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Selected Excerpts

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Direct to consumer: Ten percent of animal supplement sales were rung up via the Internet last year, while 10% came through mail-order catalogs, 1% through direct-response television (DRTV) and direct-response radio (DR radio), and 1% via network marketers. **Halo Purely for Pets** began selling its natural pet food and treats via the QVC home shopping network in February 2009. This channel is proving particularly successful for the company given that its new part owner, TV talk show host Ellen DeGeneres, is helping to hawk the food. During one QVC segment, the comedian even convinced QVC host Caroline Gracie to eat some of the Halo food, which is made with human-grade meat and other ingredients. DeGeneres, who has said publicly that she invested in Halo in 2008 because she believes it is the best-quality pet food on the market, also talks the brand up on her popular show and let's viewers know when she will be on QVC. All of this is helping to boost Halo sales through all channels, said David Yaskulka, Halo's vice president of marketing and communications. "A number of major retailers have experienced their best ever Halo weeks during the weeks we've been on QVC."

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Sales of natural & organic pet food in the natural & specialty and mass market channels leapt like a Border Collie after a Frisbee last year because people are increasingly reading pet food ingredient labels, said David Yaskulka, vice president of marketing and communications for Tampa, Florida-based **Halo Purely for Pets**, makers of natural dog and cat food. "[Consumers] are starting to understand what those ingredients are. That's in part a result of the pet food recall and in part because people are just following the human trends of eating better and using more natural products."

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Beyond the food that goes into an animal's bowl, a wide range of functional pet waters and nutraceutical treats have hit the market in the last year, and many ingredients—including omega-3s, probiotics and even superfruits—have crossed over from the human side to pet functional products. "Smart treating" is a major trend with pets, said Halo's Yaskulka. "Just as with humans, we can't forget that the snacks between meals count, and that if we're eating empty calories we're not serving our overall health," he added. "We're definitely seeing customers start to understand the same concept with pets and how smart treating can fit into overall nutrition programs." In May 2009, Halo unveiled its new Liv-A-Little's Healthsome line of functional dog and cat treats. Halo's new Antioxidant Liv-A-Little product is made with cranberries, yogurt, pumpkin and green tea, while the Skin and Coat version features Halo's Dream Coat natural food supplement, which contains essential fatty acids.

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A paunchy pooch: Like their human guardians, dogs and cats are becoming increasingly hefty around the middle, and this is triggering a cascade of health issues and ultimately reducing pet life spans. In fact, a Nestlé Purina study found that 12% of overweight pets had diabetes, high blood pressure, osteoarthritis and other weight-related health problems. "Obesity is tied to many conditions, especially in cats and some dogs," said Donna Spector, DVM, a veterinary advisor for **Halo Purely for Pets**. Commercial pet food is one culprit for the added weight, Spector added. "Many foods use corn and rice as fillers. It is less expensive, but it has a high glycemic index and turns rapidly into sugar. It is very similar for humans." To help address this issue, pet nutrition companies are offering foods made with no corn or rice

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Gluten free for Fido: Food allergies seem to be more prevalent—or perhaps more noticed—among dogs as well as people, and pet nutrition companies are responding with new lines of allergen-free foods and treats. Wagatha's is one company that offers a line of organic wheat-, corn- and soy-free treats. The company also plans to introduce a completely grain-free line in the fall. Pampered Pet Treats recently launched a selection of hypoallergenic dog cookies that contain "ingredients recommended by a dermatology clinic and several holistic veterinarians," said the company's founder Nancy Volin. The new products "will make it possible for highly allergic dogs to enjoy several flavors of tasty, easy-to-digest treats," Volin added. **Halo** rolled out a gluten-free, low-fat biscuit for dogs and cats earlier this year.