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Interviews & News!

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All American Pet Has Created Their Own Niche In The Dog Food Category With Breakfast Cereals For Dogs, An All Day – Every Day Formula And BowWow Bars



Consumer Goods
Processed & Packaged Goods
(AAPT-OTC: BB)

All American Pet Company Inc.

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Barry Schwartz
Chief Executive Officer

Company Profile:

All American Pet Company Inc. formulates, produces, sells and distributes super-premium dog food to mass merchants, pet centers and supermarket stores. All our products were developed by leading pet nutritionists and are manufactured and sourced in the U.S. Our first brand was BowWow Breakfast Cereal,

which was available in over 7,000 supermarkets throughout the U.S. Additionally, our new line of products have now been developed to coincide with a trend towards the humanization of dogs and are targeted at mass market retailers and big box stores. These include the introduction of the company's new line of premium gourmet dry dog food "All Day-Every Day. We also have developed nutritional super premium Bow-Wow Bars for Dogs. The Bow-Wow Bars will come in several varieties, e.g. Breakfast Bars, Food Supplement Bars, Energy Bars and Power Bars.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Schwartz, what is your vision for All American Pet?

Mr. Schwartz: "All American Pet is a company that we started and incorporated in 2003; it was quite unique because we took the overall dog food category and created our own niche within it. Veterinarians recommend feeding dogs twice a day. We found that 50% of all dogs were getting a morning feeding but nobody seemed to be calling it breakfast, so we marketed a breakfast cereal for dogs that had smaller cereal-type shapes and flavors and cereal-type names such as "Chompions" "Fido Flakes", "Barkfast Squares", "Grrrnola", "Chew-a-bunga", and "Pooch-eeze", and we marketed them in the supermarkets. Four to five years later, we see an ever-growing desire on behalf of the pet owners that they want to improve and upgrade the quality of the food that they feed their pets, and in our environment, it is dogs. We found that because of the humanization we are going into other kinds of products that follow

the humanization pattern. For example, an All-Day Every Day type product with enhanced vitamins etc. as well as bars which are quite prominent in the supermarket isles of all the supermarkets in the regular food section with supplement bars, power bars, energy bars etc. There is a tremendous opportunity that we see available to us because of our ability to produce and market these products rather quickly."

CEOCFO: Does the morning meal consist of different elements than other meals?

Mr. Schwartz: "We actually do put different elements in our breakfasts for dogs than would help dogs nutritionally later in the day. We add vitamins that are at higher levels than just about every other dog food out there. We also put in an amino acid called L-Carnitine which converts fat into energy; because it is the morning feeding we really want the dogs to get energized in the morning, it is the same concept as a human being. The most important meal of the day for us is breakfast and basically, it is the same thing for dogs. By not feeding your dog in the morning, what you are doing is not feeding your dog from 6:00 the prior day until 6:00 in the evening, the next day and you are affecting the metabolic rate and metabolism of the dog, as well as the blood sugar levels. Conceptually we really should be following that pattern with our dogs."

CEOCFO: Do you do much advertising?

Mr. Schwartz: "Not enough. Because of us going public a year and a half ago we haven't had the proper funding, therefore, we really shortchanged our marketing and advertising. That is one of the

things we are looking to correct this year.”

CEOCFO: You were in 7,000 supermarkets now; how do you get shelf space in such a competitive market?

Mr. Schwartz: “It is easier now to get our products into supermarkets because of the dog food recall that happened last year. Wet food and many-canned food really were hit hard in regard to the recall; those were mainly the niches in dog food that really suffered. It created a lot of space in the supermarket as well as the mass merchants and pet centers. The recall has affected the entire industry.”

CEOCFO: You have very attractive packaging; how big a factor is that in people paying attention?

Mr. Schwartz: “It is a tremendous factor in regard to interest but again we still need marketing and advertising. The consumer can take it off the shelf; she can read about our highly nutritional product, and excellent feeding instructions and a very competitive guaranteed analysis of our product to every other product out there. It is the advertising and the marketing that either pushes it into the shopping wagon or puts it back on the shelf. We have raised our budgets extensively to meet our marketing and advertising needs.”

