceptions of sustainability, but how do their attitudes affect their actions? And what are the implications for pet industry players?



Javier Muñoz
Senior Analyst
Euromonitor International

No longer just a buzzword, 'sustainability' has become part of daily life for businesses and consumers across the globe. Recent research by Euromonitor provides insights into the environmentally conscious purchasing choices of pet parents around the world. These findings can help companies in the pet care industry better align their product offerings with owners' demands.

Regional differences in attitudes

When looking at the impact of the sustainability trend in the pet care sector, emerging regions show particular potential. The Middle East and Africa have the biggest share of pet owners committed to the environment. According to Euromonitor's 2024 data, 74.4% of pet owners in that region agree or strongly agree that they

have a positive impact on the environment through their everyday actions. In second and third place are pet owners in Asia Pacific (68.3%) and South America (66.8%), respectively.

At a country level, the scores from pet parents in emerging markets like India, China, the United Arab Emirates (UAE) and Brazil range between 70 and 80%. This correlates with data showing that pet industry markets including Brazil, China, Mexico and Thailand have some of the highest absolute growth forecasts up to 2029.

Pet parents in mature regions such as North America (62.3%) and Europe (58.3%) show less strong attitudes towards the topic of sustainability. In countries including Belgium, Sweden and Denmark, only around 50% of pet owners say they try to have a positive impact on the environment.

Pet owners vs non-pet owners

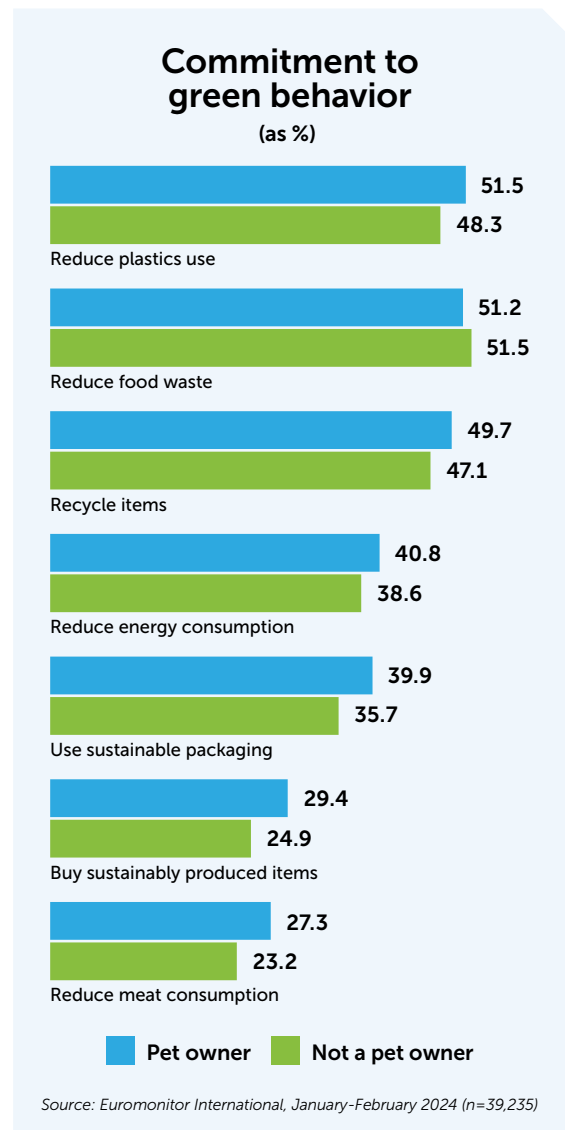
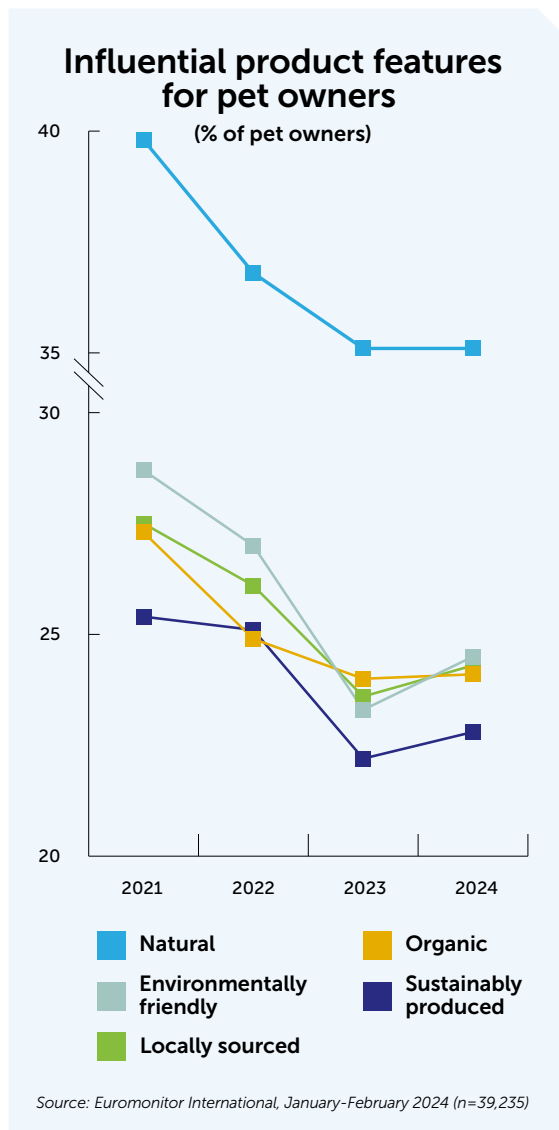
So to what extent do the attitudes of pet owners translate into active involvement in green behavior, and how does this compare with non-pet owners? In the case of reduced meat consumption, 27.3% of pet owners are adopting this habit compared with 23.2% of non-pet owners. A similar difference is apparent between pet owners and non-pet owners when it comes to buying sustainably produced items or using sustainable packaging.

