



MARKET TRENDS IN CHINA: ANIMAL NUTRITION

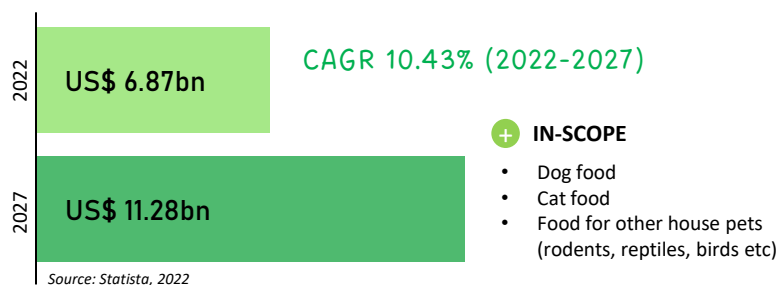


MARKET OVERVIEW & KEY TRENDS

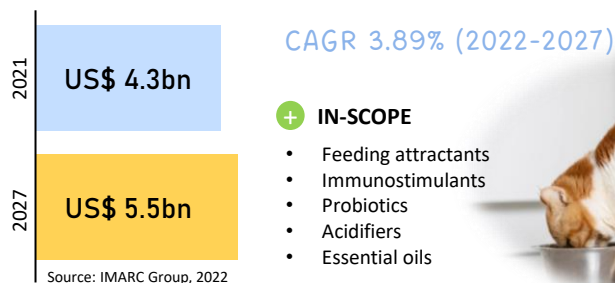
CHINA ANIMAL NUTRITION MARKET

Forecast Analysis

Pet Food



Feed Additives



PROSPECTS AND OPPORTUNITIES





Natural & Organic

Drivers of pet ownership in China



Increased disposable income allowing more room in household budgets to buy pets and pet food



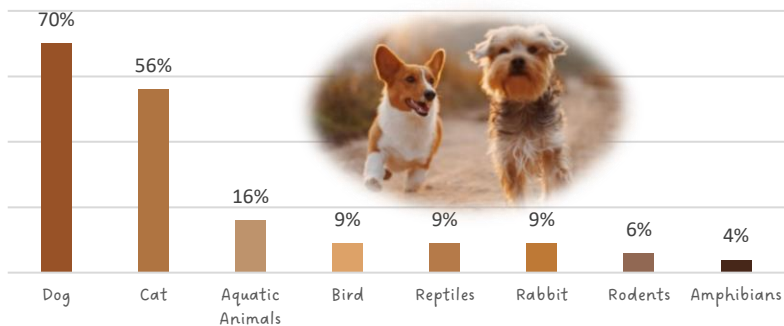
An ageing population seeking animal companionship



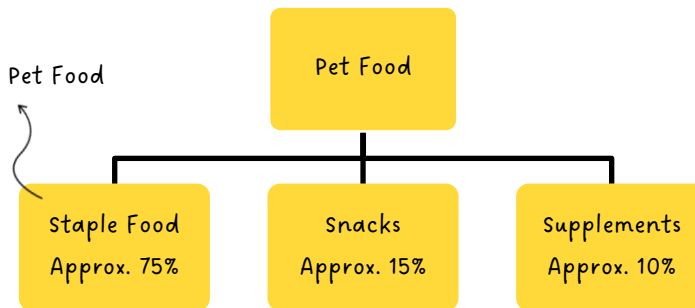
Millennial Chinese marrying later are placing greater importance on pets as family members

