



Pet Food Industry

COMPETITORS

Between 85-90% of the pet food sold in Canada is manufactured by large U.S. owned multinationals.

Canada has approximately 20 pet food manufacturers. Pet food production capacity is concentrated in Ontario, however there are a number of small to medium sized firms spread across the country.



MARKET OVERVIEW

- ▶ The pet industry is booming in Canada, with total sales estimated at US\$1.2 billion, which includes food, accessories and veterinary costs.
- ▶ Canadians currently own a total of eight million dogs and cats. According to Statistics Canada, there are approximately 3.5 million dogs and 4.5 million cats in the country.
- ▶ About half of all households have at least one pet, and pet owners are spending an average of US\$296 per year on their pets.
- ▶ Imports of pet food totaled US\$386 million during 2005, with US\$360 million coming from the United States.
- ▶ The new generation of pet owners is both willing and able to pay top dollar for premium products and services. This is evident with the growing number of doggie day cares and dog walking services being offered throughout the country.
- ▶ In comparison, surveys suggest that 36 million U.S. homes have at least one dog and another 31 million have at least one cat.

REGULATIONS

- ▶ The Canadian Food Inspection Agency (CFIA) regulates the movement of inedible meat products and administers legislation requiring the certification of certain imported pet foods containing animal products. Health Canada administers legislation prohibiting unsubstantiated health claims in the advertising and labeling of pet food
- ▶ The Competition Bureau of Industry Canada administers legislation requiring that prepackaged pet food destined for retail consumption be labeled with a bilingual common name, metric net quantity declarations and dealer name and address. The Consumer Packaging and Labeling Act and Competition Act with regards to pet food labeling and advertising can be found on www.strategis.ic.gc.ca
- ▶ January 22, 2004, the Canadian government introduced new measures to formalize and somewhat narrow the scope of the import restrictions placed by the CFIA following the identification of a BSE-infected animal in Washington State. The updated list of accepted items included "Commercially prepared pet food not containing bovine meat or bovine derived ingredients. Milk and milk products are acceptable."

MARKET OPPORTUNITIES

- ▶ The new generation of pet owners is both willing and able to pay top dollar for premium products. They are concerned about their pets' health and welfare.
- ▶ Recent and emerging trends in the market include: a focus on nutrition, an interest in low calorie or light products; increased availability of nutraceutical products with supported health claims; and, gourmet and specialty pet foods and snacks.

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