



# New Product Development and the Argentinean petfood market

# SUMMARY

 **Global Overview of  
Dog and Cat well-being**

 **Argentina (Latin America)  
perspective**

 **Nutritional approach for  
Product Development**

 **Conclusions**

 **Q&A**

# Pet care industry (pet food)

## Fundamentals:

- Rising pet ownership
- More pet owners treating their pets as family members
- They are more willing to spend on their pets

- **Pet ownership** is on the rise around the world for a variety of reasons. Many markets – particularly in the developed world – are seeing their populations age. With children having left home, many of these consumers are turning to pets for companionship. On the other side of the age spectrum, younger consumers are staying single and/or childless longer and view pets as a more than viable alternative to a partner and/or children.

- **Pet humanisation** in turns, is causing pet owners to evolve into “**pet parents**”, which means that they are spending on pets as they would on their own children.

Consumer attitudes to pet food are increasingly resembling those seen in the baby food and baby care industry.

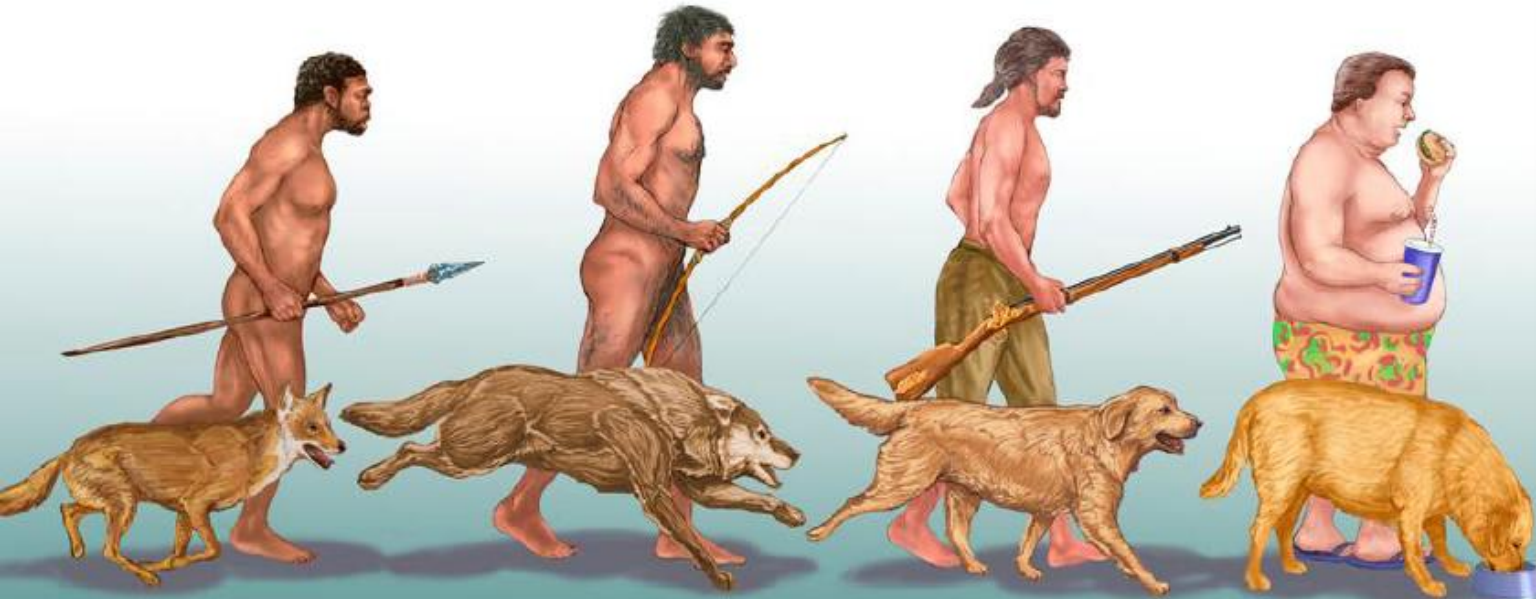
- **Premiumisation has resulted, price has become a secondary consideration and consumers are more willing to pay a premium for products that increase longevity and improve the quality of a pet's life.**

# Hai BACKGROUND

- The human-animal bond is a mutually beneficial and dynamic relationship between people and other animals that is influenced by behaviours that are essentials to the health and well-being of both.
- This includes but is not limited to, emotional, psychological and physical interactions of people, other animals and the environment (J.A.V.M.A. 205(11)L: 1675, 1998).

