

Follow the Food

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World Macro Trends

- Growing Population, Demand for Food
- Growing Worldwide Middle Class
- Growing Demand for Meat Proteins
- Growing Importance of Drought/Floods
- Growing Emphasis on Sustainability

Petfood Trends

- Natural
- Holistic
- Grain Free
- Meat First or Only Meat
- Raw/Frozen
- Organic
- Local Sourcing

Human Food Trends

- Organic
- Whole/Unprocessed Foods
- Gluten Free
- Paleo/Primal/Caveman
- Hormone Free
- Free Range/Grass Fed/Pasture Fed
- Locally Sourced
- Unique Protein Sources

**Table 1. US retail sales
of organic petfood,
2003-2009** (in millions of US dollars)

The stellar performance of organic petfood since 2003 has lifted sales from US\$14 million to US\$85 million, or just shy of 6% of total sales of natural petfood.

Year	Sales	% Change
2009	\$84	10%
2008	76	48
2007	51	25
2006	41	37
2005	30	42
2004	21	46
2003	14	—

Note: Dollar figures and percentage changes have been rounded.
Source: Organic Trade Association annual Organic Industry Surveys. This material is reprinted with permission.

Table 2. US retail sales of natural pet products, 2005-2014 (in millions of US dollars)

The 2009 growth rate of natural pet products only slightly outpaced that of pet products overall, increasing just 6% as the recession took hold.

Year	Sales	% Change
2014*	\$3,115	10.4%
2013*	2,862	11.2
2012*	2,572	12.0
2011*	2,296	10.4
2010*	2,080	9.8
2009	1,895	5.9
2008	1,790	19.7
2007	1,495	42.8
2006	1,047	17.1
2005	894	—

