



# GLOBAL PET FOOD TRENDS AND CHALLENGES AHEAD

PET FOOD FORUM 2014  
22 AUGUST 2014

PAULA FLORES  
HEAD OF PET CARE

# About Euromonitor International

- Global provider of Strategic Market Intelligence
- 12 Regional offices - 800+ analysts in 80 countries
- Cross-country comparable data and analysis
- Consumer focused industries, countries and consumers
- 5 - 10 year forecasts with matching trend analysis
- All retail channels covered
- Subscription services, reports and consulting

London



Chicago



Singapore



Shanghai



Dubai



Vilnius



Cape Town



Santiago



Tokyo



Sydney



Bangalore



Sao Paulo



# GLOBAL PERFORMANCE

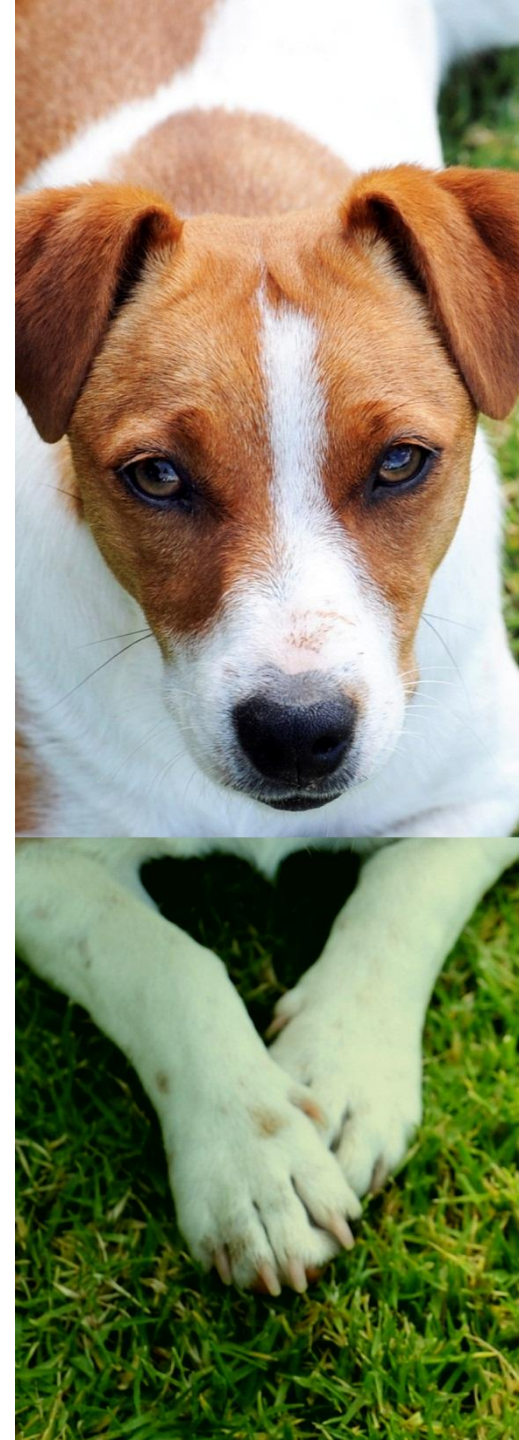
GLOBAL TRENDS

CHINA

CHALLENGES

FUTURE PROSPECTS

CONCLUSION



## Global Pet Care In Numbers

98,300,000,000

US\$ Value Sales

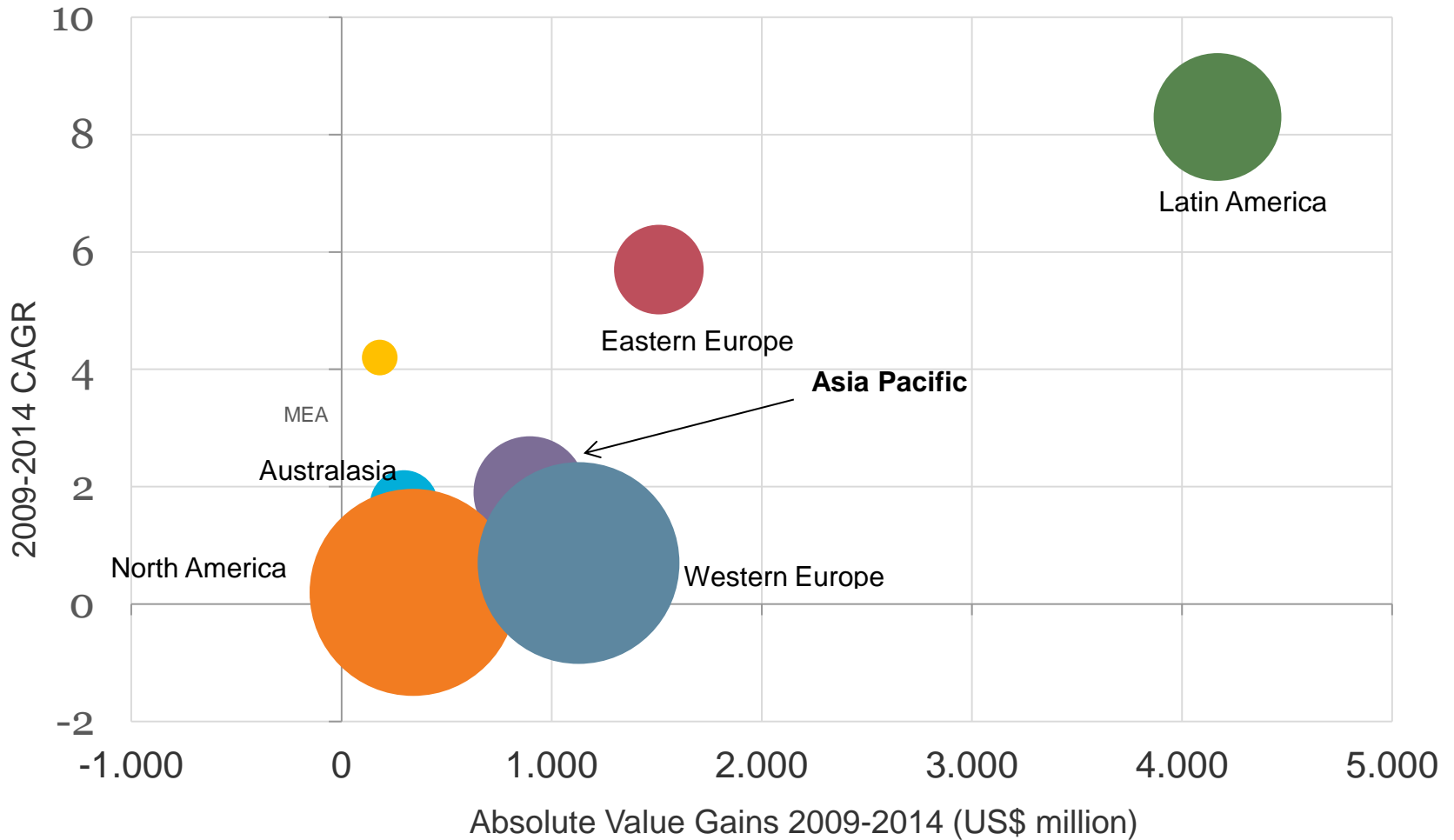
26%

% Growth 2004-2014

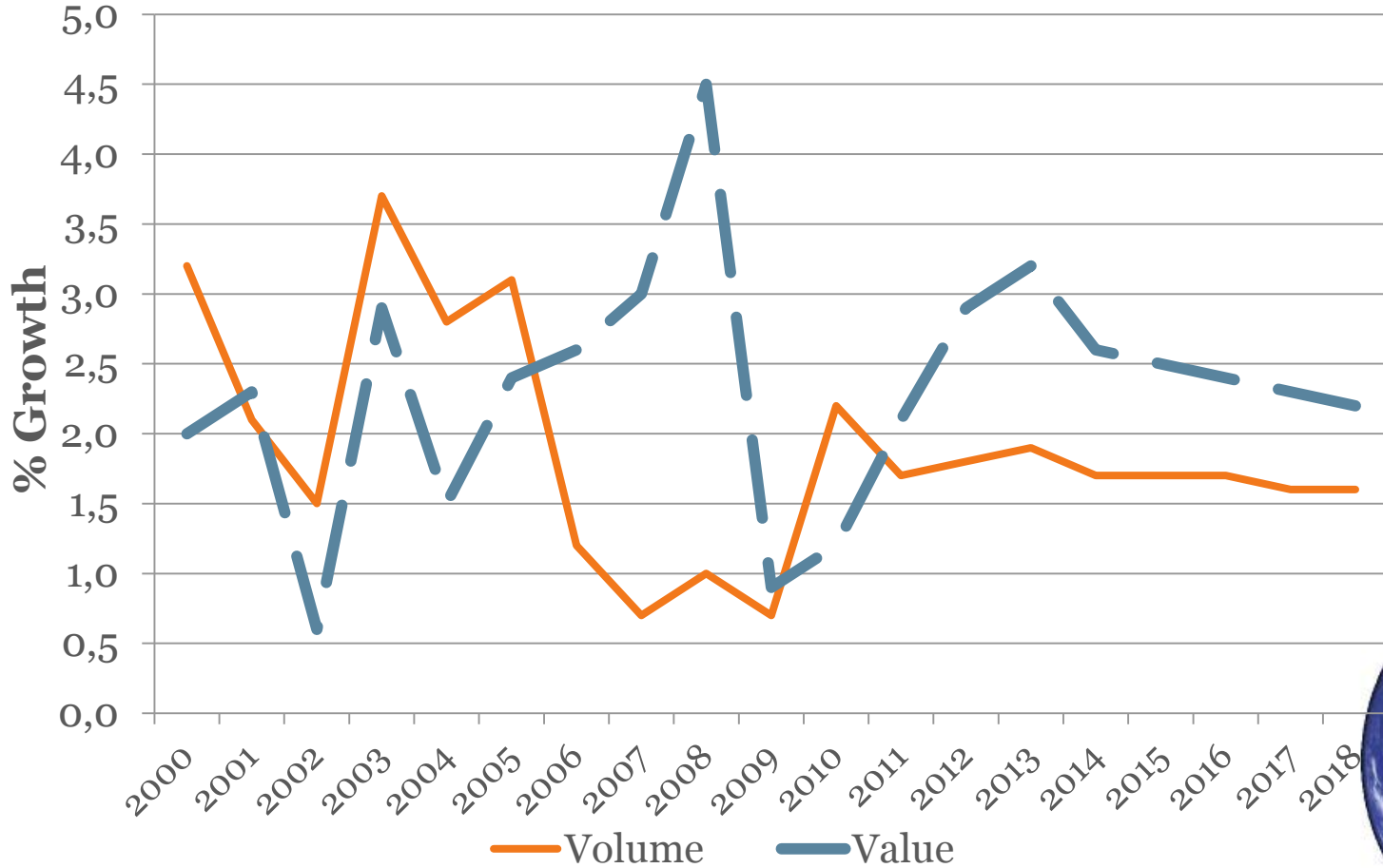
**20.5**

US\$ Billion Incremental Sales 2004-2014

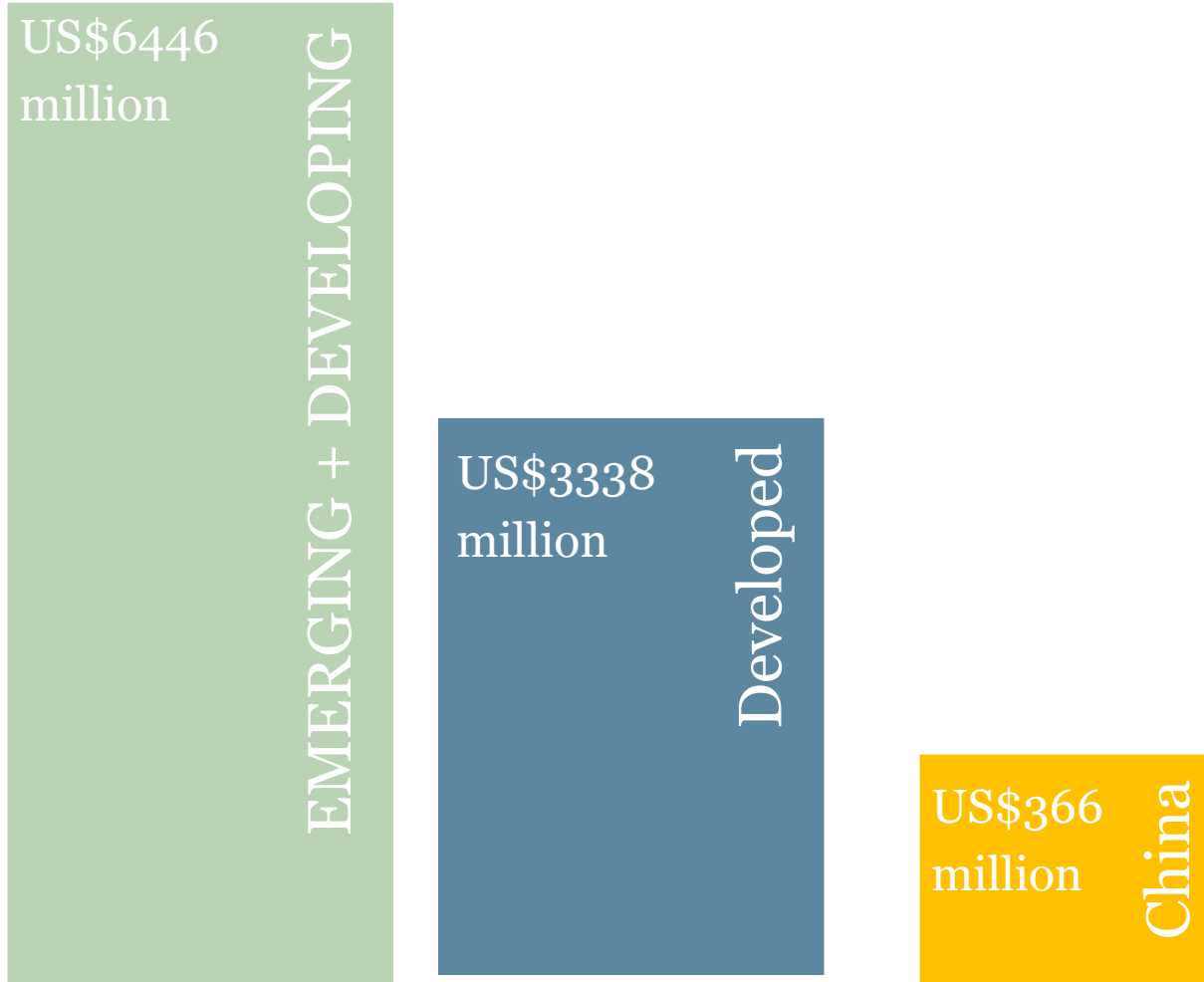
# Pet Care Retail Value Sales by Region 2014



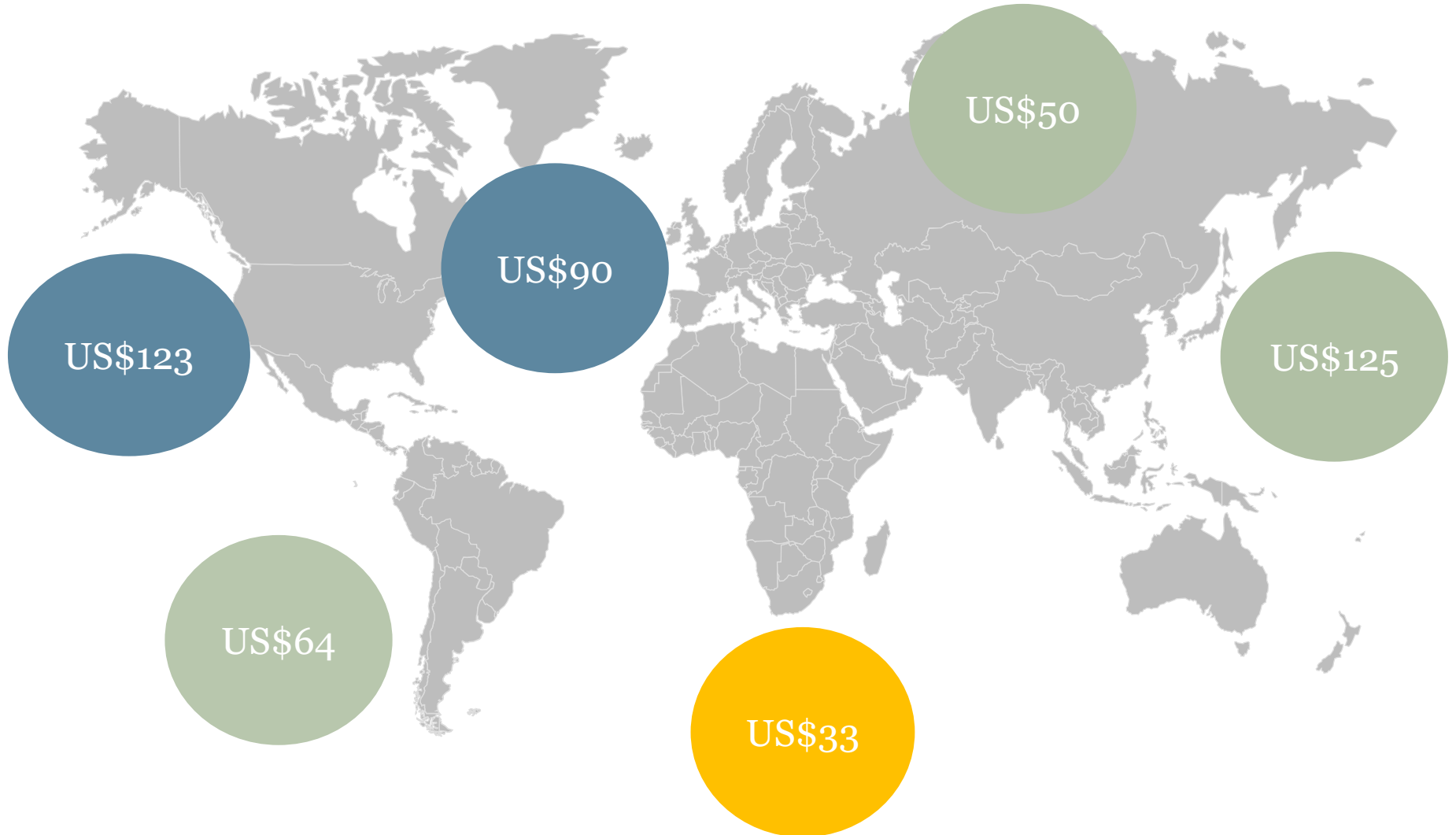
# Pet Food in Context...



