

Choosing the Right Fiber for the Future of Pet Food



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The pet food industry continuously evolves as consumer demands change. Pet parents are always seeking wholesome diets at an affordable price point. As you know, this evolution leaves every nutritionist searching for the highest quality ingredients at the most affordable price.

Tackling today's industry challenge - while preparing for future ones - is something every pet food manufacturer must consider. I am sure you'd agree, the biggest challenge in the pet food industry today is switching from diets that include grain to grain-free diets, while still maintaining economic value. As pet food manufacturers look toward the future, they need to consider that the market isn't just moving toward all-natural, non-grain ingredients; there's a dramatic shift towards domestically-sourced ingredients, too.

In this guide, we will take a look at the challenges you, the manufacturer, face today and in the future, and review the solutions that are currently available.

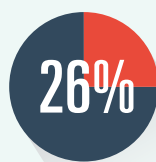
Today's Challenge: Replacing traditional pet food diets with grain-free diets

"Natural pet food" may be the most common term used in today's pet food landscape, but "grain-free" is really the powerhouse behind the trend. Grain-free dog and cat food accounted for 34% of all pet food sales, and 48% of the natural category in 2015. **Grain-free dog and cat food brought in an astonishing \$2.6 billion last year (October 2014 to September 2015), which was a growth rate of 25%.** (source: GfK)

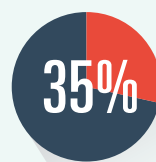
Grain-Free pet food sales growth (Oct. 2014 - Sept. 2015) (source: GfK)

	Sales Growth (%)	Share (%)
Total - Dog	26	35
Dry - Dog	24	36
Wet - Dog	28	46
Treats - Dog	43	20
Total - Cat	22	30
Dry - Cat	25	30
Wet - Cat	20	34
Treats - Cat	12	11

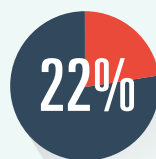
Total - Dog (Sales Growth)



Total - Dog (Share)



Total - Cat (Sales Growth)



Total - Cat (Share)



As consumers demand grain-free diets, you must supplement your formulas with alternative fiber sources. This is where ingredients such as vegetable and fruit fibers, cellulose and beet pulp come in to play.

However, there are some very significant disadvantages you must consider when using these fiber sources. Let's take a look at each of these sources in depth and review the challenges you face when using them.

“On the consumer end, people want gluten free, grain free, all-natural, etc. This dictates what kind of ingredients these companies are looking to buy,” said an industry insider.

Vegetable and Fruit Fibers

As you may know, there are a variety of ingredients available under the vegetable and fruit fiber category including apple, blueberries, carrots, pea fiber, tomato pomace and many others.

Fruit and vegetable fibers are all-natural, high-fiber sources. These sources of fiber have a positive connection to human health and can potentially provide added nutritional and health benefits for pets. Generally, these fiber ingredients are byproducts from the human food market, allowing the entire product to be used and not wasted.

However, price point is a huge disadvantage of these fiber sources. Vegetable and fruit fiber tend to be more expensive than traditional fiber sources because they are used in the human food market.

Another disadvantage to using fruit and vegetable fiber is increased shipping costs. Most of these fiber sources are grown in very specific geographical regions and must be shipped across country, primarily to the Midwest. According to the KC Animal Health Corridor’s 2014 Asset Survey, over 50 percent of the global pet food industry is made up of companies located in the Kansas City (KC) Animal Health Corridor, which stretches from Manhattan, Kansas, to Columbia, Missouri. Tomato pomace, for example, is primarily shipped from California, so manufacturers in the Midwest buying tomato pomace will pay more in shipping costs than buying a locally grown fiber source.

Cellulose

There are various forms of powdered cellulose available from trees, but the majority of the cellulose used in pet food is derived from pine trees. Cellulose undergoes the same pulping and chemical washing process used to make paper. This is one major disadvantage to using cellulose since consumers are demanding natural products – and chemical processing doesn’t fit the bill.

Another disadvantage of using cellulose is its unsustainability, because the production of cellulose and the harvesting of trees does not protect the environment. Pine trees must mature for 20 years before they can be harvested for cellulose.

A third disadvantage is price point. On a pound-for-pound basis, cellulose can be one of the most expensive ingredients in a formula.

Beet Pulp

It's no secret that cellulose's biggest competition for most widely used fiber ingredient is beet pulp. Beet pulp is a byproduct from the processing of sugar beets. Beet pulp is the fibrous material leftover after the sugar is extracted. As consumers demand human grade ingredients, byproducts may quickly become a disadvantage.

Today, nearly 100% of all beet seeds in the USA are genetically modified, which is a major disadvantage to using beet pulp as a fiber source. According to the 2014 study by Health Focus International, 87% of consumers globally believe non-GMO foods are healthier than GMO foods. The other option for manufacturers is to purchase beet pulp from overseas, which can be costly and hard to trace.

“For the pet food manufacturer, we've noticed a change where you see a shift towards organic, food grade ingredients,” said an industry insider.

➔ Challenge of Tomorrow: Purchasing solely domestically-grown ingredients

In the pet food market, we are seeing increased consumer demand for transparency and information about the ingredients used in their pet's food. In particular, U.S. pet owners seek products that are made in the USA. In human food, products with claims such as “made in” or “ingredients from” have tripled from 2011 to 2015 – and pet products are quickly following this trend. (Innova Market Insights)

Pet owners are paying closer attention to what their pets consume. The industry must continue to create responsibly sourced ingredients and foods that are processed naturally to maintain nutritional integrity and nurture trust with consumers.

✔ M-Fiber solves the challenge of today while preparing for tomorrow

Pet food manufacturers like you need to stay ahead of the curve by selecting U.S.-grown, grain-free fiber ingredients. Luckily, there is a fiber ingredient that does this and more.

M-Fiber is processed from Miscanthus, a perennial non-grain crop grown and processed in the Midwest United States. It has 3x the fiber of beet pulp – at a fraction of the unit price.

Our vertically-integrated agribusiness model means more than U.S. made; it means complete product integrity and traceability. We work alongside local farmers in the Midwest from planting and harvesting - to ensure quality and safety. And since M-Fiber is strategically located in the Midwest, manufacturers can cut their shipping costs dramatically.

Our all-natural, non-GMO fiber ingredient is unlike anything else on the market today. When manufacturers add M-Fiber to their formulations, they are meeting consumer demands for wholesome, grain-free ingredients while supporting a domestically grown market.

As a manufacturer, you have a lot of responsibility to produce safe and wholesome pet food products for your consumers. As you face today's challenge of formulating grain-free diets, many fiber ingredient options are available. Carefully considering the advantages and disadvantages of each ingredient is essential for success. By selecting the right ingredients today, you can easily transition into the future of providing domestically sourced ingredients.

Ready for the future of pet food?

SCHEDULE A CALL



with M-Fiber today!

