

HEALTHY CATS, HAPPIER CAT PARENTS

Fresh insights and research to help you
accelerate your feline innovation pipeline





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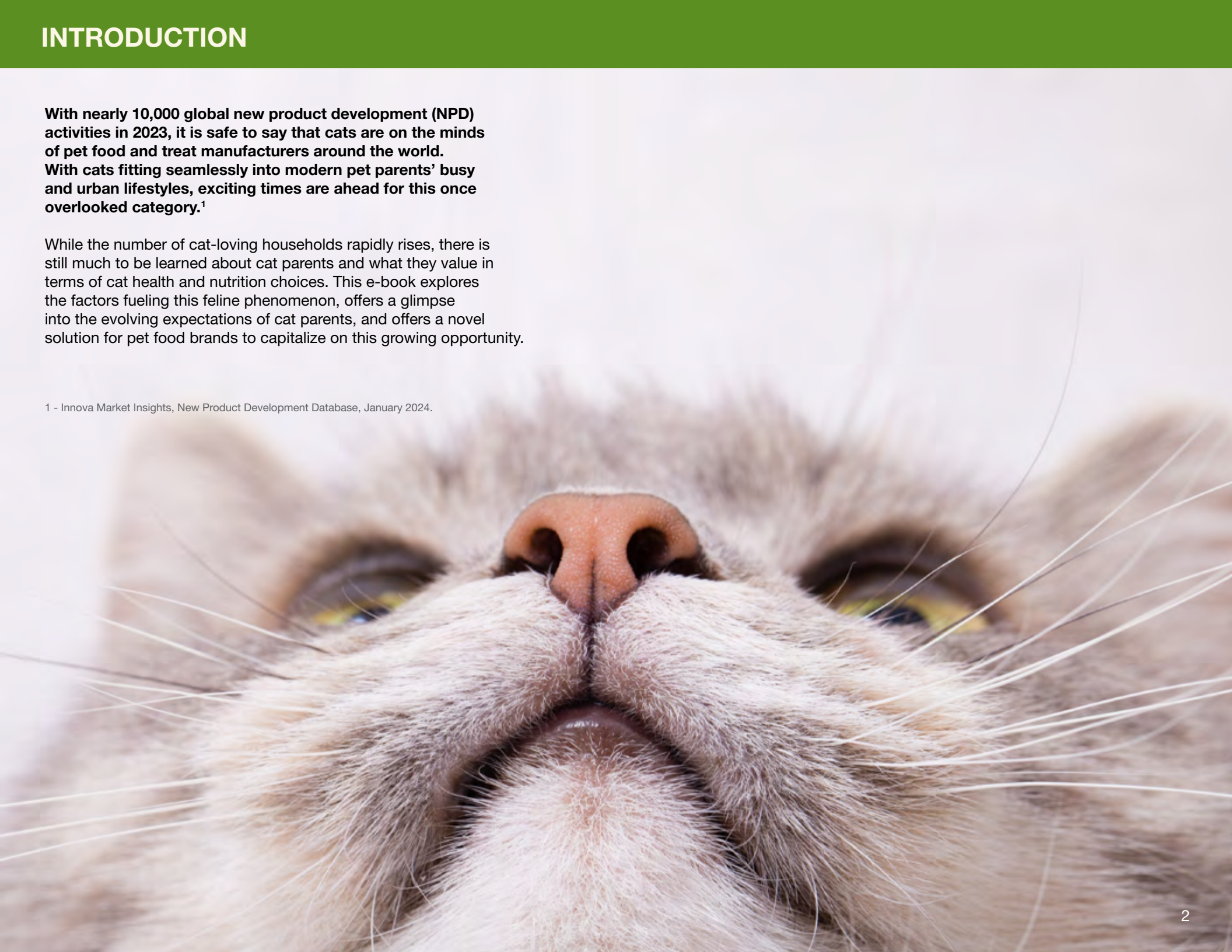
This document is intended to provide information to businesses and pet food industry professionals. It is not intended for consumers of finished consumer goods. Any labeling, marketing, and substantiation decisions regarding your products is your responsibility, and Cargill assumes no responsibility for such decisions. We recommend you consult regulatory and legal advisors familiar with all applicable laws, rules, and regulations regarding your product labeling, marketing, and substantiation.

INTRODUCTION

With nearly 10,000 global new product development (NPD) activities in 2023, it is safe to say that cats are on the minds of pet food and treat manufacturers around the world. With cats fitting seamlessly into modern pet parents' busy and urban lifestyles, exciting times are ahead for this once overlooked category.¹

While the number of cat-loving households rapidly rises, there is still much to be learned about cat parents and what they value in terms of cat health and nutrition choices. This e-book explores the factors fueling this feline phenomenon, offers a glimpse into the evolving expectations of cat parents, and offers a novel solution for pet food brands to capitalize on this growing opportunity.