The biggest sustainability-related concern for consumers around the world is the use of plastics.

Here once again, slightly more pet owners express a willingness to reduce plastic usage compared with non-pet owners.

The term 'natural' is widely used by companies across multiple industries to catch the attention of consumers trying to avoid artificial ingredients or industrial production methods, and pet food companies are no exception. However, there can be significant variations in what consumers understand the term to mean. According to Euromonitor's survey data, pet owners associate it mostly with the absence of chemicals (44.5% of respondents), artificial

[▶ SEE NEXT PAGE](#)



The percentage of pet owners taking sustainability-related claims into account when purchasing products peaked in 2021.

additives (39.6%) or GMOs (30.8%). Just under a third of respondents regard 'natural' as also meaning 'organic', even though the terms have very different definitions.

Effect of sustainability claims

The percentage of pet owners taking sustainability-related claims into account when purchasing products peaked in 2021. This coincided with the COVID pandemic period, which was key in pushing pet product sales globally. Due to spending more time at home with their pets, consumers not only spent a bigger share of wallet on them, but also took more interest in higher-quality and more sustainable products.

When various price increases happened throughout 2022, consumers had to budget more carefully and

down-trade when purchasing pet products. Attention to sustainability-related claims decreased, and this trend continued in 2023.

What does the 2024 data say?

This year's data shows a clear uptick for interest in such claims, in line with a less tense inflationary scenario and consumers being more open to looking for extra added value in their purchases. This is especially remarkable in the case of products labeled as 'organic', with 24.3% of consumers now regarding this as an influential claim – putting it practically at the same level as 'environmentally friendly'.

Another clear finding from the data is that the more generic the term is, the easier it is for manufacturers to succeed in attracting consumers' attention. After all, 'natural' is more open to interpretation than claims such as 'organic' or 'locally sourced'. Moreover, specific claims such as these will mostly require products to undergo certain checks or certifications. ♦

The networking event of the year

What others say about the GlobalPETS Forum:



fressnapf
maxi zoo

"The GlobalPETS Forum is the TOP industry event. It is the best place for qualified discussions with the absolute leaders in our pet world – simply a must-have."