Source: Australian Trade and Investment Commission, 2022

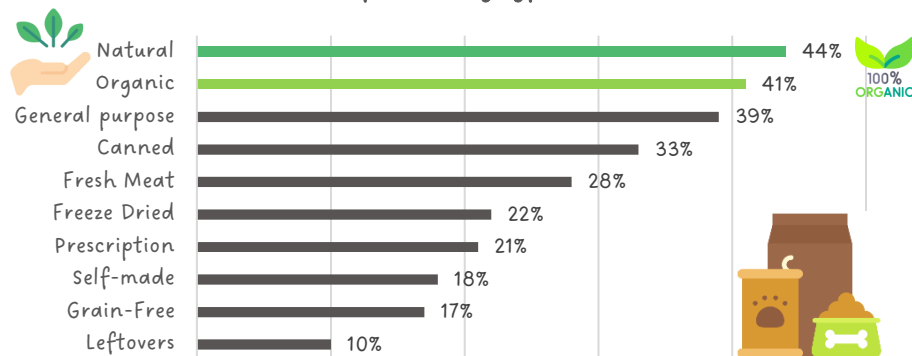
Types of Pet in Chinese household, 2021



Dry & Wet Pet Food



Chinese consumers' preferences when purchasing Pet's staple food, by types, 2021



Source: iResearch, 2021

Natural & Organic



Vitamin A is an essential fat-soluble vitamin that has functions supporting vision, bone growth, reproduction, cellular differentiation and immune response in dogs

Source: Morris et al., 2012

Holistic Health Extension Original Chicken & Brown Rice Recipe

- As a caring parent, you want to keep your pet happy, healthy and full of life by serving the best food you can find – which is precisely what's inside this package.
- What you won't find in this recipe: artificial colours, flavours or preservatives, ethoxyquin, wheat, corn or soy, added sugar, BHA or BHT
- Product of USA

Ingredients: Organic Deboned Chicken, Chicken Meal, Ground Brown Rice, Oatmeal, Chicken Fat (preserved with ***Mixed Tocopherols**), Lamb Meal, Menhaden Fish Meal, Flaxseed, Coconut Oil, Dried Beet Pulp, Brewers Dried Yeast, Egg Product, Turmeric, Bovine Colostrum, Organic Apple Cider Vinegar, Ginger, Green Tea Extract, DL-Methionine, ***Vitamin A Acetate**, ***Vitamin E**, ***Riboflavin**, ***Vitamin B12**, ***Vitamin D3**, ***Niacin**, ***Choline Chloride**, ***Pyridoxine Hydrochloride**, ***Thiamine Mononitrate**, ***Folic Acid**, ***Biotin**, Inositol, Dehydrated Kelp, Zinc Polysaccharide Complex, Iron Polysaccharide Complex, Manganese Polysaccharide Complex, Copper Polysaccharide Complex, Cobalt Polysaccharide Complex, Calcium Iodate, Sodium Selenite, Yucca Schidigera Extract, Dried Lactobacillus acidophilus Fermentation Product, Dried Lactobacillus casei Fermentation Product, Dried Enterococcus faecium Fermentation Product, Dried Bacillus subtilis Fermentation Product, Dried Bacillus licheniformis Fermentation Product, Dried Bacillus coagulans Fermentation Product, Dried Aspergillus oryzae Fermentation Product, Dried Aspergillus niger Fermentation Product.

Natural & Organic



Mocare (魔咖) Grain Free Freeze Dried Cat food with Salmon and Krill

- No attractants, preservatives and artificial colours added
- Product of China

Ingredients:

Main Composition: Chicken (28%), Chicken Meal (24%), Organic Beef (10%), Marine Fish (10%), Imported Fish Meal (8%), Freeze-dried Krill (1.4%), Freeze-dried Salmon (1.16%), Potatoes, Peas, Eggs And By-products, Organic Flaxseed, Chicken Fat, Fish Oil, Brewer's Yeast, Sugar Beet.

Additives Composition: Lecithin (1.44%), Sodium Chloride, ***Taurine**, ***Choline Chloride**, Natural Steroid Sarsas Saponin (From Yucca), Xylooligosaccharides, Bacillus Subtilis, Bacillus Licheniformis, Ferromethionine Amino Acid Zinc Complex, ***Vitamin E**, ***Vitamin C**, Vitamin K3, ***Niacinamide**, ***Vitamin A**, ***Vitamin D3**, Yeast Selenium, Glycinate Copper Chelate, Methionine Manganese Complex, ***Vitamin B1**, ***Folic Acid**, ***D - Calcium Pantothenate**, ***Vitamin B2**, ***Vitamin B6**, ***D-biotin**, ***Vitamin B12**.

Pantothenic acid (d-calcium pantothenate): also known as vitamin B5, a critical nutrient for growth and metabolism of carbohydrates, proteins, and fatty acids. It also helps to create cholesterol, lipids, neurotransmitters, hormones and hemoglobin.