# Over The Past Five Years....

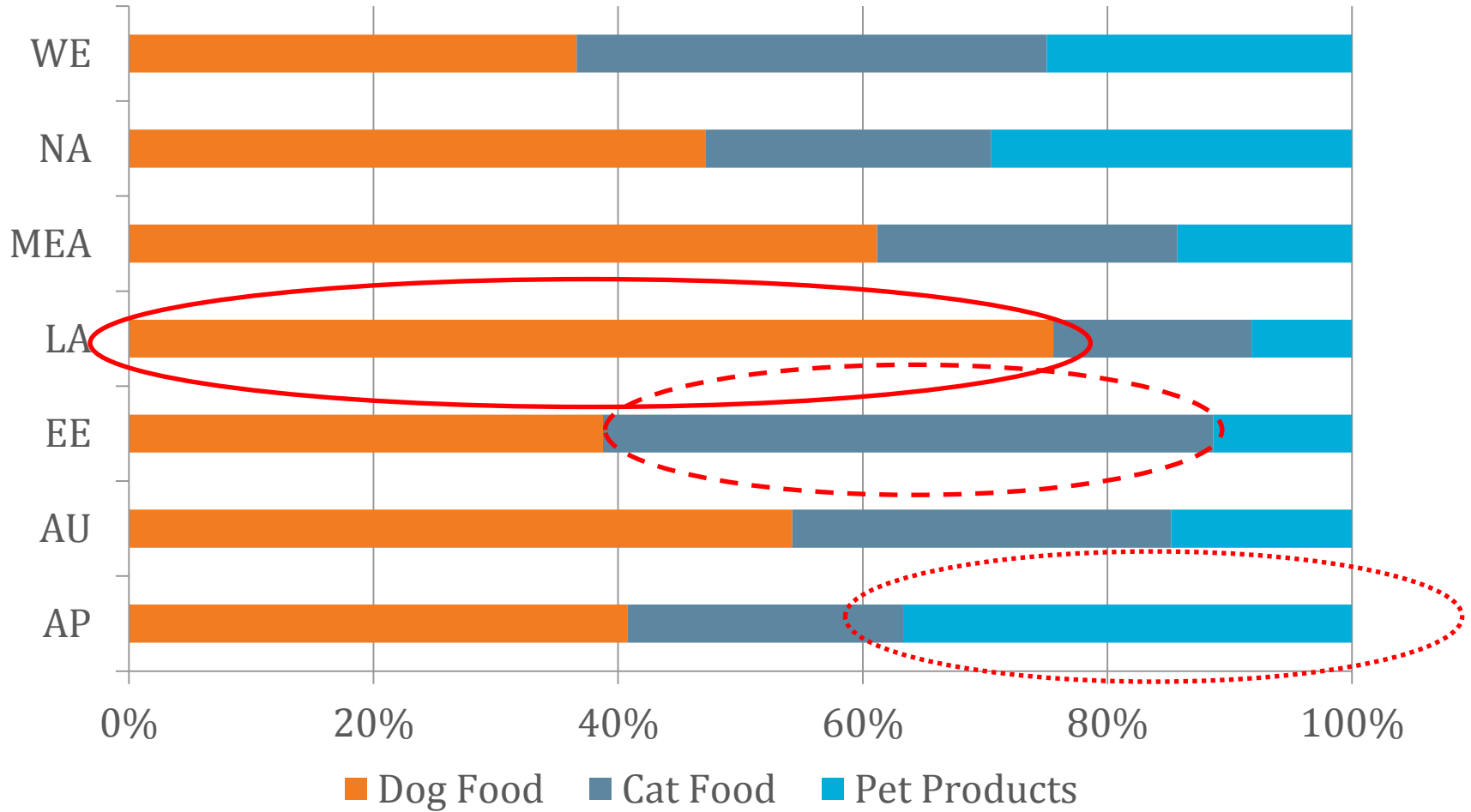


# US\$ Per Pet Spend by Region



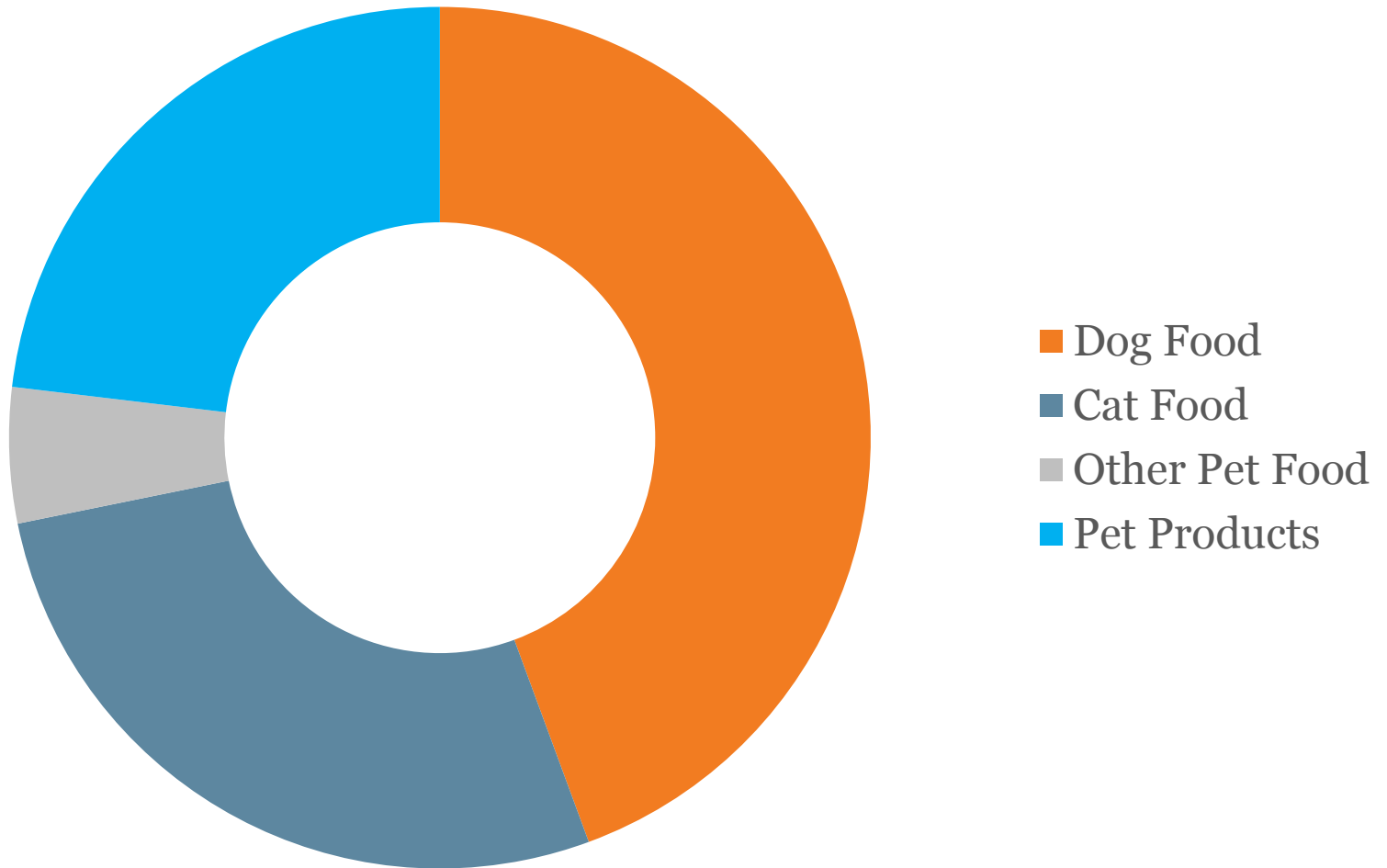


# Regional Variations



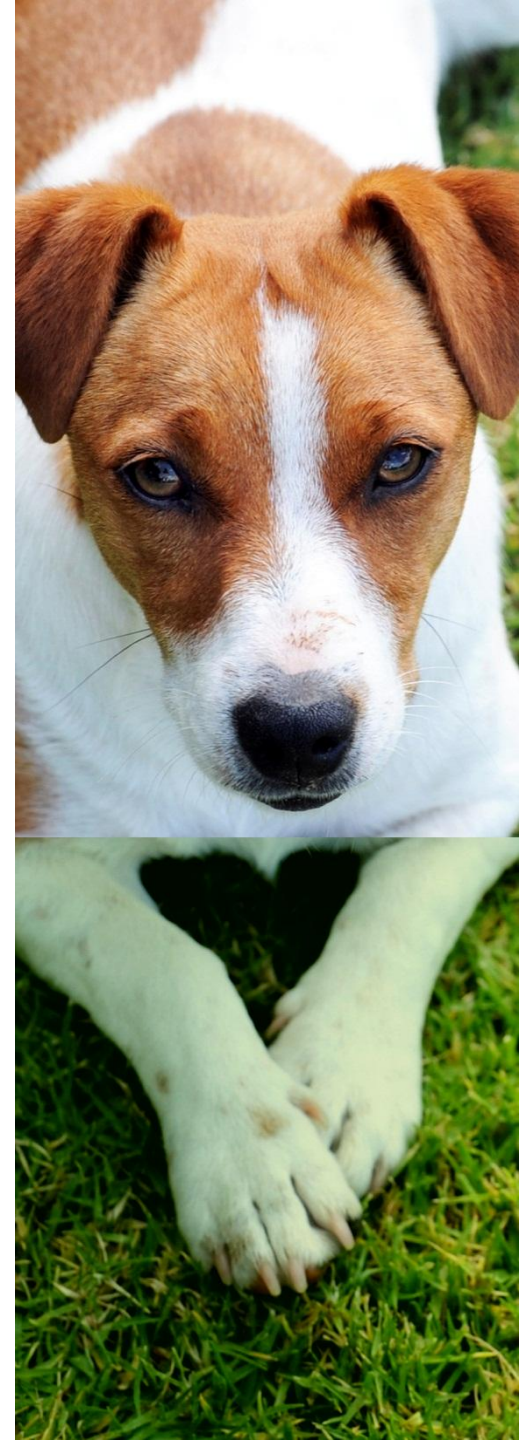
Key: WE – Western Europe; NA – North America; MEA Middle East Africa; LA Latin America; EE – Eastern Europe; AU – Australasia; AP - Asia Pacific

# In a Nutshell



**US\$ 98.3 billion**

# GLOBAL TRENDS



# The Rise of Gourmet

Duo Delice, France  
“a unique experience in terms of mastication and tasting”