- Torsten Toeller, Fressnapf



AllerPetfood

"The networking is more intense and effective than when we have tight schedules during trade shows and the like."

- Henriette Bylling, Aller Petfood

More info? www.globalpetindustry.com/GPF

Is sustainability changing the way we do business?



PETS International talked to representatives from 3 companies located in different parts of the world to discover their approaches to ESG.



Steven Maxwell
Contributor
PETS International

Sustainability is transforming the way the industry does business. With society increasingly concerned with environmental practices, pet players must ensure they meet the environmental, social and governance (ESG) commitments they make to their customers.

Consumer-driven change

According to Friederike Edelmann, Vice President of Investor Relations and Corporate Sustainability at Californian distributor and manufacturer Central Garden & Pet, sustainability is taking shape in the US pet care industry and is set to propel the sector into the future. "It can mean different things for different generations," she says. "Older consumers tend to see sustainability more on the environmental front, whereas younger consumers are also very much looking at social aspects."

For Pets at Home in the UK, an 'action gap' is evident, where consumer concern about sustainability doesn't necessarily translate into purchasing behavior.

"There's no doubt that consumer attitudes are starting to change from an ESG perspective," says Amy Whidburn, the company's ESG Director. "We're seeing signs, both through general external insight reports and in pet industry specific reports, that ESG considerations are moving up the consumer agenda."

Changing attitudes driven by Gen Z appear poised to change the picture, with Whidburn adding: "This now seems to be shifting in the wider retail space and pet won't be far behind." Considerations around concepts such as locally sourced, ethically produced and natural are moving upwards, although "what's right for my pet" remains central for pet owners, she adds.

ESG plans of action

Pets at Home has made some strong ESG commitments in the form of an 8-step plan based around the pillars of Planet, Pet and People. It combines a sustainable investor return and innovative partnerships with suppliers and communities. The company's holy grail is "creating pet products and services that are right from a health and welfare perspective, have a lower environmental impact and are ethically produced".

[► SEE NEXT PAGE](#)

Examples of practical actions include introducing plant-based and insect-based pet food, as well as making a 2023 investment in Meatly, a cultivated meat company focused on the category. “We believe cultivated meat has a big future in pet food,” says Whidburn. “Relying less on animal proteins and, hopefully, a much more sustainable production method, means a kinder future for all.”

According to Edelman, driving corporate social responsibility initiatives and using an ESG reporting construct are not only imperative to the future of Central, but integral to its operation. “Grounded in our purpose to nurture happy and healthy homes, we’re focused on working towards building stronger communities, a more diverse and well-rounded employee experience and a healthier, more sustainable operation,” she says.

Brazilian pet retailer Petz adopted an ESG policy in 2021. ESG manager Carolina Ferreira Igi says: “Last year we conducted the Petz Greenhouse Gas Inventory, and at the moment we’re busy with 2 studies related to the topic. We are currently mapping climate risks and opportunities for greenhouse gas mitigation to know precisely where and how to act on reducing the impact of our operations.”

Recycling and packaging

Petz has begun producing more eco-friendly private label dog pads by using recycled materials from discarded diapers. “The pads are manufactured with at least 40% reprocessed materials, plus sustainable raw materials,” Ferreira Igi says.

Central Garden & Pet has converted the packaging for its Nylabone dog chew toy into recyclable PET plastic. It also recently launched Nylabone Gourmet Style Chew Toys, which has even less packaging.

Achieving energy efficiency

Pets at Home has lowered its carbon footprint – and its costs – by becoming more energy efficient. It has installed energy management systems and LED lights in its pet care centers. According to Whidburn, the LED light investment paid for itself in under 2 years. Looking further ahead, the company is also installing pilot voltage optimization technology, plus solar panels

Pets at Home’s examples of practical actions include introducing plant-based and insect-based pet food.

at its new distribution center to increase the site’s self-generation energy capacity.

