



# **IQI'S VISION ON SUPPLY CHAIN TRANSPARENCY FOR HIGH-QUALITY PET FOOD INGREDIENTS**

**IQI Trusted Petfood Ingredients**



trusted petfood  
ingredients





IQI OFFERS DEDICATED  
SOLUTIONS FOR THE  
ENTIRE PROCESS FROM  
GLOBAL SOURCING TO  
ON-TIME DISTRIBUTION

**P**et food manufacturers are continuously looking for new and innovative ingredients to meet consumer demands. As a partner to the global pet food industry, IQI offers dedicated solutions for the entire process from global sourcing of ingredients to warehousing, quality checks and improvements, logistics and on-time distribution. In this vision paper we provide insight into our working methods, which are dedicated to the 'first time right' supply of the ingredients our customers require with the right timing and quality.



# OUR WORKING METHODS ARE BASED ON QUALITY, INNOVATION AND TRANSPARENCY

**P**et parents are increasingly aware of the importance of pure and high-quality ingredients to the health and well-being of cats and dogs. At the same time, different consumer trends are driving demand for specific kinds of pet food, such as 'grain free', 'natural', 'free from' and 'high protein' products. As a result, the pet food industry requires increasingly diverse specific ingredients to improve its existing products and develop new products to continue to meet customer demands.



## Global sourcing of pure products

Our working methods are based on quality, innovation and transparency in the supply chain to ensure that pet food manufacturers get exactly what they need, when they need it. IQI's global team closely monitors the latest trends in the global pet food industry and continuously searches for new, innovative ingredients, as well as exploring possibilities to unlock the full potential and value of existing products. Once a potential new ingredient has been identified, our team researches the sourcing possibilities from either existing or new suppliers and checks whether the supplier and the product meet IQI and the customer's basic criteria. IQI's services also include sourcing on demand for our customers. In such cases, we define the specific requirement with the customer and then search for the right ingredient and supplier.

In terms of delivering quality, determining if a potential supplier has the right quality mentality is the most important factor. IQI has a strict supplier approval program to ensure that suppliers adhere to our clear quality requirements. The approval process includes a supplier questionnaire to collect information on which quality programs, existing product approvals and processes specifically for meat meal products suppliers have in place. Important aspects to guarantee quality in the processing of meat meals, such as lamb meals, include having certain types of magnet for removing metal particles, the right grinding sizes for meat meal products, and the correct installation to prevent salmonella contamination. In certain cases, IQI will carry out pre-audits and on-site visits. This helps to determine in which areas suppliers need help to develop or improve their quality programs, make recommendations and show what is needed to deliver the high quality expected by today's pet food customers.



## Product quality analysis

Our effective procurement process and investment in the relationship with new suppliers ensure that meat meals, such as lamb meals, are in accordance with the agreed specifications when they are delivered to our warehouses. The quality of the product needs to be confirmed with certificates of analysis results. On top of that, as a safety precaution, IQI always performs its own product sample analysis when ingredients are delivered to our distribution and warehousing facilities in Coevorden (Europe) and Tracy (North America).

Product sample analysis equipment at IQI's distribution and warehousing facilities includes a RO-TAP lab sieve shaker to check for foreign objects and a rod magnet to inspect for metal particles. Our facilities are also equipped to carry out near infrared (NIR) spectroscopy analyses to test samples of a variety of products. This enables us to analyse the protein, ash, fat and moisture content of the product. In addition to our own analyses of test samples, we work with external service labs that carry out additional sample analyses to determine the peroxide value, which reflects the stability of the fat in meal products. The peroxide value is a measure of the rancidity (oxidation) of fats and oils. Cats in particular are very sensitive to the oxidation of fats, which is an indicator that food is not fresh. After testing, we make a final go or no-go decision on whether to commercialize the product.