CEOCFO: How do you plan to increase exposure?

Mr. Schwartz: “What we plan to do initially is the following: Because shelf space is at a premium in the supermarkets and the manufacturer has to pay for the shelf space, we have cut back on our desire to expand our products in the supermarket. When we initially started distributing our products, the supermarkets were the highest in dollars spent in the dog food category. That being said, the supermarket was really our first choice. After all, we said well it is a cereal and where do you buy cereal? You buy it in a supermarket. Four years later,

supermarkets have consistently lost market share things have shifted because of the expansion and strength of the mass merchants, and the pet centers. Our position this year is going after the mass merchant and pet centers, and pushing back on the supermarkets. I am very happy to say that we have been by two of the major mass merchants. We are just waiting for purchase orders.”

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CEOCFO: What makes it tasty?

Mr. Schwartz: “There are food enhancements that dog food manufacturer puts on their products. We use excellent ingredients very expensive flavor enhancements so that the dogs will like our food and eat it too get the full compliment of our vitamin and mineral ingredients. We want the dogs to like our food. We did extensive palatability testing with all breeds of dogs to make sure our prod-

uct was well liked. We use chicken meal vs. chicken byproducts meat is our first ingredient, our vitamin and mineral content is higher than most dog foods and we use the amino acid Taurine for the cognitive functions of the heart and L-Carnitine, which converts fat into energy, which no other dog food uses. My wife and I went into the business because we became the proud parents of a beautiful Shih-Tzu and we didn’t believe that the products out in the market would give her the best nutrition, so we developed our business, with the objective of giving other dogs the best nutrition out there. We still have a passion for putting the best products out there and that is why we have developed an All Day – Every Day product as well as a full compliment of BowWow Bars.”

CEOCFO: What is the financial picture of the company?

Mr. Schwartz: “In the next four weeks I would hope to tell you a better story. Funding is difficult. As I have said, it takes a great deal of money to fund the proper advertising and marketing budgets to make a success out of a brand. We have a great story to tell, great packaging that we show everybody but we lack the real strong funding that is necessary to advertise and market our product. We are currently in a position now where we are closing on funding that will enable us to get the marketing and advertising and afford us the ability to put the product out nationwide.”

CEOCFO: What other products would you like to add?

Mr. Schwartz: “Due to the humanization of pets, in 2001 Kellogg’s developed a product called Nutra-Grain Bars; it basically took up a very small portion of the supermarket shelf space and really wasn’t in the mass merchants in 2001. Because of the growth of the bar category, and following the humanization pattern that will transcend down to the pet, we feel

very strongly about the Bar category. We are now producing and developing a number of different bar concepts that are like a power bar or an energy bar, food supplement bar, we are very excited about this category, because dogs are “on the go”. There are more doggy day cares being built than kinder cares and two income families are consistently increasing. There are more pet friendly hotels, and on and on. Bars are an easy way to feed your dog. There is no bag, no bowl and no mess. We are sure that Bars will be the next major category in dog food.”

CEOCFO: Tell us about your manufacturing and quality control.

Mr. Schwartz: “We have upgraded. We have our manufacturing facility in the Midwest and when the recall hit every-

one, one of the things we were concerned about was that the pendulum would really swing by the government agencies that somehow missed the boat. Even though our quality control was at the highest levels, we took extra measures to make our manufacturing facility even better. We overextended in improving our factories and we over reacted because we want dogs to live an extended happy and healthy lifestyle. All of our products are made in the US, and we don’t use wheat in our ingredients.”

CEOCFO: Why should potential investors be looking at All America Pet?

Mr. Schwartz: “We are an innovator and because we are not one of the big boys, we react a lot quicker and I think that is of interest. We have hung around for four

years and have not even come close to achieving the potential that I no we are capable of achieving.”

CEOCFO: What should people reading this interview take away about All American Pet?

Mr. Schwartz: “People should remember the creativity, the motivation, the passion that the people who are employed with our company are all dog lovers and dog owners. It is not only about hitting profit margins and revenue numbers. It is a matter that we developed this company for the pet in mind and we strongly believe that the numbers will happen.”



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