In 2021, Central switched from incandescent lighting to LED across many of its US manufacturing and distribution facilities, including the Madison, Georgia site, which has saved 60,000 kWh annually since the conversion. The company’s Nylabone business has upgraded manufacturing machinery from fully hydraulic to hybrid electric-hydraulic molding machines, reducing energy consumption by 70%, according to its ESG report. Using hybrid machines also reduces its carbon footprint by 498.9 metric tons per year.

Petz has made progress in its efficiency and automation project for air conditioning equipment, which represents a large part of the group’s energy consumption. The devices now automatically turn off outside opening hours and when the outdoor temperature is low. “Between 2023 and 2024, we went from 21 stores to 175 using this system. Our stores also have LED lighting, bringing positive results in energy saving,” Ferreira Igi says.

Are they meeting their targets?

As part of its 3 ESG pillars, Pets at Home has established 12 “ambitious” 2028 targets for reducing its scope 1, 2 and 3 greenhouse gas emissions, including a Science Based Target Initiative (SBTi) to achieve a 42% cut by 2030 and a 90% reduction by 2040.

After successfully reducing the carbon footprint of 60 own-brand products, Pets at Home plans to decarbonize range-by-range, as it works towards its 2028 targets and the 2030 SBTi goal. “We are making really good progress in meeting our targets, but as with all businesses we still have a way to go,” says Whidburn.

In keeping with the 2015 UN Paris Agreement target to reach net zero greenhouse gases by 2050, Central says it is continuing to reduce its carbon footprint through an increased focus on clean energy and a reduction in the company’s overall energy consumption.



Edelman says Central is making progress, adding that the company plans to provide more details in its next Impact Report. The initiatives taken include the installation of solar panels at its dog and cat manufacturing site, which Central's ESG report says has helped reduce its annual carbon footprint by 249.4 metric tons.

What more can be done?

Although there are undoubtedly challenges in realizing their ambitions, many companies investing

in ESG are optimistic about the direction of travel. "I definitely think attitudes are starting to change," says Whidburn. "We're seeing more and more disruptive brands coming through that are leading with pet health and environmental sustainability in equal measure."

She adds: "More can be done, as there will always be ways that we can reduce our carbon impact further, minimize impacts on nature, plus improve products and services for pets. It's going to be a continuous improvement cycle."

Ferreira Igi agrees: "There is still a lot to be done across the pet industry. This is mainly related to understanding the environmental impact of the food production chain and more solutions for the use of waste."

These sentiments are echoed by Edelman. "The long-term profitability of our business requires us to do our part to protect the planet, care for the local areas we serve, and provide our Central employees with a safe, healthy and rewarding workplace," she concludes. ♦

PET NUTRITION ENGINEERED TO MAXIMISE YOUR BRAND

SPECIALISTS IN
Bespoke premix
Independent technical support
NPD
Ingredients

Contact us to find out how we can
work with you to add value your brand

info@premiernutrition.co.uk
premiernutrition.co.uk

PREMIER
NUTRITION

MORE THAN JUST PREMIX



Blueprint for sustainable pet food protein sourcing

A new comprehensive guide for pet food companies addresses environmental, social and animal welfare concerns in protein sourcing.



Jim Lamancusa
Executive Director
Pet Sustainability Coalition
petsustainability.org

The pet food industry is an integral part of the global food system and has a considerable impact on the environment. The Pet Sustainability Coalition (PSC) has created an extensive blueprint to support the industry and its sourcing issues.

The industry's role in sustainability

The pet food industry often flies under the radar when it comes to discussions about sustainability. Yet it plays a pivotal role in the global food system, with a significant effect on both the environment and society. The industry's influence stretches far and wide, from the sources of its ingredients to the sustainability practices it promotes.

PSC has stepped up with an ambitious project called the Blueprint to Responsibly Sourcing Animal Proteins for the Pet Food Industry. This initiative aims to guide pet food companies in making more responsible sourcing decisions, ultimately leading to a more sustainable future for the industry and the planet.

Understanding the challenges

Before diving into the PSC Blueprint, it's essential to grasp the broader issues at play within the global

food system. The drive to produce cheap, abundant food has led to several significant problems.

