



# PETS International

THE GO-TO PUBLICATION FOR PET INDUSTRY PROFESSIONALS SINCE 1988

MAR 2026

## UNPACKING THE US AND CANADIAN PET MARKETS



### **M&A OUTLOOK**

What does this year  
have in store?

### **RATE THIS PRODUCT**

Assessing the value  
of online reviews

### **IN THE SWIM**

The state of the  
European aquatics  
industry



**NEW**



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## Building a profile

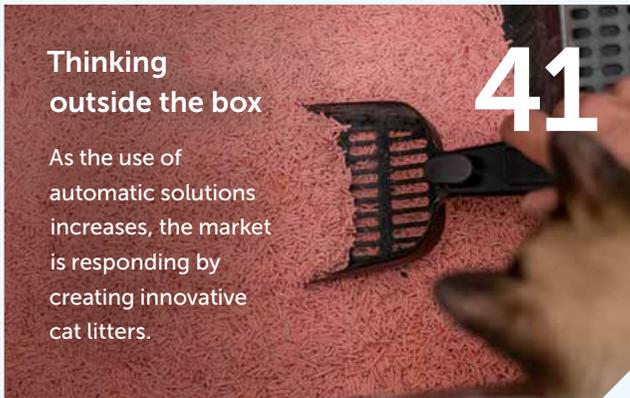
Insights into today's Canadian pet owners – who they are, what they value and how they care for their beloved companions.



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## Joint effort

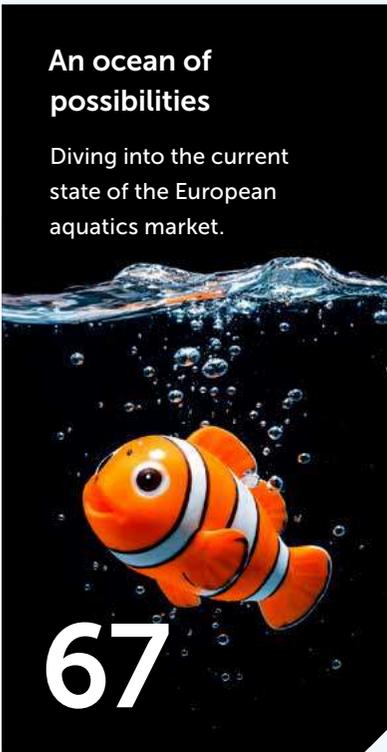
Cats are living longer lives, offering plentiful opportunities for innovation and growth in the supplement segment.



## Thinking outside the box

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As the use of automatic solutions increases, the market is responding by creating innovative cat litters.



## An ocean of possibilities

Diving into the current state of the European aquatics market.

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A successful omnichannel strategy must take account of each medium's relative strengths.

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# One brand. Two strategies.



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# Building trust in a digital world

It comes as no surprise that the online environment is increasingly shaping our day-to-day business. Its influence continues to grow, particularly for small and medium-sized companies that must compete every day to capture consumers' attention in an ever more crowded market.

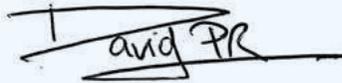
In this issue, we explore the growing role of online reviews and how they can serve as a powerful lever for pet players. A five-star rating can significantly strengthen a brand's credibility, while negative feedback may quickly redirect consumers to a competitor. Understanding, managing and strategically leveraging online reputation has become essential.

However, a strong digital presence alone is not usually enough for most companies to thrive. Success today requires balancing online visibility with a robust offline and omnichannel strategy.

We take a closer look at how pet retailers across Europe and the US are introducing new brands into their assortments, and how pet players can refine and optimize their channel strategies to remain competitive and relevant.

This edition also offers an in-depth analysis of the pet industry in the US and Canada. Our comprehensive coverage examines pet ownership trends, consumer behavior across wet and dry food categories, and includes insights from prominent retailers in the region.

Wishing you an inspiring read.



David Palacios Rubio  
Editor-in-Chief



“Don't be afraid to give up the good to go for the great.”  
JOHN D. ROCKEFELLER, US BUSINESSMAN AND PHILANTHROPIST

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### VAFO restructures in bid to drive EU growth

Czech pet care company VAFO has undergone a restructuring, creating three distinct companies: VAFO Praha, responsible for flagship brands; VAFO Production, which oversees organization and factories; and VAFO Private Labels, which will also manage smaller brands.

The division was planned over a year, primarily aiming to separate production, operations and core brands. It accounts for more than 60% of the Czech pet food manufacturer's business.

"The main purpose is to have companies focused on their pure activities. It is better to have agile and smaller teams," Milan Bartoš, CEO of VAFO Praha, tells GlobalPETS.

The restructuring is part of its goal to develop and strengthen its presence and market share in key locations including Germany and France. By 2029, VAFO aims to reach a turnover exceeding €1 billion (\$1.2B).

According to Bartoš, the company's flagship brands, Brit and Carnilove, are successful in Central and Eastern Europe and the Nordic countries, and it aims to mirror this performance across the rest of the continent.

### Chinese e-commerce giant relaunches Joybuy in Europe

JD.com is launching Joybuy in Europe, reviving a brand that operated in the region from 2015 to 2021 and replacing online shopping channel Ochama.

Joybuy relaunched first in the UK, followed by France and Germany. At launch, it offers over 2,000 SKUs from more than 30 global, local independent and emerging brands, with inventory held in warehouses across Europe.

In pet care, Joybuy's assortment spans food, treats, leashes, harnesses, collars, beds, crates, litter and training pads, as well as health, wellness and grooming products for cats, dogs, fish and small pets.

JD.com's ambition is for Joybuy to be the first destination consumers think of when shopping for pet products.



### ZooRoyal partners with Medivet in Germany

Veterinary services provider Medivet is set to open in select ZooRoyal outlets across Germany over the next few years. The physical expansion plan of the former online retailer was announced in March 2025, with a focus on urban locations starting in 2026.

The strategic partnership between ZooRoyal and Medivet has been tested in two pilot stores in the greater Hamburg area. "The successful pilot locations already confirm how well the interaction between the specialist store and the veterinary practice works. We will soon be spreading this concept nationwide," the retailer says in a LinkedIn post.



### Latest deals in the Iberian pet space

Spanish multinational consumer goods and pet food company Agrolimen acquired US fresh dog food producer Ollie on 6 February. The deal boosts the company's pet portfolio, which includes Nature's Variety in the US and Affinity Petcare in Europe. According to US media, the deal valued the brand at over \$600 million (€506M).

Meanwhile Nuzoa, a leading distributor of animal health products and services in the Iberian peninsula, acquired Porto-based Agrofauna, a pet medicine and food company, to strengthen its leadership in the region.

The Spanish company says that it has acquired 17 firms in the past five years, of which five are in Portugal.

### General Mills and J.M. Smucker reveal pet food strategies

According to Dana McNabb, General Mills Group President, North America Retail and North America Pet, speaking at the Consumer Analyst Group of New York conference in February, e-commerce is driving "the majority" of growth in the pet category, with the company also seeing increasing demand for functional ingredients.

"We're expanding support behind our new Life Protection Formula (LPF) salmon innovation. We've also expanded the assortment on our LPF senior dog food line," she says. Although the cat segment accounts for only around 25% of General Mills' pet sales, Tiki Cat, acquired in December 2024, is delivering double-digit growth.

Purposeful ingredients are also part of J.M. Smucker's strategy. According to CEO Mark Smucker, the corporation is updating the packaging of its pet brand, Milk-Bone, to highlight protein content and functional attributes. These are "increasingly important purchase drivers".

J.M. Smucker will also increase its offering of premium snacks and treats, with launches scheduled for March.

### União Pet revises cost savings estimates

União Pet, formed by the merger of Petz and Cobasi in December 2025, cut its estimate savings from R\$330 million (\$53.5M/€53.5M) projected in August 2024 to R\$200-R\$260 million (\$38.2M-\$49.7M/€32.4M-€42M) as of January.

The revision followed a detailed post-merger review of costs, operations and opportunities by consulting firm McKinsey & Company.

The group is prioritizing four growth drivers: a stronger omnichannel strategy supported by subscription programs; store expansion and broader service offerings; cross-selling and micro-franchising into additional states; and deeper penetration of private label and proprietary brands. In addition, Petz is in the early stages of offering healthcare plans.

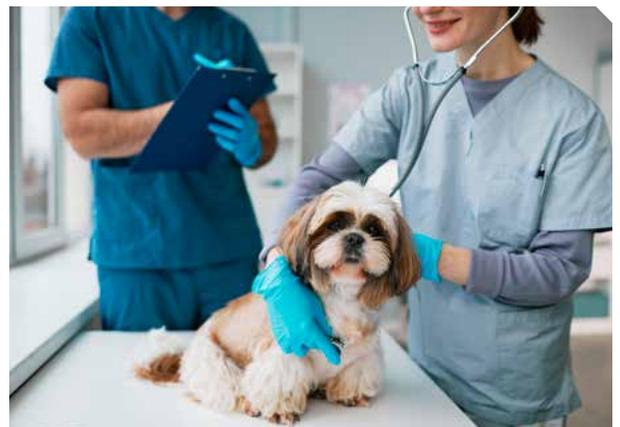
### Greencross aims to raise \$460M in IPO

Retailer and veterinary chain operator Greencross could return to the Australian Securities Exchange (ASX), as plans for an initial public offering (IPO) are currently underway.

TPG Capital, the US-based private equity owner of Greencross, is planning to raise about A\$700 million (\$460M/€420M) in this initial offering, targeting a valuation of A\$4 billion (\$2.6B/€2.4B), according to local media reports.

If completed, the listing would mark the company's return to the ASX after its delisting in 2019, when it was acquired by TPG for A\$675 million (\$445M/€405M). Greencross was officially listed on the ASX in 2007.

In 2023, the company received two buyout offers from healthcare distributor EBOS Group and Australian conglomerate Wesfarmers, both of which fell through.



### Zigly targets expansion with new pet care centers

Indian omnichannel pet care platform Zigly aims to double revenue and expand from 40 locations to 60 pet care centers by the end of FY2026.

To achieve this goal, it is “opening almost two centers every month”, Saurabh Jain, Zigly’s new CEO tells GlobalPETS. “We are expanding our footprint across a mix of metro and high-potential growth markets,” he says. The stores will be distributed across 17 cities where Zigly currently operates, as well as eight other municipalities.

The retailer plans to implement a city-cluster model, with multiple stores in selected cities, as pet care demand varies significantly across micro-markets. The retailer’s growth strategy is strongly services-led, with veterinary care and grooming “driving higher frequency and stickier customer relationships”, Jain explains.



### European e-commerce matures with increase in regular online shoppers

Geopost’s 2025 E-Shopper Barometer shows the share of regular online shoppers in Europe rose from 48% to 52% last year. The survey revealed that shoppers buying online at least once a month account for 89% of purchases.

Food, beverages and groceries, including pet products, rank among the most purchased categories online. Some 35% of respondents buy these products online, with 32% doing so weekly and 58% monthly.

A September NielsenIQ pet care analysis reports double-digit online growth, with items such as bedding and repellents shifting online. However 82% of pet care spending comes from shoppers using both in-store and online channels.

Meanwhile, a Loop survey from August found the internet is the main channel for buying pet food in the UK (39% of dog owners and 43% of cat owners) and the second most common in France (35% for both).

### Inflation snapshot: January CPI data reveals mixed picture

The first Consumer Price Index (CPI) figures for 2026 reveal that the average rate for pets and related products rose 0.1% in January in the EU, the same rate registered in the Eurozone. Veterinary and other pet services saw higher increases, at 0.6% in both.

In the UK, prices for both pet products and veterinary and other services rose slightly in January, by 0.1% from December.

In the US, the CPI for pet food and treats increased 0.8% in January, while purchases of pets, pet supplies and accessories decreased by 1%. For the first time in the past few months, pet-related services registered a smaller increase than goods, with general services and vet services seeing a 0.6% rise and 0.5% rise respectively.

In Canada, pet food and supplies prices jumped 2.3% in January compared to December. In Brazil, pet food increased at 0.38%, while hygiene services had the highest rise at 1.1%.



DATA INSIGHT

78.3%

of owners in the UK prefer a simple and reliable GPS tracker for their dog or cat over a multifunctional model, according to a survey from tech company Weenect.



NEW APPOINTMENTS

Zoomalia

The French pet e-commerce player named Olivier Léonard as new CEO shortly after being acquired by Holding Nicole, which operates the JMT Le Royaume des Animaux retail chain.

Hill's

The pet business of Colgate-Palmolive has appointed Amalia Londono as Executive Vice President End to End Supply Chain North America.

Post Holdings

Greg Pearson is the new President and CEO of Post Consumer Brands, which includes the US manufacturer's pet food businesses.

TOP 3 INVESTMENTS



Indian pet startup **Supertails** has raised \$30 million (€25.8M) to strengthen its end-to-end pet care ecosystem and expand its services to new regions.

**Mars** is investing \$185 million (€159.3M) in a pet food factory in Kazakhstan designed to have a production capacity of 100,000 tons per year.



Ukrainian pet food manufacturer **Suziria Group** invested €6.1 million (\$7.22M) into a wet pet food production facility with a capacity of up to 5,000 tons per year.

TOP WEB NEWS

JD.com  
relaunches  
in Europe

The Chinese e-commerce giant will operate the Joybuy platform in the European market.

LATEST NEWS





# Understanding Canadian pet parents

As pet ownership continues to grow at a steady pace, households in the country are showing new patterns of spending, care and brand loyalty.



**Christine Carrière**  
President & CEO  
Pets Canada

According to the survey Getting to Know Pet Owners, delivered by NielsenIQ for pet industry body Pets Canada, just over half of Canadian households (52%) currently have at least one pet. And more than half of those homes have multiple pets, with nearly a third caring for more than one species.

### Breakdown by age

When looking more closely at age categories, we see that pet ownership among 25-34-year-olds remains strong, at 53%. This group also has the highest proportion of people who have never owned a pet. That points to continued growth potential, particularly as younger household shoppers navigate renting, urban living and delayed home ownership, while still expressing a strong interest in pets.

Midlife Canadians (aged 35-54) score slightly higher on current pet ownership. Adults aged 35-44 report above the total average, at 53%, and 45-54-year-olds are the highest over-indexed group, at 58%. These stages of life tend to offer greater housing stability, established routines, growing families and the financial ability to support pets – factors that continue to drive ownership rates.

### Room for further expansion

Despite nearing retirement age, 55-64-year-olds also exceed the norm, at 56%. In contrast, Canadians aged 65-74 (46%) and those 75+ (28%) show ownership decline, falling under the national average. It is important to note these groups include experienced pet owners who may downsize – or adjust pet types and care needs – rather than leave pet ownership entirely, pointing to opportunities in senior-friendly products and services.

Taking a wider view, 73% of Canadians have owned a pet at some point in their lives. Over the past 15 years, both dog and cat ownership have risen consistently, with dog households growing slightly faster in recent years.

Looking ahead, there is certainly still room for growth. Nearly 15% of households that have never owned a pet say they are interested in doing so in the future, which provides a prime opportunity for market expansion.

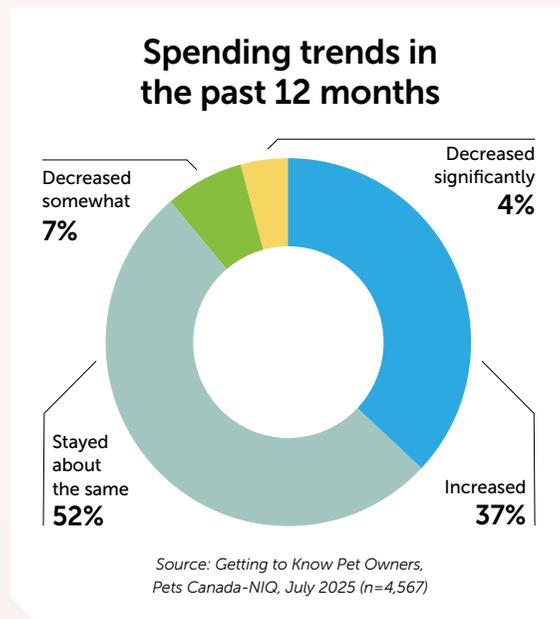
### Importance of veterinary advice

Canadian pet owners looking for advice turn to a mix of trusted sources. Across all pet owners, veterinarians are the most trusted source, with 60% of cat owners and 69% of dog owners relying on their guidance for daily care. As virtual veterinary services increase their presence, 11% of both dog and cat owners say they access them.

Friends and family are given as the next most common source, consulted by roughly one-third of dog and cat owners. This is followed by pet specialty store staff at 20%. Digital-first behavior increases for owners of birds, reptiles, fish and small mammals.

### Sources of information

Reliance on sources varies significantly by pet species. For example, fish owners rely more on pet store staff, online discussion forums and instructional videos, whereas those with more niche pets [▶ SEE NEXT PAGE](#)



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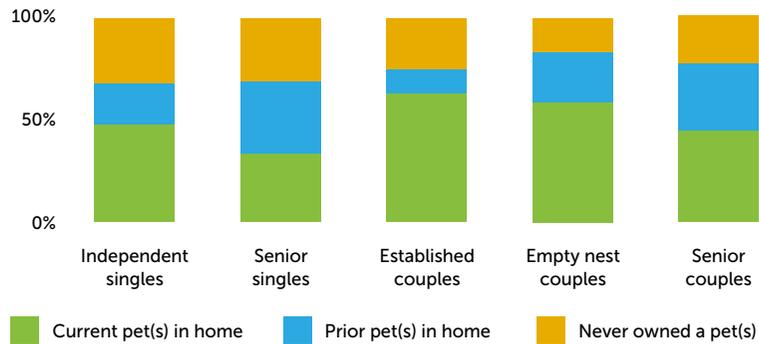
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## SCIENTIST FORMULATED



## Pet ownership in Canada\* (by household demographics)



Source: Getting to Know Pet Owners, Pets Canada-NIQ, July 2025 (n=4,567)

\*Percentages may not total 100% due to respondents who selected 'Prefer not to answer' (representing 1% or less of the sample)

such as reptiles, birds or small mammals tend to consult a wider range of online resources and group chats, rarely depending on a single source.

Shopping via social platforms and digital research is becoming increasingly important, so there is an exciting opportunity for businesses to create clear, trustworthy guides, quick reference tools and curated digital resources. These can help specialty pet owners navigate fragmented information and make more informed decisions about their pets.

### Expenditure trends

In 2025, nearly one in four Canadian pet-owning households felt negatively about their finances, matching the 2024 data. Delving deeper, however, reveals that small mammal and reptile owners felt better off in 2025 than in the previous year, while bird owners felt worse.

Among all pet owners, 37% say they have spent more on their pets in the past year. The largest spending increase appears to be among dog and bird owners, at 40%, while fish and small mammal owners saw the most notable decrease in spending, at 16%.

### Looking to save money

All pet households were asked about the main ways they try to save on expenses. A substantial number seem to look for deals, with 38% stocking up on regular

brands when they find them on sale. Others focus on value per unit, by buying larger sizes for better value (30%), as a way of avoiding reducing consumption.

One in four pet consumers use coupons (25%), which reflects increased price sensitivity and promotion engagement. Another 20% now only buy the essentials, so discretionary items are the most impacted among this group. Channel shifting to manage rising costs is also a strategy adopted by pet owners, with 16% switching to the lowest priced stores.

### Value, sustainability and traceability

Pet owners are prioritizing value, leaning toward private label and value brands. This makes those segments well positioned for continued growth. Further NielsenIQ market research indicates Canadians are refining their spending by looking for brands that will fulfill a specific need, rather than staying brand loyal. As a result, 48% are buying more brands across more categories than ever before.