Purina Gourmet, Italy MSC certified

Don Salzon, Chile  
Typical Chilean flavours

# Grain Free Goes Mainstream

Nutram Grain Free  
Israel

Instinct, Nature's  
Variety  
Colombia

Merrick Grain Free,  
Malaysia

# BARF Revival



## Fruit and Exotic to the Fore

Dr Dog, Huechaewoom Co Ltd  
Korea

Wondi, South Africa  
Frozen food with Ostrich

Green Dog, UK  
Caviar and Lobster  
2kg - £200

# Evolving Therapeutic Diets

Total Alimentos, Equilibrio  
Brazil

Premier Pet  
Brazil

Nisshin Pet Food Inc  
Japan



# A World of Functional

Visan Optima – anti-hairball  
Morocco

Nori Pet Shanghai Co  
(Chondroitin, taurine)  
China

Sanabelle Sensitive  
India

# CHINA



## Chinese Pet Care in Numbers

1.6 billion

retail value sales

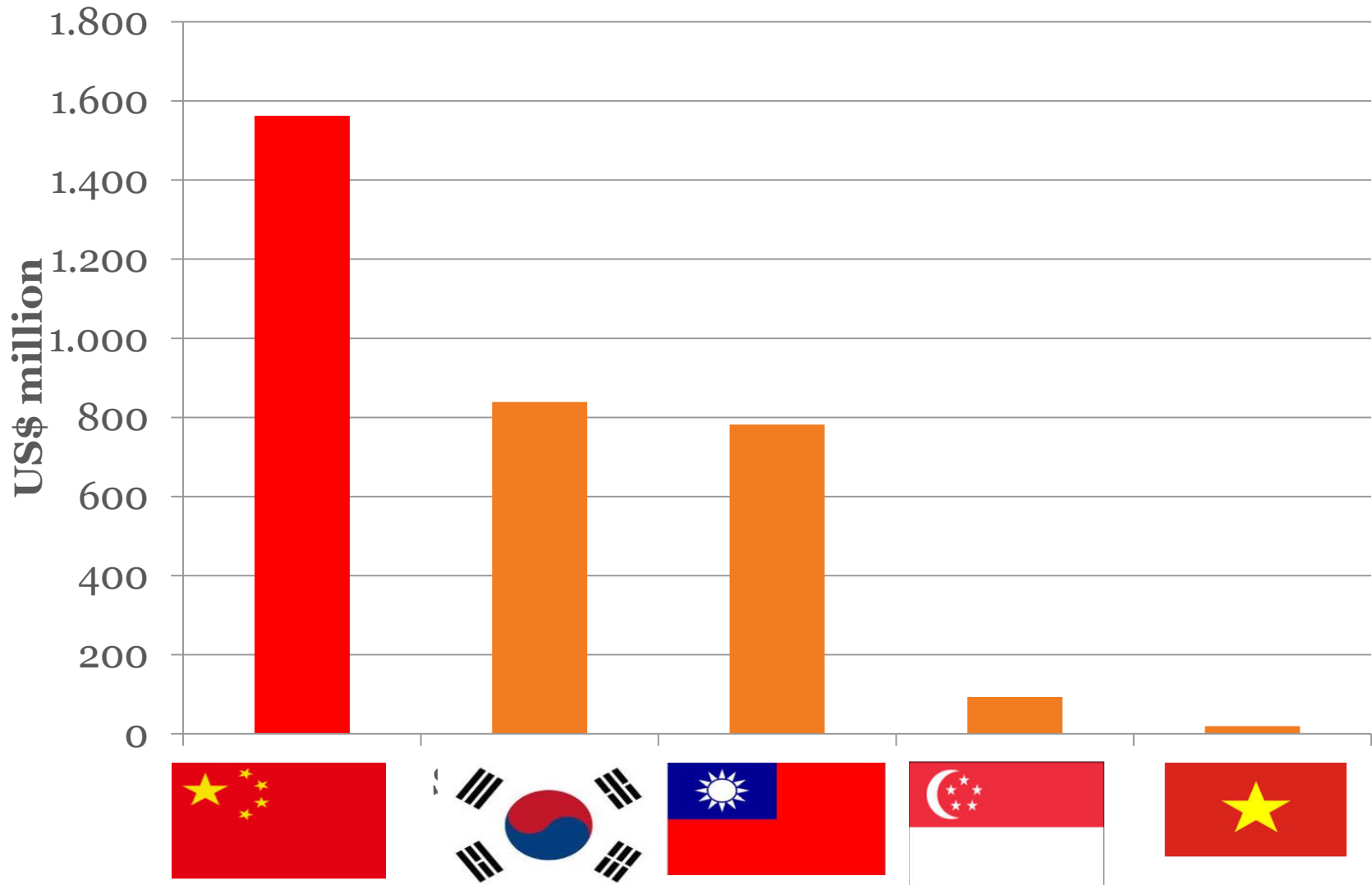
pet food

39%

50,400

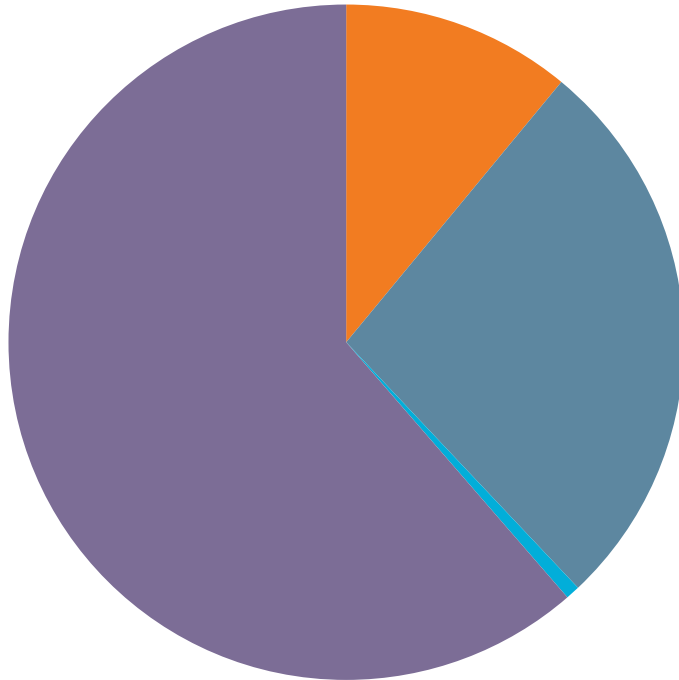
Vet Clinics

# Asian Pet Care Retail Value Sales 2014



# Pet Care by Category

## China



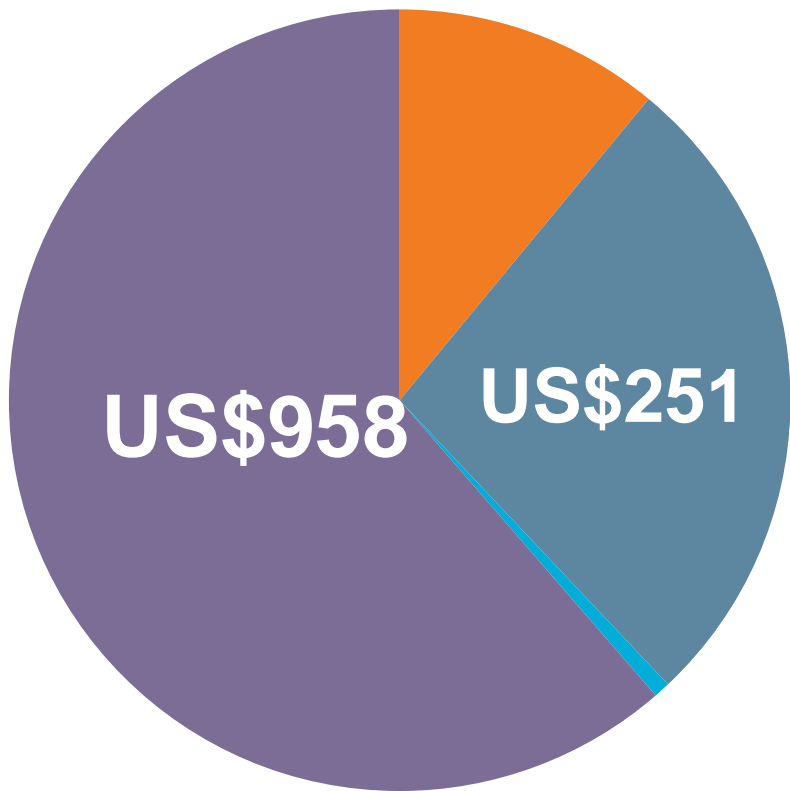
## Japan



- Cat Food
- Dog Food
- Other Pet Food
- Pet Products

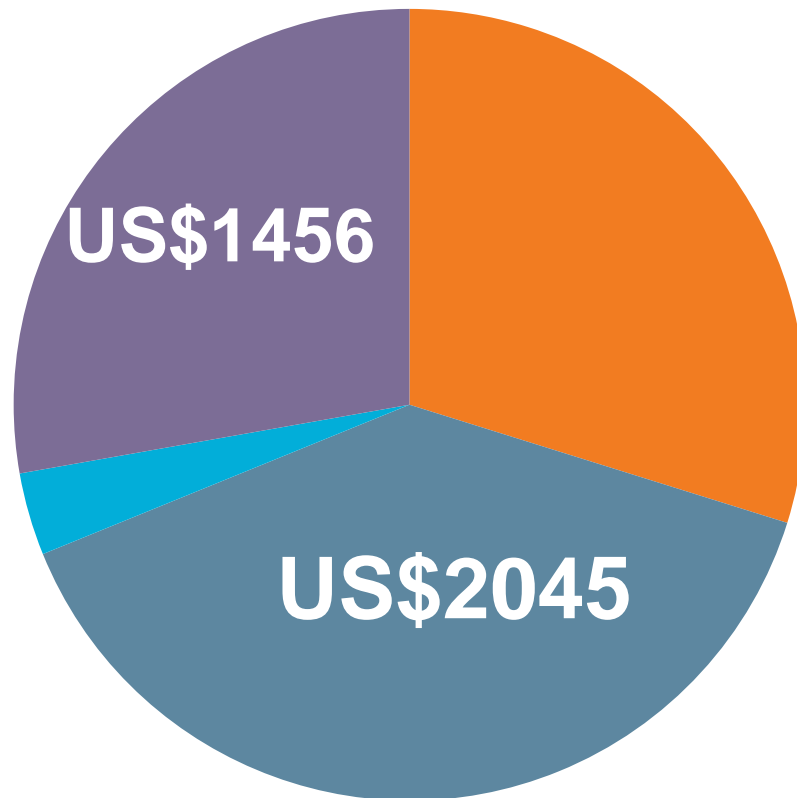
# Pet Care by Category: Retail Value Sales

## China



**US\$ 1561 million**

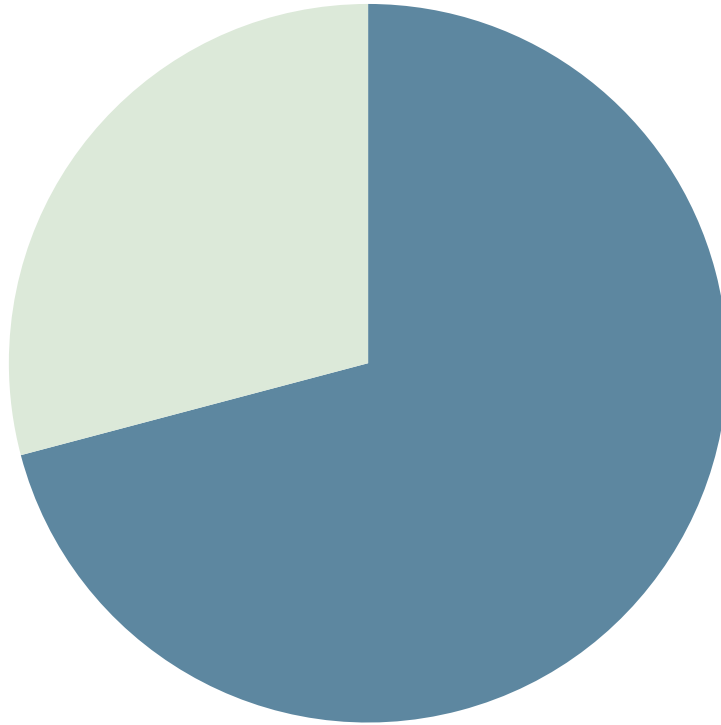
## Japan



**US\$5240 million**

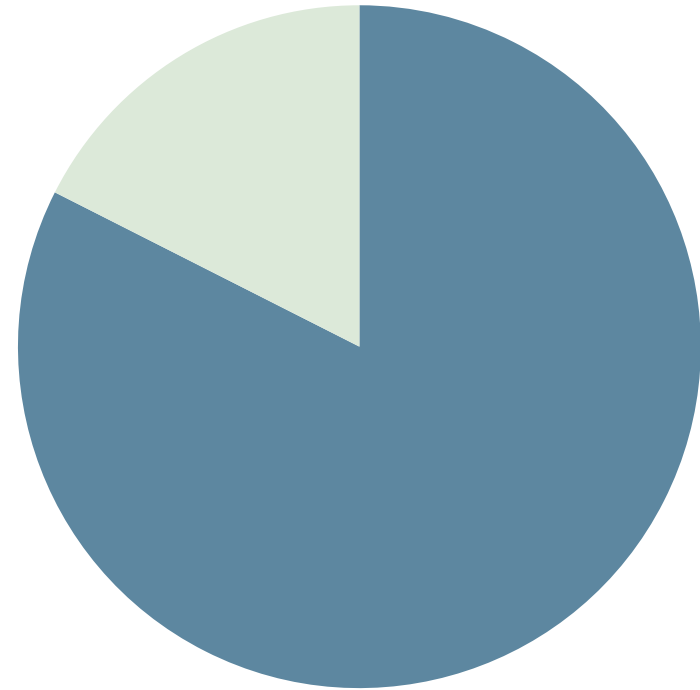
## China: Dry Vs Wet Food

### Cat Food



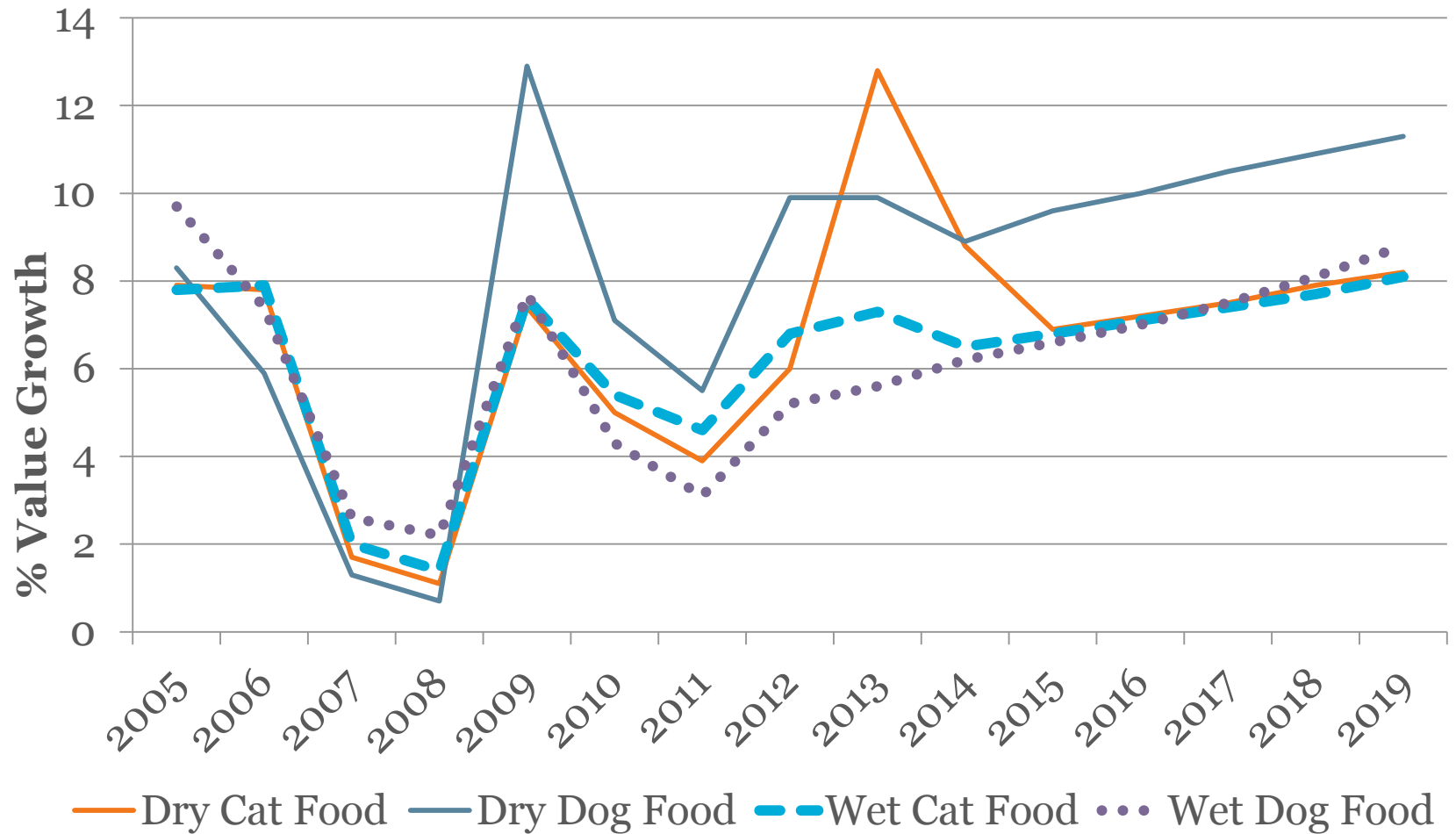
■ Dry ■ Wet

### Dog Food



■ Dry ■ Wet

# Wet Food Plays Catch Up





## Recent Launches

### **Purina Fancy Feast**

March 2014

Omega 3 and Vitamin E

### **Starter Mousse Mother & Babydog**

Royal Canin Au Yu (Shanghai)

