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restrict imports or exports, may adversely affect our business. Violations of or liability under any of these laws and regulations may result in administrative, civil or criminal penalties against us, revocation or modification of applicable permits, environmental investigations or remedial activities, voluntary or involuntary product recalls, warning or untitled letters or cease and desist orders against operations that are not in compliance, among other things. These laws and regulations may change in the future and we may incur (directly, or indirectly through our contract manufacturers) material costs to comply with current or future laws and regulations or in any required product recalls. In addition, we and our contract manufacturers are subject to additional regulatory requirements, including compliance with the environmental, health and safety laws and regulations administered by the U.S. Environmental Protection Agency, or the EPA, state environmental regulatory agencies (including the Missouri Department of Natural Resources) and the National Labor Relations Board. Such laws and regulations generally have become more stringent over time and may become more so in the future. Costs of compliance, and the impacts on us of any non-compliance, with any such laws and regulations could materially adversely affect our business, financial condition and results of operations.

There has been a recent trend in consumer class actions against food companies with respect to the use of the term "natural" in advertisements and on labels to describe human food products, and it is possible that there may be a similar trend in the future with respect to pet food products. There is no single U.S. government regulated definition of the term "natural" for use in the pet food industry. Currently, most states in the United States have adopted the AAFCO definitions and labeling guidelines relating to the term "natural" on pet food labels. Under the AAFCO's ingredient definitions and labeling guidelines, a pet food is designated as "natural" if it contains only ingredients that are derived solely from plant, animal or mined sources, has not been subject to a chemically synthetic process and does not contain any chemically synthetic additives (other than synthetically derived vitamin, minerals or trace nutrients that are added to enhance nutrition that are disclosed on the label). Although we believe that our labels and advertisements that identify our products as "natural" comply with the applicable laws and regulations, we may still be subject to related claims and lawsuits, which could have a material adverse effect on our reputation, business and results of operations. In addition, the AAFCO definition of "natural" or the definition of "natural" as adopted by states in the United States may change in the future. In such event, we may need to change our product specifications and formulations in order to continue to be classified as "natural" under the updated definition, which may result in increased costs and could adversely affect our results of operations.

Certain groups and individuals have recently proposed laws and regulations at the state and federal levels, requiring disclosure of the presence of genetically modified organisms, or GMOs, on labels of pet food products. If any of these laws and regulations are adopted, we may incur material costs to comply with such laws and regulations and could be subject to liabilities if we fail to timely comply, which could materially adversely affect our reputation, business, financial condition and results of operations.

***Adverse litigation judgments or settlements resulting from legal proceedings relating to our business operations could materially adversely affect our business, financial condition and results of operations.***

From time to time, we are subject to allegations, and may be party to legal claims and regulatory proceedings, relating to our business operations. Such allegations, claims and proceedings may be brought by third parties, including our customers, employees, governmental or regulatory bodies or competitors. Defending against such claims and proceedings is costly and time consuming and may divert management's attention and personnel resources from our normal business operations, and the outcome of many of these claims and proceedings cannot be predicted. If any of these claims or proceedings were to be determined adversely to us, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, our business, financial condition and results of operations could be materially adversely affected.