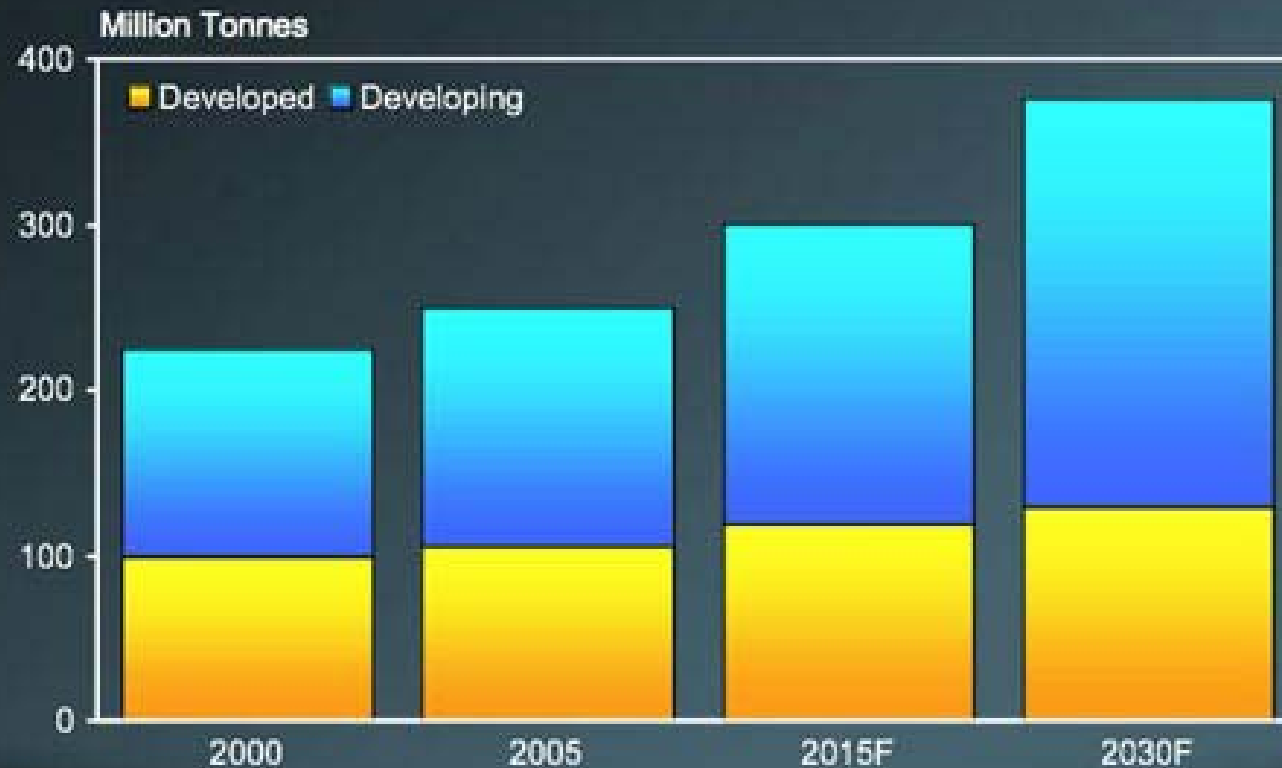
* Projected

Source: Packaged Facts

Meat, Meat, and More Meat

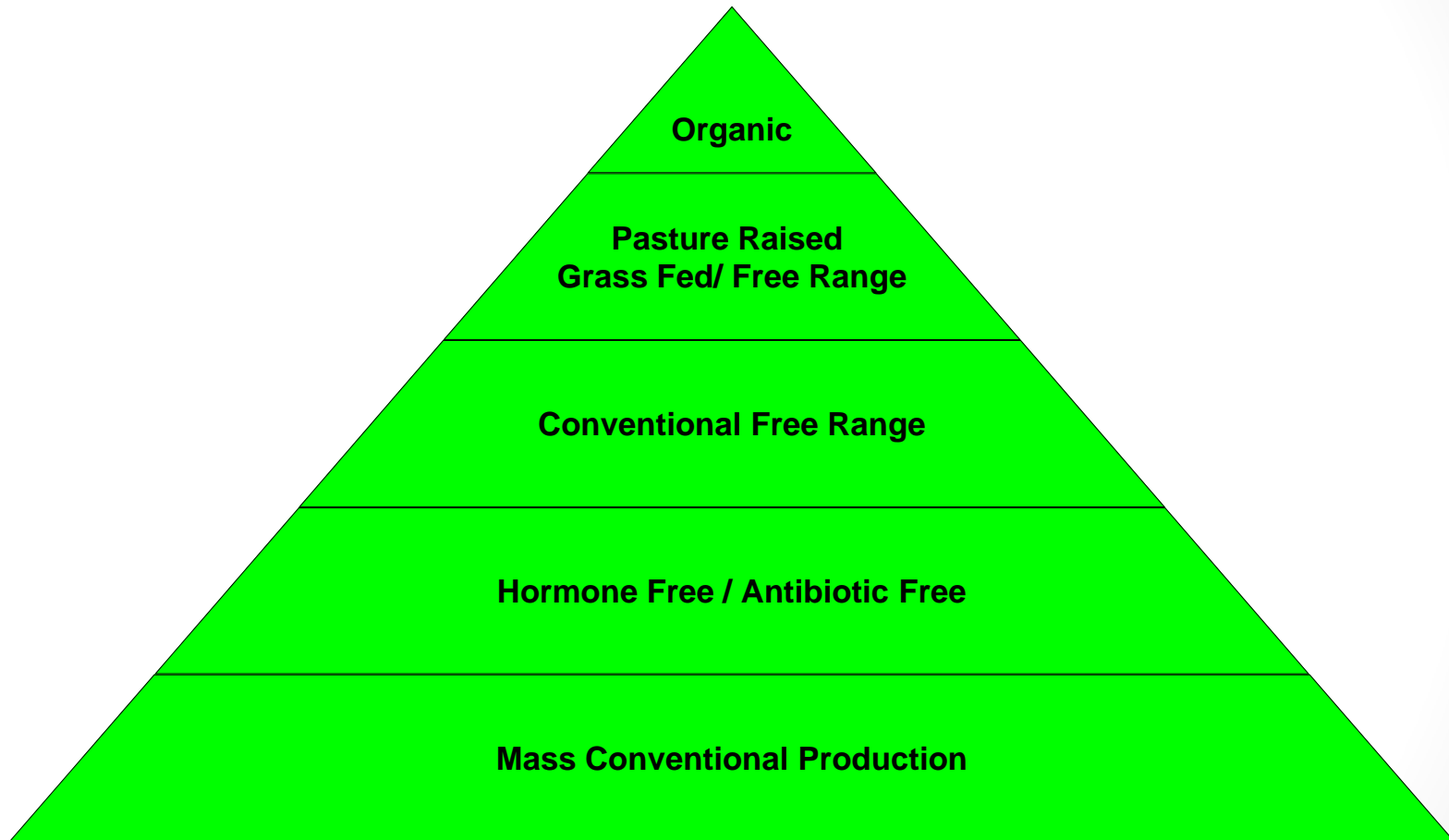


World Meat Consumption 2000 - 2030



Source: FAO World Agriculture Towards 2015/2030