Source: National Center for Biotechnology Information, 2022

Natural & Organic



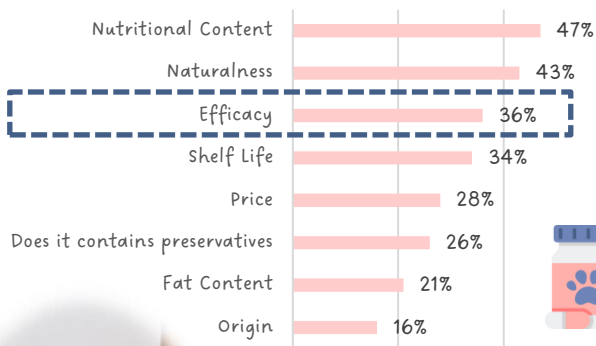
Variation: Beef with apple & herbs, Lamb with apple & herbs, Veal with venison, apple & herbs, Game with Lamb, apple & herbs, Turkey with duck, herring, apple & herbs, Turkey with apple & herbs (for puppies)

Schesir (雪诗雅) Natural Selection Wet Food For Adult Dogs

- Schesir Natural Selection recipes are a testament to our deep respect and careful consideration of nature, which led to select specific ingredients that are natural and functional.
- Our Natural Selection Wet line is formulated with a nutritional approach that mirrors that of the Dry range, and includes six tasty recipes with natural ingredients, rich in meat and with the addition of apple, Provencal herbs and wild berries. Ideal for small dogs who prefer a varied diet that combines wet and dry foods.
- Perfectly balanced complete recipes, all nutritionally approved by the Department of Veterinary Medical Science at the Alma Mater Studiorum University of Bologna.
- Formulated with no added preservatives or colours
- Grain & Gluten Free
- Cruelty free
- Product of Italy

Immunity & Digestive Wellness

Factors influencing the buying decision of Chinese consumers for pet staple foods, 2021



Source: iResearch, 2021

► As pet food becomes increasingly specialized, with manufacturers catering to consumers' desires to meet the individual needs of their pets, therefore the efficacy of pet food and functional ingredients are becoming more of a trend than ever.



- Functional ingredients in pet foods are marketed as having special nutritional benefits in terms of general wellness or address specific health concerns, such as probiotics (Lactobacillus bacteria), prebiotic fibers (beta-glucans, manna oligosaccharides), nucleotides and omega-3 fatty acids (algae-sourced), can be applied to pet foods.



Digestion



Joint & Cartilage
Function



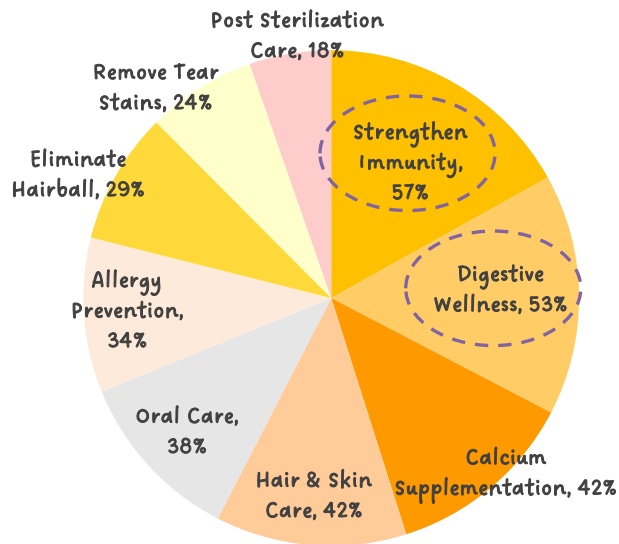
Immune
Strength



Dental
Health

Source: Wall & Keller, 2022

Chinese consumers' preferences when purchasing pet staple food, by functions, 2021



Source: iResearch, 2021

Immunity & Digestive Wellness



Crazy Dog (疯狂小狗) Beef Prebiotic Dog Food

- Prebiotics (mannose oligosaccharides + fructooligosaccharides)
- Helps promote the growth of beneficial bacteria, optimize the composition of intestinal flora
- Product of China

Ingredients:

Main Composition: Meat Meal (23%), Corn, Beef Meal (15%), Wheat, Chicken Fat, Compound Seasoning For Pet Feed, Rice, Fish Oil (2%), Beetroot, Broccoli, Tomato, Cranberry, Apple, Glucosamine Hydrochloride (200mg/Kg).