July 2013

## Recent Launches

**Nori Nutritionist**  
Nori Pet Shanghai Co  
With Taurine and chondroitin

**Vitakraft Vitalife**  
Immunity support and prebiotic formula  
Jan 2013

## Recent Launches

### **Bile Natural Food**

Shanghai Fubei Pet Food Co Ltd

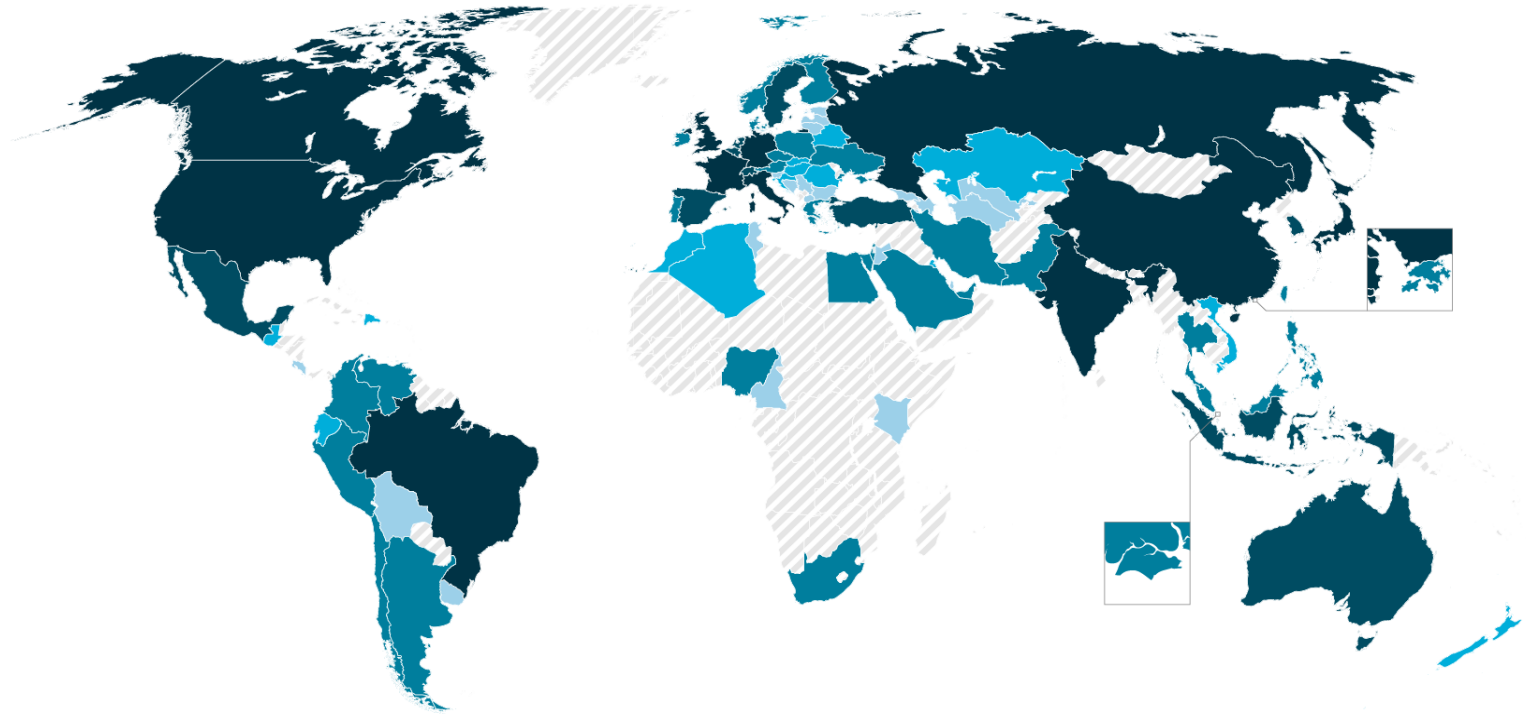
Black rice, oats and fish oil

### **Eukanuba Middle Breed Adult**

Omega 3 &6, beta-carotene

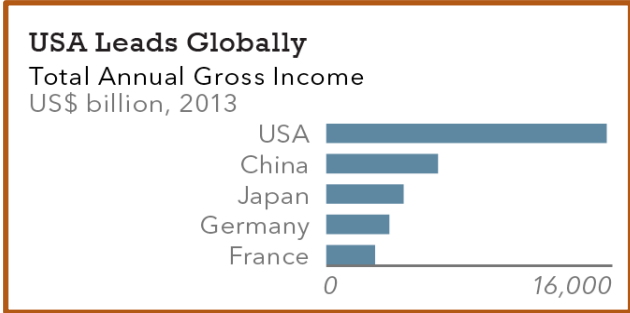
November 2013

# China Joined the Top Five

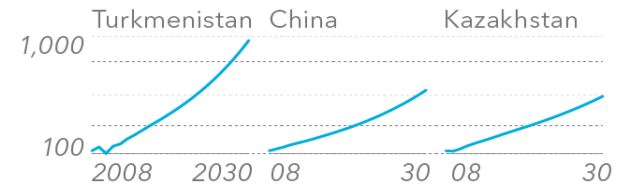


**Total Gross Income: 2013**  
US\$ million (y-o-y exchange rates)

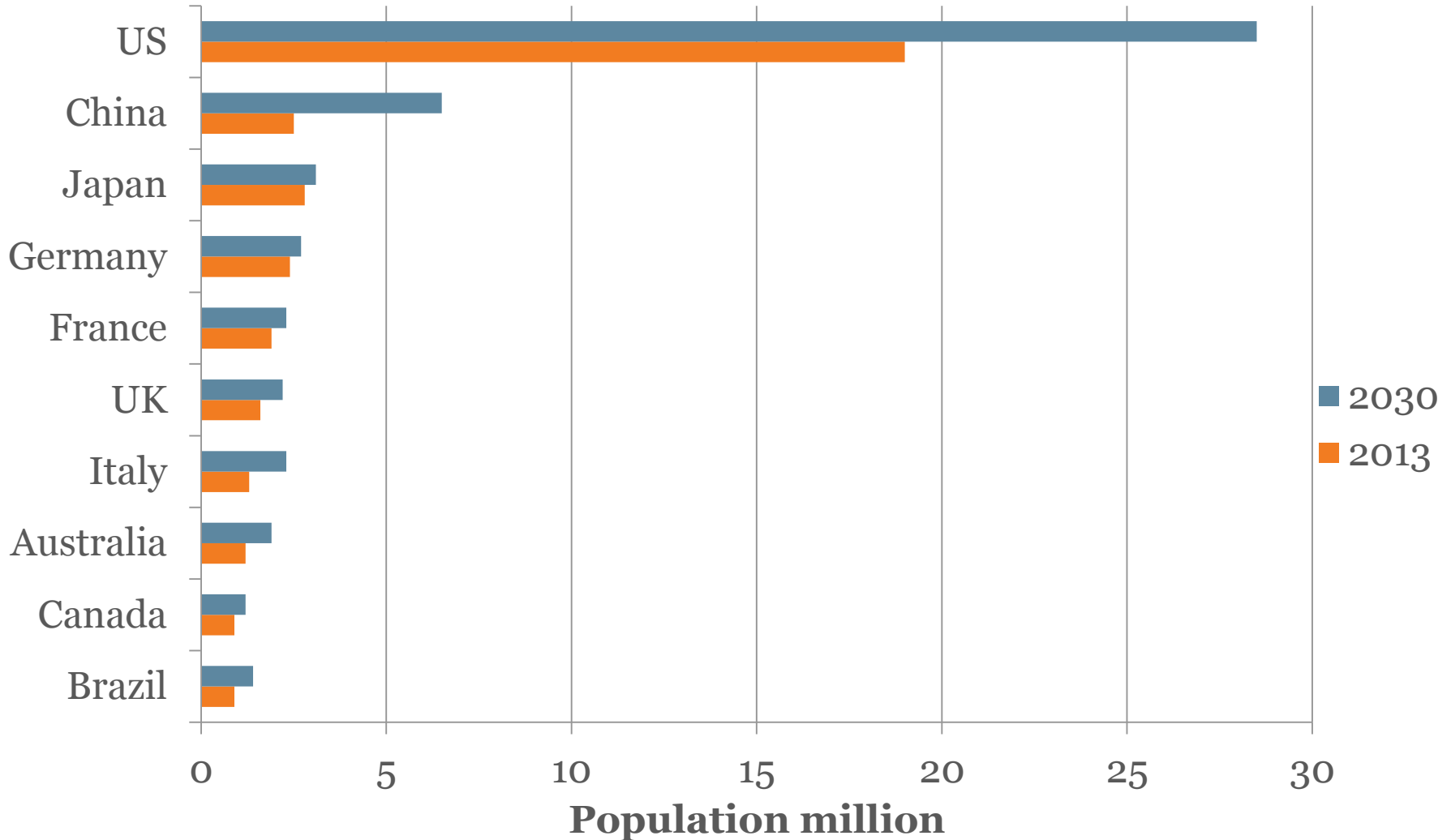
- 1,350,000 +
- 450,000 - 1,349,999
- 150,000 - 449,999
- 50,000 - 149,999
- 0 - 49,999
- ▨ Not Illustrated



