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# Nutritional OUTLOOK

The manufacturer's resource for dietary  
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# PAW-PORTUNITY KNOCKS

Supplement manufacturers are expanding into the pet market in increasing numbers while barriers to entry are low.

BY MAUREEN KINGSLEY

made sense for them as certain human-supplement market segments matured, Bookout explains. Additionally, offers Lisa Harter, who manages global business development for Ribus, a supplier of rice-based ingredients, human and pet supplements tend to require many of the same certifications (organic, for instance, or gluten-free), which eases crossover from one market to the other.

Bookout adds that the pet-supplements marketplace is becoming more and more competitive, with low barriers to entry. But, he says, over time, barriers to entry will increase as regulatory requirements increase, and expanding into this market will become more expensive. (See sidebar, "Compliance 101: A Quick Primer on Animal-Supplement Regulation," on the next page.)

## Product Trends: What's Good for the Owner Is Good for the Pet

Products containing such well-known ingredients as glucosamine, chondroitin, MSM, and hyaluronic acid are always popular in the pet-supplements market, Bookout says. Essential fatty acids, digestive aids, and probiotics are selling well, too. In general, Bookout states, supplement trends in the pet market follow human-supplement trends, with some lag time. Many supplement manufacturers—and those who supply to them—recognize this opportunity and are targeting the pet-supplement and pet-nutrition markets accordingly.

The pet industry is prospering, thanks to an aging adult population seeking companion animals and a shifting cultural view of pets as "fur babies" who are increasingly important elements of family life. Even during the economic downturn that began in late 2007 and early 2008, the dog and cat industries in particular continued to grow, albeit more slowly than they had previously, says Bill Bookout, founder and CEO of the National Animal Supplement Council (NASC). Those industries have since recovered and are again growing strong, Bookout adds, and he estimates total consumer spending on companion animals (including cats, dogs, and horses) to be about \$1.8 billion annually.

It's not surprising, then, that manufacturers and marketers of dietary supplements and functional foods for humans are expanding into the pet market in increasing numbers. Among those who have blazed that path in recent years are NutraMax Laboratories, GNC (who "really led the way" to the pet market when it partnered with pet-supply retailer PetSmart to launch a line of pet supplements, Bookout says), NOW Foods, Mercola, and Thorne Research, to name a few. For these originally human-focused nutrition and supplement companies, entering the pet market was a natural lateral expansion that





**Supplementation is for the dogs...and cats and other companion animals.**

Sabinsa (East Windsor, NJ), a supplier to supplement, food, and pharmaceutical manufacturers, is one such company. It launched a line of pet products in 2014 called VetVitals. Shaheen Majeed, Sabinsa's marketing director, has seen increased demand for probiotics for pet health in the past year or two, and the company's LactoSpore probiotic ingredient for pet foods and supplements is answering that call. "Pet products require a very stable probiotic strain that can stay viable in processing as well as during the storage of pet food," Majeed explains. "LactoSpore is able to do both." The product's stability at high processing temperatures and its long shelf life are attractive to customers in both the pet-food and pet-supplements industries, he says.

Deerland Enzymes (Kennesaw, GA), another supplier to both the human- and pet-supplement markets, echoes Sabinsa's observations. "The popularity of formulating with ingredients such as probiotics, prebiotics, and digestive enzymes is on the rise," says Tod Burgess, Deerland's vice president of sales. He points to digestive health as being one of the fastest-growing segments in the animal-supplements market and says Deerland's customers are "seeking out custom blends of enzymes and probiotics" that they can incorporate into treats or powder supplements. The company's ProHydrolase enzyme blend, to aid protein digestion, and its DE111 strain of *Bacillus subtilis* are two such products, Burgess notes.

Botanical ingredients, too, are in demand within the pet-products market. NP Nutra (Gardena, CA) launched its Nutra Pet line of mostly organic powdered plant-based ingredients in March 2015 in response to a call from its customers for "premium, human-grade ingredients that could be used in pet formulations," says the company's director of marketing, Margaret Gomes. That line includes organic alfalfa-grass powder, organic barley-grass powder, organic beetroot-juice powder, organic carrot-juice powder, organic lemon-juice powder, organic sweet potato powder, organic turmeric-root powder, and more.

Similarly, NutriFusion (Hilton Head, SC), yet another supplier to the human-supplements industry expanding into pet nutrition, markets a version of its GrandFusion fruit- and vegetable-based nutrient blend to pet-food and -supplement manufacturers. Company CEO Bill Grand touts the strong bioavailability of his company's GrandFusion product and says it is customizable for various pet-industry customers. The product can be incorporated into pet food or treats, or sprinkled directly onto pet food as a supplement. Grand says the pet market will continue to represent a large part of his company's business, and he anticipates continued movement into that market.

Even ingredients to support weight control and healthy body weight—ever popular in human dietary supplements—are finding

## COMPLIANCE 101: A QUICK PRIMER ON ANIMAL-SUPPLEMENT REGULATION

It is important for those in industry to know that animal supplements are *not* subject to the same regulatory requirements as human supplements. The Dietary Supplement Health and Education Act of 1994, with which marketers of dietary supplements for people are likely quite familiar, does not apply to animal supplements.