# CHANGING HABITS

Evolutionary Pressure to **Conserve Fat**





# SUMMARY

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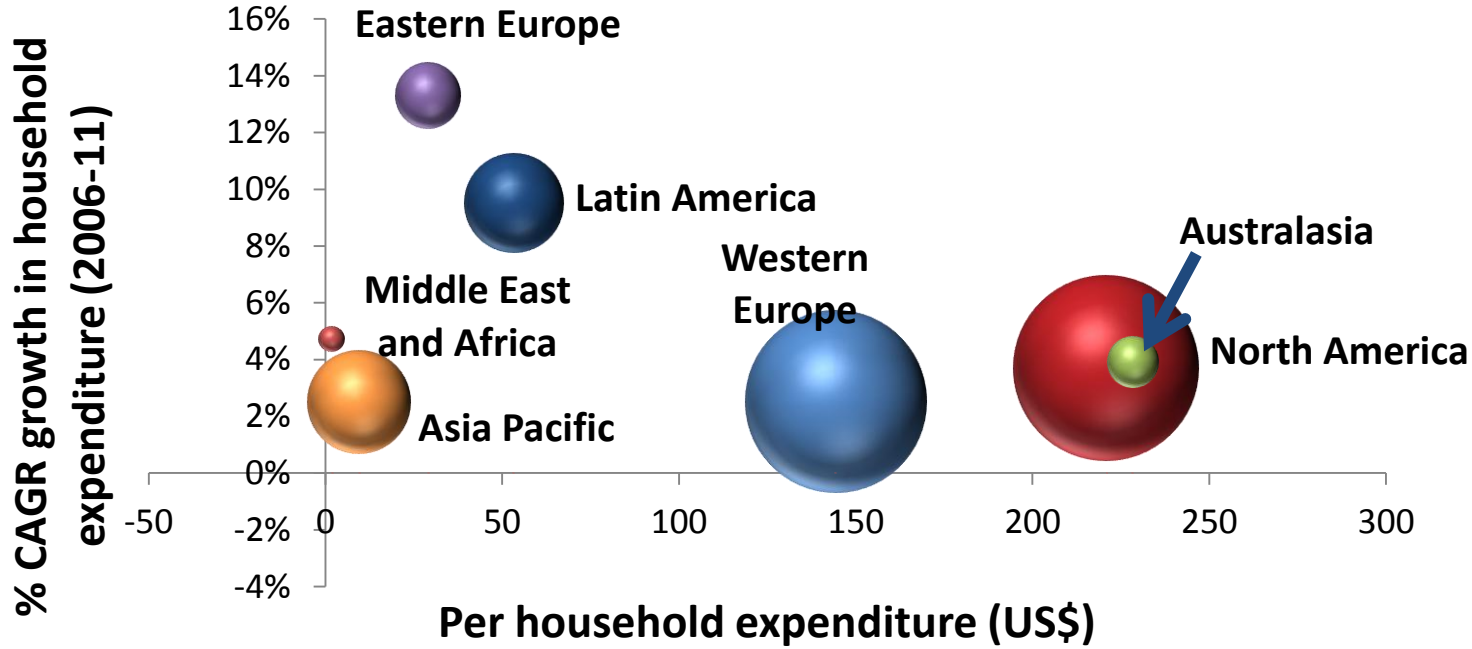
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# OVERALL SALES GROWTH AND PER HOUSEHOLD SPENDING IN PET CARE 2011