Sustainability is becoming an important factor for Canadian pet owners, with 52% saying it influences their pet food purchases. This is particularly notable among bird, fish, reptile and small mammal owners. While still a small part of the market, the presence of sustainable products is growing rapidly – reaching 19% in 2025, according to NielsenIQ. Pets Canada has been seeing this trend first-hand at its trade events. [▶ SEE NEXT PAGE](#)

**Nearly 15% of Canadian households that have never owned a pet say they are interested in doing so in the future.**

Hot on the heels of sustainability is traceability. More than 50% of pet owners recognize the value of food traceability, i.e. they see merit in being able to trace a product or ingredient from its origin to their homes.

Reptile pet owners, followed by bird and dog owners, rate the significance of traceability as “very important” in their pet food choices. Canadian pet families are clearly interested in knowing what is in their pet food, where it comes from and how it is made.

**Tariffs boost local brands**

The impact of US tariffs has reinforced the importance of Canadian-made pet products for many households. Even before the tariffs, survey results showed that the country’s pet families value domestically produced goods, thanks to a competitive market and high-quality local suppliers. Today, 70% of pet owners say Canadian-made items are important to them, and 54% report that they are now buying more locally produced products.

The reasons are clear. Supporting the local economy is very much at the forefront (57%), but trusting the quality and safety of ingredients is also very important

to pet owners (34%). Other reasons include reacting to US trade policies, accessing fresher or locally produced items, benefiting from better pricing and availability, and knowing pets are getting well-sourced products.

**Data provides opportunities**

Pets have long held a special place in Canadian homes, and today that bond is stronger and more complex than ever. As the pet population continues to grow, so does the possibility for the pet industry to better understand who today’s pet owners are, what they value and how they care for their beloved companions.

The latest data offers a clear picture of these evolving relationships and what they mean for the future of the Canadian pet market. Pet families in the country are making intentional choices, seeking trusted advice, balancing spending pressures, prioritizing sustainability and traceability, and increasingly supporting new brands.

In terms of international interest in the Canadian market, Pets Canada has observed a growing demand for Canada-based shows from manufacturers outside of North America. For businesses across the pet industry, there is both a responsibility and an opportunity: to meet pet owners where they are and to continue to innovate in ways that support pets, people and communities. ♦





Linda Drysdale, Chief Financial Officer, Pet Valu

## “Roughly 15% of our products come directly from the US”

As tariffs and trade pressures mount, the Canadian pet retailer is updating its supply chain capabilities while expanding omnichannel offerings.



**David Palacios Rubio**  
*Editor-in-Chief*  
*GlobalPETS*

With a footprint of more than 860 stores, Pet Valu sits within 5km of over three-quarters of the country’s households. At the helm of its financial strategy is Linda Drysdale, an executive with over 25 years’ experience in strategic financial planning, audit and risk management across Canada’s financial services and retail sectors. Joining Pet Valu’s board in 2021, she stepped into the role of CFO in 2023.

In the past couple of years, Drysdale has weathered economic headwinds while overseeing omnichannel growth and a major supply chain transformation – including a recent investment that expanded the

company’s SKU assortment by more than 30%. She shares her insights with PETS International on value-driven shoppers, the appeal of Canadian-made brands, the role of pet specialty in a fragmented retail market and why rural communities represent the next frontier for Pet Valu’s growth.

### *What challenges are Canadian retailers facing in today’s market?*

Not too dissimilar to other geographies, Canadian households have seen their budgets pressured in recent years in response to the heightened inflation and rising interest rates that followed the pandemic.

As a result, consumers are increasingly seeking value in everything they buy, including pet care products, and retailers have had to adapt.

▶ [SEE NEXT PAGE](#)

While our core customers appreciate other elements of their retail experience with us, such as great products and personal customer service, price still factors in, and so we've further sharpened our promotional and loyalty programs to meet this need.

***How are recent trade and tariff changes impacting consumer behavior?***

Changes in the trade environment have had a relatively immaterial impact on the products we sell, given the nature of the tariffs and our strong stable of locally sourced brands. But trade disruptions have likely increased economic uncertainty, which has weighed on consumer confidence and willingness to spend, particularly in discretionary categories.

***Has this affected your day-to-day operations?***

Given the immaterial effect of recent changes in the foreign trade environment on our industry, we haven't made material changes to how we operate. We have taken the opportunity to ensure clear visibility of where our exposures may be and discussed continuity plans to adapt if necessary. We've always had a very strong local sourcing presence and will leverage that to continue to meet the evolving needs of our customers.

***To what extent has the 'Buy Canadian' movement influenced pet supply?***

We believe it has impacted, though it's challenging to quantify. We've always had a strong lineup of Made in Canada brands, including some great additions over the last year, which positions us very well given the increased interest.

***How much of your assortment is sourced locally?***

We purchase the vast majority of our retail goods within Canada, with only roughly 15% coming directly from the US and an even smaller proportion coming from other geographies. Given our deep roots in the Canadian marketplace, we have a strong legacy of sourcing local emerging, innovative brands, many of which have grown into the prominent brands we carry today.

***"We've always had a very strong local sourcing presence and will leverage that to continue to meet the evolving needs of our customers."***



***Omnichannel is at the heart of your business strategy...***

We believe we have the strongest pet specialty omnichannel platform in Canada, offering pet owners unmatched convenience. So our most loyal customers shop with us through multiple channels, making in-store trips to make quick purchases, ask questions, use our self-serve dog wash or grooming services – or just to come and say hello. They also leverage our full suite of digital capabilities, including direct-to-home shipping, in-store pick-up and autoship subscription services.

***What spending trends do you see in this channel?***

Our omnichannel customers spend multiple times more than those who just use a single channel. Over 80% of our sales are in consumable products like food, litter and treats, which drive repeat store traffic on a weekly or monthly frequency.

***Which categories are performing particularly well at Pet Valu, and which are seeing a downturn?***

We've seen continued resilience in consumables categories like food and litter, as consumers have skewed their spending towards needs-based products.

Discretionary categories, particularly in hardlines (collars, leashes, toys), have come under some pressure, as devoted pet lovers seek value through substitutions or temporary delay in replacement. This trend has been seen for over two years, as households have recalibrated their budgets in the wake of high inflation and rising interest rates.

***And what about e-commerce?***

Third-party research estimates that roughly 15-20% of pet food and supplies are purchased online in Canada, from both pet specialty and grocery/mass retailers. While our online penetration under-indexes versus the industry average, it has been increasing.

***“The majority of our future expansion lies in rural markets across the country, which we believe are underserved by pet specialty retailers.”***

***How is Pet Valu leveraging q-commerce?***

As part of our strategy to enhance customer convenience, we’ve recently brought in several marketplace providers – Instacart in 2024 plus Uber Eats and DoorDash in 2025. We have been pleased with the initial uptake of our marketplace offering, which complements our broader omnichannel offering.

***You recently completed a CA\$100 million (\$73M/€62M) supply chain transformation with a new distribution center in Calgary...***

Over the course of three years, we replaced an inefficient, aging network of more than nine warehouses and third-party storage facilities with three larger, modern and partially automated distribution centers (DCs) in the Greater Toronto Area, Vancouver and Calgary.

As expected, we’re benefiting from efficient new store expansion, a broader catalogue to better support the needs of our existing stores and franchisees, as well as modern technology and building layouts to generate greater operating efficiencies and productivity.

We also rolled out a warehouse management system across our supply chain, providing greater traceability and unlocking opportunities for technological enhancements like labor and transportation management processes.

***How will this impact your product assortment?***

With the significant capacity increase in our new DCs, we broadened our product catalogue from approximately 7,000 SKUs to over 10,000, allowing our corporate and franchised stores to order more. At our largest DC in the Greater Toronto Area, we now have enough space to ship products to our Chico stores in Quebec, which had previously relied heavily on third-party distributors.

We also installed goods-to-picker automation equipment for smaller piece-pick items like treats,

collars and toys, enabling significant improvements in picking productivity versus our prior, labor-intensive manual processes. Tying this all together, our modernized supply chain is scalable to efficiently support growth over the next decade.

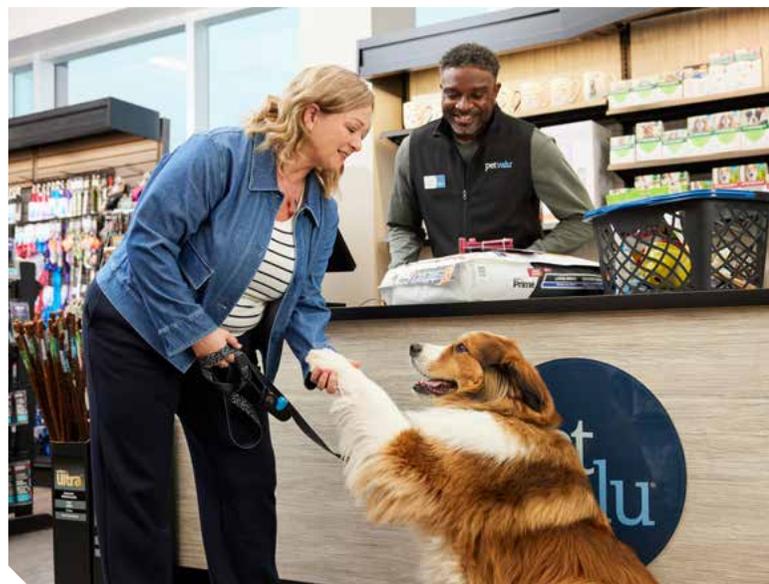
***What growth do you foresee for Pet Valu’s store network?***

We believe there is significant opportunity to continue to grow our store base across Canada to 1,200+ over the long-term. The majority of our future expansion lies in rural markets across the country, which we believe are underserved by pet specialty retailers.

We expect a minority of our future openings to be suburban or urban infill locations, as cities and neighborhoods grow over time. The flexibility of our small format store model allows us to tailor our locations to best serve the needs of their communities, while providing a compelling return to us and our franchisees.

***Are you planning to expand beyond Canada?***

We have not articulated any plans to expand beyond Canada. We believe we have ample opportunity to continue to grow our presence and market share domestically, particularly through store expansion, as we’re only roughly two-thirds of the way toward our long-term goal. ♦





Neil Tenzer, Senior Vice President, Petsense by Tractor Supply

## “Serving rural communities is not a challenge – it’s our unique advantage”

Combining small-format stores with services and a growing private label portfolio enables the US pet retailer to capture market share outside major metropolitan areas.



**David Palacios Rubio**  
*Editor-in-Chief*  
*GlobalPETS*

Petsense by Tractor Supply recently celebrated its 20th anniversary, a milestone reflecting how well it serves pet owners in rural communities, which may not be catered to by big retail corporations.

At the heart of its strategy is Senior Vice President Neil Tenzer. An economist by training, he joined Tractor Supply in 2021, initially supporting marketing and the company’s loyalty program, Neighbor’s Club.

In 2024, Tenzer took over leadership of Petsense, a “dream come true” after 20 years of experience across retail strategy and operations. He shares with PETS International his perspective on how Petsense is

capturing market share in both premium and specialty categories and the role of digital channels in customer engagement.

### *How would you define Petsense’s core value proposition?*

We are a small-format pet specialty retailer serving rural America, what we call ‘Life Out Here’. We have about 207 stores across 23 states. Our business model is to cater to the communities in those markets – making sure we’re providing access to pet products, nutrition and services.

Tractor Supply has always won by embedding itself in its communities, and you’ll find that in a lot of rural communities in the US. We view services as a differentiator, providing grooming, for example, as well as the pet specialty products we offer.

### Did the 2022 rebranding shift your way of operating?

Tractor Supply has learned that our 'out here' customer has more than one pet and tends to spend more too. What we recognized was there was a need for more pet specialty, which is why we invested in the first place.

We realized that we had customers who had needs beyond what we could serve inside Tractor Supply walls – some unique exotics, small specialty pets, and types of brands that maybe didn't fit within that box. So we made sure we were connecting that customer to that premium assortment offering and the services we provided.

Adding 'by Tractor Supply' gave the confidence in the trusted brand that our customers already had, and showed them that we had another place where they could get those services and products. In addition to the rebranding, we invested in our Neighbor's Club program.

So now our customers can get the loyalty benefits associated with the Neighbor's Club at both Tractor Supply and Petsense. What we've noticed is that people who shop both tend to be our most valuable customers in the market.

### How has using the Tractor Supply network changed Petsense logistics?

Fairly dramatically. That starts with supply assurance – by reducing the ways we can access products, we're a much more dependable supplier. That's a huge trust benefit. We also have great transportation partners and our own distribution, so delivery frequency is more consistent and we can balance it with customer demand.

Another point is the extra time our team members then have to serve our customers. It's just one scan on one truck, rather than multiple deliveries across many different vendors. Given the importance of customer relationships in these markets, it's been a huge benefit.

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### ***You're also improving your distribution capabilities...***

We've spent the past few years investing in the integration of Petsense into Tractor Supply through rebranding, the loyalty program and moving to our own distribution network. We used to buy from distributors, and now we're supported by the Tractor Supply distribution network. We've built the platform for growth. Now we're thinking about how to leverage that platform – investing in local communities, services and the omnichannel customer experience.

### ***What does a typical store look like in terms of size, product range and services?***

Our average store is about 5,000-6,000sq ft and has between 5,000 and 7,000 SKUs. We split this into dog and cat – obviously a prevalent area of the business – specialty, which includes small pets, reptiles and exotics – and services.

Nearly all our stores have a salon, and that's a significant and growing part of our business. Demand for grooming services has outpaced supply, particularly in rural markets. Reptile and exotics are also areas that have grown substantially, just as the consumer has shifted post-pandemic.

### ***How fast are exotics and small pets actually growing for you?***

Reptile and exotics are growing mid-single digits and we've noticed that we're taking share in that market. This is growing faster in rural US areas than in the overall market, and we've established ourselves as a destination for that, particularly for reptiles.

As more people return to the office, and dog adoption rates slow, we're seeing a shift in pet preferences. For those who can't easily take a dog for walks, smaller pets are becoming increasingly popular because their care fits a busier lifestyle. We're excited about this as a growth opportunity.

### ***We're hearing a lot about growth in the cat category. Are you seeing the same trend at Petsense?***

We're noticing the cat category is growing faster than it has in the past, because the dog adoption growth we saw during the pandemic has slowed down a bit. It's driving an increase in the cat market size, and we're taking share in that market. You're seeing growth in interesting, more premium foods, as well as ways to engage with cats. Customers want that opportunity to bond with their pet.

We are seeing a change in the way owners relate to dogs too. Our customers are very intentional in what they're buying for dogs. If you hear about the 'silver tsunami' – growth in older dogs – the focus is on high-quality nutrition, supplements and longevity.

### ***You are also strong in private label offerings...***

Tractor Supply has some of the largest private label brands in the US: 4Health is a highly trusted food for dogs and cats, and Retriever is for hardline goods and more value-oriented products. Our customers recognize that 4Health is a great quality product and really good value. We continue to invest in growing our share on the shelf with private label brands.

### ***How much more room do you see for your own brands?***

It would be great to see beyond 10% growth. If you look at the market, you'll find ranges at anywhere from 5% to 35%. I think that we have an opportunity to increase our penetration with our own brands.

### ***What about in-store services?***

Services are growing low-to-mid single digits at Petsense, and we're noticing our ability to take share in that space too, mostly in grooming. We do offer some in-store vet services on a weekly or monthly basis, but our main focus is building grooming. We've seen our growth there outpace the market.

This is a combination of a few factors. First, the quality of our service – our stores receive consistently excellent reviews, and we offer strong value for what we provide. Second, there simply aren't enough groomers to keep up with rapid growth in the marketplace. That's why we've invested heavily in attracting and hiring groomers, plus training.

*“Nearly all our stores have a salon, and that’s a growing part of our business. Demand for grooming services has outpaced supply, particularly in rural markets.”*

We’re helping to build this profession, which is both a rewarding career and a skilled trade.

The third factor is improving the customer experience. There’s a lot of variation in service and experience across the grooming market. We’ve invested heavily to ensure that our customer experience meets a consistent standard that we believe is right.

#### *How does a customer typically discover and shop with Petsense?*

A lot of customers find us online. They’re searching for something like ‘grooming near me’ or ‘pet food’. So our digital business has historically served as a way to find Petsense. That journey for most customers starts with grooming.

They try out our grooming services, build trust with that groomer and the team members, and then move toward food. It’s really solution focused. Our offerings are specialty products – customers often find value-oriented options at grocery stores or mass retailers – so the basket builds from there.

Our digital business is something we’re just starting to build. We have same-day delivery, which has become a true differentiator, and we’ve noticed a lot of customers taking advantage of that, as well as buying online and picking up in-store, just to make sure they have that product reserved.

#### *Can you walk us through the typical customer journey?*

What we find is that most customers purchase two to three items per transaction, including food, plus a toy or a treat. Our most engaged customers shop with us every month or month and a half, but on average it’s about every six to eight weeks.

#### *Do you see changes in consumer behavior regarding premium vs value?*

I don’t see a lot of customers trading down on food. I think there’s a stickiness toward that intention – they really do care about what their pets eat. With the current economy, you’re seeing that customers want more value from premium food: transparency in ingredients, getting additional supplements.

I have not yet seen a flight towards value. That’s the last place customers are willing to sacrifice. They might be shifting in terms of discretionary toys or treats, but we’re not seeing it in terms of food. If anything, you see things like fresh, frozen and dehydrated growing.

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***Where do digital channels fit into your overall strategy?***

I have a strong belief that it's not our place to tell our customers where to shop. I tend to look at this as a customer lifetime value and not what our revenue is in that market. I don't have a target for online because I'm focused more on where the customer wants to shop, rather than compelling them to go toward a digital transaction.

***How do you leverage the Neighbor's Club loyalty program to engage and retain customers?***

That is very important, because we're dealing with over 43 million people – one in seven adults in this country is a Neighbor's Club member. It informs a lot of our perspective about who our customer is. So how do you commercialize that? It's thinking through ways to ensure that our customers are getting the most value from us by giving them opportunities to engage.

If it's a customer who's come in for grooming but hasn't purchased food from us, how do we introduce food to them in a way that's educational and relevant? We manifest that through different channels: in-store at checkout, offers on receipts, prompting them with information.

We don't want to be invasive, but we do collect information during grooming. If they have a smaller dog, these are things that might be relevant. And then in our marketing, we make sure we're personalizing that experience.

***Are most of those 43 million Petsense customers only?***

If you think about Petsense as a company, we're less than 2% of the size of Tractor Supply, with 207 stores versus 2,400 stores. So it's a smaller share. But maybe this is an interesting fact: more than 80% of our customers are Neighbor's Club members.

***"More than 80% of our customers belong to the Neighbor's Club loyalty program."***

***How does Petsense compete with mass retailers and e-commerce giants?***

One dimension is specialty versus mass/value. The other is geographic. If you look at the mass/value space in rural areas in the US, you've got grocery stores and the mass retailers. For the customer who's not a specialty customer, these are an option. There are smaller independents and a few small chains too, but not very many other players beyond Petsense.

When you come into our stores, you'll find team members who are plugged into the community. So mass retailers are competition insofar as they offer pet products, but for the specific customer who's shopping pet specialty, those retailers and grocery stores don't provide the type of trust and products we offer.

***Which regions in the US offer the most potential for your business?***

We're still filling in the space in the southern states. Longer term, we can enter new ones. We have some stores in the upper northwest, so there's always opportunity in that Washington/Oregon area, but I would say predominantly in the south: Texas, Tennessee, Georgia, North Carolina and Florida.