## Warehousing & product upgrades

After commercialization we maintain close relationships with our trusted global suppliers and perform periodical audits to verify compliance with agreed quality standards and working processes. When required, we perform additional quality checks and product upgrades at our distribution and warehousing facilities in Coevorden (Europe) and Tracy (North America), as well as at other IQI logistic hubs. Our facilities in Coevorden have been certified as GMP+ and those in Tracy as Safe Quality Food (SQF).

Our logistic hubs are instrumental in ensuring on-time delivery of premium ingredients from the source to our customers in Europe and North America. A great many ingredients originating from numerous countries around the globe pass through the IQI logistic hubs each day. Our facilities in Coevorden and Tracy both offer warehousing solutions for year-round availability of seasonal products, including the storage of dried and liquid products as well as frozen and non-frozen products. Our distribution and warehousing facilities also perform any required quality checks, foreign body removal, screenings, additional natural or synthetic antioxidant dosing or repackaging from bulk to big bags (totes) or small bags (25 kg).

Our bulk departments in Coevorden and Tracy specialize in the screening and cleaning of lamb meal, which is a seasonal product sourced from Australia and New Zealand. The processes performed in these facilities include foreign body removal of metal particles, plastic particles and wool/hair using a variety of techniques. This involves pre-cleaning with a magnet to remove large metal particles, followed by a Rotex screener with a large screening surface and the use of Gyrotory Reciprocating Motion to efficiently remove plastic particles, wool and hair. After this, a clean flow magnet and a bullet magnet remove any remaining metal particles and a Safeline metal detector checks the product. The lamb meal is then stored in bulk in silos or in big bags. This procedure ensures a clean and pure product, guaranteeing safety and functionality.



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IQI HAS A STRICT  
SUPPLIER APPROVAL  
PROGRAM TO ENSURE  
HIGH QUALITY  
INGREDIENTS



# ON-TIME DELIVERY OF PREMIUM INGREDIENTS THANKS TO OUR LOGISTIC HUBS

## Smart logistics in a changing world

Since we source from numerous countries around the globe, a smooth logistical process is of key importance in maintaining the supply of quality ingredients at competitive prices to meet global demand. Besides global transport, our logistical process includes arranging all required import and export documents as well as veterinary documents. We maintain a constant in-depth overview of global developments and factors that might affect the supply of ingredients, shipping or prices. These range from natural catastrophes affecting local farming or processing on the supply side to developments such as Brexit or the global Covid-19 pandemic that can strongly affect shipping and currency exchange rates.

### Our strategy for the logistical process relies on:

- *Diversified sourcing of similar ingredients from different countries and regions.*
- *Maintaining strategic supplies of particular ingredients at our warehouses in Coevorden and Tracy. For example, we maintain strategic supplies of lamb meal from Australia and New Zealand, which is a seasonal product.*
- *Strategically changing shipping destinations alternatively to Europe or North-America, depending on actual demand, to ensure on-time delivery to our customers.*

## Transparency of the supply chain

Our supply chain has been carefully developed to meet the demands of our customers for a great variety of pet food ingredients at a certain cost and quality level. These range from widely used ingredients, such as chicken, beef, sweet potato and potato mix, to more specific ingredients, such as lamb meal or omega-3 sources, including fish oil, salmon oil or algae DHA. We recognize the importance of transparency in the supply chain, allowing our customers to see where our products come from and their quality level. By offering a diversified range of ingredients, we can always supply our clients with ingredients that cater to their specific needs and maintain the right balance between functionality and cost. This enables us to support the pet food industry in developing innovative new products to meet the expectations of its consumers.

IQI strategically sources its ingredients from more than 25 different countries around the world, the majority coming from Europe, Oceania, North America and South America. Whenever possible, we try to source regionally, but the possibilities for this strongly depend on the kind of ingredient, quality differences and availability. For example, pure lamb predominantly comes from selected areas while ingredients such as pure chicken, beef and pork are widely available for regional sourcing, although the quality may differ in terms of protein or ash content. Our method is to constantly search for the best suppliers to further improve quality for our customers. In many cases we connect to the supply chain for human food products, in particular for meat products such as lamb, duck or chicken. This helps to increase the efficiency and sustainability of the entire supply chain.