1 - Innova Market Insights, New Product Development Database, January 2024.



CAT MARKET DYNAMICS

Cats are having a moment and brands are taking notice.

The rise of cat parenthood is the result of a perfect storm playing out within the global pet market.

More cat parents...

Urbanization: Compact living spaces favor cats over dogs, making them ideal companions for urban dwellers.

Demographic shifts: Cats are independent and typically require less maintenance than dogs, making them an ideal fit for pet parents with busy work and social lives.

Pandemic effects: The COVID-19 pandemic led to a surge in pet adoptions, with cats being a popular choice for their companionship and stress-relieving qualities.

...more cat food...



Estimated Retail Value²



Estimated Pounds of Food²

2024

\$49.6B

21B

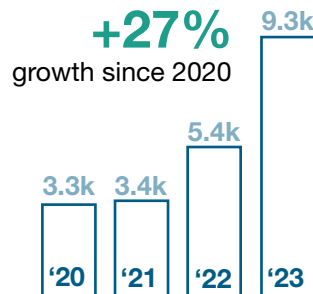
2028

\$68.7B

24B

...more innovation...

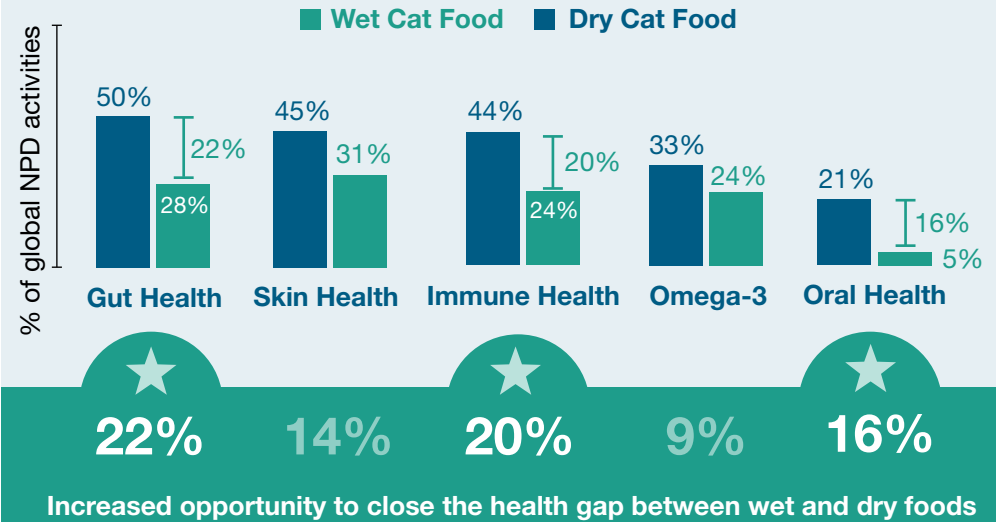
From 2020-2022, cat food NPD, an indication of innovation has experienced a 27% CAGR with a sharp spike in 2023 and has outpaced dog (based on CAGR) in every product category, indicating a focused shift by brands to innovate for rising cat parent needs.¹



A growing opportunity to close the 'proactive health gap' between wet and dry foods.

Half of all cat NPD from 2020-2023 included a proactive health claim with digestive/gut health, skin health, and immune health being the leading proactive health claims. However, wet foods lag dry particularly when it comes to digestive/gut health, immune health, and oral health. This presents an opportunity to find solutions to innovate with ingredients that can support these health claims.¹

Top 5 cat food proactive health claims, 2020-2023



1- Innova Market Insights, New Product Development Database, January 2024.

2- Euromonitor Passport Data, January 2024.



CAT PARENT INSIGHTS

Cat parents want more proactive health solutions.

A recent Cargill survey including cat parents across the United States, United Kingdom, France, and Germany revealed that there are whitespace opportunities for pet food brands to innovate to support cat health and wellness to retain and expand market share.³

Nearly half of cat parents are concerned about their cat developing a health condition.

Of those concerned, vomiting, immune strength and diarrhea/loose stools are the top three concerns across all regions surveyed with slight regional differences. Notable regional callouts include anxiety as a key concern for US respondents and dental issues with those in the UK.