***Do you see opportunities for accelerating store openings in the future?***

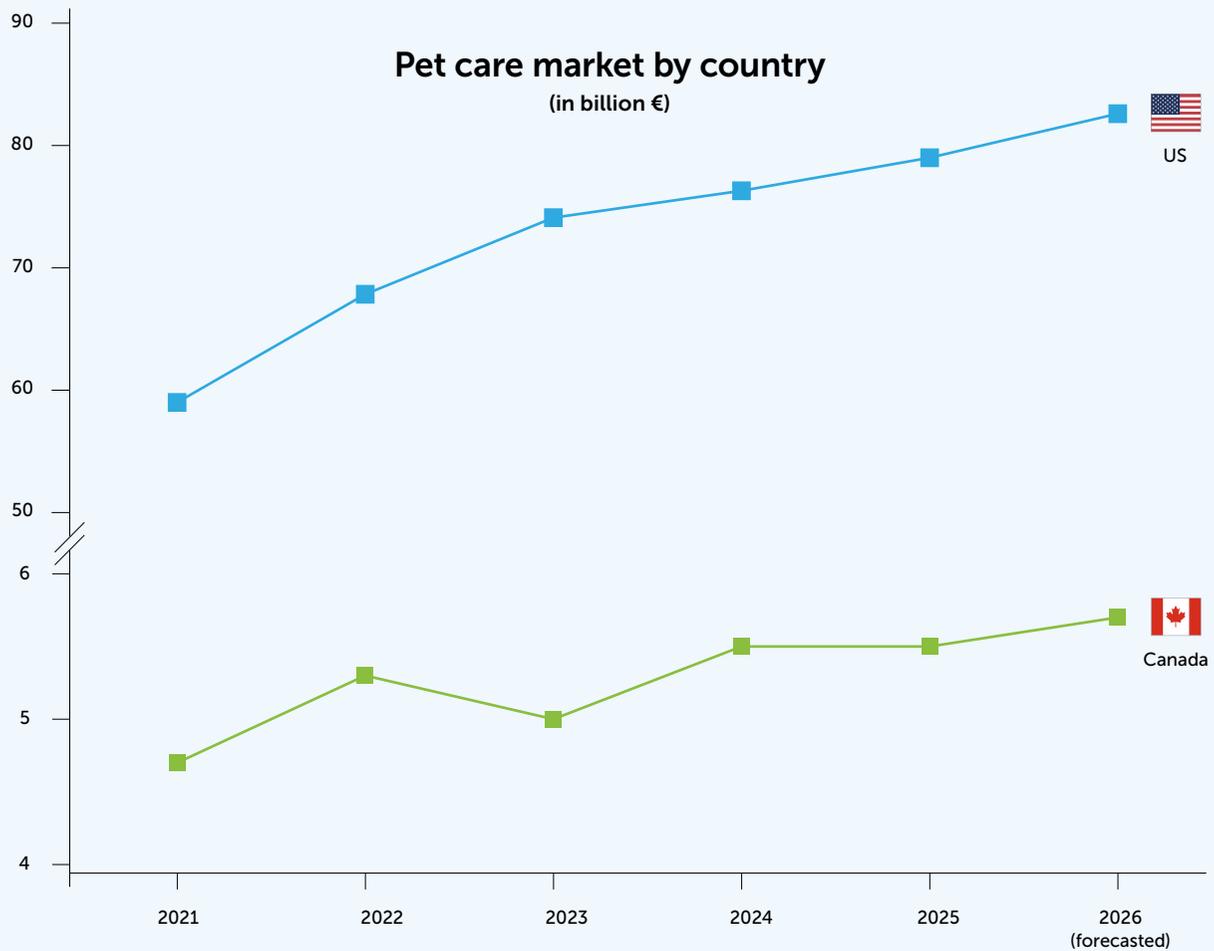
We're growing stores at about five a year. That enables us to be thoughtful about where we place our stores, as well as to really embed ourselves in those communities. We spend time investing in the local community, so it's the right pace for us.

***What are the challenges of serving rural communities in the US?***

It's funny that you say challenges. I think a lot of retailers outside of Tractor Supply view them as challenges – how to resonate with the customer, how to engage in the local community. We don't see it as a challenge. That's our unique advantage – the fact that Tractor Supply is a known and highly trusted brand in our communities. Petsense is just a natural extension. ♦

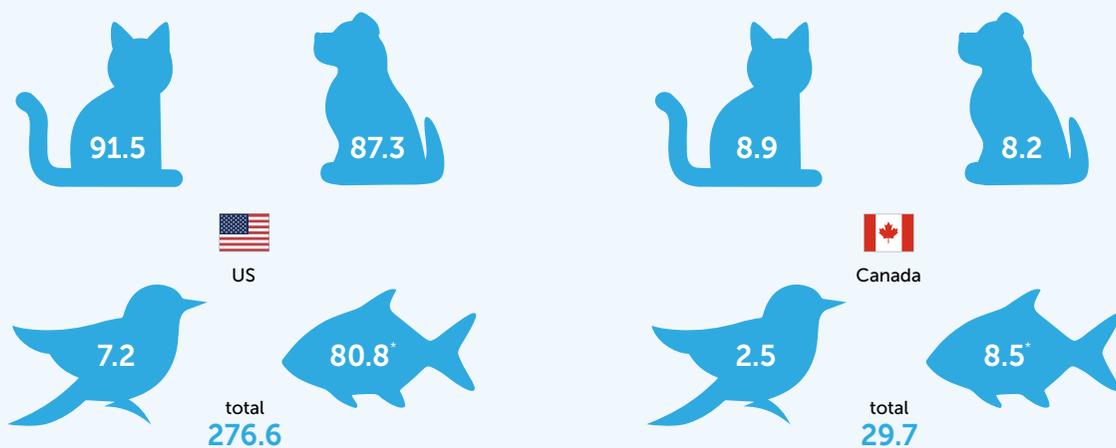


# Pet industry snapshot: US and Canada



## Pet population

(in million, 2025)



Source: Euromonitor International

\*Figures reflect the number of individual fish, not the number of aquariums

A great divide?  
How US and  
Canadian  
buying habits  
are drifting  
apart



American owners are shopping for pet food frequently and increasingly online, while Canadian pet parents are buying less often and prefer brick-and-mortar stores.





**Thaís Matos**  
Senior Business Reporter  
GlobalPETS

Recent consumer research has explored the similarities and differences in purchasing behavior among pet owners in North America. The standout trends in the US are digitalization and mixed wet and dry pet diets. Meanwhile in Canada, high-frequency buying is on the decline.

### Comparing the data

In August 2025, a survey by Yummypets, powered by Loop, asked more than 1,000 pet owners in the US and Canada how frequently they buy packaged pet food.

The same research was previously conducted in October 2023 and December 2024. Analysis reveals some interesting changes in consumer behavior and trends over the past two years.

### Fall in frequency

One notable example is that there has been a significant decline in the number of frequent (twice a month or more) shoppers for pet food in Canada. This figure fell by 8.6 percentage points (p.p), going from 43.1% in 2023 to 34.5% in 2025.

The frequency has also decreased in the US, but by just 3 p.p., as 56% of owners bought food twice a month or more in 2023. This compares with 53% in 2025.

Just over one third (37%) of owners in the US buy pet food once a month, whereas this is the highest-scoring frequency in Canada (52%).

People who buy pet food only occasionally (once a quarter) form the smallest group in both countries: 10% in the US and 13.5% in Canada.

### Growth in mixed diets

The survey also asked consumers whether they give their pets dry food only, wet food only or a mix of both. Very few pet diets are based on wet food only in both countries.

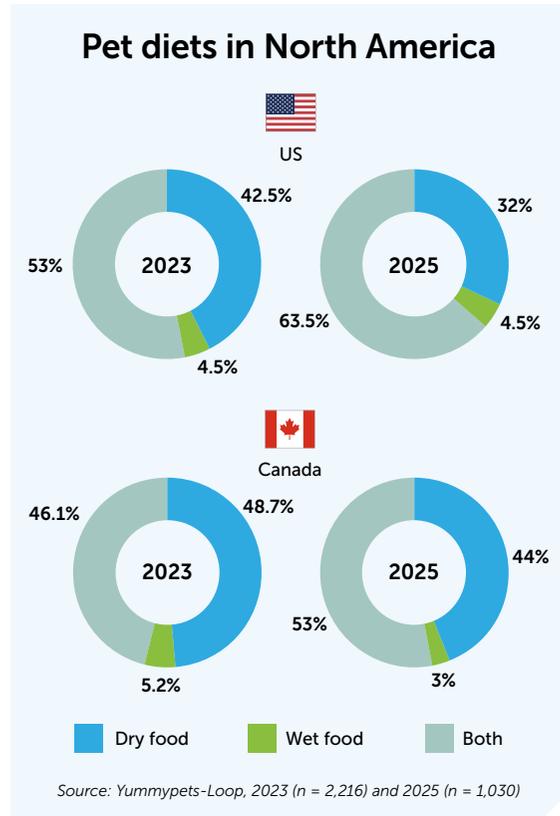
Pet diets based on dry food (kibble) only have traditionally been popular, albeit more so in Canada (44%) than in the US (32%).

In both markets, however, pet diets are moving away from the traditional reliance on kibble only in favor of a mix of dry and wet food. This change is most pronounced in the US, where popularity of the mixed diet increased by 10.5 p.p., going from 53% in 2023 to 63.5% in 2025.

A similar increase is visible in Canada, albeit smaller (6.9 p.p.). There, the number of owners feeding their pets a mixed diet grew from 46.1% in 2023 to 53% in 2025.

In both countries, the main driver of this change was dog food, which has gone from being predominantly dry to incorporating wet food as well. In contrast, wet cat food was already relatively popular two years ago.

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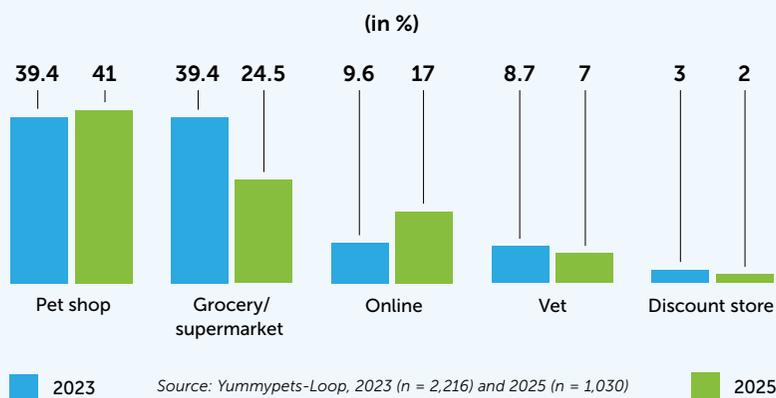




## Preferred retail channels in the US



## Preferred retail channels in Canada



### Digital shift gathers pace

There are significant differences between consumers' preferred pet food purchasing channels in the two countries. Online is now the dominant channel in the US, where digitalization has accelerated in the past two years. There, online pet food purchasing grew from 21% in 2023 to 40.9% in 2025.

In Canada, pet owners are also shifting away from traditional channels in favor of the internet. Although the percentages are still relatively low, the number of owners buying pet food through e-commerce platforms almost doubled between 2023 (9.5%) and 2025 (17%).

### Pet shop popularity in Canada

Perhaps surprisingly, specialized pet shops are still the most used channel when buying pet food in Canada (41%). In contrast, they are not hugely popular in the US (18.6%). Discount stores score low popularity

in both countries, being the preferred pet food shopping channel of just 5% of Americans and only 2% of Canadians.

Interestingly, 7% of Canadians buy pet food at veterinary clinics, compared with just 1.5% of owners in the US.

### The future for physical retail

The penetration rate of supermarkets and groceries is currently fairly similar in both countries, accounting for 28.1% of pet food purchases in the US and 24.5% in Canada. Two years ago, however, supermarkets and groceries accounted for 48% of pet food purchases, representing a dramatic drop.

It remains to be seen whether this trend will continue in the US, and whether the accelerating digital shift in Canada will come at the expense of supermarkets, groceries and other brick-and-mortar stores. ♦

# Reassessing rendering: from waste liability to strategic asset

Is one of the pet industry's most effective sustainability tools hiding in plain sight?



**Esther Prevo, PhD**  
*R&D Manager*  
*Darling Ingredients International*  
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In the complex equation of sustainable sourcing, the industry's most effective tool is likely one it has used for decades. 30% to 40% of every animal intended for human consumption is never actually eaten. If treated merely as waste, this material becomes an environmental liability. When processed correctly, it becomes a strategic asset.

Rendering industrializes nature's own energy transfer. It collects these animal byproducts (ABPs) and subjects them to rigorous, heavily controlled thermal processing. By heating materials to specific temperatures, the process ensures sterilization and pathogen elimination, separating the raw biomass into three clean, usable fractions: water, fats and solid protein meals.

## Environmental impact

For brands and consumers prioritizing a reduced carbon footprint, these ingredients offer a compelling narrative supported by Life Cycle Assessments (LCAs). Research indicates that rendered fats and Processed Animal Proteins (PAPs) frequently outperform alternatives like palm oil or soybean meal regarding greenhouse gas emissions and land use.

Furthermore, the process is inherently water-positive. While steam generation requires water input, the extraction of moisture from raw materials (which are approximately 50-60% water) results in a net water

gain, with treated water returned to the ecosystem. By diverting ABPs from waste streams and re-entering them into the supply chain as renewable feed and fuel, rendering closes the loop on food production.

## Nutritional advantages

Beyond environmental metrics, these ingredients address a critical need in premium pet nutrition. The thermal processing involved does more than sterilize; it stabilizes the material, creating concentrated protein sources that are highly digestible.

Nutritional research highlights that animal-origin ingredients provide a complete amino acid profile and high bioavailability of minerals that plant-based proteins often lack.

By utilizing these nutrient-dense fats and proteins, manufacturers can formulate diets that support optimal metabolic health in pets while simultaneously reducing the industry's reliance on virgin crop production.

## The model in action

This circular model is exemplified by market leaders like Sonac, a brand of Darling Ingredients. As the world's largest producer of sustainable natural ingredients, its global operations demonstrate how ABPs can be successfully valorized at scale.

By supplying traceable, high-quality proteins and fats to the pet food, fertilizer and oleochemical sectors, stakeholders are proving that economic value and environmental stewardship are not mutually exclusive: they are two sides of the same coin. ♦

# Balancing nutrition and sustainability



High-protein claims are often prominent on cat and dog food labels. But are formulators and buyers focusing on the right indicators of quality and environmental impact?



**Ana Rita Amaral**  
*Veterinary Surgeon*

Pet owners increasingly demand diets made with high levels of protein, while manufacturers explore a growing diversity of protein sources to meet nutritional, economic and environmental expectations. Amid this trend, one misconception persists – that a higher protein percentage translates into better nutrition – although this is not necessarily the case.

## Assessing protein quality

The nutritional value of a protein depends primarily on its amino acid profile and the animal's ability to digest and utilize those nutrients. Hardly a single ingredient consistently delivers an ideal balance profile.

As a result, combining multiple protein sources is often necessary to achieve nutritional adequacy. Understanding these nuances is becoming essential for formulators, regulators and brands operating in an increasingly premium and sustainability-driven market.

Digestibility also plays a central role. In general, animal-derived proteins exhibit higher apparent digestibility than plant-based proteins, while also offering more complete amino acid profiles and fewer anti-nutritional factors. However, even within animal proteins, quality can vary substantially depending on both the source and the processing method.

Fresh or gently processed meats tend to show higher amino acid digestibility than rendered protein meals, whose nutritional value is heavily influenced by rendering conditions such as temperature, time and moisture.

## Sustainable logic of byproducts

Rendered ingredients remain the foundation of the pet food industry. From a sustainability perspective, rendering allows the efficient use of co-products from the meat industry, reducing waste and supporting circular economy principles.

Globally, livestock production accounts for an estimated 11-19% of greenhouse gas emissions. Poultry processing

alone generates significant effluents per bird (18.9-37.8), highlighting the importance of efficient byproduct utilization.

According to the Pet Food Institute & Institute for Feed Education and Research's 2025 report, animal-derived co-products in the US account for millions of tons of ingredients annually, with approximately 31% of rendered protein directed to pet food. In 2024, more than 4 million tons of upcycled ingredients were incorporated into pet food formulations, accounting for approximately 44% of total ingredient use.

However, rendering involves thermal processing that can compromise heat-sensitive amino acids such as lysine, threonine, methionine and tryptophan. Diets with high inclusion levels of rendered meals often require synthetic amino acid supplementation or blending with less processed protein sources to maintain nutritional adequacy.

### Processing methods matter

Scientific evidence consistently shows that the processing method strongly influences protein utilization. Researchers from the University of Illinois published a study in the *Journal of Animal Science* in 2019 that compared chicken meal with raw, retorted and steamed chicken.

Although chicken meal contained higher crude protein, its amino acid digestibility was lower (78-88%) than less processed forms. Steamed chicken demonstrated the highest digestibility, with most essential amino acids exceeding 90%.

Further work from the University of Illinois, published in 2023 in the same journal, reported that chicken meal frequently scored below 100 when evaluated using Digestible Indispensable Amino Acid Score (DIAAS)-like methodology, indicating potential limitations in meeting canine and feline amino acid requirements.

### The lure of alternative proteins

As sustainability becomes a strategic priority, the industry is investing heavily in alternative protein sources, including insect meals and laboratory-cultivated or single-cell proteins (SCPs). These ingredients often offer a significantly lower

***Diets with high inclusion levels of rendered meals often require synthetic amino acid supplementation or blending with less processed protein.***

environmental footprint than conventional livestock-based proteins, but their nutritional performance must be carefully evaluated.

### How viable are insect ingredients?

Cricket meal and other insect-based ingredients have gained attention for their efficient resource use and favorable sustainability metrics. However, nutritional limitations remain.

A study published in 2025 in *Veterinary World* by researchers at Thailand's Kasetsart University showed that hydrolyzed cricket protein may meet minimum requirements for certain amino acids, such as arginine, aspartic acid and glutamine, but can fall short for others, including tryptophan. When combined with byproduct poultry meal at inclusion levels of 10-15%, complete amino acid requirements can be achieved, illustrating the importance of complementary formulation strategies.

Yellow mealworm-based ingredients have shown particularly promising results in digestibility studies undertaken by the University of Illinois and published in the *Journal of Animal Science* in 2025. Defatted mealworm without cuticles achieved DIAAS-like scores above 100 for puppies according to National Research Council (NRC) and European pet body FEDIAF criteria.

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Precision-fed cecectomized rooster assays also demonstrated favorable essential amino acid digestibility, ranging from 92.3-95.3%, thereby outperforming many traditional animal proteins.

Further reinforcement of the nutritional potential of insect-based ingredients comes from a study published in the *Journal of Animal Science* in 2025, again by researchers at the University of Illinois. The research evaluated the indispensable amino acid digestibility of two defatted black soldier fly larvae meal (BSFLM) samples in comparison with conventional pet food proteins such as chicken meal and whole egg powder.

One of the BSFLM samples demonstrated high digestibility for all indispensable amino acids (>75%), with arginine digestibility comparable to whole egg powder – the ingredient with the highest overall digestibility (>91%). Notably, both BSFLM samples matched or exceeded the amino acid digestibility of chicken meal, positioning BSFLM as a highly digestible and technically viable alternative protein source for dog and cat foods.

As with other novel proteins, however, formulations using BSFLM as a primary protein source require careful amino acid balancing, particularly for methionine plus cysteine and/or phenylalanine plus tyrosine.

### Lab-grown protein shows potential

Laboratory-cultivated and microbial proteins represent another rapidly emerging category. SCPs derived from

***Life Cycle Assessment studies emphasize that ingredient selection is the dominant contributor to the environmental footprint of pet food.***

microorganisms such as *Methylococcus capsulatus* have shown high digestibility, favorable amino acid profiles and DIAAS-like values exceeding 100.

