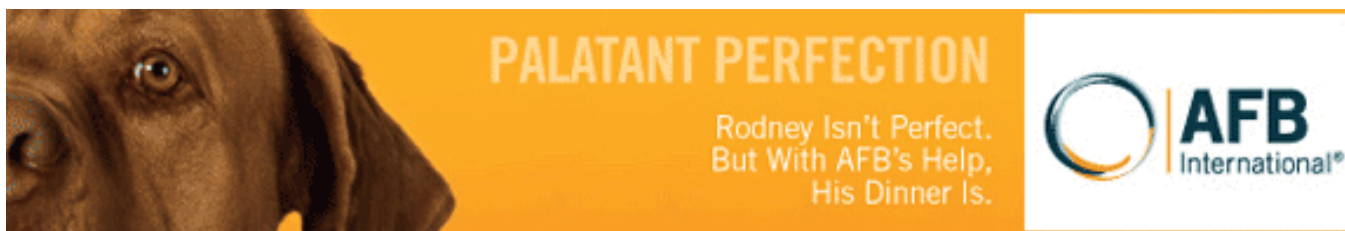




INDUSTRY NEWS • E-NEWS • PRODUCT NEWS • CALENDAR • RESEARCH NOTES • POSITIONS AVAILABLE • CONTACT INFO

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Here's what's been happening lately:

Industry news

Petfood pioneer passes

Dr. James E. Corbin died on March 1, 2007. He was born in 1921 in Providence, Kentucky, USA, and earned his bachelor's and master's degrees at the University of Kentucky. He earned his doctorate at the University of Illinois. Corbin joined the Ralston Purina Co. as manager of special chows research in 1954 and became the first director of the Purina Pet Care Center. In 1973, he joined the Department of Animal Science at the University of Illinois and established a world-class teaching and research program in companion animal biology. He retired from the University in 1984, but was an active emeritus professor.

"Few persons have had greater impact on the petfood industry. Besides pioneering the concept of extruded petfood as an industry scientist, Jim's mentorship of literally hundreds of petfood professionals has helped to make the industry the dynamic organization that it is today," said colleague Dr. George Fahey.

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There will be a memorial service for Dr. Corbin on March 31, 2007 on the University of Illinois campus. Dr. Corbin's family is currently in the process of setting up a memorial scholarship in his name through the University of Illinois. In lieu of flowers, memorials can be made to the nonprofit organization [Canine Connection](#) or [Lifeline Pilots](#). Corbin is survived by two daughters, two sons, six grandchildren and one brother.

Del Monte Foods profit declines in third quarter

Del Monte Foods Company has reported a 10% decrease in third quarter profit due to higher costs and a decline in sales volume. Del Monte posted profit of US\$46.5 million for the third quarter, compared with US \$52 million for the same quarter a year ago. Sales increased by 15% in the third quarter, mainly due to its acquisition of petfood brands Meow Mix and Milk-Bone. Del Monte said growth from new products and net pricing also contributed to the 15% increase in total sales.



For the third quarter, pet products net sales increased by 56.7% to US\$356.2 million, from US\$227.3 million in the prior year period. Total sales in the third quarter were US\$907 million, up from US\$789.6 million during the same period in 2005. Growth from new pet products, including 9Lives Daily Essentials, Kibbles 'n Bits Brushing Bites and Pup-Peroni Ribs, a shift in promotional timing from fourth quarter fiscal 2007 to third quarter fiscal 2007, and net pricing also positively contributed to the increase in net sales.

For fiscal 2007, the Company continues to expect sales growth of 12-15% over fiscal 2006 net sales of US \$3.0 billion. Fiscal 2007 net sales growth is expected to be driven primarily by the Meow Mix and Milk-Bone acquisitions.



Payne leaving PFI

Steve Payne, vice president of communications, is leaving the US Pet Food Institute (PFI) to become the vice president of corporate communications for Feld Entertainment, which manages Ringling Brothers and Barnum & Bailey Circus and other entertainment events, and is headquartered in the Washington, DC area. Kurt Gallagher will now become PFI's new director of Communications and export development. He will be responsible for PFI's public affairs program. Gallagher was with PFI previously in an administrative role. He returns to PFI after handling communications and other projects for a large member association and an online company.

Ameri-Pac gains national recognition

DiversityBusiness.com recently named Ameri-Pac Inc. as one of the top 500 women-owned and minority-owned businesses in the United States. Ameri-Pac also ranked number 18 of top small businesses in Missouri and number 14 of the top women-owned businesses in Missouri. The Div500 is a classification that represents the top 500 diversity-owned businesses in the US, in sectors such as technology, manufacturing, food service and professional services.