Top health concerns:

United States

1. Vomiting
2. Immune strength
3. Anxiety

Germany

1. Vomiting
2. Immune strength
3. Diarrhea/loose stools

France

1. Vomiting
2. Diarrhea/loose stools
3. Immune strength

United Kingdom

1. Vomiting
2. Dental issues
3. Immune strength (tie)
3. Diarrhea/loose stools (tie)

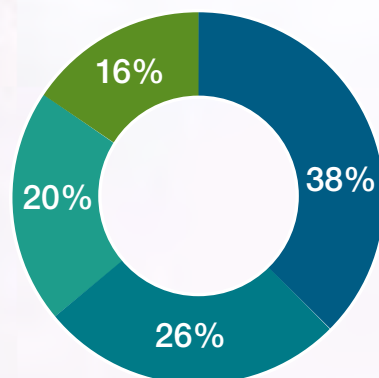
Nutrition is key to managing cat health but most cat parents are not satisfied with what's available on the market to address these challenges.

Nearly three quarters of cat parents surveyed are concerned about their cat developing a health condition and 73% believe their cat's food plays an important role in preventing health concerns. Yet just 40% say they are satisfied with the variety of foods and treats available to support their cat's health challenges. Across all those surveyed, wet food shoppers appear to more dissatisfied with their cat's food options than dry shoppers.

57% of French cat parents are concerned about their cat developing a health condition but just **33%** are satisfied with available offerings.

Help address cat health challenges to retain and gain market share.

When cat parents are concerned about their cat's health, 72% of those concerned make changes to the diet to help mitigate the concern. When asked how they have adjusted diets to address health concerns, switching brands was the leading action taken, followed by switching to a veterinarian-prescribed diet.



Primary diet changes made to address cat health challenges

- Switched brands
- Switched to vet-prescribed diet
- Added nutrition supplement
- Switched to a different food type

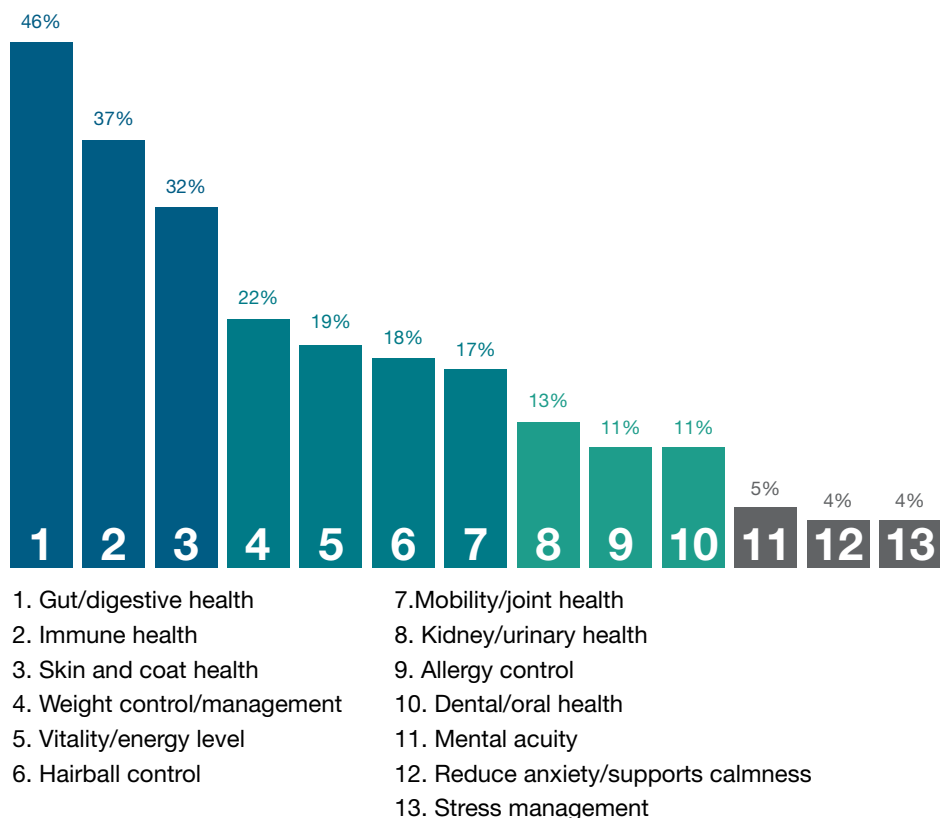
CAT PARENT INSIGHTS, CONTINUED

Proactive health needs are clear and scientific substantiation is important.

Deliver the health claims cat parents want with functional nutrition.

When asked to evaluate a comprehensive list of health claims, gut/digestive and immune health appear to be table stakes for brands to meet consumer needs. Cat parents appear to value solutions that help deliver benefits that can be physically evaluated, such as skin and coat health, weight management, and energy levels. Conversely, calmness, mental acuity, and stress management do not appear to be as high on the list of priorities for cat parents when it comes to selecting their cat's diet.

Importance of specific health claims when making a cat food purchase (US, UK, Germany, France):



Science-backed claims matter.