Meat Production



Fats, Oils & Sweets
USE SPARINGLY

KEY
■ Fat (naturally occurring and added)
▣ Sugars (added)
These symbols show fats and added sugars in foods.

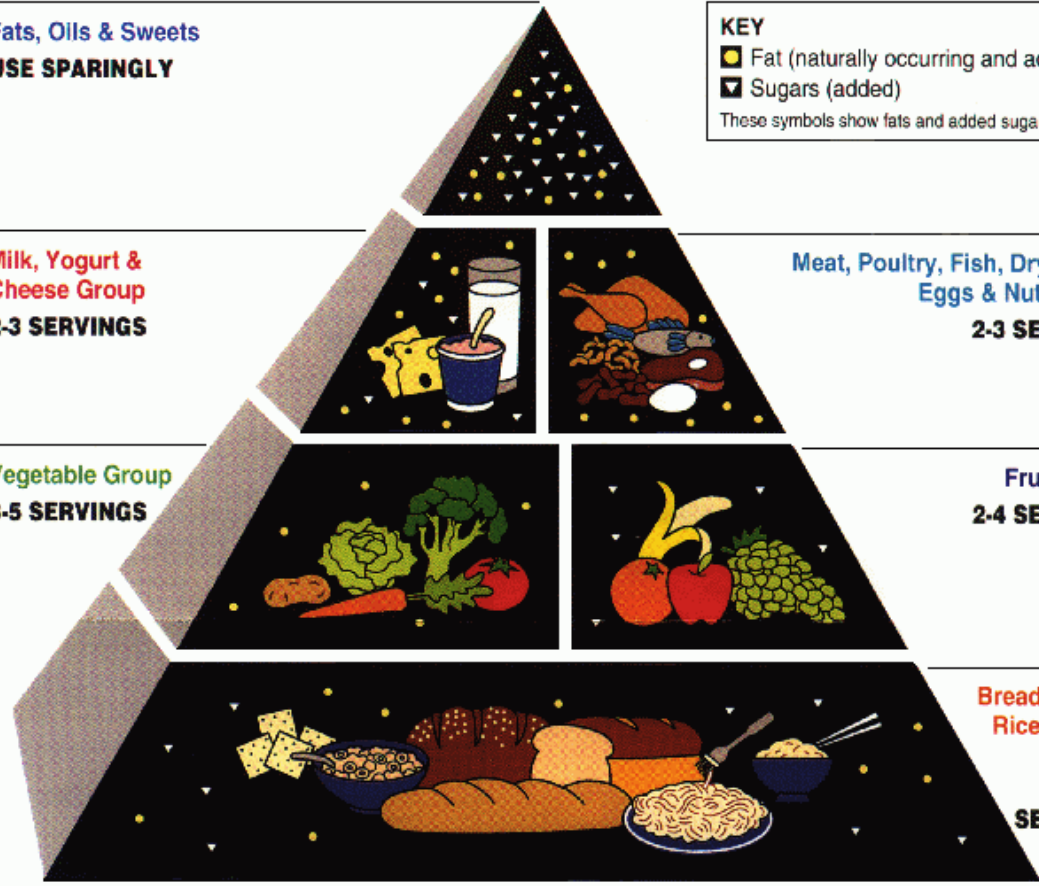
Milk, Yogurt & Cheese Group
2-3 SERVINGS