Environmental impact: Agricultural practices supporting food production contribute to climate change through greenhouse gas emissions. Biodiversity loss, deforestation, water scarcity and pollution are other critical concerns.

Social impact: The human cost includes poor working conditions, forced and child labor, and insufficient wages for farmers and producers. These social issues are deeply intertwined with the food system.

Animal welfare: Ethical concerns arise from practices that fail to ensure good animal welfare, which is often compromised in the quest for lower costs and higher yields.

The PSC Blueprint 5-part structure

The PSC Blueprint addresses these challenges. It is a comprehensive tool designed to help those in the pet food industry, regardless of where they are in their sustainability journey. These are the 5 pillars:

1. Context and methodology

Highlights the pet food industry's potential to drive sustainability within its supply chain. Emphasizes the need for the industry to tackle environmental, social and animal welfare issues.

2. Potential material impacts and risks

Identifying the most significant impacts and risks within a company's supply chain. This is crucial for prioritizing actions that will have the most substantial positive effect.

3. Assessing impacts and risks

Provides a framework for evaluating the significance of identified risks. Assessment ensures that sustainability efforts are focused and effective.

4. Summary of potential material impacts of 8 relevant species

Offering insights into how different species, production systems and regions contribute to risks, to help companies make informed decisions about their sourcing practices.

5. Taking corporate action

Guidance on formalizing responsible sourcing strategies. Companies are encouraged to set clear objectives and targets, engage with stakeholders and measure their progress. Emphasizing transparency and accountability as key components of successful sustainability initiatives.

The blueprint encourages alignment with global sustainability frameworks, such as the UN Sustainable Development Goals. By adhering to these standards, the pet food industry can significantly contribute to environmental stewardship, social responsibility and improved animal welfare.

Path to a sustainable future

A commitment to sustainability within the pet food industry is not just a moral imperative but also a business one. As consumers increasingly demand ethical and environmentally friendly products, companies that adopt the strategies outlined in the PSC Blueprint will be well-positioned to meet these expectations and lead the way toward a more sustainable world.

The industry's potential to promote sustainable animal protein production is immense. By embracing the PSC guidance, companies can make meaningful strides toward sustainability, setting a standard for other sectors within the global food system. The journey toward responsible sourcing is a collective effort, and

4 strategies for success

1. Stakeholder engagement

Building strong relationships with suppliers, farmers and other stakeholders is crucial. Collaboration and open communication foster collective action toward shared sustainability goals.

2. Supply chain transparency

Prioritizing transparency helps in mapping supply chains, identifying critical control points and ensuring that suppliers meet sustainability standards.

3. Innovation and technology

Leveraging innovation can enhance sustainability. Precision farming, alternative protein sources and improved feed efficiency are examples of technological advances that reduce environmental impacts.

4. Monitoring and reporting

Regularly tracking and reporting sustainability metrics is essential. This process allows companies to monitor their progress, identify improvement areas and communicate their achievements to stakeholders.

with the right tools and commitment the pet food industry can lead the way in reducing its negative impacts but also in enhancing its positive contributions to the environment, society and animal welfare.

The PSC Blueprint provides a clear path forward, offering practical solutions and inspiring success stories to guide the way. Together, we can create a more sustainable and ethical future for all. ♦

You can download the PSC Blueprint here:
petsustainability.org/sustainable-animal-protein-blueprint

Greenwashing and the global legal landscape

Everything, everywhere now claims to be 'green'. The question is what that means in practice and whether that is the true color of a product or service.



Torsten Schwarze
Partner
Morgan Lewis



Maria L. Sasinoski
Associate
Morgan Lewis

This article aims to examine the legal framework around greenwashing issues in Europe, Asia and the US, and explains the factors that pet product companies should consider when making public statements or advertising the environmental impacts of their products.

What's legally green?

Environmental, social and governance (ESG) compliance – as well as the development of technologies and products marketed as green, natural, recyclable or climate neutral – is becoming increasingly important for companies operating globally, including those within the pet industry.