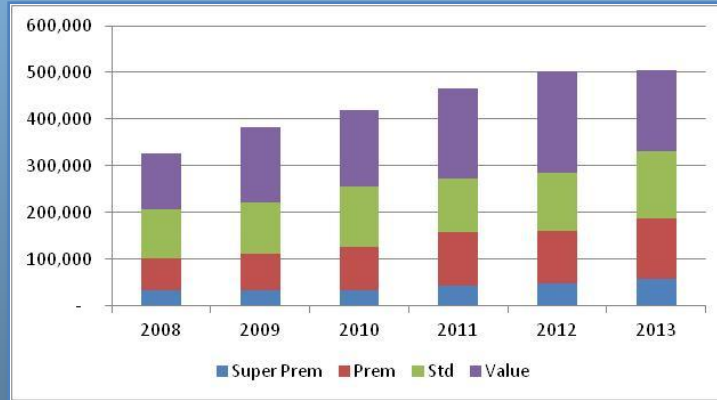
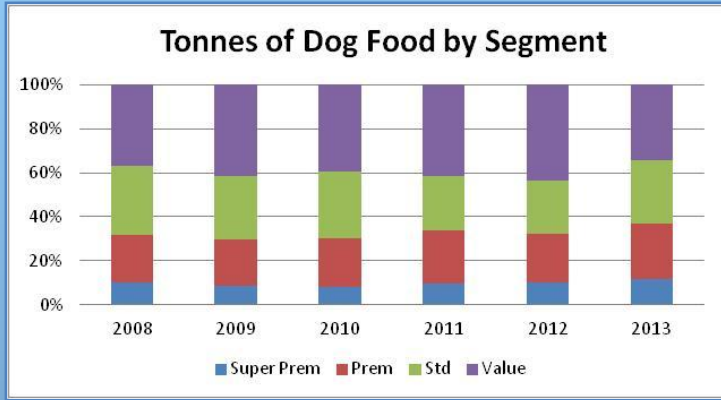


Note: The area of each bubble relates to the retail value of the market

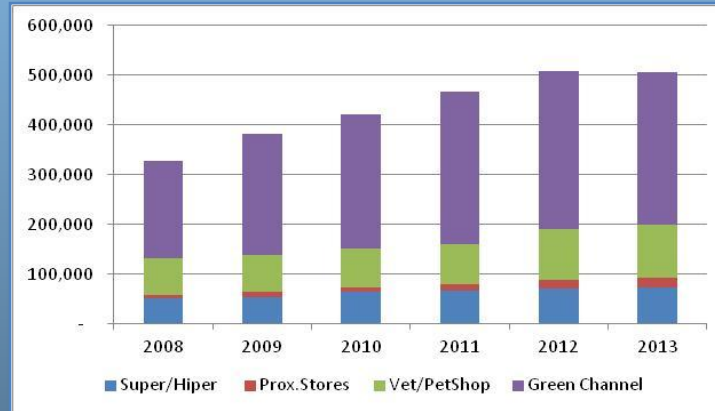
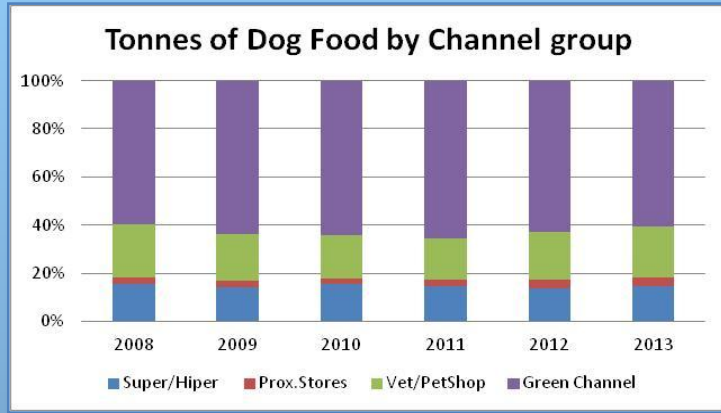
# ARGENTINEAN PETFOOD MARKET

- Measured by CAENA (Cámara Argentina de Empresas de Nutrición Animal)
- Voted by petfood companies, twice a year
- Data are clasified by price range
- Volume is adjusted for companies not affiliated with this trade organization