**Fastest Growing, 2008–30**  
Total Gross Income Real Growth  
growth index, 2008=100



## Population Above US\$150k Gross Income: World Top 10



## A Tale of Two Powers: US...



**29%**

Of the highest bracket are 50-59

**0.8%**

decrease over 2008-2013

**84%**

forecast growth over 2014-2030

## ...and China Plays Catch-Up



**50%**

**Of the highest income bracket  
are 40-49 years old**

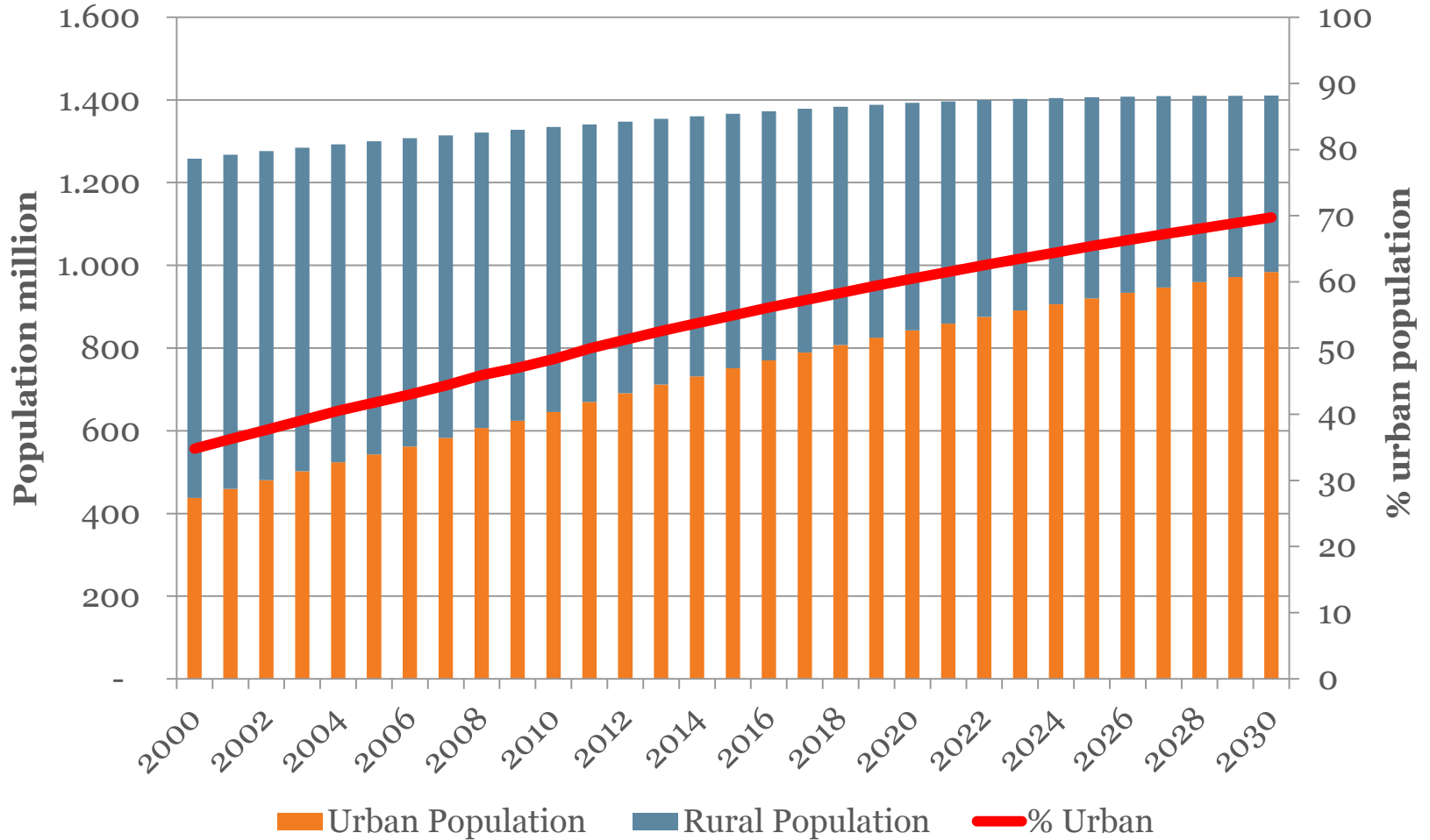
**83%**

**Growth over 2008-13**

**251%**

**Forecast 2014-2030**

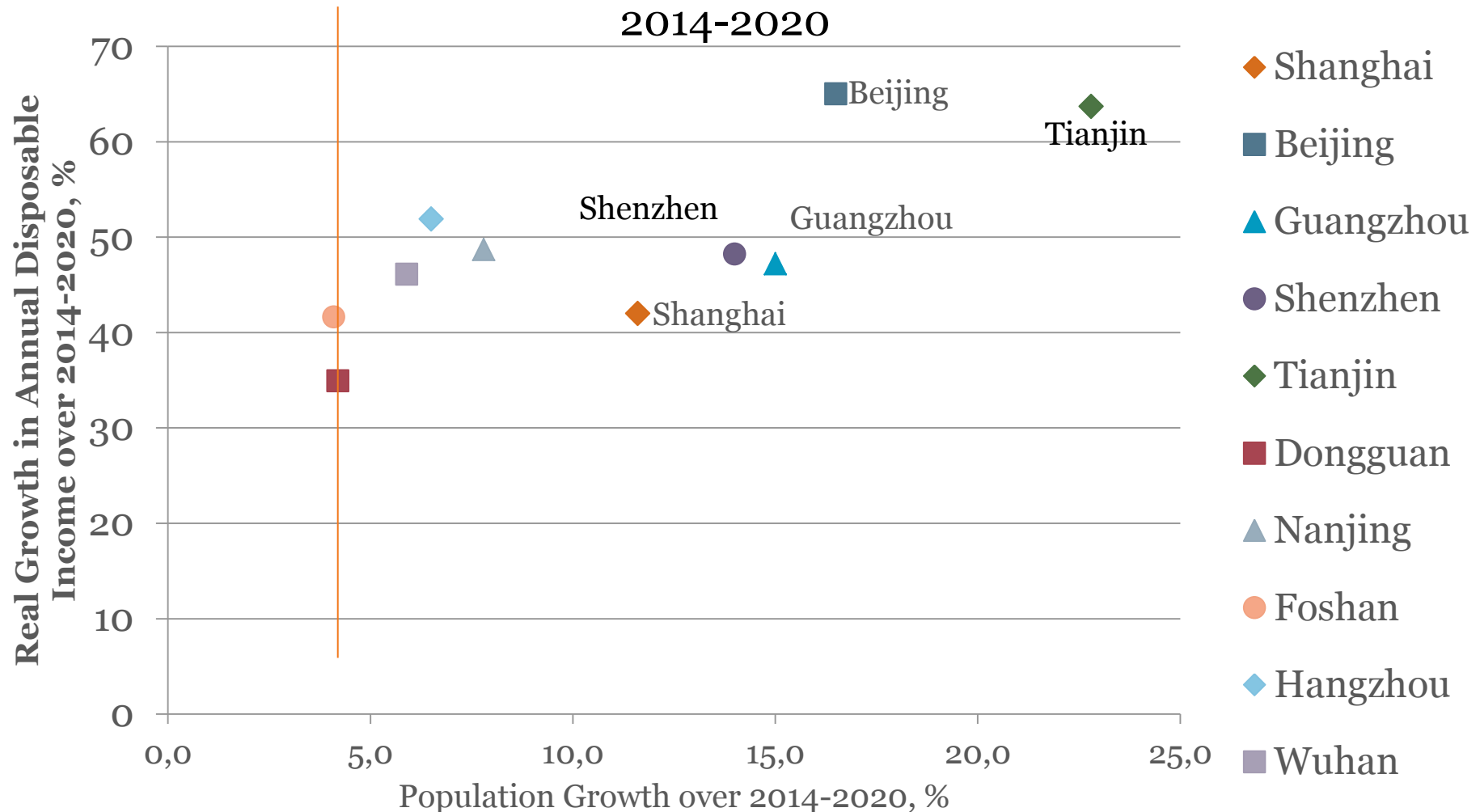