A 2025 pilot study published in *Frontiers in Veterinary Science* led by a joint Indian and Australian research team evaluated fermented microbial protein produced from greenhouse gas substrates in extruded dog food. Inclusion levels of 5-10% demonstrated good palatability and digestive tolerance in adult dogs, highlighting the potential of SCPs as nutritionally viable and environmentally transformative ingredients.

### Ingredient choice is key

Life Cycle Assessment (LCA) studies emphasize that ingredient selection is the dominant contributor to the environmental footprint of pet food.

A study from a Brazilian research team published in 2024 in the *Journal of Cleaner Production* evaluating extruded pet food production in Brazil documented average emissions of approximately 1.37kg CO<sub>2</sub>-equivalent per kilogram of food. Ingredient choice represented 70-90% of total environmental impact, surpassing manufacturing and distribution stages.

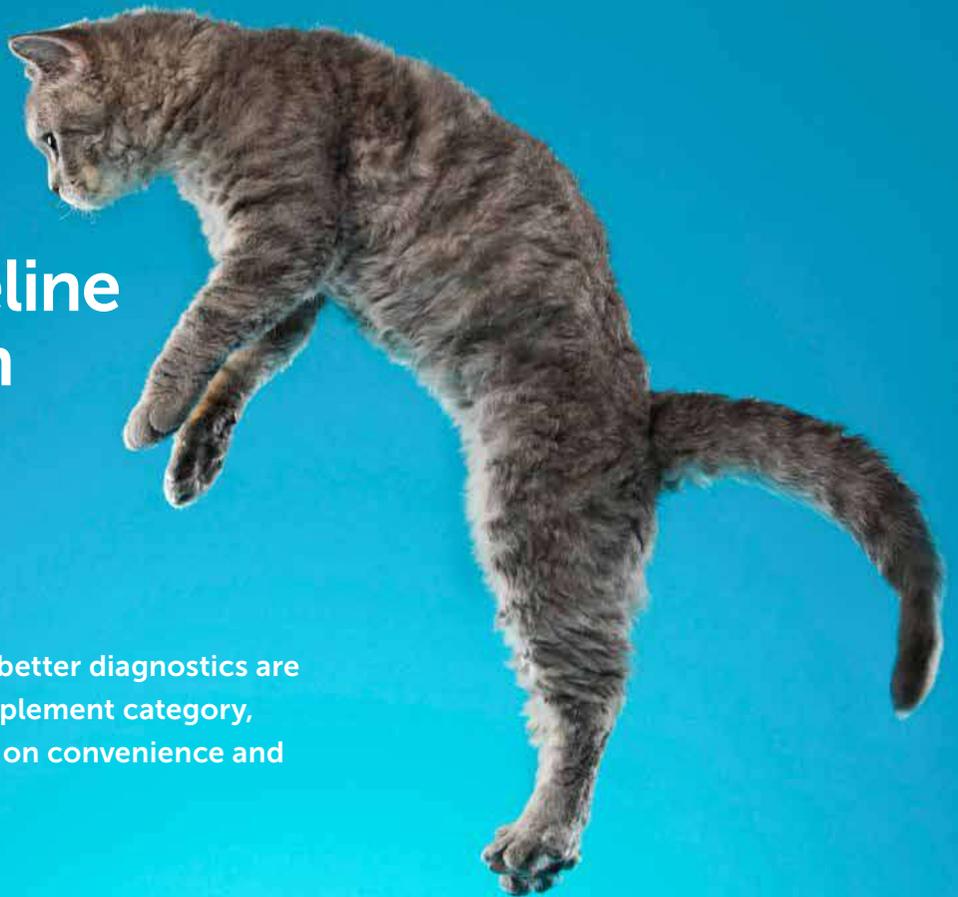
Outside greenhouse gas emissions, significant impacts were observed in terrestrial and marine eutrophication (destructive algae growth), particulate matter formation and acidification. These findings confirm that sustainability strategies must prioritize formulation decisions, most notably the responsible use of animal and plant co-products.

### Managing a balancing act

As protein innovation accelerates, the pet food industry faces simultaneous challenges in delivering optimal nutrition while minimizing environmental impact. High protein claims alone are not enough. Particularly for new and alternative protein sources, a comprehensive evaluation of amino acid profiles, digestibility, safety, palatability and long-term health effects is essential.

The future of pet nutrition lies not in chasing higher protein percentages but in formulating balanced diets that align nutritional excellence with environmental responsibility. ♦

# Putting a spring in feline joint health



Longer cat lifespans and better diagnostics are driving growth in the supplement category, with innovation focusing on convenience and advanced formulations.



**Adam England**  
Contributor  
*PETS International*

As pet cats are living longer – often to between 13 and 20 years of age – joint and mobility issues are becoming more common. Owners are increasingly taking proactive steps to maintain their companion's health and mobility. What new opportunities is this creating for brands?

## Cats are catching up

Based on analysis by Strategic Revenue Insights, the global dog and cat joint health supplement market is forecast to grow at around a 6-7% compound annual growth rate (CAGR) until 2033, reaching about \$1.5 billion (€1.25B) in value.

While dogs currently account for the majority of spending, the feline segment is expected to grow at a faster pace due to increasing focus on feline wellness and prevention, and ongoing innovation in the category.

## Steps to support longevity

Cats are notoriously good at hiding pain. "How often have I heard owners say, 'Oh, he's just getting old, but he's not in any pain?'" says Dr. Humphrey Grimmett, a veterinary surgeon who co-created the oral liquid joint supplement Zoomy.

However, according to a study published in the *Journal of the American Veterinary Medical Association*, up to 90% of cats over 12 show signs of arthritis on X-rays. Nowadays, this painful problem has come to be seen as a manageable condition that can be treated – and perhaps even prevented – rather than an inevitable sign of aging.

As a result, a growing number of cat owners are not only treating acute symptoms, but are also seeking products that support long-term mobility. "Rather than waiting for a symptom to occur, they're taking steps to ensure their cat's longevity," says Neil Yadollahi, founder of UK pet supplement company WellPaws.

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## Rising popularity of liquids and gels

In particular, the liquid and gel segment of the pet supplement market is projected to grow substantially between 2026 and 2035, according to Precedence Research. The rise in demand is being driven by elderly pets, small breeds, and those with dental problems or who struggle to swallow solid supplements.

“The cat-specific market is quite an interesting one,” says Yadollahi, who explains that it can be difficult enough to get dogs to swallow tablets, let alone cats. “We’ve spent the last three or four years developing formulations that are easy to administer, won’t upset their gut and make supplementation a stress-free routine for owners.”

## Easier to administer and absorb

Dr. Grimmert points out the practical advantages of liquids. “The overriding benefit for the owner is that compliance with the regimen is easier, so their cat is likely to receive the full amount regularly. It’s this consistency over time that leads to better joint support and observable improvements,” he explains.

“Some liquids can even be syringed directly into the mouth, making administration easier for tricky cats. And they’re more efficiently absorbed than tablets or chews, which need to be broken down first,” he adds.

## Innovation and differentiation

Startups and challenger brands such as WellPaws and Zoomy are at the forefront of innovation in this segment, differentiating themselves from established brands through greater agility and faster development.

For example, WellPaws’ Bone & Joint Care Syrup contains pre-dissolved ingredients including glucosamine, BioCell Collagen, chondroitin and hyaluronic acid, and can simply be poured over a cat’s regular food. They enjoy the syrup, says Yadollahi. He also views it as changing the way pet owners view supplementation, now that administering it is aligned with their own habits.

## Looking beyond glucosamine

Glucosamine has long been used to help treat conditions such as osteoarthritis in pets, though its benefits aren’t as clear in cats as they are in dogs.



Increasingly, manufacturers are developing advanced formulations combining it with ingredients including UC-II collagen, green-lipped mussel (GLM), turmeric and *Boswellia serrata*. These ingredients offer benefits including pain reduction, anti-inflammatory support and cartilage protection.

WellPaws’ Joint Care Chewables, for example, contain Boscurin, a blend of *Boswellia serrata* and turmeric. And both WellPaws’ and Zoomy’s liquid products contain hyaluronic acid.

Dr. Grimmert explains: “Long-chain hyaluronic acid is absorbed and distributed to the joints, replenishing joint fluid and helping lubricate surfaces. It also interacts with receptors in the gut, modulating inflammatory processes through the gut-immune axis.”

## Multi-ingredient formulas with impact

“We focus on ingredients that have real impact and deliver real results, which is why green-lipped mussel is the hero of our YuMOVE Joint Care formulas,” says Dr. James Baschiron, founder of Illinois-based pet health company Vetrinique.

He explains that GLM offers a naturally rich source of omega-3 fatty acids and joint nutrients that support the body’s anti-inflammatory pathways, helping maintain joint comfort, mobility and flexibility in aging cats.

***Startups and challenger brands are at the forefront of innovation in this segment, differentiating themselves through greater agility and faster development.***

*Liquids are moving beyond simple supplementation into functional daily support, reflecting trends in pet humanization and e-commerce.*

### Proactive rather than reactive

The development of liquid and gel supplements and the diversification of ingredients are not two isolated advancements.

Together – with one improving administration and absorption, and the other ensuring the supplements are effective in the long run – they work to support cats' long-term joint and mobility management, and are proactive rather than reactive healthcare.

“Long gone are the days of people seeing symptoms, bringing their pet to the vet and spending endless money on vet bills and a week's course of tablets,” adds Yadolahi. Instead, people are opting for multi-ingredient formulas with proven benefits.

Liquid and gel formats are desirable from a retail perspective, too, as improved administering often prompts consistent long-term use and repeat purchasing – particularly for cats, whose owners can find giving supplements difficult.

### Further growth on the cards

Liquids are moving beyond simple supplementation into functional daily support, reflecting trends in pet humanization and e-commerce – particularly in the US and Europe.

North America remains the largest market due to high pet ownership and a focus on preventive care, but Europe is seeing steady growth driven by education and demand for products backed by science.

The market for liquids, gels and multi-ingredient formulas is projected to continue to grow over the next decade, driven by more senior cats requiring proactive care, greater owner expectations, veterinary insights and product innovations.

### Opportunities for pioneering brands

While the feline joint health and mobility supplement segment still trails the canine segment in market size, its projected growth rate and lower level of saturation make it an attractive area for innovation-led brands. The pace-setting startups and smaller companies could prompt larger corporations to follow suit.

Companies addressing administration challenges, palatability and feline-specific formulation are well-positioned to seize opportunities for differentiation and market-share capture as the category grows. ♦

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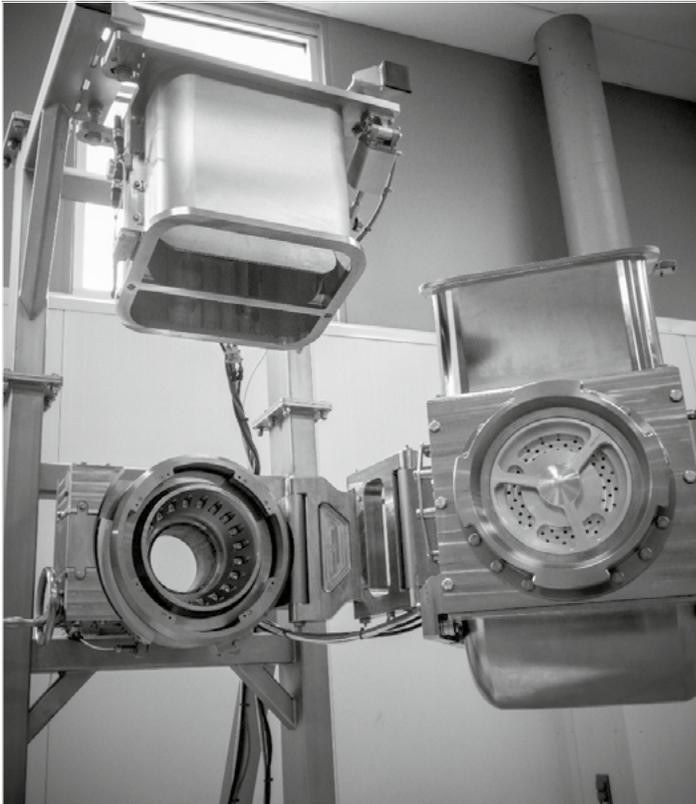
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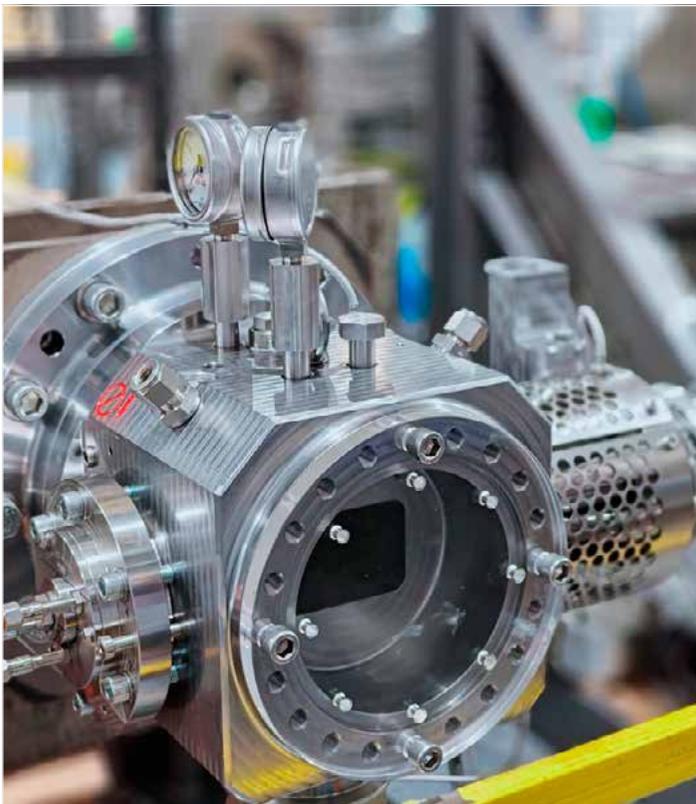
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# Pet food processes: extrusion vs cold press

Science and brands alike are being pushed to explain how production methods affect digestibility, nutrients and health.



**Alexandra Wesker**  
Contributor  
PETS International

Recently, extruded pet food has been receiving bad press by being likened to 'ultra-processed' human food, thereby becoming less appealing to consumers. As research emerges, it seems some ingredients may prove healthier through the use of particular processes than others.

## Effects of heat on digestibility

Heat during extrusion greatly improves the digestibility of starch through gelatinization and of protein through denaturation, and reduces some anti-nutritional factors such as phytic acid, tannic acid and trypsin inhibitors, which affect protein digestibility.

Extruders have a barrel that can be heated, through which the feed mash is moved by screws. Barrel heat goes to boiling temperature, but the temperature is increased above that by increasing pressure from the screws where the screw channel becomes shallower and the material is compacted.

Improved digestibility is, however, also one of the claims used by pressed food manufacturers. Extruders and presses both mix ingredients and shape these by pressing through a die. Temperature and pressure are

the main differences between the two. Pressing occurs at temperatures between 40-80°C and results in compact shapes, often pellets.

A study by researchers at Wageningen University in the Netherlands and published in the *Journal of the Science of Food and Agriculture* in 1996 on apparent total tract digestibility of protein found higher digestibility for pressed than extruded diets using gelatinized corn starch.

However, fecal pH was lower on the extruded diet, suggesting more fermentation and bacterial protein from the hindgut leading to lower apparent protein digestion, whereas real digestibility could be the same.

## Influence of ingredients

When native grains were used, the reverse effect in digestibility was observed. Fermentation of the undigestible fraction reduced apparent protein digestibility of the pressed diet, as reported in a research study from the Kafkas University, Turkey, and published in the university's *Journal of the Faculty of Veterinary Medicine* in 2017.

Extrusion often uses ground, native or whole ingredients that go through a hammer mill before entering the extruder. The product gets cooked through the extrusion process,

▶ [SEE NEXT PAGE](#)

## ***Controlling thermal and mechanical energy might help control the Maillard reaction and the more advanced, potentially harmful, compounds.***

although some ingredients may have been (partly) gelatinized in advance. Pressing does not offer the same cooking step, but some ingredients require pre-cooking to enhance digestibility, maintain food hygiene (e.g. animal byproducts) or reduce anti-nutritional factors.

Some manufacturers of cold-pressed pet food claim increased digestibility and reduction of bloat allegedly caused by air in extruded kibble. Bloat, however, results from gas production through fermentation and there are no conclusive studies behind this claim.

### **Analyzing the Maillard reaction**

The impact of the Maillard reaction is receiving scientific attention, and appears highly relevant to pets. It plays an important role in the production of dog and cat food for palatability and the average daily intake by cats and dogs of reaction products is much higher than it is for humans.

The reaction is accelerated with increasing heat and constitutes predominantly of an amino acid and sugar, with those providing most binding places reacting more readily. Lysine is most reactive and the resulting bonds (such as fructoselysine and carboxymethyllysine) render the amino acid indigestible.

Lysine is an essential nutrient, and extrusion and high drying temperatures have shown to decrease lysine bioavailability. However, the average contents of fructoselysine and carboxymethyllysine were reported to be higher in commercially available pressed dog foods than in extruded dog foods in a study run by researchers at Wageningen and published in *Nutrition Research Reviews* in 2014. The lower processing temperature is therefore not the main determining factor for the pressing process.

### **Reactive byproducts**

Turning the heat up further causes advanced glycation products to form. These naturally form in bodies; however, some could be harmful, including acrylamide,

a probable carcinogen in humans. Acrylamide is found in common human foods, including potato chips and bread cooked over 120°C, and depends on the amino acids present, with asparagine playing the lead role for acrylamide formation.

Although toxic at high levels, a direct link between levels in processed pet food to health effects in pets is yet to be established. Limited work on dog food from researchers at Azabu University in Japan showed higher levels in extruded than in retorted dog food. Daily intake was estimated to be four times higher in dog than in human food, according to a study published in *Fundamental Toxicological Sciences* in 2021.

The formation of harmful compounds is certainly not exclusive to the extrusion process itself, although extrusion can allow for an increase in the formation of these compounds. Dry pet foods with high inclusions of frozen or fresh animal byproducts require a twin-screw extruder. Twin-screw extruders provide better control and can handle substances with high moisture, fat and/or fiber. They have most power – and with great power comes great responsibility.

In extrusion, the ingredients, moisture levels, thermal and mechanical energy play lead roles for the Maillard reaction. Accordingly, the use of twin-screw extruders, which provide more flexibility, also allows greater possibility to create high thermal and mechanical energy inputs. We know that this can lead to the formation of different compounds.

However, there is no conclusive research linking these formed compounds to health implications for pets.

### **Matching ingredients and process**

Extruded dog food with similar compositions containing hydrolyzed animal protein results in more Maillard reaction products with increasing mechanical energy input. Hydrolyzed animal protein has more available binding sites for engaging in the Maillard reaction.

Controlling thermal and mechanical energy might help control the Maillard reaction and also the more advanced, potentially harmful, compounds. This is a necessary consideration for all kinds of protein, and especially for hydrolyzates.

Extrusion can release phenolic compounds from the cell walls of cereal grains, sweet potato and cereals in combination with vegetables, thereby increasing the levels of antioxidants in the finished product. However, the levels of tocopherols,  $\beta$ -carotene and anthocyanin decrease.

In contrast, high barrel temperature may lead to decarboxylation, and high moisture content may promote polymerization of phenolic compounds, thereby reducing antioxidative capacity. The impact depends not only on the level of bioactive compounds, but also their composition.

### The backlash against UPFs

A human population-based cohort study was conducted by Harvard over 34 years with more than 100,000 participants in the US, monitoring mortality rate and ultra-processed food consumption.