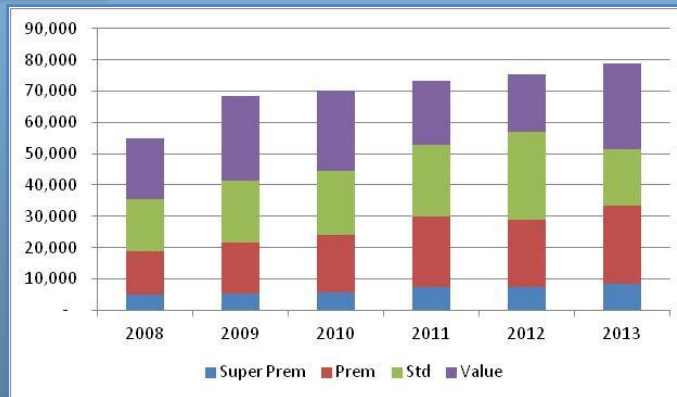
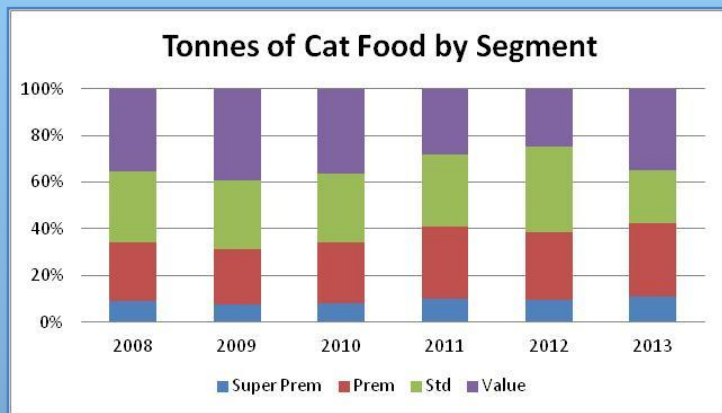
# ARGENTINA: Dog food market



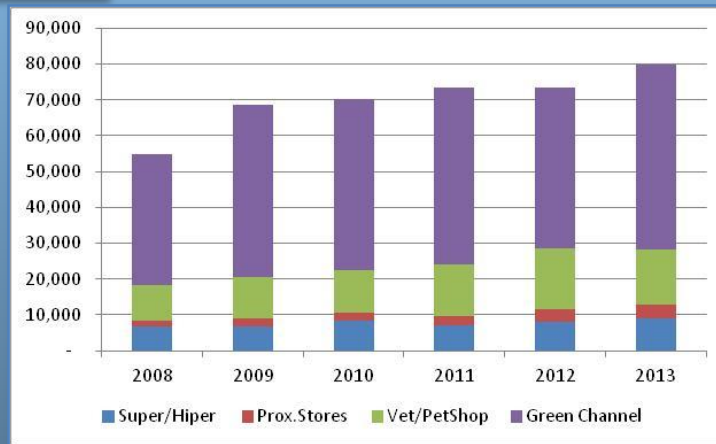
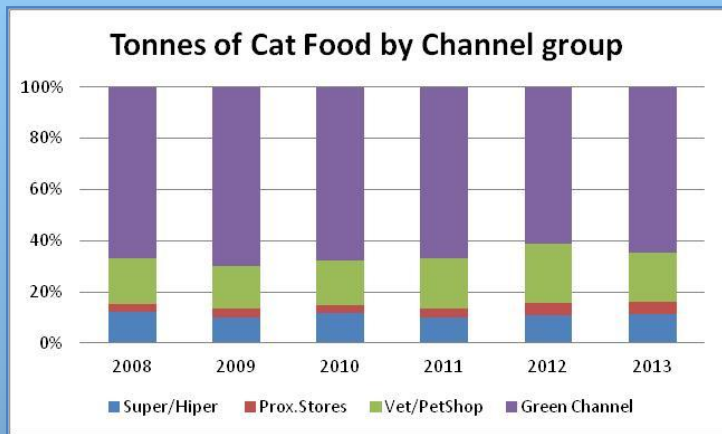
# ARGENTINA: Dog food market



# ARGENTINA: Cat food market



# ARGENTINA: Cat food market



# INGREDIENT CONSIDERATIONS



## Proteins

- Bovine and poultry
- Soybean
- Corn gluten



## Fats

- Poultry fat
- Beef tallow
- Vegetable oil



## Carbohidrates

- Corn
- Rice
- Wheat



# EQUIPMENT CONSIDERATIONS



Mainly dry petfood



Single shaft extruders



Flexible packaging

# COMMERCIAL DISTRIBUTION



Dealers or Green Channel (Feeds and Farm stores)