Additives Composition: Calcium Hydrogen Phosphate, Sodium Chloride, *Choline Chloride, DL Methionine, Mannan Oligosaccharide (0.2%), Fructooligosaccharide (0.1%), Chondroitin Sulfate (200mg/Kg), Potassium Sorbate, Colouring Agent, *Vitamin A Acetate, *Vitamin D3, *DL-a-tocopheryl Acetate, *Thiamine Nitrate, *Vitamin B2, *Vitamin B12, *D-biotin, *Calcium D-pantothenate, *Folic Acid, *Niacinamide, *Ferrous Sulfate, *Copper Chloride, *Manganese Sulfate, *Zinc Sulfate, Potassium Iodate, Sodium Selenite, Antioxidant, Microorganisms (Lactobacillus Plantarum, Bacillus Coagulans, Bimycobacterium Animalis, Pediococcus Lactis, Saccharomyces Cerevisiae (Saccharomyces Bradyi)).

Diced Meat (7%) Composition: Beef Meal, Chicken Meal, *Rice Flour.

Diced Meat (7%) Additive Composition: Potassium Sorbate, Antioxidant.

Choline is defined as an essential nutrient for dogs and cats. It is required for neurotransmission, cell signalling, lipid transport and metabolism, as well as cell membrane structure and integrity.

Source: GlobalPETS, 2021

Immunity & Digestive Wellness



It's Store (溯小粮) Freeze Dried Chicken Cat Food

- Exclusive PBM Flora Patent: Improve intestinal immunity, inhibit harmful bacteria, laxative effect, enhance beneficial bacteria
- Contains 7 Types of Probiotics
 - Bifidobacteria – Strengthens The Gut Barrier
 - Enterococcus – Reduces Intestinal Toxins
 - Lactobacillus – Improves Digestion
 - Yeast – Promotes Digestion And Absorption
 - Photosynthetic Bacteria – Inhibit Harmful Bacteria
 - Bacillus – Decomposes Foul-smelling Gases
 - Streptococcus – Boosts Gut Immunity
- Product of China
- **Ingredients (Other Raw material composition):** Raw Chicken (50%), Raw Turkey (17%), Raw Duck (12%), Chicken Hearts (5%), Chicken Liver (5%), Broccoli (2%), Apples (1%), Spirulina, Flaxseed, ***Inulin (Prebiotic).**

Inulin is an oligosaccharide which can be used in the animal diet as a functional fibre and has beneficial effects on the immune system, lipid metabolism, and helps in mineral absorption with the ability to balance the intestinal microbiota of animals.

Source: Birmani et al., 2019

Immunity & Digestive Wellness



Heart Food (心粮) Intestinal Formula Series Kitten Food

- Contains sheep colostrum – strengthen Immunity
- Contains Probiotics and Prebiotics Compound – Improves Gastrointestinal Function
- 58% Meat Content
- No Harmful Additives added
- Product of China

Ingredients:

Main Composition: Raw Chicken (28%), Raw Duck (25% Enzymatic Treatment), Sheep Colostrum (8%), Potato Flour (8%), Frozen Chicken (5%), Chicken Fat (5%), Chinese Yam (5%), ***Whey Protein Isolate** (2%), Brewer's Yeast Powder (2%), Pumpkin (2%), Alfalfa Granules (2%), Flaxseed Oil (1%), Fish Oil (1%).