Published in the *British Medical Journal* in 2024, it reported that participants in the highest quarter of

ultra-processed food consumption had a 4% higher all-cause mortality and 9% higher mortality from causes other than cancer or cardiovascular diseases, compared with those in the lowest quarter. However, this association reduced when the overall dietary quality was considered.

According to Mintel data, manufactured pet food has become less appealing to 48% of UK pet owners due to concerns over the healthiness of ultra-processed food. Mobile apps for consumers have been developed that score the level of processing or additives in food. Mintel reported that air-dried, freeze-dried or cold-pressed pet food launches doubled their share from 3% to 8% of launches between November 2020 to October 2025.

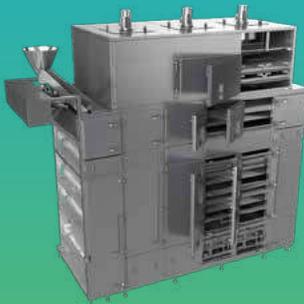
### Taking a balanced view

Each process has its benefits and pet food brands would do well to concentrate on those, as opposed to focusing on the downsides of their competitors. Substantiating the ingredient selection for your production process is the reasoned choice. ♦

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# How safe are pet food additives?

**Despite growing consumer concern, current evidence does not support claims that approved synthetic additives pose significant health risks to cats and dogs.**



**Ana Rita Amaral**  
*Veterinary Surgeon*

A systematic review published in the journal *Animals* in 2025 evaluated over 120 studies on additives, preservatives and ingredient quality in pet food. It found that adverse effects associated with approved additives are rare and statistically insignificant. However, growing pressure from consumers urges the need for robust communication.

## Consumer preferences

Feed additives are defined by the Association of American Feed Control Officials (AAFCO) as ingredients used for technological, nutritional or functional purposes, used in microquantities and subject to safety evaluation.

***Effective antimicrobial preservatives are essential to complement antioxidant strategies.***

According to the International Food Information Council (IFIC), 62% of consumers reported that ingredients have at least a moderate influence on their purchasing decisions, and 58% of consumers agreed that they avoid products with “chemical sounding” ingredients.

## Synthetic antioxidants as preservatives

Lipid oxidation is one of the main causes of decreased nutritional quality, especially in diets with higher lipid content. It compromises palatability, reduces nutritional value and generates potentially harmful secondary oxidation products. The main antioxidants used as preservatives include butylated hydroxyanisole (BHA) and butylated hydroxytoluene (BHT), which possess a high level of effectiveness at concentrations below 200ppm.

Another important characteristic of these synthetic antioxidants is the high thermal stability, essential for processes such as extrusion and maintaining a technological advantage compared to natural alternatives for products with a longer shelf life.

[▶ SEE NEXT PAGE](#)

Foods with a high percentage of moisture have an increased risk of fungal growth and mycotoxin production, representing a high sanitary risk. Effective antimicrobial preservatives are essential to complement antioxidant strategies.

### **BHA: safety and regulatory assessment**

In a scientific opinion piece published by the European Food Safety Authority (EFSA) in 2021, the safety of BHA was evaluated. In cats, it was included in the diet at levels up to 750mg/kg of food, five times higher than the concentration indicated by the 2018 EFSA Panel on Additives and Products or Substances Used in Animal Feed (FEEDAP).

No adverse effects were observed in hematological, serum biochemical and fecal quality analyses, demonstrating a robust margin of safety.

### **BHT: properties and toxicological profile**

BHT is authorized for use as an antioxidant up to a maximum level of 400mg/kg of feed, in accordance with Regulation (EC) No 1333/2008.

From a toxicological point of view, BHT exhibits low acute toxicity, with oral LD<sub>50</sub> values ranging from 940 to 2,100mg of BHT/kg of body weight in cats, well above typical dietary exposure levels. This data supports the authorization as a safe and effective antioxidant within regulatory guidelines.

### **Sorbic acid and potassium sorbate**

Sorbic acid and its salt, potassium sorbate, are antimicrobial preservatives that inhibit the growth of filamentous fungi and yeasts.

The 2012 FEEDAP Panel concluded that potassium sorbate is safe for dogs and cats when used at maximum levels of up to 5,000mg/kg in semi-moist complete foods. The 2014 EFSA proposes a maximum content of 2,500mg/kg of sorbic acid and 3,400mg/kg of potassium sorbate in complete foods for all animal species.

### **Natural antioxidants and preservatives**

#### **Tocopherols**

Tocopherols (vitamin E) are widely used as natural antioxidants, generally in concentrations between 50 and 300ppm.



Natural tocopherol-rich extracts consist of a mixture of active substances, predominantly alpha-tocopherol, obtained from multiple extraction and retinization steps of vegetable oils. Although they have proven antioxidant activity, comparative studies consistently demonstrate lower long-term efficacy in lipid protection compared to synthetic antioxidants.

#### **Essential oils**

Essential oils and their components have been extensively investigated as natural alternatives to synthetic preservatives, especially in animal-derived food systems such as beef, lamb and poultry. Multiple studies demonstrate that these compounds exhibit antimicrobial activity under controlled conditions.

In beef fillets, the application of 0.8% oregano essential oil resulted in a reduction of *Listeria monocytogenes*, in addition to a decrease in lactic acid bacteria. In ground beef, the addition of 1% oregano oil promoted a reduction of the total count of viable microorganisms.

While these results are promising, the high inclusion levels required may present challenges related to palatability, cost and formulation constraints in pet food systems.

### Other functional additives

A clinical trial run from the Clinical Veterinary Hospital, Madrid, and published in *BMC Veterinary Research* in 2021 evaluated in dogs the use of antioxidants of natural origin, including rosemary, green tea, citrus pulp and vitamin C. The authors assessed the pruritus score and reported improvement in the animals evaluated. No adverse reactions were observed throughout the experimental period.

Researchers from Cornell University College of Veterinary Medicine investigated the effects of plant extracts, specifically green tea, turmeric and rosemary, in an in vitro experimental model, focusing on the inhibition of cancer cell proliferation. Published in *BMC Veterinary Research* in 2016, the results demonstrated a beneficial effect, characterized by significant antiproliferative activity on tumor cells, with no evidence of cytotoxicity at the effective concentrations tested.

The effectiveness of natural extracts as antioxidants has been demonstrated in fresh meat products. Rosemary extract used in hamburgers and pork sausages promoted a consistent reduction in lipid oxidation, both under refrigeration and freezing conditions. In fresh South African sausages (boerewors), the use of rosemary extract showed a similar effect on oxidative stability.

In addition, green tea extract reduced lipid oxidation, preserved the red color in raw products and delayed the development of rancid flavor in cooked meat products.

While promising, these results are derived from models that differ from commercial pet food systems, so further research is necessary to draw conclusions regarding effectiveness and safety.

### Responsible use of natural antioxidants

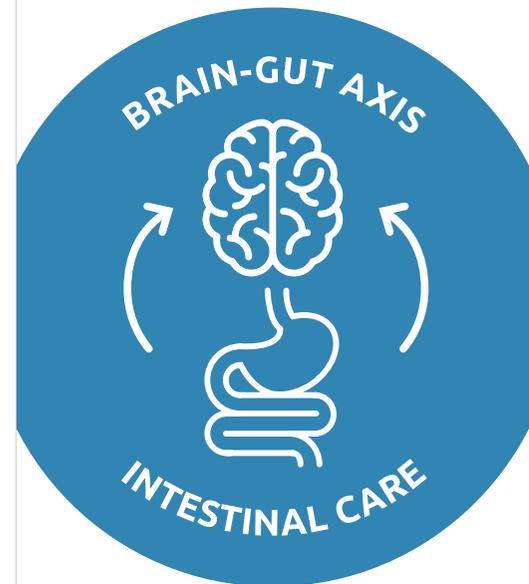
Stability tests indicate greater formation of lipid peroxides in diets preserved exclusively with natural antioxidants, especially under uncontrolled environmental conditions. This reinforces the need for technological adjustments, such as oxygen barrier packaging and reduced shelf life.

The responsible use of natural ingredients requires alignment between technological feasibility, regulatory compliance and transparent communication, ensuring that market-driven choices do not supersede evidence-based formulation practices. ♦

***Rosemary extract used in hamburgers and pork sausages promoted a consistent reduction in lipid oxidation, both under refrigeration and freezing conditions.***



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# Pick of the litter: the latest in cat waste solutions

**Investments in premium clay and alternative ingredients such as wood, tofu and olive pits meet consumer demands for innovation, efficiency and sustainability.**



**Thaís Matos**  
*Senior Business Reporter*  
GlobalPETS

Premiumization in the pet market has reached even the most generic of products, including cat litter. Behind the small grains that soak up feline waste are research and innovation developments – making products more natural, functional and environmentally friendly, plus a better fit for automatic litter boxes.

## The commoditization process

Cat litter is a product that is currently undergoing a process of ‘decommoditization’, to quote Juan Pablo Martinez, the CEO at Chilean company Ludipek, a wholesale distributor of pet food, accessories and nutraceuticals to veterinary clinics and pet shops.

As the cat segment has become more dynamic, litter has moved from being a commodity with no brand differentiation to a more sophisticated product, with consumers seeking a better composition and smell, as well as durability. “It’s what happened with pet food,” Martinez says.

Recent innovations have been on two fronts: the premium treatment of bentonite clay – the most common component of cat litter – and the incorporation of new materials.

## Technology as a demand driver

Whisker is a pet products manufacturer that is best known for its Litter-Robot, now in its fifth generation. The company also manufactures its own premium and natural litter, which is made with just one ingredient: its “high-quality” sodium bentonite clay.

According to Kala Drake-McAloon, Director – International at Whisker, good cat litter is essential for the box to function properly because it “forms tight, clean clumps that reduce waste and help keep the inside of the unit spotless”. She says that lower quality litters tend to scatter, stick to the globe and break apart, leaving residues that affect performance.

The litter premiumization process at Whisker involves sun-drying the clay instead of mechanically processing it, Drake-McAloon explains, “which keeps dust levels low”. According to her, this also helps to improve the air quality in homes that use the product – especially important for owners and cats who are sensitive to dust.

Whisker’s Director believes that automatic boxes tend to drive the demand for premium litters. That is due to consumer awareness of the benefits, as they search for convenient ways to use and maintain the box. One example of this is the growth in litter subscriptions linked to automatic box purchases. [▶ SEE NEXT PAGE](#)

**As the cat segment has become more dynamic, litter has moved from being a commodity with no brand differentiation to a more sophisticated product.**

### Same clay, new treatment

The premium trend has also been seen with Litter Genie®, a disposal system owned by the Canadian company Angelcare. In September, the brand launched Litter Genie Light, a premium clumping clay litter that is “naturally sourced and 20% lighter” than conventional varieties, Angelcare CEO Rahul Sharda tells PETS International.

“What sets us apart is the rapid ammonia absorption for odor control, hard clumping strength and [that it is] almost 99% dust-free,” he says. According to Sharda, these aspects are the biggest demands from its consumers. He also mentions that those asks stem from an even greater need: more convenience in dealing with waste without disrupting owners’ daily routines.

Sharda’s analysis is that despite recent advances, there are still opportunities in this segment. “Clay tends to provide strong clumps while using less material. There are possibilities for even faster clay clumping, which uses smaller granules while maintaining dust control,” he explains. Possible next steps in premiumization are

further reducing weight, making it more affordable for consumers and implementing fragrance improvements.

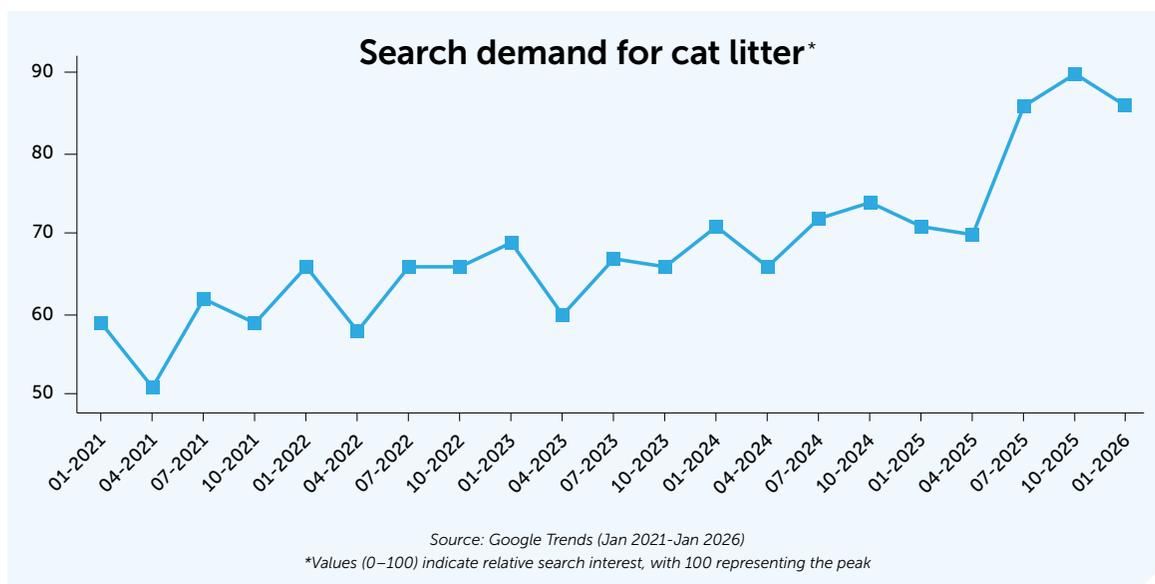
These investments have come at a time when feline ownership is flourishing. According to Euromonitor International, “cat favoritism is rising across traditional dog-centric regions like North America and Western Europe, as well as in emerging markets such as Asia Pacific”.

### Biodegradable wood fibers

US company Healthy Pet’s ökocat plant-based litter is made from 100% reclaimed wood. In October, the company announced a new formula, designed with greater odor control for homes with more than one cat. Consumer Communications and Promotions Manager Leslie Ellis says that the product innovation is a response to the rise in households with multiple cats.

Healthy Pet wants a share of the consumer market concerned about sustainability, and ökocat offers a plant-based alternative to traditional clay litters.

Ellis says: “The brand has always prioritized sustainability and environmental responsibility, with biodegradable wood fibers that prevent tracking, are gentle on cats’ paws and are free from strip-mined clay, silica, toxic dyes, chemicals, additives and artificial scents.”





In the evolution from a commodity to a value-added product, differentiation allows brands to compete. One way of doing this is by making litter from biodegradable and recycled materials, such as wood fibers, corn, wheat and other natural sources.

Beyond consumers, there's been an increasingly positive response to this kind of product from retailers and distributors, Ellis says. "Many are dedicating more shelf space to plant-based or biodegradable litters, highlighting natural ingredients, low-dust formulas and recyclable packaging."

### Olives, tofu – what next?

The US pet care business Paco & Pepper has also invested in a plant-based solution for cat litter, which it launched last September. The product is made from olive pits and tackles allergies to the dust and artificial fragrances that some conventional litters contain.

Taiwanese brand Lady N has expanded its offer of tofu granular litter in the US, which is designed for compatibility with the most popular automatic boxes.

According to the company, it registered 200% year-on-year growth in the first 11 months of 2025. Lady N also claims that all of its fragrances follow International Fragrance Association standards, such as being allergy free, and that its materials are biodegradable too.

As consumers demand improved performance, sustainability and compatibility with new technologies, the use of new kinds of materials and processes is already transforming a once basic product into a premium segment of pet care that will continue to evolve in the future. ♦

*Possible next steps in litter premiumization are further reducing weight, making it more affordable for consumers and implementing fragrance improvements.*

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# Deal or no deal?



## Pet industry M&A in 2026

**Falling interest rates and a booming financial market may increase the appetite for deals, but tight finances and uncertainty make companies in the sector cautious.**



**Thaís Matos**  
*Senior Business Reporter*  
*GlobalPETS*

It's still early to talk about a full recovery in 2026, experts say, but there could be some movement in the acquisitions landscape. Although fiscal activity cooled recently due to high interest rates and inflation, a positive push driven by industry resilience and promising segments is anticipated.

### Improved macroeconomic conditions

Last year was comparatively quiet in comparison with prior peak years, but this was mainly due to a normalization following the pandemic boom, says Oleksandr Pidlubnyy, Senior Portfolio Manager of Thematic Equities at Allianz Global Investors, which manages the Allianz Pet and Animal Wellbeing fund.

"As growth normalized, companies have also faced headwinds from higher inflation, weaker consumer sentiment, and rising input and labor costs, particularly

in veterinary services and specialty care such as advanced veterinary treatments," Pidlubnyy tells PETS International. But despite the recent challenges, the industry is cautiously optimistic.

"Both institutional investors and operating companies are poised to benefit from easing macroeconomic conditions," Aarti Kapoor, Managing Director in Consumer and Retail Investment Banking at investment bank Cascadia Capital, says. Beyond decreasing interest rates, Goldman Sachs forecasts moderate inflation and sturdy growth for major economies in 2026.

### Searching for synergies

Experts talking to PETS International agree that strategic buyers – firms purchasing others to grow – who are already active in the pet care space are the most likely to fuel activity this year, and say they will be seeking either revenue or cost synergies. This means that companies will look for complementary businesses that will help them save money or improve gains.

But for Anna Skaya, General Partner at the independent pet-focused venture capital fund AniVC, strategic buyers “are doing smaller deals and paying attention to profitability and very specific capabilities or brands, especially where there is a clear opportunity”.

In a recent analysis of the pet sector in the US, Cascadia Capital found an increase of strategic acquisitions in the past 10 years across all sectors in the country, as they went from representing 17% of deals in 2015 to 32% in the first nine months of 2025.

This happens because organic growth becomes challenging to achieve as companies mature, Kapoor says. “The ‘buy’ versus ‘build’ strategy has been particularly relevant with target companies offering incremental capabilities – whether new product categories, form factors, end markets or other characteristics – where strategics would otherwise need to develop those capabilities internally,” she explains.

### Europe vs the US

In the US, institutional investors such as private equity firms have a lower participation in acquisitions in general, approximately 11%, but they have “meaningful dry powder”, Kapoor says, i.e. cash reserves or liquid assets ready to be invested.

She goes on to say that these investors are expecting to benefit from lower interest rates to finance deals. A recent example was the purchase, last June, of UK premium pet food business MPM Products by private markets investment firm Partners Group.

Global pet industry venture capital activity in 2025 reached approximately \$900 million (€755M), with 262 deals recorded by the private market data company PitchBook. The amount that changed hands in Europe was \$267.3 million (€226M), representing 62 deals. The US market registered more intense activity, with 78 deals totaling \$411.2 million (€344M).

### The glowing health segment

The experts also agree that health is the most attractive segment within the pet industry. For Skaya from AniVC, it is diagnostics, longevity and preventative care that

***Experts say that health is the most attractive segment within the pet industry – it is diagnostics, longevity and preventative care that stand out.***

stand out. “Longevity in particular feels like the clearest expression of how much people are humanizing their pets,” she says, adding that a combination of real science – or data with strong consumer branding – is also a good target for early investors.

For Tom Elliott, Managing Director of Consumer Goods Investments at Capstone Partners, veterinary care in general is a segment with several large consolidators, i.e. large companies interested in buying small ones, such as North American chain VCA Animal Hospitals, owned by Mars, and Texas-based National Veterinary Associates, owned by JAB Holding Company.

Elliott also points to insurance as a promising field. According to market research company DataM Intelligence, US-based Embrace Pet Insurance completed the acquisition of Healthy Paws’ policy portfolio in 2025. In Europe, the French group Santévet acquired a majority stake in the UK-based pet health insurance provider Tedaisy in July.