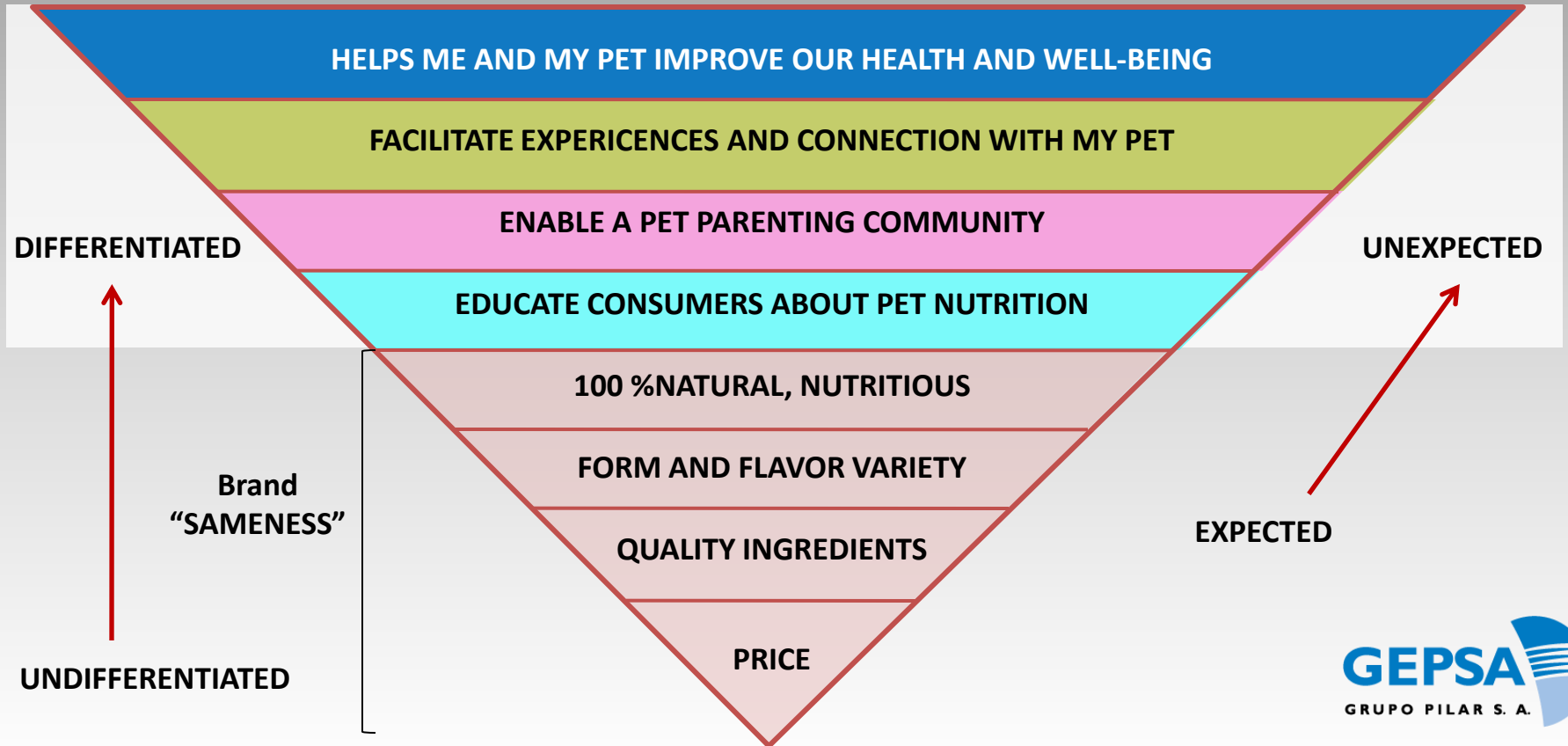


Grocery Channel (Hyper , Super and Proximity stores)