# Urban Populations





## Where Chinese High Earners Live

### Top 10 Chinese Cities with Largest High Income Population:



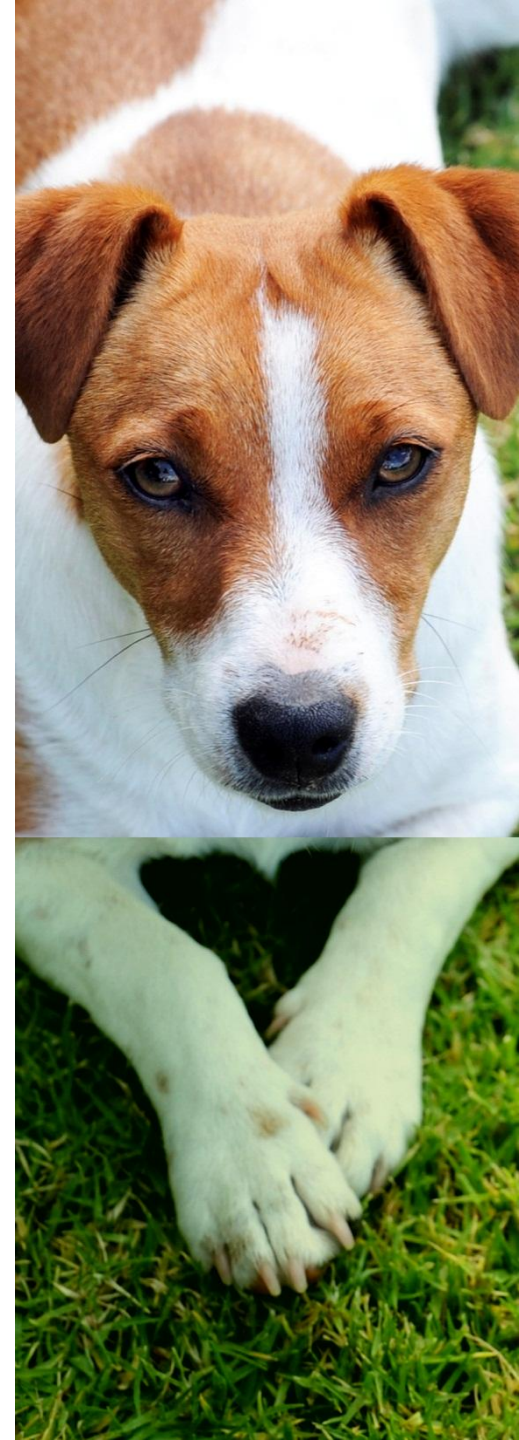
GLOBAL PERFORMANCE

GLOBAL TRENDS

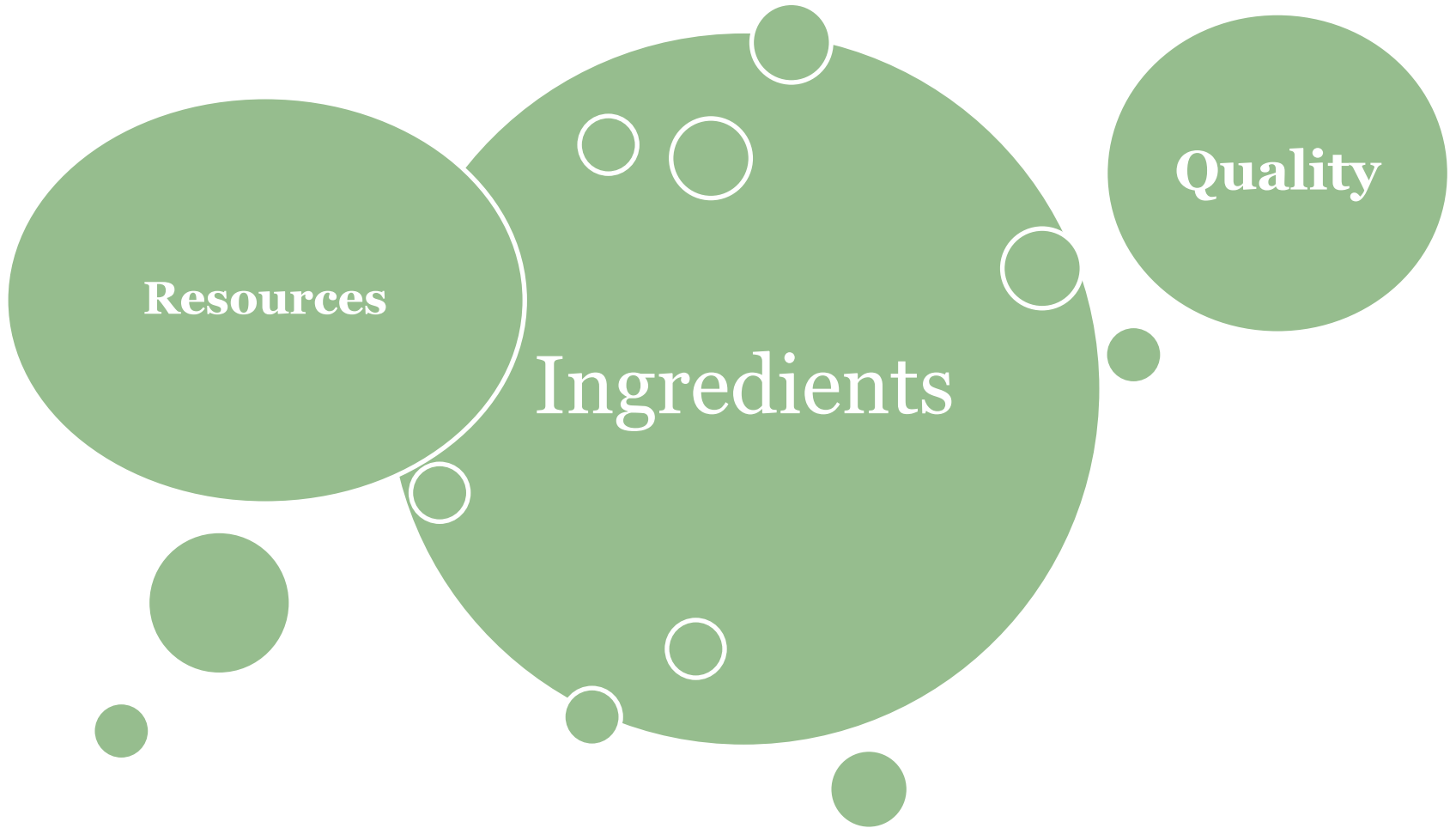
CHINA

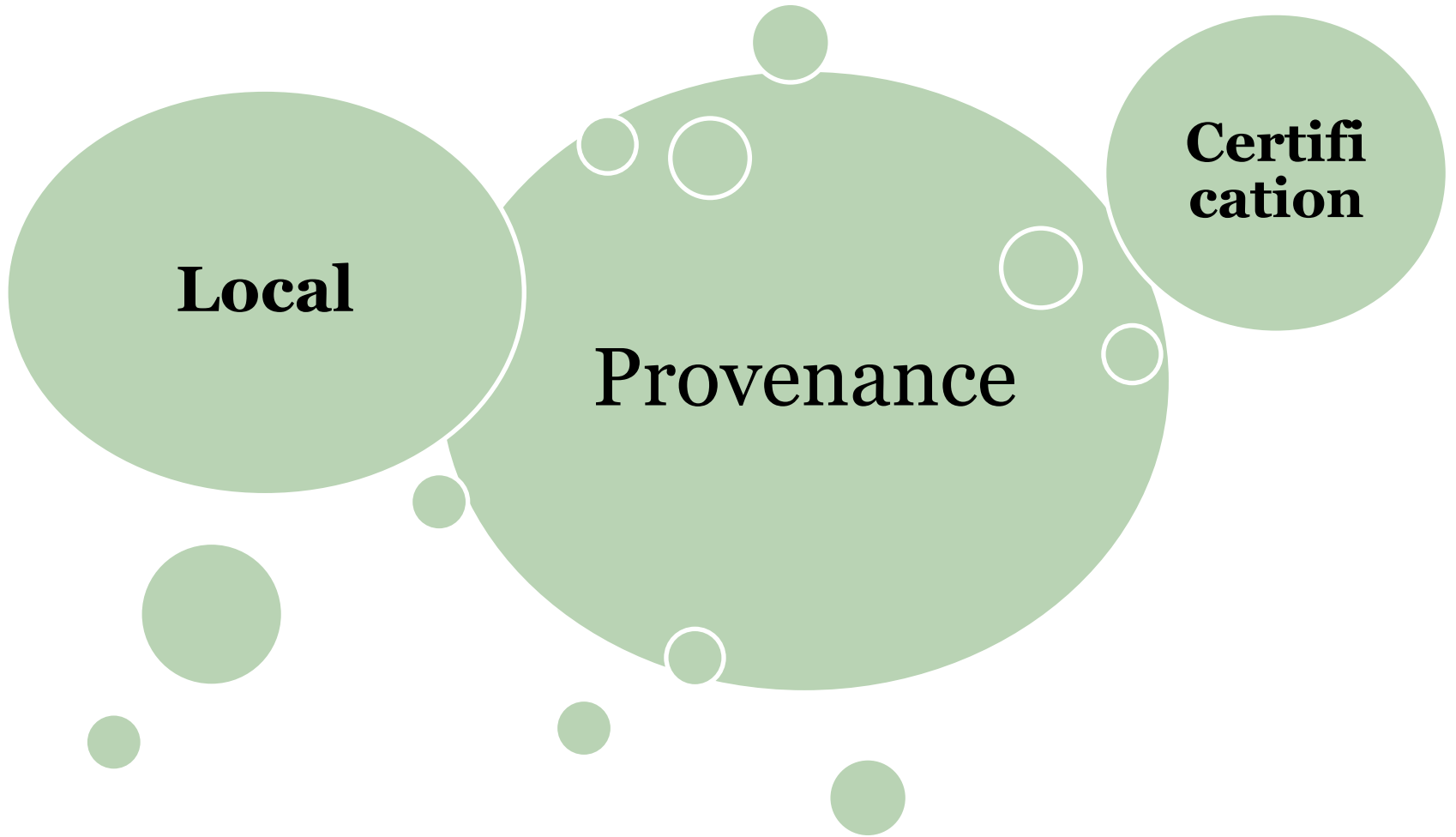
**CHALLENGES**

FUTURE AHEAD



# Sustainability is Key



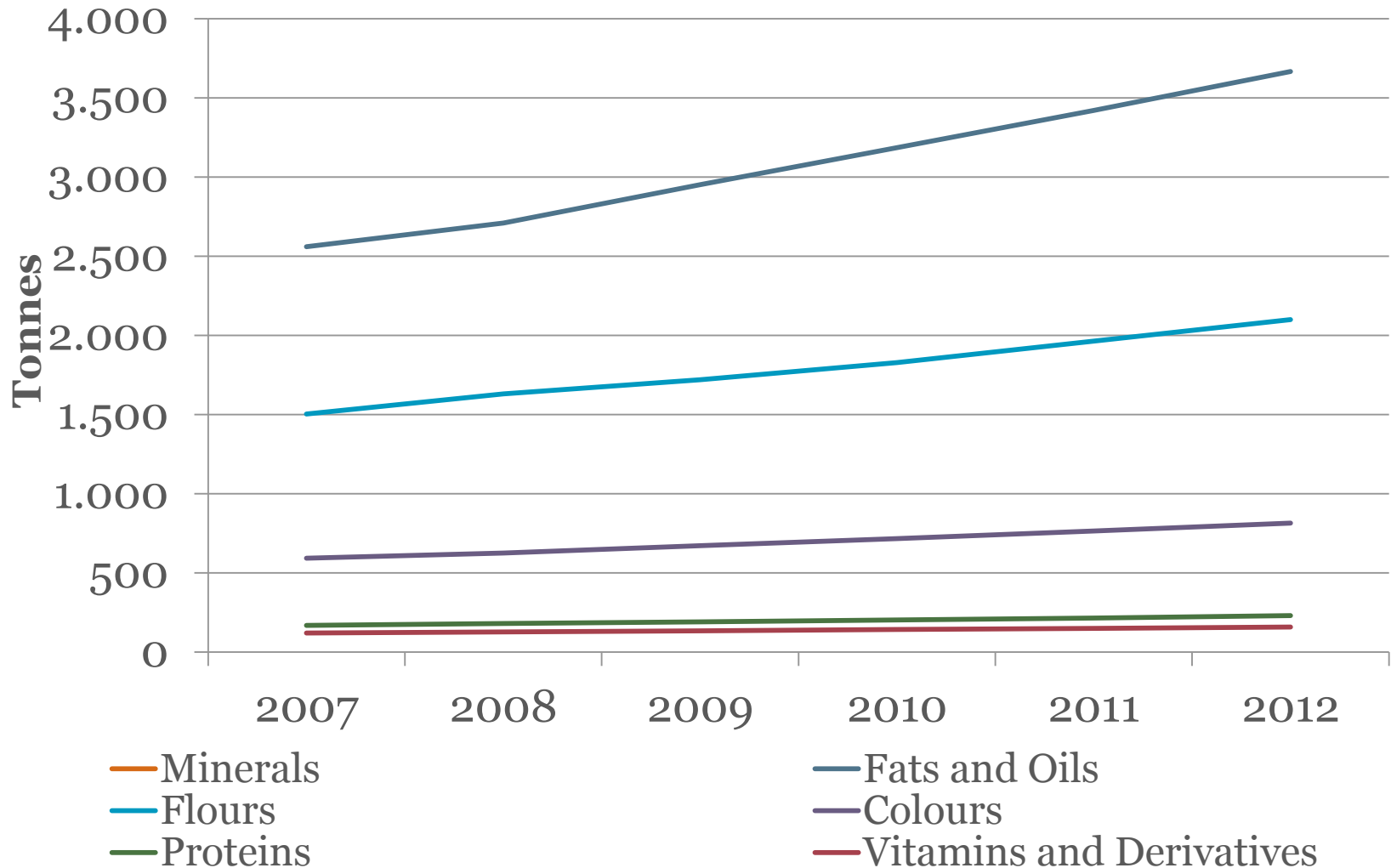


58 mn Tn EXTRA meat

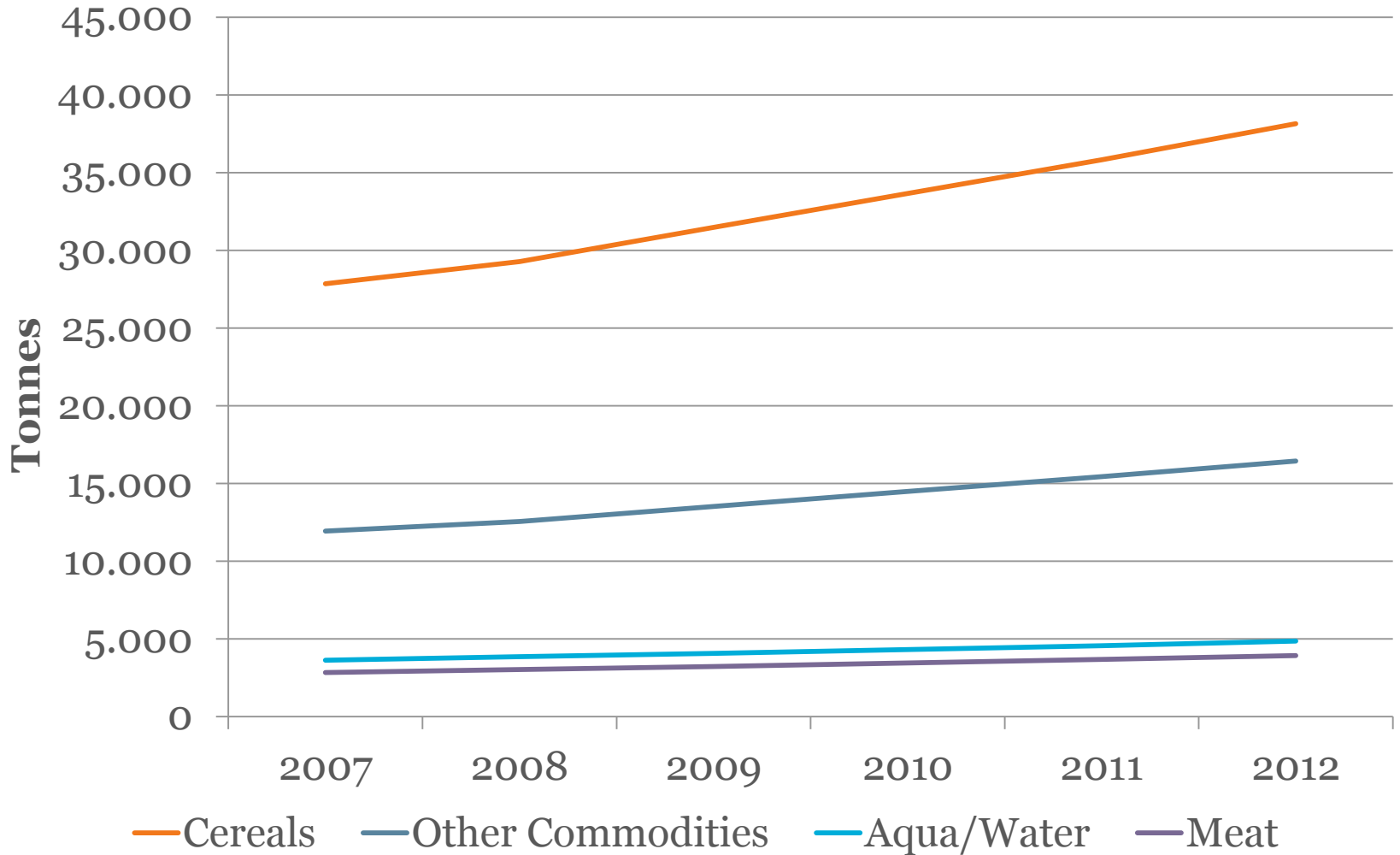
By 2018 114 mn Tn of fish

...Just in human consumption