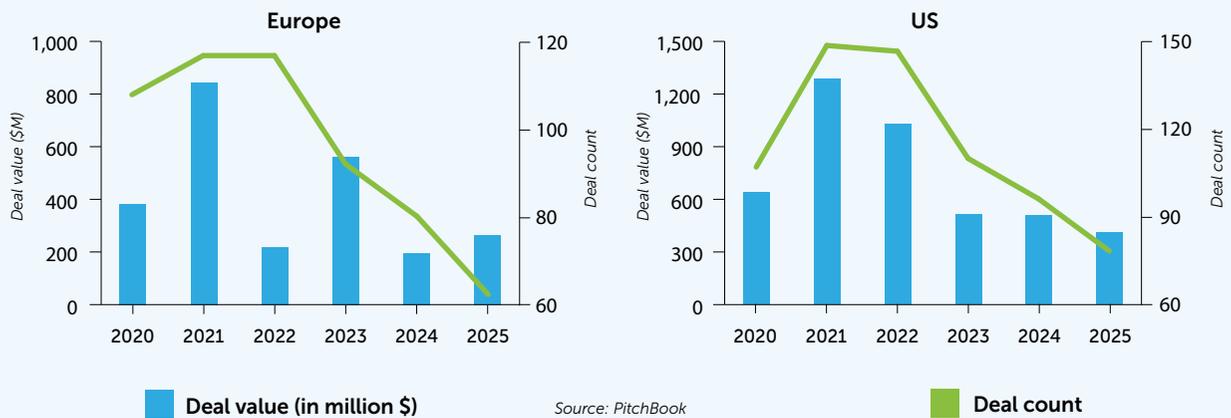
### Investor appetite in consumables

There are three other categories with the potential to attract investors. One of them is consumables, with Cascadia Capital estimating that several assets in this segment that received investments or were acquired in 2020 can re-enter and test the market, such as the premium and sustainable pet food manufacturers BrightPet, Nulo, Open Farm and Primal.

Online retail is another area of interest. “Consumers increasingly value convenience, especially for repeat purchases and more commoditized products,” says Pidlubnyy. And at the end of December, French pet e-commerce player Zoomalia was acquired by Holding Nicole, the parent company of the JMT Le Royaume des Animaux retail chain as “a strategic approach to the complementation of business models”, according to Fanny de Valon, Marketing Director of JMT Réseau.

▶ [SEE NEXT PAGE](#)

## Pet industry venture capital deal activity



Skaya believes that companies that “elevate the pet and pet parent experience”, such as US companies Lil Luv Dog (fancy and sustainable grooming products), DOG PPL (a canine social club with park, café, bar and lounge) and RetrieAir (which provides a “pet-first” flying experience), are other interesting candidates for investment.

### Threats to successful deals

One of the main obstacles for investments and acquisitions this year is the weak performance of some companies, especially on the product side, says Elliott. Due to the drop in consumption, he explains, these firms are waiting for better financial conditions to secure better deals. “Nobody wants to sell when their sales are lower,” he says.

As a backdrop, a report published by consulting firm McKinsey in December 2025 points out that “consumer sentiment had dropped considerably compared with the beginning of the year” and “discretionary spending intentions softened, with consumers signaling plans to pull back across most non-essential categories”.

According to Skaya, weak differentiation and high customer acquisition cost continue to be common reasons why companies struggle. Experts believe that a potential risk is overpaying for acquisitions. “In strong equity markets, valuations can become elevated, increasing the risk that buyers pay more than a company’s intrinsic value,” says Pidlubnyy.

### Positive indications

The equity market had one of its best years in 2025, pushed by AI and tech stocks. Stocks are at an all-time high. The S&P 500 is currently trading at 30.5x earnings and 3.9x revenues, according to an analysis by the Seeking Alpha platform for investors, published in October 2025.

In terms of deal payment, there are differences within the pet sector. Analyzing a database of more than 215 transactions since 2010 with disclosed or proprietary multiples, Cascadia Capital’s report points out that, in the past 15 years, animal health deals have reached a mean multiple of 19.7 times the EBITDA profitability measure, followed by veterinary (17.3x), consumables (12.6x), retail (10.6x) and product (8.8x).

### Could IPO surge in 2026?

Despite the positive performance of capital markets, experts are still hesitant about an uptick in Initial Public Offerings (IPOs) within the pet sector. Pidlubnyy recognizes that the environment could improve over the coming years and sees the pet care industry as structurally attractive, with growth rates exceeding GDP in most developed and emerging markets.

Along the same lines, Elliott says that private equity owned companies looking for an exit could consider an IPO, and here too sees health as the most probable candidate to lead it. 2025 did give some indications of what’s to come.

In July, the pet biotechnology company Akston Biosciences filed a form to the US Securities and Exchange Commission to launch an IPO. The firm focuses on biopharmaceutical products for cats, dogs and other companion animals, and has developed a GLP-1 treatment targeting feline obesity. Media outlets reported that the Indian company Zenex Animal Health was also exploring this possibility at the end of last year.

In Australia, the market expects an IPO from Greencross, a retail and veterinary chain. According to local media, TPG Capital, the US private equity firm that owns it, plans to raise about A\$700 million (\$460M/€420M) in this initial offering, aiming for a valuation of A\$4 billion (\$2.6B/€2.4B). An IPO is being considered by the firm as an exit strategy after unsuccessful attempts to sell the company in 2023.

### What funds are looking for

As a fund, AniVC is looking for real proof of demand and product market fit, strong unit economics and a path to profitability early on, Skaya says. In its role as

### Weak differentiation and high customer acquisition cost continue to be common reasons why companies struggle.

early-stage investor, it values “founders who deeply understand the customer” as well. According to her, AI is now making it “easier than ever to put together a pitch deck, so the real work is separating companies that can scale within a venture model from ideas that still need time”.

The Allianz Pet and Animal Wellbeing Fund focuses on long-term growth opportunities arising from how pets are cared for. As Pidlubnyy says: “In an environment marked by economic and geopolitical uncertainty, this theme remains highly relevant, as spending on animal health and care has historically proven less cyclical than broader discretionary consumption.”

In this way, pet-related business as a whole, with its combination of strong fundamentals and valuation levels, stands out as a long-term viable option. ♦

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# Optimizing strategy in an era of omnichannel shopping

E-commerce and pet specialty are increasingly the first choice for pet food launches, while grocery stores are gradually playing a lesser role.



**Sahiba Puri**  
*Global Insight Manager, Pet Care*  
*Euromonitor International*

Channel choice can no longer be linear. Relying on one, or only legacy options, limits product visibility and access. In this environment, a successful multichannel strategy is one that leverages each channel’s strength, with the ability to translate that into growth.

### Decade-long shift

In 2015, e-commerce stood at a minor 6% share of global distribution. Today, it is responsible for nearly one third of global pet food retail sales value. Grocery channels like supermarkets and hypermarkets – once the most frequented stores for pet food, with a 49% share in 2015 – have today dropped to a 36% share, the single biggest percentage point drop across all channels.

These shifts can be attributed to the rise of digital retail, plus the subsequent changes in consumer shopping behavior. From online platforms and marketplaces to DTC, social commerce and q-commerce, digital retail has transformed channel dynamics in a relatively short space of time.

In doing so, it has created both opportunities and challenges for new and legacy pet care brands alike, forcing a rethink of product placement strategy.

### Appeal of the pet specialist

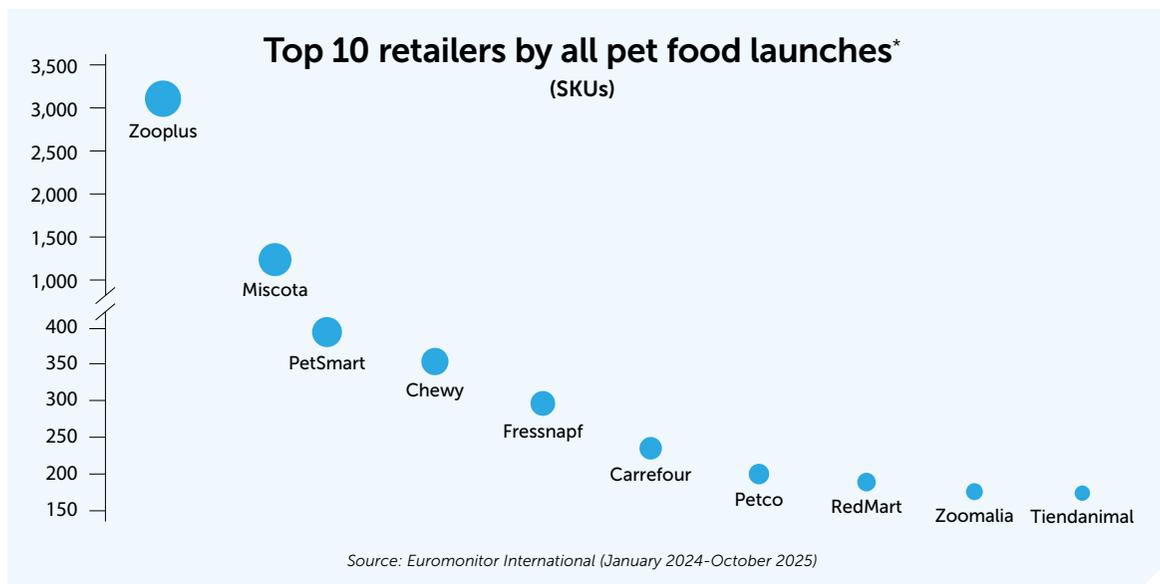
Rising levels of pet humanization have been a key factor in the growth of specialized pet retail channels, which enable broader access to innovative assortments. The desire to offer the best to their pet has taken owners to pet specialty channels as well as to e-commerce platforms.

Wide category assortment, product and brand variety, access to in-house services like grooming and vet consultations, and being able to interact with knowledgeable in-store staff, have at the same time supported the growth of offline pet shops and superstores, which saw a CAGR of 7% from 2020 to 2025.

### Finding the right formula

It was e-commerce that registered the strongest CAGR of 15% across all channels for the same five-year period, and sitting at the intersection of the two is the omnichannel pet specialist retailer. This segment is dominated by the likes of PetSmart and Petco in the US, and Fressnapf and Zooplus in Europe, while Chewy dominates the e-tailer space.

Today’s pet care brand and category managers are often challenged to define an optimized channel strategy in this omnichannel environment. Product placement must not only align with [▶ SEE NEXT PAGE](#)



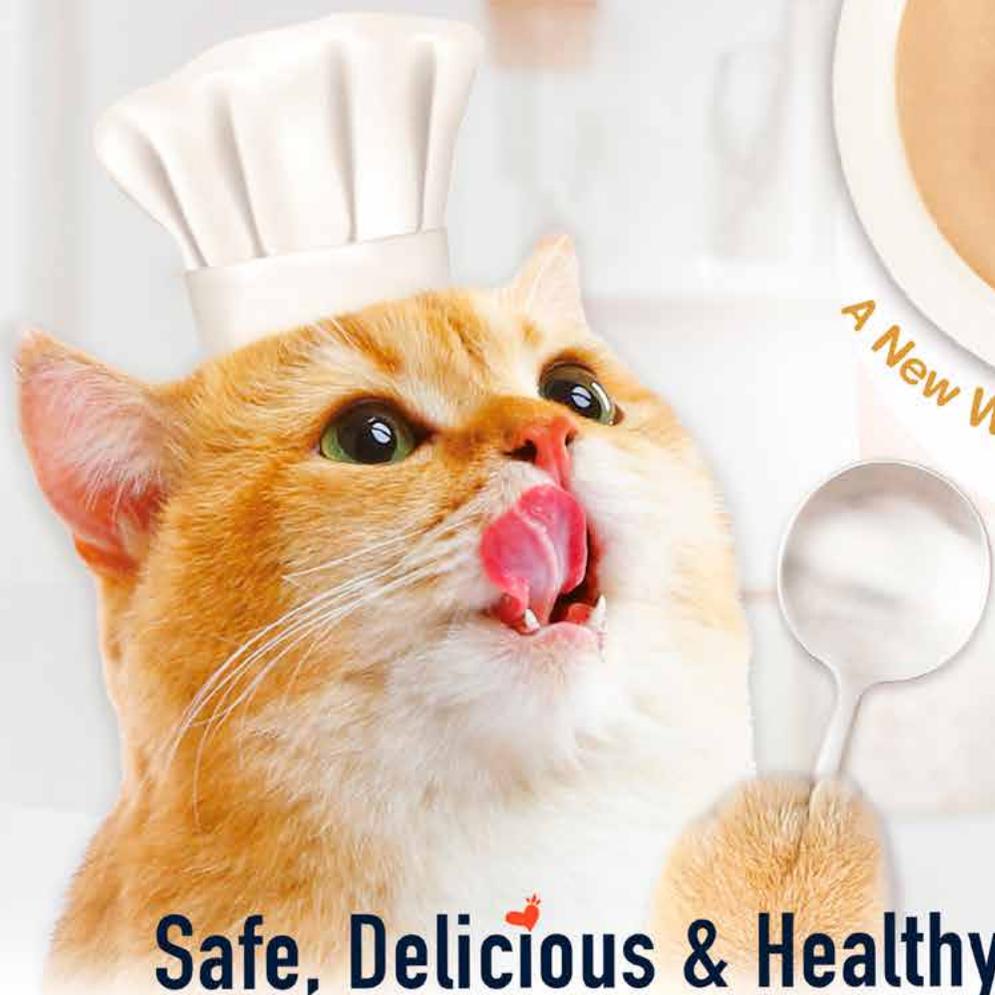
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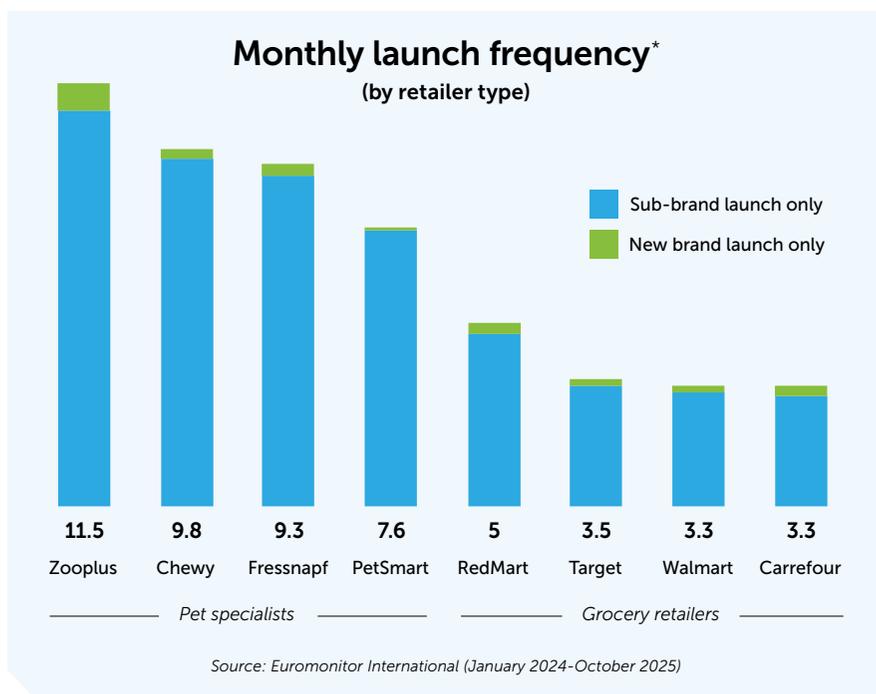
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where consumers are, but also with brand perception. For example, a premium brand sitting on a hypermarket shelf is not only losing out on sales – it could be damaging for the brand’s image too. So reviewing product launches across different pet retailing channels is vital.

### What does launch data tell us?

Euromonitor’s Innovation Tracker monitors product launches across global e-commerce. A comparison of the type of launch highlights the differences in retail channel choice. Looking at the top 10 retailers for all pet food launches in 2024 and 2025 in 32 markets, it’s clear that 80% were pet specialists, while grocery only accounted for 20%. This is a different picture for senior pet food launches, which are entirely dominated by pet specialists.

### Driving category expansion

Tracking and analyzing new product launches helps identify the optimal channels for product placement

***Product placement must not only align with where consumers are, but also with brand perception.***

as well as shifts in competitive strategy, white space opportunities and evolving consumer preferences. A look at the frequency of launch events also highlights how pet specialists are updating their assortment on a relatively more frequent basis compared with grocery retailers.

In this scenario, retailers’ launch patterns show that pet specialists are critical in driving category expansion, making them essential partners in the pet retail ecosystem. Channel selection must reinforce brand positioning, as misalignment risks value dilution and weakened performance.

### How to market innovation

Innovation strongly shapes a brand’s channel strategy. Inevitably, the nature of the innovation will determine where and how it is best for the new brand or type of product to be introduced to potential consumers. Success or failure will very much depend on creating the ideal opportunities for something new to be understood and adopted.

Take, for instance, fresh pet food – a relatively new format that requires consumers to be educated on the benefits of fresh diets and feeding [▶ SEE NEXT PAGE](#)

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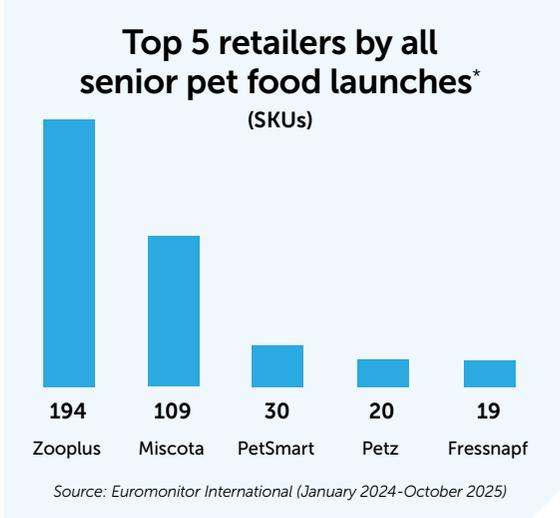
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portions, plus product storage and handling. Fresh formats also require controlled cold-chain logistics as well as precise and predictable delivery schedules. So channel strategy is governed by factors like trust, credibility and expertise.

**Market entry models**

Over the years, new fresh pet food brands have implemented a DTC-led market entry model that eventually transitions into selective offline retail

expansion. The Honest Kitchen, in the US, is a good example. Starting out as a pure play DTC brand in 2002, it has since expanded across multiple retailers such as Chewy, Petco, PetSmart, Target and Kroger.

This omnichannel strategy increased access to consumers, enabled shopper flexibility and helped drive household penetration. The company’s online-only sales through various e-commerce retailers over the past three years is indicative of the brand’s health, with consistent growth in nearly all quarters.

**Leveraging future technology**

Globally, pet care retailing is rapidly adopting omnichannel strategies. Specialized pet retailers and digital-first brands are driving innovation, enabling convenience and deeper consumer engagement. Generative AI is emerging as a differentiator, providing personalized experiences and smarter retail solutions.

Ultimately, success in pet care retail will depend on how each channel’s strength is leveraged and how AI-driven intelligence is meaningfully deployed to enhance the consumer experience and create value. ♦

\*Based on daily tracking of in-scope online retailers across the 32 markets, marketplaces excluded

### The transformative power of GenAI

Generative AI (GenAI) is reshaping the pet retail landscape. Digitally native consumers demand a more seamless shopping experience. By integrating natural-language search and offering custom solutions, GenAI is enabling personalization of retail at a scale the industry has never seen before.

At a consumer level, adoption is accelerating rapidly. According to Euromonitor’s Voice of the Consumer lifestyles survey, conducted in January-February 2025, the leading reason for using GenAI is to seek information or recommendations, as indicated by 51% of online global respondents.