Not surprisingly, these general 'green' claims are often the object of litigation, with statements alleged to be misleading, deceptive or simply false. While courts apply very different standards to assessing claims, applicable laws also vary substantially across jurisdictions.

New legal framework in Europe

The European legislature has initiated 2 directives aimed at unifying the legal framework on environmental

claims – the Empowering Consumers for the Green Transition Directive (EmpCo Directive) and the Directive on Substantiation and Communication of Explicit Environmental Claims (Green Claims Directive).

EmpCo Directive bans greenwashing

The EmpCo Directive, which should be implemented in EU member states as of 27 September 2026, aims to improve product information and bans 'greenwashing', i.e. it prohibits generic environmental claims unless excellent environmental performance can be demonstrated. Environmental claims referring to the entire product where only a certain part of the product fulfills the claim will also be prohibited.

***The European legislature
has initiated 2 directives aimed at
unifying the legal framework on
environmental claims.***

Generic environmental claims include, for example, environmentally friendly, eco-friendly, green, nature's friend, climate friendly and biodegradable. Excellent environmental performance can be demonstrated by product compliance with officially recognized eco-labeling schemes, or the product achieving top environmental performance for specific characteristics under other applicable EU law – provided the environmental performance is relevant to the entire green claim.

Pet product companies impacted by the EmpCo Directive should act to ensure that any environmental or sustainability labels they are using to promote products are based on a certification scheme or established by a public authority.

Under the Directive, these schemes must be transparent, fair and non-discriminatory, and compliance with applicable criteria must be objectively monitored by an independent third party. The qualification, selection and appointment of third parties will be defined in further implementation of the Directive in each EU member state's national law.

Green Claims Directive brings harmonization

The Green Claims Directive, which is expected to be enacted in the third quarter of 2024, aims to complete and perfect the EmpCo Directive. It will compel companies to substantiate their voluntary green claims and harmonize the requirements for sustainability and environmental labels.

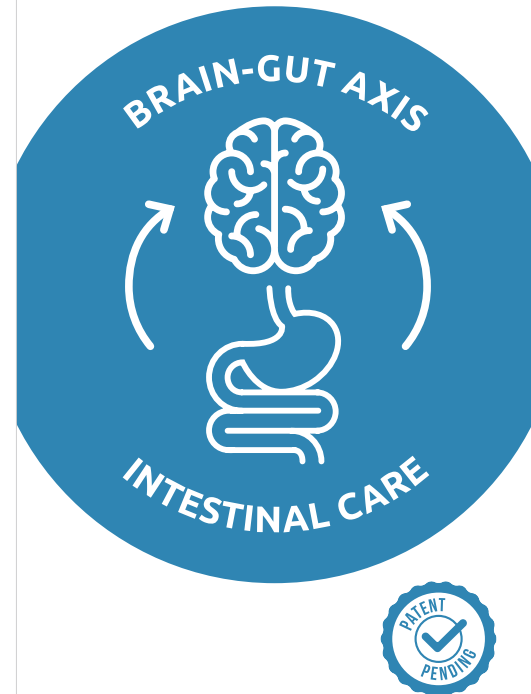
The Green Claims Directive differs from the EmpCo Directive as it includes sanctions for companies that do not comply with the regulation, including fines of at least 4% of their annual turnover. In addition, member states will allow for the confiscation of revenues gained by the company from a transaction involving the product concerned.

Under the Directive, prior to issuing an explicit environmental claim, companies must assess whether they can fulfill the required substantiation requirements. These include: the product component concerned, the claim's scientific ground, importance for the product lifecycle, complete information on environmental impact, and demonstrating that a claim is not equivalent to requirements already imposed by law.

Verifying claims and labeling schemes

The Directive introduces a new verification requirement prior to publishing a green claim. Verification must be undertaken by an accredited third-party conformity assessment body. If the assessment is positive, a certificate of conformity is issued. This certificate will be recognized by all member states' competent authorities enforcing the Green Claims Directive.