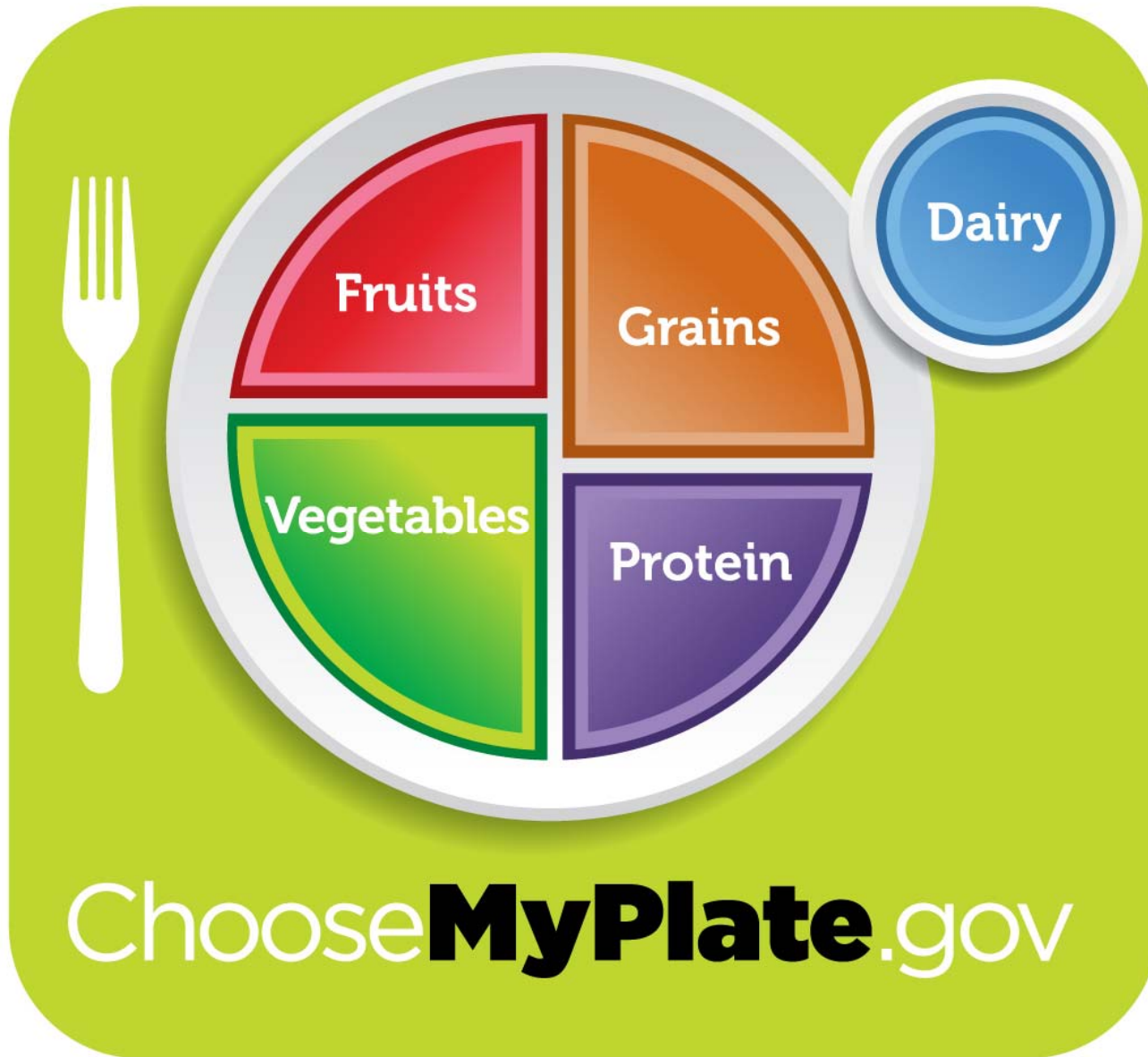
Meat, Poultry, Fish, Dry Beans, Eggs & Nuts Group
2-3 SERVINGS