Even across generations this trend holds strong. Baby boomers have the highest adoption rates, at 61%, followed by Gen X at 58%. As AI becomes a normal part of everyday decision-making, shopper expectations from pet care retail will naturally rise. And as consumer-facing uses of AI increase, retailers are finding ways to integrate GenAI into core consumer touchpoints.

Looking ahead, GenAI will play a defining role in how pet retail evolves. Beyond improving efficiencies, it will enable retailers to curate holistic solutions and elevate the service experience.

As digital behaviors become more nuanced, retailers need to harness the intelligence-driven value that GenAI can deliver. This will function not only as a differentiator, but also as a value proposition in its own right.

# Gaining an edge in Amazon Vendor Negotiations

Despite making high demands, the e-commerce giant is significantly reliant on pet brands. How can producers leverage this dependency to their advantage?



**Martin Heubel**  
*E-commerce Strategy Consultant*  
*Consulterce*

Manufacturers often enter negotiations with Amazon believing that the online marketplace holds all the commercial clout. But according to new research, pet companies can secure stronger outcomes by preparing well and negotiating proactively and with confidence.

## Tightening the grip

Every year, AVNs set the tone for a brand's profitability in the year ahead. They were never a routine alignment on commercial terms. But now more than ever, AVNs have become a clear profitability checkpoint for European pet brands, as volume growth slows and Amazon applies renewed pressure on margins.

Against this backdrop, Amazon is doubling down on its own priorities: tightening its grip on retail margins, demanding CPDs and reallocating resources towards vendors who can deliver on net PPM ambitions.

In a recent survey conducted among Amazon 1P vendors, only 59% rated their net margin performance

with Amazon as 'healthy' or 'very healthy', down 1,400 basis points compared with the same period last year.

This reality requires manufacturer brands to treat Amazon for what it is: an online marketplace retailer that mandates a proactive approach to effectively protect and grow their top and bottom line.

## Continued focus on profitability

In the 2026 AVNs, 52% of surveyed CPG brands report receiving CPD requests from their vendor managers, with an average ask of -5.4% year over year.

While this is 85 basis points lower than in 2025, cost prices remain a material pressure point. For pet industry vendors from Europe in particular, this trend reflects the reality that US tariffs and broader geopolitical uncertainty have had a far more limited impact on selling prices than initially feared.

Crucially, Amazon is now using this regained certainty to roll back previously accepted cost price increases. Reinforcing that, vendor managers are actively reopening negotiations where external cost pressure arguments have weakened.

### Negotiate proactively

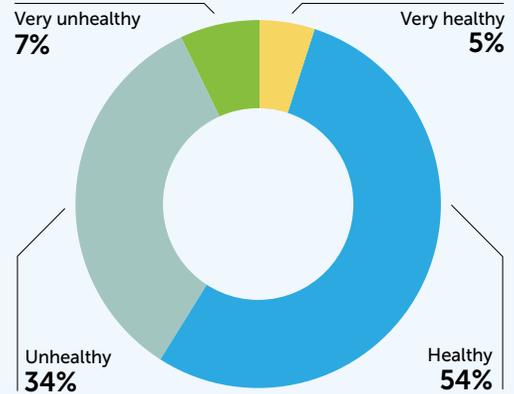
In this environment, passively responding to Amazon's margin asks is no longer a winning strategy. Instead, being proactive is the defining characteristic of successful vendor negotiations.

If your team understands the commercial levers and has the confidence to ask for initiatives that will help achieve your sales targets with the online retailer, you're set to achieve much better outcomes than your less prepared peers. It is important that this preparation extends beyond your commercial team. Your finance, supply chain and marketing departments all play a direct role in shaping your profitability with Amazon.

Vendors who evaluate customer profit and loss through a holistic cost-to-serve lens are better positioned to uncover otherwise hidden cost centers and address them during negotiations. This may involve securing chargeback waivers or the

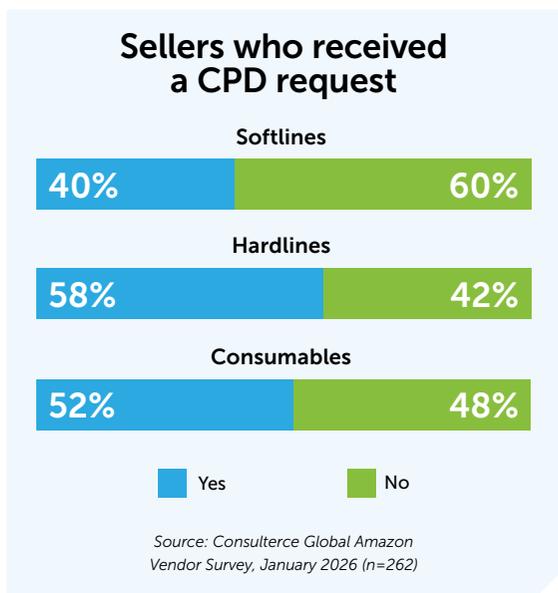
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### Vendor assessment of net margin performance with Amazon



Source: Conulterce Global Amazon Vendor Survey, January 2026 (n=262)





introduction of supply chain initiatives such as WePay or Amazon Freight. This might not sound like much, but it can hold the potential to reduce shortages and improve your operational efficiency during peak periods.

#### Break down net PPM

Net PPM is the online retailer's preferred profitability measure and the most consequential metric in every negotiation. Vendors who treat net PPM as an abstract formula will find themselves outmaneuvered. Those who break it down into its individual components can actively improve their negotiating position.

This includes leaning into retail promotions that favor high-margin ASINs, reviewing the introduction of online channel exclusives or adjusting advertising spend to amplify profitable segments of the existing catalog.

These actions don't only improve your net PPM in the short term. They also provide evidence points for your brand's successful portfolio mix management that can counterbalance Amazon's requests for trade term increases or CPDs during negotiations.

#### Evaluate the ROI of trade investments

Still on the topic of trade terms, Amazon recently announced the reduction of FBA and referral fees for European 3P sellers, averaging -€0.17 (\$0.20) per unit. At the same time, 1P vendors won't see a reduction in

trade terms unless they're positioning this ask in their trade negotiations. Whether for base accruals, freight or damage allowances, make sure your team reviews and quantifies the return on investment (ROI) of each of these initiatives.

Vendor managers will often argue that certain investments are 'mandatory'. However, the variance of these investments across brands and categories can be significant. Vendors that underpin their investment preference with data-led ROI examples, rather than anecdotes, create negotiating leverage and avoid being locked into unfavorable trade terms that negatively impact their net margins for years to come.

#### Reframe the AVS

One of the most debated investments in recent years is the Amazon Vendor Service. Its role in successfully navigating Amazon remains critical, yet its ROI has come under scrutiny. Many brands view AVS as a costly overhead. But when structured and managed strategically, it can become a powerful lever to unlock growth and protect margins.

#### Marketplace fees cut back for low-value goods in Europe

As of February, Amazon Europe has reduced referral fees – a commission paid for products sold on the platform – in several high-volume categories.

Pet food and clothing have seen referral fees reduced from 15% to 5% for items priced up to £10 or €10 (\$11.79). High-volume categories targeted for cuts also include home essentials, food and delicatessen, and vitamins, minerals and supplements.

The e-commerce giant has also expanded reductions in its FBA fee (a per-unit charge to storing, packing and shipping goods) for low-priced items, and put a limit on how much sellers can be charged when running promotions. More low-priced products now qualify for reduced FBA fees, cutting fulfillment costs by an average of £0.40 (\$0.51/€0.47) per unit.

The key lies in defining clear SLAs during the AVN. If AVS support has fallen short of expectations, this is the moment to set out the business-critical tasks you expect Amazon to deliver.

For example, if your brand frequently encounters product safety related PDP suppressions, get AVS to agree to reinstate listings within 48 hours of your team submitting the necessary documents.

Framing the ROI of AVS this way establishes clear guardrails. It defines what success looks like, ensures accountability and provides a structured basis for deciding whether your continued investment is justified, or whether your investment in AVS should be reviewed.

### The key to AVN success

As outlined above, the key to profitable growth on Amazon is to negotiate proactively and with confidence. Too often, brands enter negotiations under the impression that Amazon holds all the commercial leverage.

In reality, Amazon's dependence on leading pet brands remains significant. Vendors who approach discussions with clarity on their strategic value, backed by a robust understanding of their category position and relevance, are in a stronger position to push back on Amazon's margin demands.

But remember: confidence is not about confrontation. It's about professional assertiveness that's grounded in (a lot of) preparation. ♦

### Amazon's acronyms

**ASIN:** Amazon Standard Identification Number

**AVN:** Amazon Vendor Negotiation

**AVS:** Amazon Vendor Service

**CPD:** cost price decrease

**CPG:** consumer packaged goods

**FBA:** Fulfillment by Amazon

**Net PPM:** net Pure Profit Margin

**PDP:** product detail page

**SLA:** Service Level Agreements



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# How to get the most out of online ratings



As the competition intensifies, brands that manage feedback strategically can gain an edge in visibility, credibility and conversion.



**Diana Dominguez**  
*Business Reporter*  
*GlobalPETS*

Online reviews have become a critical factor in shaping consumer decisions and retailer strategies. As the ranges of pet brands expand worldwide, research data shows that people of all ages are looking for reassurance from other buyers before making their own purchases.

## Popularity among US owners

Data from the American Pet Products Association (APPA) reveals that more than four in 10 (40.9%) pet parents in the country learn about new products through company websites, which often feature product reviews in their online content.

With the rise of social media and broader internet use, reliance on dedicated product review websites has declined over time. According to the APPA's 2025 State of the Industry Report, 23% of US pet owners relied on product review sites to learn about new products in 2024, compared with 44.4% in 2018.

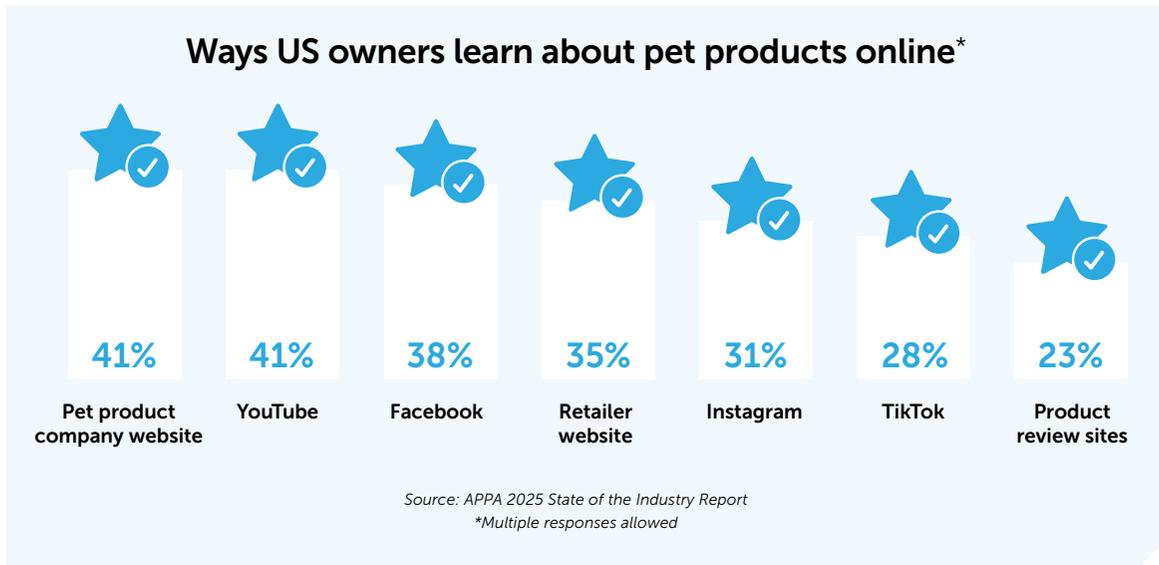
"In the increasingly crowded pet market, online reviews are a key differentiator for brand competitiveness. People don't like surprises and want to ensure that they are getting the best value with their purchase and that is even more pronounced when it comes to purchases for their pet," Patrick O'Brien, Chief Marketing Officer at APPA tells PETS International.

## Central role of social media

Today, the data shows that top sources of product discovery are social media and search engines. TikTok, for example, which 28% of pet owners cite as a source of new product information, incorporates five-star reviews in its TikTok Shop product listings.

"Brands who respond uniquely to their online reviews are able to show an elevated level of customer relationship management that not only allows them to put reviews in context, but also relieves fears a consumer may have if they encountered a negative experience. The end result is typically higher sales and increased customer satisfaction," adds O'Brien.

[▶ SEE NEXT PAGE](#)



#### Driving first-time and repeat purchases

Canadian data insights platform Caddle published its 2025 Consumer Insight Report after surveying more than 2,000 shoppers across all generations and provinces. The findings show that ratings and reviews are critical in driving both first-time trial and repeat purchases for pet products.

After a launch, reviews establish user-generated content (UGC) coverage right away, helping to build credibility and improve SEO visibility, which gives shoppers the confidence to try something new. But recency matters just as much as coverage. In the survey, 90% of all shoppers say they care about how recent reviews are, with 48% wanting them from the past month, and 25% from the last one to three months.

#### Gaining a competitive advantage

Caddle says that the most common mistake brands make is treating reviews as a one-time campaign: “Reviews must be an always-on strategy embedded into an omnichannel marketing plan. This ensures UGC remains fresh, relevant and recent – continuously driving credibility, discoverability and conversions.”

***Brands that treat reviews as a must-have gain a significant edge in SEO, AI-driven discovery and conversion rates.***

Brands that treat reviews as a must-have (not nice-to-have) gain a significant edge in SEO, AI-driven discovery and conversion rates. Caddle reports, for example, that a pet brand that invested in reviews saw a 67% increase in organic page ranking, a 140% surge in organic search impressions, an 80% increase in click-through rate from organic search, and a 28% increase in conversion rate.

#### Top marks in Italy

Research published in July 2025 by review platform Trustpilot in Italy shows that an average of 81% of pet-focused shop and service reviews in the past year were five-star evaluations. “This result reflects not only customer satisfaction but also the growing proactivity of companies, which are increasingly focused on actively engaging their customers and requesting feedback after the purchase experience,” the company says.

“Inviting customers to leave a review means opening a dialogue, highlighting positive moments and addressing any issues with transparency. In this context, excellent reviews become a strategic lever to strengthen trust, build customer loyalty and stand out in an increasingly competitive market.”

#### Tool for enhancing reputation

According to Trustpilot, an analysis of review keywords used between May 2024 and May 2025 shows recurring themes. The most frequently used terms are ‘product’

(18%), 'delivery' (16%), 'price' (15%) and 'order' (13%), highlighting consumers' focus on practical aspects of the buying experience. Mentions of 'service' (7%) and 'quality' (6%) appear less often but remain central to overall evaluations. Trustpilot also found that 85% of reviews express positive sentiment.

"Double-digit growth in reviews throughout the entire period suggests that the pet sector is not only healthy, but also increasingly aware of the role of reviews as a tool for continuous improvement and as a driver of online reputation," says Nicoletta Besio, General Manager of Trustpilot in Italy.

### Dealing with the negative

While star ratings are important for consumers, Caddle's data reveals that a perfect 5.0 can raise skepticism. "Negative reviews actually build trust, with 95% of shoppers seeking out at least one negative review before making a decision," says the report.

O'Brien admits that the most common issue online reviews have had to face recently is the flood of bot reviews. According to him, they are often fairly obvious to the end consumer, but even if the brand did not solicit the reviews, they can damage its credibility.

"This is why it's important for brands to seek out verified customer reviews and embrace negative reviews online," he adds. "Negative reviews can be an opportunity to place a potential customer's concerns in context. By responding to those reviews, even if they're not legitimate, you can show future customers how you would work with them if they were to experience that same issue."

### Second only to price

The Caddle report notes that reviews are already the second most important factor in purchase decisions across categories, ranking just behind price. In the pet sector, reviews are even more influential: 64% of pet owners consider them when buying wet dog food (58% for dry), 17% discover new pet food through reviews and 12.5% say they motivate their initial trial.

Shopping behaviors further highlight the importance of reviews. Some 39% of pet consumers always or often use ratings and reviews when shopping in-store

### *With the rise of social media and broader internet use, reliance on dedicated product review websites has declined over time.*

(with another 23% doing so sometimes), while 44% frequently use them when shopping online (with another 22% sometimes doing so).

### Impact on consumer behavior

Interestingly, millennials are the most likely to check reviews while shopping in-store, with about seven in 10 (72%) doing so, according to the Caddle data. They are followed by Gen Z (67%), Gen X (63%) and baby boomers (48%), who also frequently read reviews before making a purchase.

The data also shows that, in the absence of reviews, roughly half of Canadians – 48% of millennials and up to 56% of Gen X and baby boomers – remain undecided, while about 10% in each group abandon the purchase entirely. Younger shoppers appear slightly more likely to still proceed: 43% of Gen Z and 42% of millennials, compared with 35% of older generations.

Reviews play a particularly important role for higher priced products, with 96% of Canadians saying they read more reviews as the price increases. Millennials lead the way, at about 99%, followed closely by Gen Z (98%), Gen X (94%) and baby boomers (93%). As prices rise, so does perceived risk – and shoppers offset that with the reassurance gained from the real-world experiences shared in reviews. ♦





# Review reality check

A recent survey reveals how much consumers rely on online assessments posted by previous buyers – do they trust them and how do they affect purchasing decisions?



**Marco Pierani**  
*Director, Corporate Affairs & Public Relations*  
*Euroconsumers*

Today, before buying anything, many people search for indications of others' positive or negative experiences. This feedback helps to reduce uncertainty, signal quality and support confident decision making across a wide range of products and services. It can even affect willingness to pay a higher price.

## Evaluating influence

Despite their growing importance, the value of online reviews has long been difficult to measure. Research findings from a study conducted in April 2024 by multinational consumer interest group Euroconsumers, among more than 4,200 customers aged 18-64 in Belgium, Italy, Portugal and Spain provide some interesting insights.

In a report published in September 2025, these findings have been combined with economic modelling and behavioral experiments to measure the influence of reviews on business performance, consumer trust and willingness to pay for the products reviewed – an effect which differs across the product categories included in the study.

The study, funded by Amazon, shows that online reviews are widely consulted in purchasing decisions.

Approximately six in 10 consumers read reviews before buying a product online, with higher use in Italy (65%) and Spain (61%) than in Portugal (55%) and Belgium (50%). Overall, 78% of respondents report that reviews influence their final decision when buying from a webshop.



Survey respondents could share their experiences with up to two products they'd purchased online in the past two years, resulting in a total of 8,257 buying experiences. The findings show that consulting reviews increases for higher-priced and higher-risk categories (70-73%), such as household appliances and high-tech products. Other categories have lower levels of review use, despite being frequently purchased items. Pet products (55%) are among these lower-use categories.

### Online or brick-and-mortar

Pet products show a distinct trend in the use of reviews. While they rank toward the lower end of regular review consultation compared with other categories, ratings still play a meaningful role in online purchasing decisions. More than half of the respondents say they consult reviews, indicating that online feedback remains an important source of information.

When it comes to buying a pet product in a physical store, only 23% of the consumers say they frequently or always consult reviews beforehand. That places pet products alongside books, toys and office products at the lower end of review use. This pattern does not necessarily indicate weak trust or disengagement. Rather, it may reflect a different decision-making logic, in which consumers rely less on extensive pre-purchase information.