IQI offers a diverse range of pure ingredients with unique properties, specific benefits and different functionalities for all pet food applications. We specialize in ingredients that are more difficult to source. Examples recently sourced by IQI for the market include poultry plasma, high omega-3 fish oil, GOS prebiotics, krill meal, cellulose fibres and algae DHA. We also develop products, such as unique blends of ingredients, to meet specific customer demands.







# WE WILL FURTHER INCREASE OUR FOCUS ON WORKING IN PARTNERSHIPS WITH BOTH OUR SUPPLIERS AND OUR CUSTOMERS

## What does the future of sourcing look like?

The general ongoing trend of the humanization of pets, whereby pet owners consider themselves as pet parents, will further increase the demand for specific ingredients to develop an even broader range of pet food to meet customer demands. For example, we successfully responded to recent market demand for 'grain free', 'natural', 'free from' and 'high protein' products as well as for

ingredients with specific functionalities in connection with particular pet health benefit claims. We now anticipate a greater focus on ingredients that meet specific pet needs. In the coming years, this may include an increasing demand from consumers for personalised pet food catering to the health and well-being requirements of individual cats and dogs.

Furthermore, in the coming years we foresee an increasing interest in the transparency of the supply chain. This is in part due to increasingly strict regulations as well as the growing consumer interest in aspects such as animal welfare, sustainability, organic food and social responsibility. One important aspect of this is looking for novel protein sources of non-animal origin, as well as ensuring that animal protein is sourced from animals that have had a 'good' life.

## Sustainability

IQI Trusted Petfood Ingredients is dedicated to improving sustainability and animal welfare in our industry by working towards achieving the two most relevant UN sustainable development goals (SDGs) for the pet food industry: SDG12 ('responsible consumption and production') and SDG14 ('life below water'). One way of doing so is by optimizing our operations in terms of transport, to reduce greenhouse gas (GHG) emissions, energy and water use at our offices and warehouses. By far the biggest impact can be made through our cooperation with our partners and suppliers, by finding and developing more sustainable alternatives to the current sources of protein, fat, and carbohydrates for pet food applications.

To strengthen our ambitions, in 2020 IQI became a member of the Pet Sustainability Coalition (PSC), a non-profit organization that accelerates sustainability in the pet food industry. IQI supports PSC's vision of a thriving and collaborative pet food industry that creates a positive impact on the communities and environments in which we do business.

## Working in partnerships

In order to keep on meeting market demand, in the coming years we will further increase our focus on working in partnerships with both our suppliers and our customers to build even more flexibility into the supply chain. Partnerships with our suppliers bring the advantage of ensuring product quality and developing unique products or semi-finished products, such as unique blends of ingredients with specific functionalities that meet market demands. Partnerships with our customers bring the advantage of sourcing on demand to cater specifically to their wishes.





## About IQI Trusted Petfood Ingredients

IQI Trusted Petfood Ingredients is a global distributor of premium-claim ingredients to the top brands in the pet food industry. Founded in 1994 as a trading company in raw pet food materials, today IQI offers an extensive variety of services to aid and assist our customers and suppliers worldwide. IQI Trusted Petfood Ingredients employs highly skilled personnel, owns and operates a global network of logistical hubs, and relies on a global supply network to obtain the purest natural resources available.

For IQI, quality is key. IQI Trusted Petfood Ingredients goes to great lengths to ensure the quality of its products and develop innovative new products. IQI also invests a great deal in maximizing the quality of its partnerships. Since this business is all about trust, IQI needs to bond with its partners to succeed. By working closely with both its customers and suppliers, IQI creates full transparency in the supply chain. IQI oversees and controls every step in the process from source to shelf and supplies products that are pure and traceable to their source.

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