You might be surprised to learn that dietary supplements for companion animals are, in fact, not recognized by FDA as a class of products. Under the Federal Food, Drug, and Cosmetic Act, products marketed as dietary supplements for use in animals are classified as either food or drugs, depending on their intended use.

Those supplements classified as food, or that are mainly nutritional in nature, are ultimately subject to the oversight of FDA's Center for Veterinary Medicine as well as state regulators. The Food Safety Modernization Act, signed into law in 2011 and encompassing animal nutrition,

hits its first implementation dates in Fall 2016. Pet food and supplements categorized as food (general vitamins and minerals, essential fatty acids, nutritional products to promote a healthy coat, etc.) will be subject to this law.

Pet supplements intended for health-target purposes (such as those for cardiovascular health, eye health, and kidney health) are not categorized as food, yet they are not approved drugs. For these products and their marketers, NASC provides a "complete regulatory roadmap," explains NASC president Bill Bookout. This roadmap includes current good manufacturing practices, adverse-event reporting, a product-tracking system, and labeling/claims guidance that was developed with the input of FDA and state regulators. The relationship between NASC and federal and state regulators remains very active. (See NASC's website, [www.nasc.cc](http://www.nasc.cc), for more information.)



a place within the pet market. Pharmachem Laboratories' (Kearny, NJ) Phase2 Pet product, for instance, is incorporated into pet supplements, treats, and foods and promotes weight loss in dogs, says Mitch Skop, the company's senior director, new product development. The ingredient binds with alpha-amylase, the enzyme that digests starches, thereby allowing a portion of consumed starches to pass through a dog's digestive system undigested, as fiber does, Skop explains. "Because the facts show that dogs and cats are growing more and more overweight," he adds, "we see tremendous opportunities here."

## Palatability Is Key: Special Considerations for the Pet Market

One of the biggest differences between manufacturing and marketing supplements for pets and doing the same for people is compliance. Human beings, of course, will accept a variety of supplement delivery forms: tablets, capsules, liquids, dissolvable powders, and more, and are motivated by factors far beyond flavor and texture to comply with dosage instructions.

Animals, on the other hand, "are tougher," says NASC's Bookout. "You can have the greatest product in the world, but if the animal isn't going to consume it, then people won't



Palatability and alternative dosage forms are especially key for pets who refuse to take tablets or capsules.

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*As regulatory requirements escalate over time, expanding into the pet-supplements market will become more expensive, says NASC's Bookout.*



continue to buy it. Palatability and delivery system are extremely important.” He continues, “I would argue that palatability and acceptance by the animal are equally as important as the functional benefit of the product, maybe more so.”

To that end, companies like Kemin (Des Moines, IA) offer products to enhance palatability of pet-nutrition products and increase their acceptance by the animal. Kemin's Palasurance line includes palatability-enhancing liquids and dry powders for cat and dog supplements, treats, and foods, as well as “unique granulated palatability enhancers designed for high-speed tableting applications,” says Bob Shamblin, Kemin's senior sales manager. The company's chicken-liver-based palatants, in particular, when included in a pet supplement or nutritional pet treat, “will compensate for unpleasant-tasting or -smelling ingredients and provide an enjoyable experience for the cat or dog,” Shamblin adds.

Formulations and dosages of key ingredients for pet applications may also need tweaking, depending on the pet. “You have different types of pets, canine versus feline versus equine, that require different delivery vehicles and dosages,” says Larry Kolb, co-founder and president, TSI USA (Missoula, MT), which supplies glucosamine/chondroitin and other ingredients to both the human

and pet markets. “You have to convert the science from one animal to the other.”

He adds, “Normally, the companies we're working with, the branded players, have knowledge of this in house and can typically convert a human dossier to an animal one. But there is certainly a process manufacturers go through to understand how these particular active ingredients sit within that pet-nutrition market.”

## A Market with Bite

Pet-health products, including supplements and specialty foods, appear to be positioned for continued growth over the next few years. Sabinsa's Majeed points to “the increasing number of pet owners making the connection that many of the supplements they depend on can also benefit their beloved companion animals.” Deerland's Burgess calls the pet-supplement market in particular “likely still in its infancy with tremendous opportunity for growth. Forward-thinking companies recognize that we are seeing an evolution of the supplement market, as the humanization of pets is a growing trend.” He adds that “pets are living longer on average,” and pet owners want to provide preemptive healthcare for their animals as they do for themselves.

Bookout predicts hemp ingredients, including hemp cannibidiol (CBD), and the

leucine derivative HMB to be among the more interesting future ingredient offerings as the pet-supplement industry grows. (TSI's Kolb sees potential in the emerging science of HMB coupled with vitamin D, in particular.) These three ingredients are garnering attention on the human side, too, and Bookout says that CBD and hemp, especially, were hot topics at the recent NASC annual conference. “There's much more research being done overall on new and innovative ingredients that provide benefits in certain categories,” he adds.

In addition to introducing more and more cutting-edge ingredients, pet-supplement manufacturers and suppliers will continue meeting consumer demand for “clean” labeling and the marketing of natural and organic products, say all of the industry representatives interviewed for this story.

All told, the pet-supplement market is “pretty interesting, robust, and compelling,” summarizes TSI's Kolb. “It is a natural fit for successful market launches on the human side to cross over into pet supplements.” ■

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