As pet parents take a more active role in understanding the ingredients in their pets' foods, substantiating claims with specie-specific research can be an effective strategy to build trust and credibility – and cat parents are no exception. Majority of cat parents believe it is important that claims in their cat's foods are backed by cat-specific research. Based on survey responses, ensuring claims are backed by cat-specific science is nearly as important as ingredient sources and having a veterinarian's recommendation. Savvy cat parents also understand that not all research is created equally. When it comes to evaluating the research behind claims, cat parents want assurance that multiple research studies have been done.

Cat parents seeking research backed by cat-specific research.

69% United States

64% Germany



Leading proof points behind research claims for cat parents:

1. Evidence has been found in multiple research studies
2. Evidence includes pet-specific research
3. Evidence available from controlled in-home use studies

NEW POSTBIOTIC FELINE RESEARCH

Deliver the science-backed health claims cat parents value most with TruMune™.

TruMune (also known as TruPet™ in some markets) was made specifically to help modern pet food brands stand out. It's an industry-leading, pet-specific complete postbiotic that delivers the science-backed health benefits pet parents are seeking within a single easy-to-use ingredient that works in any food format. With TruMune in the formula, brands can rest assured that their products deliver the intended health benefits because they are supported by cat-specific research.

New feline research demonstrates that TruMune supports a balanced immune response, helps maintain a healthy gut microbiome, and consistent stool quality. When compared to a control diet, the research suggests that cats prefer food including TruMune 4:1 and may consume more when TruMune is included in the diet (*2.3:1 improvement in consumption ratio*).

This exciting new research is among the first specifically evaluating the influence of postbiotics on cat health and wellness.^{2, 3, 4}



2-Norton, S. A. et al. Saccharomyces cerevisiae fermentation product promotes improved preference and consumption in adult cats fed an extruded diet. ASAS (2023).
3-Norton, S. A. et al. Saccharomyces cerevisiae Fermentation Product Influences Indicators of Gut Health and Function in Healthy Adult Cats. ASAS (2023).
4-Lin C. et al. Saccharomyces cerevisiae fermentation product modulates blood cell counts and gut immunity in healthy adult cats. ASAS (2023).
Norton et al. Publication pending.

TruMune delivers an elevated experience for cats and their parents from the food bowl to the litter box.

Functional & tasty

TruMune is a proactive health ingredient that supports a healthy gut microbiome and balanced immunity while also supporting a palatability boost.

Balanced immunity

When cats respond to stress with a 'just right' immune response, they have more energy available for bonding with their cat parents. New research suggests that TruMune supports a balanced immune response when added to cat diets.

Healthy gut microbiome

When the gut is at its best, cats are at their best. New feline research indicates that TruMune supports optimal gut function by nourishing beneficial microbiota populations and supports a rich and diverse gut microbiome community.

Less messy litter

Imbalances with the gut can create unpleasant experiences in the litter box. New feline research shows that including TruMune in cat diets supports fecal quality and consistency by helping to maintain optimal fecal pH, stool firmness, and phenols (key compounds responsible for fecal odor).



CARGILL POSTBIOTICS: A SOLUTION FOR EVERY PET FORMULA



TruMune™ (also known as TruPet™ in some markets) is a natural* complete postbiotic ingredient. It's a single low-inclusion ingredient that supports multiple trending health benefits and retains efficacy in any modern pet food processing condition.

Market availability**

TruMune: North America, Central America, South America

TruPet: Europe, Middle East, Africa, Asia, Asia Pacific, Oceania



EpiCor® Pets is a human-grade natural* complete postbiotic ingredient. It's trusted by people in their own diets and is proven effective in pets, too. EpiCor Pets is a highly concentrated super ingredient that can be added to any pet nutrition formula while retaining efficacy.

Market availability**: Global

Product	Recommended Product Types	Recommended Daily Feeding Rate	Claim Spaces Backed by Pet Specific Research
TruMune™ TruPet™	<ul style="list-style-type: none"> • Functional, Premium, Super-Premium, and Veterinary Diets • Extruded, retort, high-pressure • Pet treats • Meal toppers and mixers 	<ul style="list-style-type: none"> • Dog: 100mg/kg body weight • Cat: 150mg/kg body weight 	<ul style="list-style-type: none"> • Digestive health • Gut microbiome • Immune health • Vitality
EpiCor® Pets	<ul style="list-style-type: none"> • Pet Supplements • Human-Grade pet foods, treats, meal toppers and mixers 	Dog & Cat: 7mg/kg body weight	<ul style="list-style-type: none"> • Digestive health • Gut microbiome • Immune health • Everyday stress management • Breath freshness

*Natural as defined by AAFCO

**Trademark, product registration, and product availability varies by market. Contact a Cargill representative to see what products are available in your market.



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