Vegetable Group
3-5 SERVINGS

Fruit Group
2-4 SERVINGS

Bread, Cereal, Rice & Pasta Group
6-11 SERVINGS



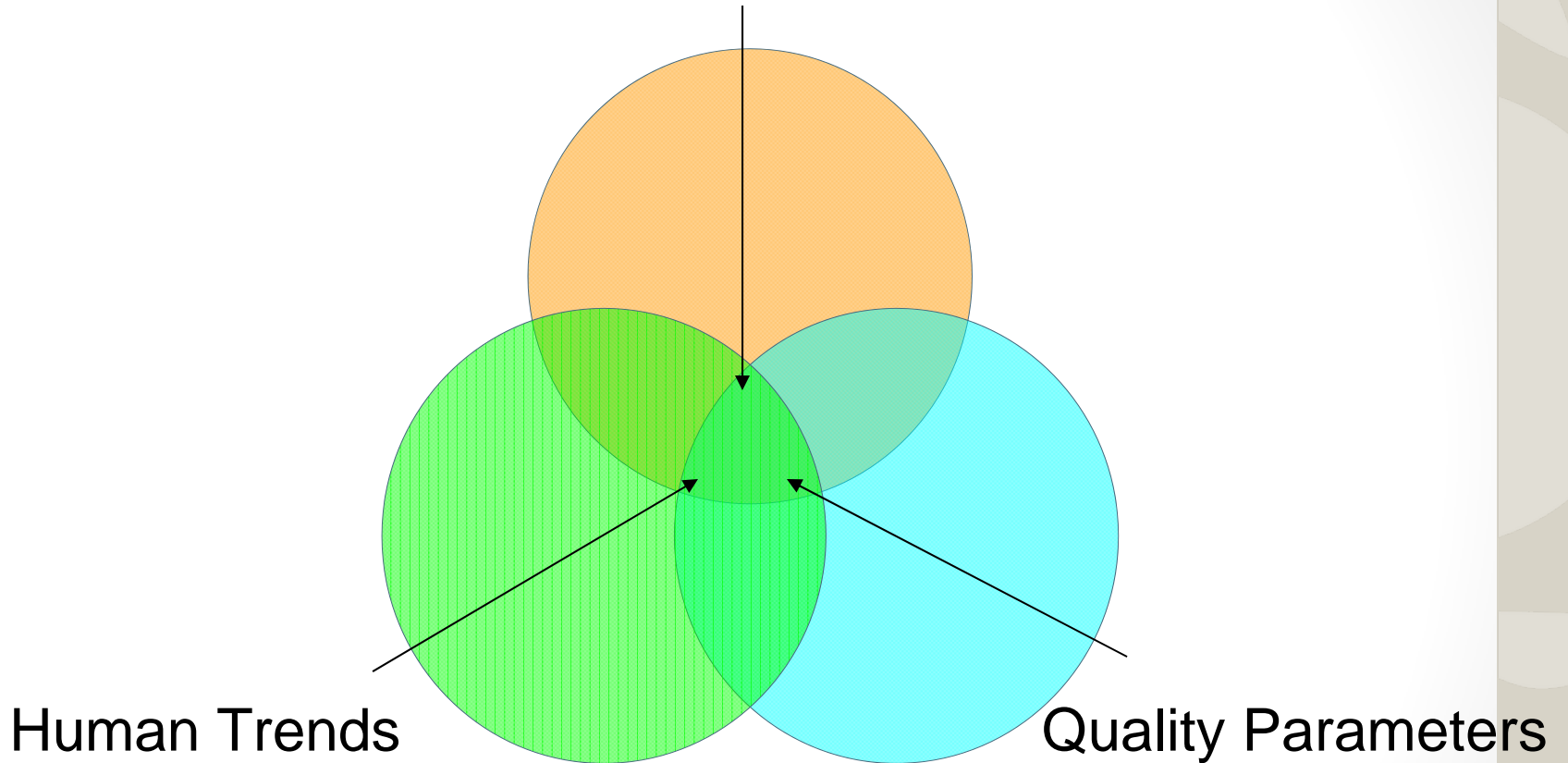


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Quality Petfood

- Complete Transparency
- Differing Quality Definitions
- Freshness of Raw Material
- Freshness of Finished Ingredient
- Sustainability
- Origin Point (China?/India?/Asia?)
- Risk Management

Petfood Trends



Intersection

Food

- Organic
- Whole/Unprocessed Foods
- Gluten Free
- Paleo/Caveman
- Hormone Free
- Free Range/Grass Fed/Pasture Fed
- Locally Sourced
- Unique Protein Sources

Petfood

- Organic
- Natural
- Holistic
- Grain Free
- Meat First or Only Meat
- Raw/Frozen
- Local Sourcing
- Unique Proteins

Putting It All Together

- Determine your core values and market
- Identify which quality parameters are core to your petfood company
- Prioritize which market trends fit that core
- Understand those priorities set your market
- Face the reality that you can't be an expert in 500-700 raw ingredients
- Identify a few key allies that you will bring to battle
- Follow the Food!