Deadline for Petfood Forum registration

The registration fee for Petfood Forum 2007 goes up after March 15. For a look at the scheduled topics and speakers, and a registration form, go to www.wattnet.com/petfoodforum. This unique event is the meeting place for petfood professionals—an opportunity to learn, network and visit with suppliers. It is scheduled for April 16-18 at the Hyatt Regency O'Hare near Chicago, Illinois, USA.

If you have specific questions, contact Marcia Riddle (attendees) at E-mail: mriddle@wattnet.net; Tel: +1.815.734.5633 or Ginny Stadel (exhibitors) at E-mail: gstadel@wattnet.net; Tel: +1.815.734.5691.

Pacific Bag Inc. announces promotion and addition to sales force

Pacific Bag Inc. recently announced the promotion of Kelle Vandenberg as product manager for their new PBideas Packaging division. The PBideas Division is packaging that focuses on promoting brand identity, reusable formats and sustainable packaging. Vandenberg has been with Pacific Bag for three years and has served in various roles at PBI including marketing manager and inside sales/customer service manager.



Pacific Bag also announced recently that Todd Pollack joined the company as account manager. Pollack, previously an account representative at Tavens Container, has worked in the packaging industry for the past twenty years. Pollack is responsible for new account development and current customer sales in the Midwest and mid-southern territories.

Menu Foods fund earns US\$1.8 million in fourth quarter

Menu Foods Income Fund pulled in a US\$1.8 million profit in the fourth quarter of 2006 thanks to higher prices. Menu Foods released sales figures of US\$87.9 million recently, up 3.6% from US\$84.8 million in the final three months of 2005. During the first half of 2006, Menu raised prices for its US store label customer, which contributed favorably to the results in the fourth quarter.

Celebrating 20 years of Pet Food Testing



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Wild Oats Magazine launched

Active Interest Media Inc. recently announced it will launch *Wild Oats Magazine*, a custom publication for Wild Oats Markets Inc. Wild Oats (www.wildoats.com) is one of the USA's leading natural and organic food stores, with more than 110 stores nationwide and more than US\$1.1 billion in annual sales. The magazine premiered in January 2007, and this issue featured articles on the benefits of natural petfoods. For more on natural petfoods, see the April issue of *Petfood Industry* magazine. *Wild Oats Magazine* will be published bi-monthly and will be available free of charge in all Wild Oats retail locations nationwide.

Alltech's 23rd International Feed Industry Symposium to focus on ethanol issues

The shift in corn use toward fuel ethanol has wide-ranging implications for the animal feed industry in terms of feed costs, availability and ration formulation. A special focus of this year's Alltech International Feed Industry Symposium is to look at how practices, products and programs will ultimately affect how we utilize feed energy, as well as protein ingredient resources. The symposium is scheduled for May 20-23, 2007 in Lexington, Kentucky, USA. The companion animal segment will address challenges from mycotoxins to cancer, from longevity to appearance. Attendance is strictly by invitation only. For more information contact Alltech at +1.859.887.3328.



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Foss joins Petco as executive VP/CFO

Petco Animal Supplies Inc. recently announced that Michael E. Foss will join the company as executive vice president and chief financial officer (CFO). Foss will begin his new assignment in April and will report to James M. Myers, chief executive officer. Foss joins Petco after spending four years as CFO at Circuit City. Previously, he held various senior positions at the Eastman Kodak Company. Earlier in his career, Foss spent 12 years with IBM.

Nestlé announces record sales figures

Nestlé SA reported that its sales amounted to a new high of US\$80.9 billion (CHF 98.5 billion) in 2006, up US \$5.99 billion (CHF 7.3 billion), or 8.1%. The single-most important factor in this increase was organic growth of 6.2%.

With sales of US\$9.4 billion (CHF 11.4 billion) in 2006, PetCare enjoyed 7.1% organic growth, with real internal growth of 4.3%, and doing well all over the world. In the premium segment, Dog and Puppy Chow together achieved US\$821.8 million (CHF 1 billion) in sales for the first time in 2006. The superpremium segments, with products such as Beneful and Pro Plan, are also developing well.

Market data

Each month the *Petfood Industry* E-newsletter will bring you the latest market data available from several different sources including Euromonitor International, Information Resources Inc. (IRI) and ACNielsen.