Petshop and Vets stores

# PETFOOD BRAND VALUE PROPOSITION



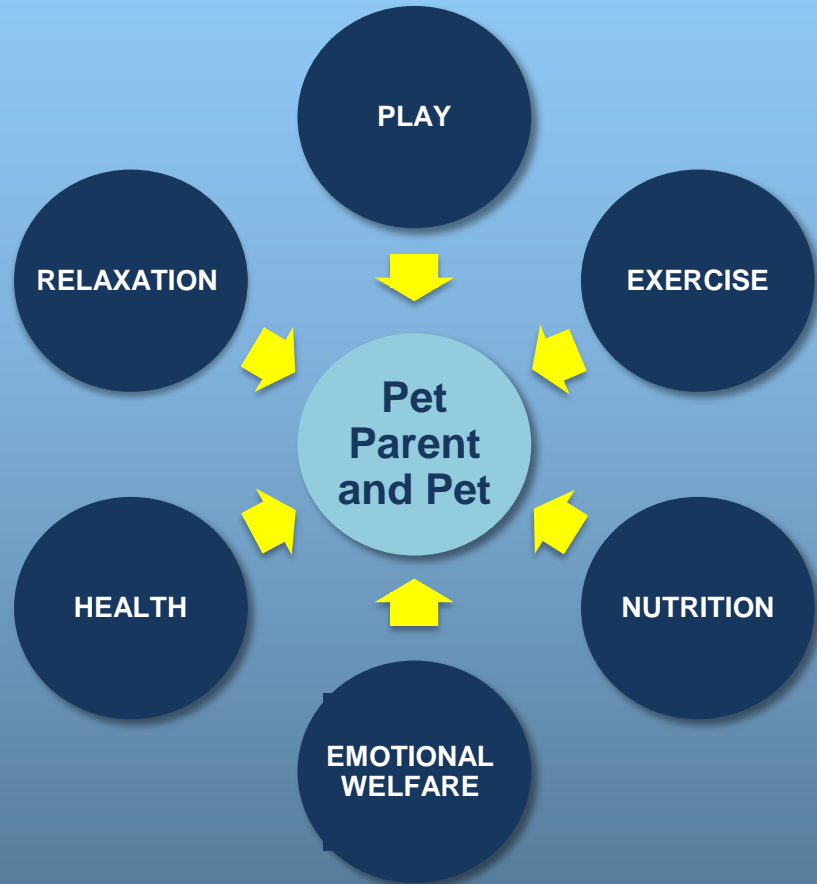
# AS FORMULATORS WE MUST...

Relevant communication creates engagement... and that means we're talking to consumers about something that's new, interesting and that they will care about...

# HEALTH TO MY TREASURE COMPANION

*Pompy, an almost 12-year-old Labrador suffered from arthritis. She went from an aging hound in pain to joyful puppy after treatment... without any evidence derived from clinical and **nutritional** therapy*

# INTEGRATE HUMAN AND PET WELL-NEEDS...



# Pet humanisation leads to specialised formulas addressing:

- Digestive - Intestinal health
- Immune response - Longevity
- Weight loss management
- Sensitive skin
- Arthritis relief
- Urinary tract health
- Heart health
- Hepatic protection



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# CONSIDERATIONS

- Food intake
- Level of nutrients (Min. / Max.)
- Balance and Relationship between nutrients
- Bio availability of nutrients
- Shelf life of the feed
- Feeding practices
- Well-being of the animals

# DIGESTIVE - INTESTINAL HEALTH

- Combination of vegetables fibers such us: MOS, FOS, beet pulp
- High digestibility proteins and carbohydrates
- Use of toxic binding agents and adsorbants

# INMUNE SYSTEM RESPONSE IN PUPPIES

- Natural antioxidants, such us Vitamin E and C
- Organic minerals mainly Se
- Lutein and other other alchoholes such us polifenoles
- Beta glucans from brewers yeast

# WEIGHT LOSS MANAGEMENT

- Low calorie diets
- High fiber formulas
- Inclusion of L-Carnitin to avoid cell damage

# COAT HEALTH – SENSITIVE SKIN

- Essential fatty acids such as Omega 3 and 6
- Increased levels of many vitamins and organic minerals

# ARTICULAR PROTECTION

- Use of chondro protection agents such as Chondroitin sulfate, Glucosamine chloridrate, Organic Mn

# URINARY TRACT HEALTH

- Low levels of Ash
- Use of acidifiers to control urine pH
- Controlled levels of Mg
- High caloric diets to reduce mineral intake

# CARDIAC PROTECTION

- Formulas with controlled levels of Na and P
- Inclusion of L-Carnitine and taurine
- Use of ingredients such as Green tea to provide polyphenols to control oxidative stress and tissue perfusion



# HEPATIC PROTECTION

- Diets with low levels of Cu and increased levels of Zn to diminish the concentration of Cu in hepatocytes
- Reduction of Na to diminish portal vein pressure
- Use of natural antioxidants to promote hepatocyte health

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# IN ARGENTINA AND LATIN AMERICA...

## **We expect:**

- Pet owners to spend more on health and wellness products
- Pamper their pets more with treats, toys and accessories as well as grooming kits
- New formulas that address nutritional impairments



**THANK YOU!**

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**Q&A**