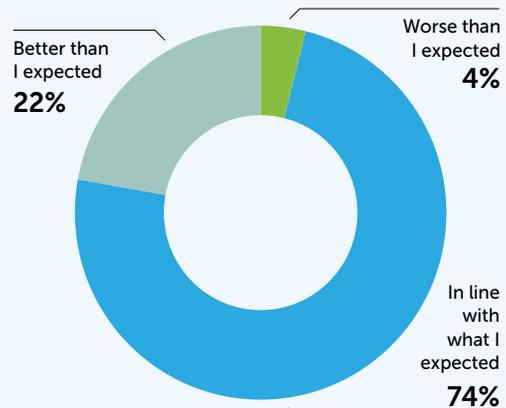
### Preferred review sources

Not all reviews are created equal. The study finds that the most commonly used source is reviews hosted directly on the platform or online store where the purchase occurs, with usage between 53% and 68% – an average of 61%.

Expert opinions do still matter: 51% of the respondents say they trust professional sources such as consumer organizations, and 44% rely on external expert sites. By contrast, these findings show that social media influencers are trusted by only 17% of consumers.

***Ratings can contribute to informed and confident decision making in the pet sector, even if they are not consulted for every purchase.***

## 'To what extent did pet products match with your expectations?'



Source: *The Economic Value of Online Reviews, April 2024 (n=4,216)*  
 \*Based on respondents who have made online purchases in the past two years and consulted customer reviews beforehand

### Factoring in fake reviews

Although reviews are widely consulted, consumer trust is not unconditional. 75% of the respondents say that fake reviews undermine their confidence, and 63% believe that brokers selling fraudulent reviews do exist. Around 72% feel somewhat able to detect fake reviews, although only 3% believe they can identify all fakes.

At the same time, consumers show a nuanced form of trust. 61% trust that verified reviews are really made by people who bought the product, and 52% believe platforms can effectively filter fraudulent content. This highlights the importance of verification and moderation mechanisms, particularly in categories where trust and safety are critical.

### Exceeding expectations

Online review systems depend on consumer participation. Overall, three out of four respondents reported having posted at least one review for a product or service in the past two years. Many of these were for restaurants and accommodation, and consumers tend to write about a positive experience rather than a negative one.

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**Where reviews are credible and well moderated, markets become more efficient. Where they are manipulated or misleading, trust and value are undermined.**

On average, 75% of the respondents say they've rated or written a review about a product they bought online during the last two years. Reviews are also more likely to be written when products exceed expectations (64%) than when they meet (44%) or fall short (45%) of expectations, contributing to a generally positive distribution of ratings.

### Pet category specifics

Overall, the findings suggest that online reviews are an important source of information for consumers in the pet product market, with more than half of the pet consumers consulting them. Those who do read reviews beforehand report positive experiences with the products they purchase, with 22% of the online pet product buyers saying that what they bought was better than expected.

The 35% of respondents who left a rating or wrote a review gave an average score of 4.34 out of 5 for an online purchase. This pet product rating is one of the lower average scores among the categories surveyed, higher only than home products and office products.

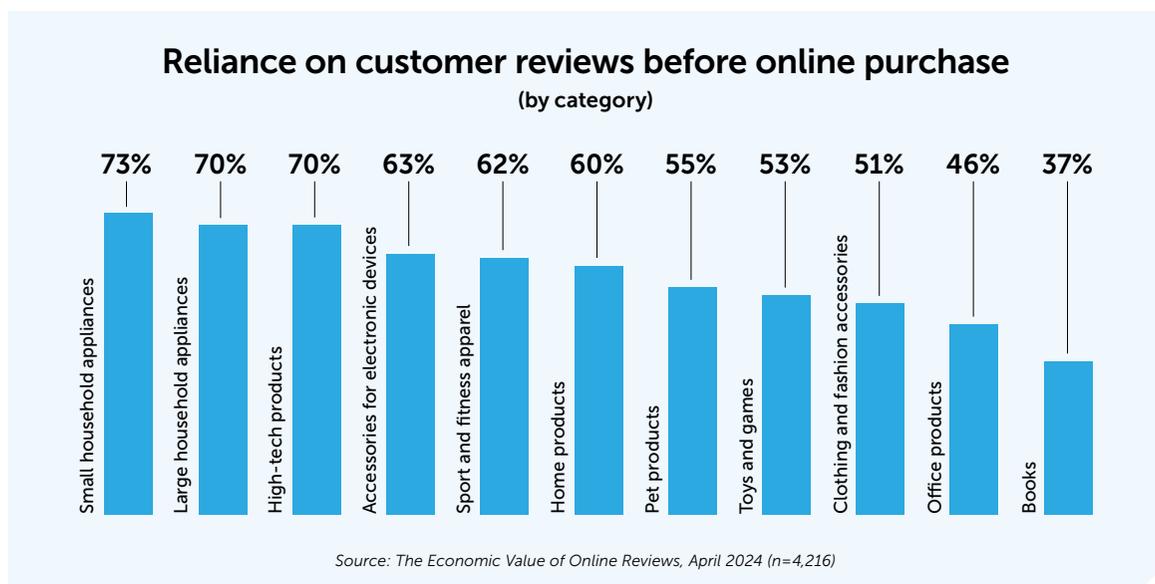
Having said that, pet products are among the categories most likely to exceed expectations among review users. This indicates that reviews can contribute to informed and confident decision making in the pet sector, even if they are not consulted systematically for every purchase.

### Value of positive feedback

To assess the value of reviews from an economic perspective, survey respondents were also asked to choose between products with different prices and different kinds of review information. The results show that consumers are willing to pay up to around 7% more for products supported by strong and verified reviews.

Beyond individual transactions, reviews function as market infrastructure. They reduce information asymmetry, improve decision making and support fair competition. Where reviews are credible and well moderated, markets become more efficient. Where they are manipulated or misleading, trust and value are undermined.

The study reframes the discussion on online reviews, by shifting attention from risks alone to the conditions under which reviews generate value. When trust is supported through verification, transparency and quality controls, reviews contribute to consumer confidence and sustainable business performance. ♦



# Sink or swim? Europe's aquatic pet market

Despite setbacks, this segment is finding ways to grow as consumers opt for custom aquariums and shopping through online channels.



**Fabio Turco**  
Contributor  
*PETS International*

The aquatic pet market encompasses ornamental fish, aquatic turtles, reptiles and the entire ecosystem of related products such as aquariums, filters, feed and aquatic plants. What's going on in this small but important sector of the broader European pet industry?

## World leader in ornamental fish

According to a forecast presented by Grand View Research, the European aquatic pet market will reach a value of €3.57 billion (\$4.27B) by 2030. This represents a compound annual growth rate (CAGR) of 7.9% from 2024, when it was valued at €2.26 billion (\$2.70B).

With 17.64 million home aquariums spread across the continent, Europe is the world leader in the ornamental fish sector, accounting for around 39.8% of the global market share in this specialized segment.

The UK is the country with the most aquariums (an estimated 7.3 million units) according to the European Pet Food Industry Federation (FEDIAF). It is followed by Germany (2.2 million) and Italy (1.5 million).

## Recent market fluctuations

Since 2020, the market has experienced a period of growth, followed by a phase of decline. "There was a big increase during Covid and that's quite understandable with people spending more time in their homes," explains Tamás Danyikó, Director of Operations at Green Aqua, a Hungarian company specialized in aquascaping.

"After Covid ended in late 2022, new aquarium sales dropped slightly in 2023 then started to increase again slowly in 2024 and 2025," he adds.

Similarly, TATRAPET, a Slovak company that produces and supplies aquatic and general pet products, saw a significant increase in sales

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“of several dozen percent” across its entire range of aquarium products in 2020 and 2021. This was followed by a gradual decrease in sales, but not in all categories.

“Freshwater aquarium fish food in classic packaging, i.e. in plastic containers, maintained its sales stability until 2025. Our terrarium segment even grew. We recorded the biggest sales declines in aquarium roots and accessories,” says Lubomír Čupka, founder and owner of TATRAPET.

### Customer landscape

The aquatic pet market appeals to various customer types. At Slovakian pet store chain COBBYS PET, they categorize customers into three different segments, according to CEO Ladislav Kobilka.

Firstly there are the ‘newcomers’: young people or parents buying an aquarium for a child. This group is shrinking, he says. “Then there are the hobbyists: our loyal, core customer base. They have maintained tanks for years and provide steady turnover through the purchase of feed, water treatments and replacement filters,” adds Kobilka.

The third kind of customer for COBBYS PET is the high-end professional: a growing phenomenon of high-net-worth individuals and corporations. “These clients seek ‘image aquariums’ for waiting rooms, boardrooms or luxury homes. For them, a bespoke, tailor-made solution is a status symbol, and price is rarely the deciding factor,” states the CEO.

### Technical innovations driving change

Over the past few years, various technological advances have significantly enhanced the user experience and attracted new hobbyists to the market.

Market Research Future highlights the rise of smart aquarium systems featuring Internet of Things (IoT) sensors for water-quality monitoring, energy-efficient LED lighting and automated feeding mechanisms. These innovations not only improve maintenance but also extend the life of aquarium setups.

Green Aqua’s Danyikó emphasizes the market relevance of these advances. “The biggest growth is in technical equipment with a new generation of LED lights being released alongside quickly developing automation solutions and Wi-Fi/Bluetooth-connected smart devices like filters, heaters etc.”

### Sustainability-conscious consumers

Transparency, animal welfare and overall sustainability have become primary decision drivers for today’s European consumers. They increasingly favor captive-bred fish over wild-caught specimens.

This shift in consumer awareness is supported by various industry initiatives. For example, the Code of Conduct issued by the UK’s Ornamental Aquatic Trade Association (OATA) promotes responsible sourcing, breeding and trading practices.

### Pricing challenges

Accelerated by the Covid pandemic, e-commerce has gained substantial traction and is reshaping retail dynamics. With online sales channels offering convenience, a broader product selection and competitive pricing, this is creating challenges as well as opportunities for some aquatic players.

“The biggest challenge is staying competitive in pricing. We see opportunities in providing exceptional service and education, and keeping up with the novelties,” comments Danyikó.

TATRAPET’s Čupka also highlights the problem of keeping prices affordable and sees many retailers downsizing their aquatics range and replacing it

***Over the past few years, technological advances have significantly enhanced the user experience and attracted new hobbyists to the aquatics market.***

with dog and cat products due to the specificity of the market. "Perhaps the main challenge in this segment will be the decisions of those who are already hesitating [about] whether to continue or reduce," he says.

"Aquaristics is a beautiful hobby and brings together a large number of enthusiasts. It has not experienced such a boom as the dog and cat segment. However, it maintains its position," he continues.

Čupka concludes that his company's strategy is to keep the interest of aquatic pet owners by keeping pace with their needs: "TATRAPET historically started with the aquarium segment and we will certainly continue this tradition. A big challenge for us is to continue to bring these enthusiasts a range of products that will make them happy in the coming years."

### Factoring in necessary costs

Robert Jan van den Eenden is chair of Aquatic Wholesale Group in the Netherlands, a group of companies specializing in designing and manufacturing products for aquariums, ponds and reptiles. He believes that customer awareness and appreciation for the costs involved in breeding and supplying aquatic pets can go some way towards solving the pricing challenge.

"A cup of coffee or ice cream is often much more expensive than a beautiful fish for an aquarium," he says.

Additionally, he emphasizes the importance of businesses expanding their networks to leverage their size and economies of scale. "Professionalization of the live-animal supply chain means we can charge the costs of compliance, sustainability and responsible trading into the retail price of livestock."

The broader product selection available online has led Allevamento Pesci Rossi Carpe Koi, a goldfish and koi carp breeding farm in Italy, to differentiate its varieties by seeking new, unique and rarer ones.

"After starting with breeding comet, sarasa, shubunkin and fantail goldfish, we gradually expanded over time to new varieties like watonai, Bristol shubunkin, tamasaba and ryukin," says Mario Brandazzi, founder of the farm and its parent company Vivaibambù.

## *Transparency, animal welfare and overall sustainability have become primary decision drivers for today's European consumers.*

"Unfortunately, energy costs have increased exponentially, inevitably reducing profit margins. Adjustments to new regulations, such as the ban on keeping goldfish in a bowl, have greatly limited sales," he adds. "But as a matter of common sense, we have always preferred to lose a sale rather than see one of our goldfish end up in a glass bowl."

### Bringing in new customers

Looking ahead, several key trends look set to shape the European aquatic pet market. For example, the integration of AI for health monitoring, predictive maintenance and personalized nutrition plans will transform aquatic pet care, making it particularly appealing to younger demographics.

Van den Eenden believes these advancements are creating opportunities for market growth. "New techniques, well-designed aquariums and online information make fishkeeping and maintenance easier, pulling more consumers into the hobby," he states.

Younger consumers who prioritize ethical consumption are primarily driving the growing demand for ecofriendly products. This trend extends across all product categories, from aquarium equipment to specialized feeds.

### Creative thinking for the future

In response, the industry is increasingly embracing circular models, with innovations in low-carbon feed formulations and closed-loop aquaculture systems reducing environmental impact while improving efficiency. Captive-breeding techniques are also being improved, producing healthier, stronger aquatic pets that are easier to keep sustainably.

Industry players should also think creatively to find growth opportunities, says van den Eenden. He suggests aquascaping and planted tanks as ways to attract a new customer segment: "There are millions of plant lovers in the EU; growing aquatic plants inside the house is a great way to bring nature into the living room." ♦



Tropical POLAND

# Growth driven by innovation and nature

**Tropical combines deep industry expertise with cutting-edge innovation to meet the global demand for sustainable pet care.**

Tropical is one of the leaders in the global pet industry and will celebrate its 50th anniversary next year. Built on decades of expertise and experience, the brand combines innovation with continuous product development, resulting in solutions that enjoy strong recognition worldwide. Today, this Polish manufacturer distributes its products to more than 80 countries.

The company's portfolio spans multiple market segments and is organized into five brands. Tropical includes foods, care products and accessories for aquarium fish, marine aquariums, pond fish, as well as terrarium foods, care products and substrates.

Tropifit offers foods and treats for small mammals, rodents and ornamental birds. TropiDog features foods, treats and oils for dogs; TropiCat includes foods and oils for cats. The portfolio is complemented by Bi Florin – plant fertilizers.

## Closer to nature

Tropical has recently updated the formulations of its Premium aquarium

fish foods to bring them even closer to nature. The company does not use artificial colorants or preservatives – the natural color of the foods comes directly from their ingredients rather than from technological additives.

In specialist color-enhancing products, Tropical uses red microalgae *Haematococcus pluvialis*, one of the richest natural sources of astaxanthin, which provides intense, long-lasting coloration in fish.

## Insects in fish food? Naturally

The Insect Menu Colour range has attracted strong interest among aquarists. It contains 45% insects, including black soldier fly larvae, silkworms and mealworms.

Together, the foods form a complete diet, while insect protein supports growth and a healthy fish microbiome. The formulas are enriched with Tropical's Colour Booster, an innovative blend of ingredients rich in natural carotenoids that intensify fish coloration in a short time.

## Health in every bite

Tropifit has effectively addressed the issue of selective feeding in rodents and other small mammals. Tropifit All in 1, offered in the form of uniform, extruded granules, prevents animals from picking out individual components and ensures all essential nutrients are delivered in every bite.

The Naturals line has also been expanded with Sticks – natural, dried treat sticks in three flavors – and Rolls, natural complete foods produced using the cold-press method.

## Eco-friendly

Environmental responsibility is important for Tropical. The cans, lids and labels of fish foods are fully recyclable and clearly marked on the packaging while QR codes direct users to detailed product information online. ♦

**Interzoo: Hall 9, Booth 649**

**Tropical Tadeusz Ogrodnik**  
[tropical.pl](http://tropical.pl)

# Tackling the exotic pet trend



**Inconsistent legislation across borders leaves buyers, sellers and authorities navigating a confusing system, while wildlife pays the price.**



**Ilaria Di Silvestre**  
*Director of Policy & Advocacy, Europe*  
*International Fund for Animal Welfare (IFAW)*

Encouraged by social media trends, people are increasingly seeking wild animals as companions. What can governments and businesses do to take on illegal trade and other associated issues such as animal welfare, wildlife conservation and habitat disturbance, as well as human health and safety?

## **Must-have accessories**

Otters wearing leads like dogs, talking African grey parrots, and snarling serval and savannah cats are becoming regular fixtures on social media feeds. Influencers have been touting them almost as must-have accessories to their audiences of millions, fueling their popularity.

Meanwhile, some hobbyists and collectors are on the hunt for rare and unusual finds – be they newly discovered, highly endangered or endemic species.

For example, Galápagos iguanas – found nowhere else on Earth other than the isolated islands that form the Galápagos archipelago in Ecuador – have become highly sought-after pets.

## **Legal loopholes**

Clamping down on the exotic pet trade was a priority when world leaders gathered at the end of 2025 for the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

Species such as the Galápagos iguanas were granted the highest level of protection, prohibiting international trade. Despite Ecuador's strict laws banning the export of iguanas for trade, the species has been found for sale in online marketplaces.

***Some estimates suggest that nine in 10 trafficked animals will die in transit, whether due to suffocation, starvation or stress.***

## ***Well-intentioned but ill-informed exotic pet lovers can easily and unknowingly purchase animals linked to wildlife crime.***

Even when these animals are sold as captive-bred, they descend from animals that were taken from their natural habitat or illegally exported in the first place, so international protection is a welcome step forward. The system has, however, numerous legal loopholes, both at national and international level.

For example, the European Union is one of the world's biggest importers of wildlife. Yet many wild species imported and traded in the EU are protected under domestic legislation in the countries of origin. Only a small proportion of species traded are covered by international and/or EU legislation.

### **On the case of wildlife crime**

This inconsistency creates a web of confusion, where buyers, sellers and even enforcement authorities find it difficult to spot the difference between what's legal and what's not. As a result, well-intentioned but ill-informed animal lovers can easily and unknowingly purchase animals linked to wildlife crime.

To rise to these challenges, enforcement authorities need to develop the skills, knowledge and tools required to detect and prosecute online wildlife crime. It's essential that they keep pace with evolving trends and the sophisticated methods traffickers use to evade detection.

That's why the International Fund for Animal Welfare (IFAW) continues to work with governments, communities, partners and the public to shift attitudes, tighten enforcement and bring real change for animals.

### **Risking lives for profit**

After all, wildlife smugglers are willing to risk animal lives in pursuit of profit, with little regard for welfare. Every year, thousands of animals are cruelly crammed into containers, often tied tightly to prevent them moving and being detected by border officials.

There have even been cases of some animals, especially insects and arachnids, being shipped to

consumers' letterboxes using regular courier services. One thing is for certain: more creatures die than survive. Some estimates even suggest that nine in 10 animals will die in transit, whether due to suffocation, starvation or stress.

### **Lure of online marketplaces**

The internet is facilitating trade in exotic species, and there has been a surge in online posts offering such wildlife for sale. Anyone can easily buy wild animals – such as snakes, spiders and songbirds – through online marketplaces with the click of a button.

Once purchased – regardless of whether legally or illegally, and whether the animals are captive-bred or wild-caught – there's a very slim chance of a happy ending upon arrival in their new homes.

Being adapted to a life in the wild, such animals have complex and highly specialized needs in terms of diet, environmental conditions, social structures and space requirements. These needs are difficult, if not impossible, to meet in a domestic setting.

### **The fate of unwanted animals**

When they require more care than owners have anticipated, or they become too large or dangerous to keep, the animals may end up being unwanted. Some of them are released in the wild – a decision that almost always seals their fate.

Unable to adapt to unfamiliar habitats or climates, these animals struggle to find food, establish territory or defend themselves against predators. Illness, injury and stress follow, and most perish in silence.

If they do survive, they can establish populations, posing serious ecological risks as invasive species that can threaten native wildlife and disrupt local ecosystems.

### **Time to reframe the industry**

The booming 'exotic' pet industry is something that urgently needs reframing. Clear regulatory frameworks are needed to make laws crystal clear, leaving no room for ambiguity. Every listing, regulation and loophole closed has real-world consequences for the world's precious wildlife. ♦



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