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Total US food, drug and mass merchandiser (excluding Wal-Mart) petfood sales for the 52 weeks ending January 27, 2007. Prepackaged, UPC-coded products only. Source: ACNielsen

Category	US\$ sales	% chg vs. 2006	Unit volume	% chg vs. 2006
Cat dry	\$1.02 billion	2.0%	\$207 million	-4.7%
Cat moist	\$3.6 million	-30.1%	\$2.5 million	-29.6%
Cat wet	\$958 million	2.1%	\$1.6 billion	-6.8%
Dog and cat treats	\$768 million	3.7%	\$293 million	2.1%
Dog dry	\$1.7 billion	3.5%	\$187 million	-1.2%
Dog moist	\$45.0 million	-1.7%	\$9.6 million	-9.3%
Dog wet	\$654 million	4.2%	\$752 million	-7.7%
Total petfood	\$5.3 billion	2.8%	\$3.1 billion	-5.8%




Pet Food and Pet Care Market Research

New report: *Pet Food and Pet Care Products in the UK*

According to a new report from Euromonitor International—*Pet Food and Pet Care Products in the United Kingdom*—dry food was the success story of 2006, with sales increasing by 7% to reach £294 million. The introduction of "complete" dry products, which have the variety and texture of wet products but are more akin in convenience terms to dry products, are what really drove the UK market forward.

Premium dry complete products grew fastest, as the associated health benefits of a dry diet were increasingly promoted. Purina's Bakers Complete dry brand achieved 46% growth, and took over the leading position within dry dog food. The superpremium dry petfood Purina ONE was another clear winner in the category. Launched in 2004 to compete with Procter & Gamble's Iams brand, its sales grew by 328% in 2005. However, according to Euromonitor International, no manufacturer controls the superpremium dog food segment yet.

Euromonitor International publishes petfood and pet care reports on 52 country markets. [Click here](#) for more information about petfood and pet care reports from Euromonitor International and to buy reports online.



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Product news

Stackers for plants or warehouses

Stackers from [Southworth Products](#) allow workers to lift, transport and position up to 3,000 pounds at a time. Available with manual or electric drives, Southworth Stackers feature battery-powered electric lift with lifting heights of up to 80 inches. Designed to handle any type of pallet or skid, they are available in two basic configurations. According to Southworth, the "fork over" design works with any type of open-bottom pallet or skid, and the "straddle" style accommodates any pallet or skid, even those with "closed" bottoms.

VPL-400 packaging machine

The VPL-400 continuous motion machine is [Rovema's](#) latest development incorporating modern linear servo drive technology. The VPL-400 is now available for the production of flat-bottom bags and Stabilo Seal bags. The VPL-400 allows users to set functions such as sealing time, sealing pressure, cooling time, speed and all jaw movements, both vertical and horizontal, for highest performance, flexibility and top seal quality, according to Rovema.



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500-gallon double planetary mixer

[Charles Ross & Son Co.](#) recently introduced its improved 500-gallon Double Planetary Mixer. The mixer is equipped with special high viscosity (HV) mixing blades. The "HV" blade design permits the mixing of extremely viscous materials. Most of the heavy-duty double planetary mixers are used for non-flowing materials that require deaeration to insure an air-free product before packaging. Designs are available from 1 pint through 750 gallons capacity. A variety of options, including complete control packages, discharge systems, sanitary designs, etc., are available.

E-news

WWPIA launches website for pet-related info

The World Wide Pet Industry Association Inc. (WWPIA) has launched its new website—www.PetSource.org. PetSource.org aims to be the one-stop source for consumers, industry retailers and experts alike. Doug Poindexter, vice president, WWPIA, noted that PetSource.org will bridge the gap between consumer and industry experts.



The site will feature interactive tools, such as the national "Pet Store Locator," where retailers can upload information and promote their business to consumers and industry experts. Professional members will also have access to educational seminars, panel discussions, new product showcases and more. The site also offers pet owners a comprehensive directory of breeders, vets, rescue groups, pet products and other services.

Podcast advertising: a US\$400 million business by 2011?

With podcast audiences expected to jump 450% to 55 million by 2011, marketers are warming to the medium's potential for advertising. Research firm eMarketer expects the podcast ad market to grow to US \$400 million by 2011, though it does not expect podcast ads to siphon significant revenue from traditional media like radio. Podcasting's allure to advertisers can be attributed to the growing number of podcasts—90,000 and climbing—and the medium's ability to target an audience, according to eMarketer senior analyst James Belcher.