Additives Composition: Lecithin (1%), Calcium Lactate, L-lysine, ***Taurine**, DL-methionine, ***Glycine**, L-threonine, Methionine Chelate, Copper Methionine Chelate, Monoamine Zinc Chelate, Manganese Monoamine Chelate, Yeast Selenium, Tea Polyphenols, Natural Steroid Saponin, ***Choline Chloride**, ***Vitamin A**, ***Vitamin B1**, ***Riboflavin**, ***Pyridoxine Hydrochloride**, ***Vitamin B12**, ***Vitamin D3**, ***Vitamin E**, Vitamin K3, Compound Probiotics (5 Billion CFU/Kg), Bacillus Subtilis, Lactobacillus Plantarum, Bacillus Licheniformis, Pediococcus Pentosacea), Prebiotics (***Fructooligosaccharide**, Chitooligosaccharide, 0.1% Mannan Oligosaccharides).

Premium, Nutritious & Protein-Rich



Rising pet ownership in China is leading to great demand for high-quality imported pet food.

Affluent Chinese pet owners are increasingly seeking imported pet food with nutritious, protein-rich ingredients.



Source: Australian Trade and Investment Commission, 2022



For example, high protein and genuine meat have become the main theme for cat food in China.



The preference for high protein in human food has been transmitted to pet food, under the prevailing humanization trend.

Source: Agriculture and Agri-Food Canada, 2022



International brands like **Orijen** and **go!** have increased Chinese cat owners' awareness that cats need animal protein, genuine meat to sustain health. Therefore, products with a high animal protein content, either adopting genuine meat or mixed with meat powder for the sake of cost control, have been popular in China's cat food market.



Source: Euromonitor International, 2021

New product launches of pet food in China, January 2017 to December 2021

Top five flavours (including blend), Yearly launch count

	2017	2018	2019	2020	2021
Chicken	54	47	50	42	46
Unflavoured/plain	70	54	40	31	17
Beef	44	31	34	22	17
Tuna	14	15	18	17	8
Salmon	8	7	21	15	11

Source: Agriculture and Agri-Food Canada, 2022



Premium, Nutritious & Protein-Rich



Varieties: Tuna, Tuna & Scallops, Tuna & Crabsticks,
Tuna & Anchovies, Tuna & Shrimp, Tuna & Snapper

Golden (金賞) Canned Cat Food

- Contains 80% genuine tuna fish
- Tuna is high in protein, low in fat, and contains various amino acids, vitamins, minerals and trace elements
- Product of Thailand

Ingredients for Canned Tuna: Tuna, Tapioca Starch, Water, ***Vitamin E**, ***Fructooligosaccharides**.

A lower-molecular-weight version of inulin is called Fructooligosaccharides (FOS). It is a prebiotic and can be found naturally in fruit and vegetable extracts such as chicory. They are non-digestible and could support the growth of healthy bacteria in the digestive tract, which promotes gastrointestinal health in animals.

Source: Lu et al., 2018

Premium, Nutritious & Protein-Rich

Jie Mi (杰米) Grain-Free Cat Food

- Crude Protein $\geq 40\%$; $>90\%$ are animal protein
- Meeting the nutritional needs of cats for every growth stage
- Product of China

Ingredients:

Main Composition: Enzymatic Chicken Powder, Hydrolyzed Yeast Protein Powder, Enzymatically Hydrolyzed Chicken Liver Powder, Imported Fish Meal, Chicken Fat, Fish Oil, Sweet Potato, Potato, Alfalfa, Carrot, Pumpkin, Marigold, Psyllium.

Additives Composition: *Vitamin A, *Vitamin D3, *Vitamin E, *Vitamin B Group, *Folic Acid, *Biotin, *Choline, *Potassium Chloride, Sodium Chloride, *Taurine, Amino Acid Chelated Trace Elements (Copper, Iron, Zinc, Manganese), Hydrogen Phosphate Calcium, Yucca Extract, Probiotics.



Premium, Nutritious & Protein-Rich



Pet Food (美滋元) Dried Chicken Breast Dog Snack

- High digestibility
- Produced using high-quality ingredients, with moderate texture and a lingering fragrance
- Nutritious – high in protein, low in fat, can be eaten as a staple food or as a treat for your dog
- Crude Protein $\geq 40\%$
- Product of China

Ingredients: Chicken, Vegetable Protein, *Rice Flour, Glycerin, Salt, Potassium Sorbate.



To know more about the featured ingredients in this market trends report as well as how you can create better food products for your consumers, contact our Food & Beverage Intelligence (FBI) team.

Email: info@dpointernational.com

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