► SEE NEXT PAGE



Blend specially designed to promote the gastrointestinal health of our animals.

With high-quality ingredients, it helps maintain digestive balance and promotes intestinal well-being by supporting the microbiota.



Within 5 years of submitting information required for verification, companies will have to review whether that information still meets mandatory requirements. Updated claims are subject to a new verification process.

The Directive proposal also sets out requirements for environmental labels and labeling schemes. These schemes should contain accessible and comprehensible information about the label issuer, as well as objectives, requirements and procedures to monitor compliance with the relevant scheme. Labels will be subject to approval by the European Commission prior to use on the EU market.

Unfair practice claims in Asia

Although greenwashing is not yet subject to specific regulation in most Asian jurisdictions, there are consumer protection laws under which consumers could take action against companies making false or misleading claims.

In Singapore, for example, consumers can make claims against suppliers who have engaged in unfair practice under the Consumer Protection (Fair Trading) Act 2003 (CPFTA). That includes false claims about products or services, and doing or saying (or omitting to do or say) anything to deceive or mislead consumers into a purchase.

Environmental claims constitute greenwashing or unfair practice under the CPFTA if the claims are factually inaccurate, are made without disclosing possible negative environmental impact, the net environmental impact of the product is negative, or terms or logos associated with sustainability are used without substantiation.

Updated Green Guides in the US

Pet product companies operating in the US must stay attuned to ongoing developments at federal and state levels. The United States Federal Trade Commission, for example, is undertaking an update of its Green Guides, to address growing consumer interest in purchasing environmentally sustainable products.

The Green Guides are interpretive guidance that provide companies with insight in legitimate environmental

marketing claims versus those that may be misleading and prohibited under Section 5 of the Federal Trade Commission Act. The revised Green Guides should enhance guidelines regarding carbon offsets and renewable energy claims, and address terms such as ozone-friendly, recyclable, sustainable and organic.

ESG disclosure

Publicly traded pet product companies are also subject to Securities and Exchange Commission regulation, which monitors environment, social and governance (ESG) disclosure in the company's regulatory filings and compares this with claims made by the company elsewhere, such as in ESG reports and on its website.

Company shareholders or consumers may bring claims against a company to hold it accountable for ESG disclosure. All pet product companies need to ensure they are aware of state regulation regarding green claims. In particular, companies with a connection to California may be subject to additional laws on these issues.

Although the current state of ESG regulation in the US is subject to pending legislation at both federal and state level, pet businesses are encouraged to assess their requirements for supporting green claims based on each of the jurisdictions where they may be operating. They need to be prepared to move quickly to ensure continued compliance with regulatory requirements.

Final take for pet corporations

Companies should evaluate their current advertising strategies, websites, product claims, and regulatory and legal disclosures, and implement an effective risk-management system to ensure compliance with existing and/or new regulations. Globally active corporations will have to decide between local strategies tailored to a respective jurisdiction or a global strategy which is compliant with different legal standards.

Pet companies who use green claims in their public statements or regulatory filings should closely monitor developments regarding the implementation of regulations such as the verification process.

They will need to ensure that they have the substantive documentation necessary to verify their claims. ♦



WE GIVE FORM TO YOUR PACKAGING WITH OUR EXPERIENCE, QUALITY AND SERVICE.

Put yourself in the hands of an expert capable of **adding value to your product** with a skilful combination of advanced know-how and cutting-edge technologies.

You can count on us for packaging guaranteed by our experience, giving you a sense of security because it complies with the highest quality standards, thanks to a multilevel controlled production process.



follow us:



ipvpack.com



Contact us: IPV Pack looks forward to meeting you to design custom packaging for your pet food products together!

IPV PACK is an Industry 4.0 company certified in accordance with BRCGS PACKAGING MATERIALS and UNI EN ISO 9001:2015



available in
fillet & pâté

NEW!

REAL SARDINES, BOLD FLAVOUR.

SUPERIOR AROMA • GRAIN FREE • MINIMALLY PROCESSED



schèsir
SCHESIR.COM