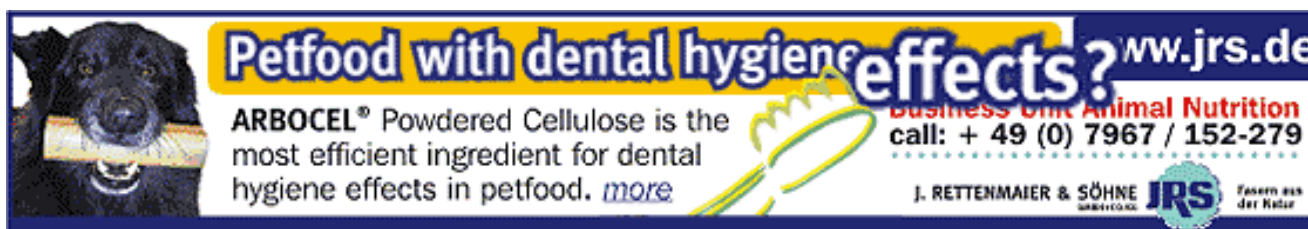


Podcasting, like all alternative media, is also benefiting from a general trend in the advertising market: a shift by brand marketers away from traditional advertising and marketing media and toward the Internet. PQ Media predicts robust advertising growth for all user-generated online media, including blogs, podcasts and RSS feeds. Advertising for the media is expected to grow at a compound rate of 106.1% from 2005 to 2010 and reach revenues of US\$757 million by 2010.

Research notes

Probiotics in health and disease of dogs and cats

This study presents an overview of the literature on the effects of probiotics in dogs and cats. Probiotics survive passage through the gastrointestinal tract, diminish proliferation of *Clostridia* and stimulate the immune system. Probiotic administration in the form of *Lactobacillus acidophilus* or *Enterococcus faecium* at a daily dose of 10⁹ colony-forming units may be an effective adjuvant in the treatment of infectious diarrhea and may also prevent the development of diarrhea.



It is suggested that administration of probiotics is beneficial in dogs and cats under stressful conditions such as weaning, change of home and situations of high animal density and variable group composition such as occurring in large colonies, kennels and pet shops. Literature reviewed here indicated that administration of

probiotics has no adverse effects. No definite conclusion from the literature can be drawn as to the type, mixture and dose of probiotics that will be most beneficial. It is likely that multi-species probiotics will be more effective than a monostrain probiotic consisting of one strain of a certain species.

Source: Beynen, A.C., 2007. Literature review.



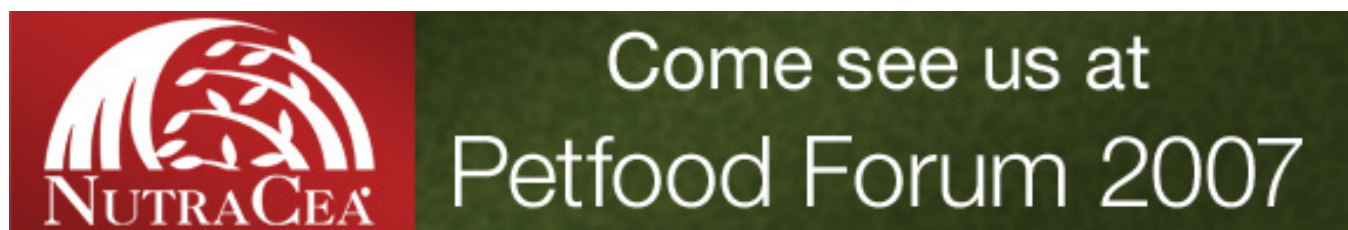
Positions available

Production and quality control manager sought

Busy petfood company seeks innovative, take-charge person with food industry background to run day-to-day operations, maintain quality control and assist with new product development. See our website at www.evangersdogfood.com. E-mail resume and references to cstoner@evangersdogfood.com.

Sales account manager needed

SPF North America Inc., the worldwide leader of palatability enhancers, is seeking a sales account manager. This position will play a major role in our development in North America. Individuals with entry-level sales experience are encouraged to apply. Contact Judy Gehler with your resume at jgehler@spf-usa.com or fax to +1.715.926.5285.



Our help wanted listings aim to inform petfood industry professionals about employment opportunities worldwide. Contact gstadel@wattnet.net for more information on placing a listing in upcoming issues.

References



See our selection of pet industry books available at Petfood Forum in Chicago, April 16-19, 2007!



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