## Ingredients To The Fore – Dog Food (China)



# Commodities Play a Key Role



GLOBAL PERFORMANCE

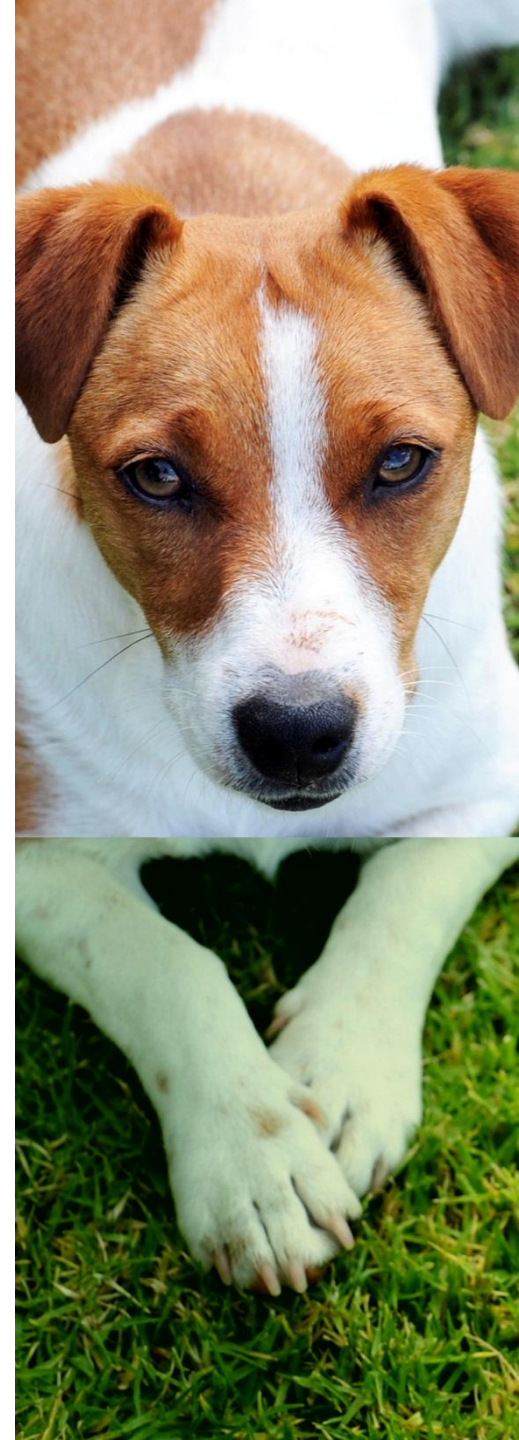
GLOBAL TRENDS

CHINA

CHALLENGES

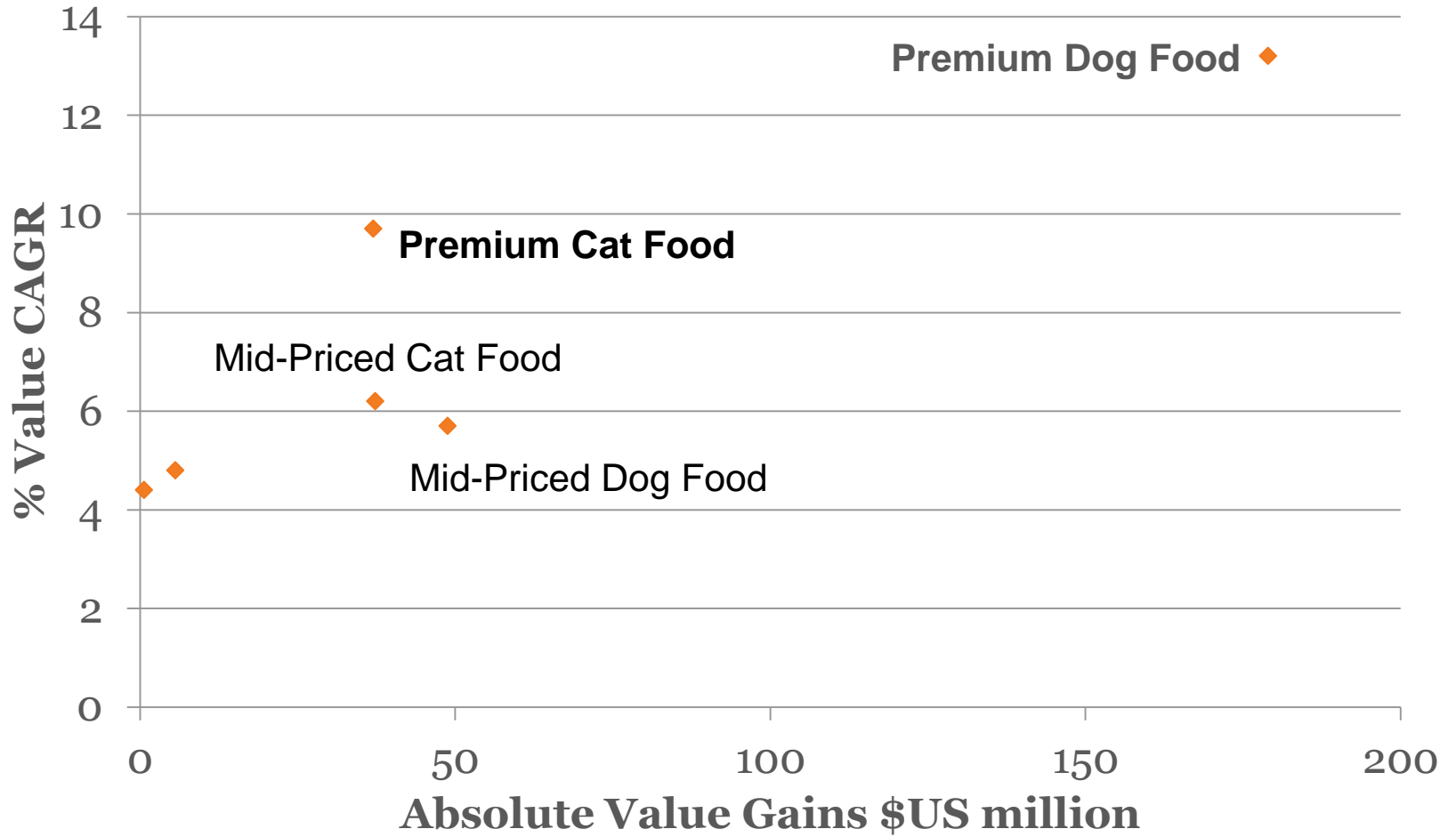
**FUTURE PROSPECTS**

CONCLUSION



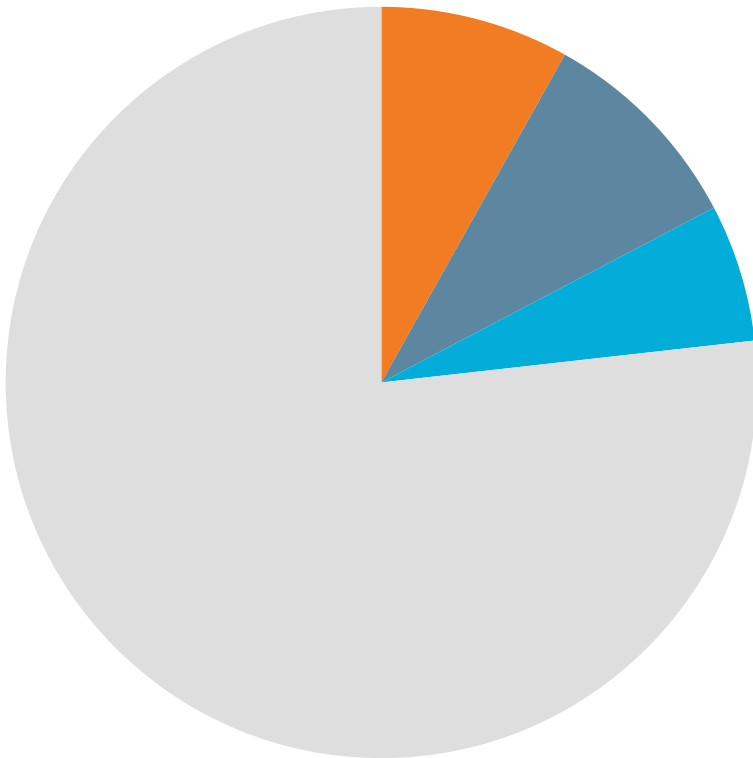


# Chinese Pet Care Prospects: 2014-2019



# Cat Food by Region

## Cat Food 2009



AP EE LA Others

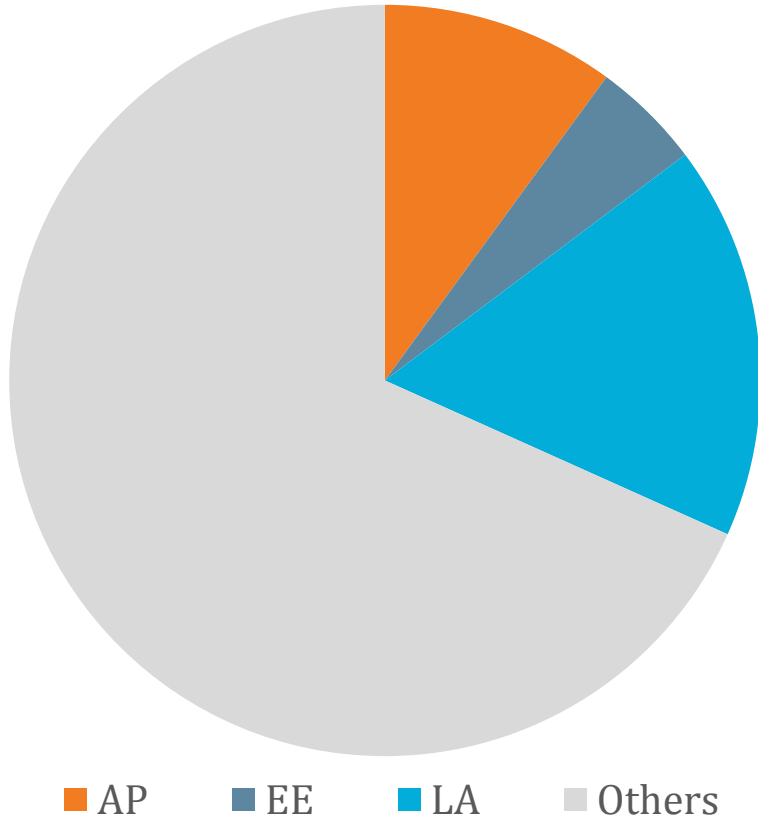
## Cat Food 2019



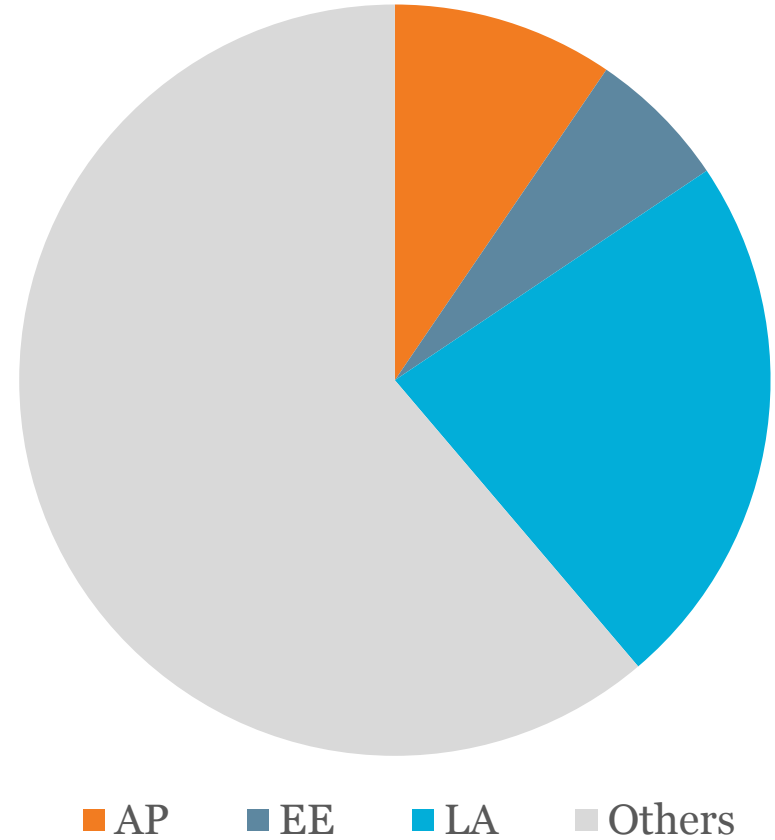
AP EE LA others

# Dog Food by Region

## Dog Food 2009

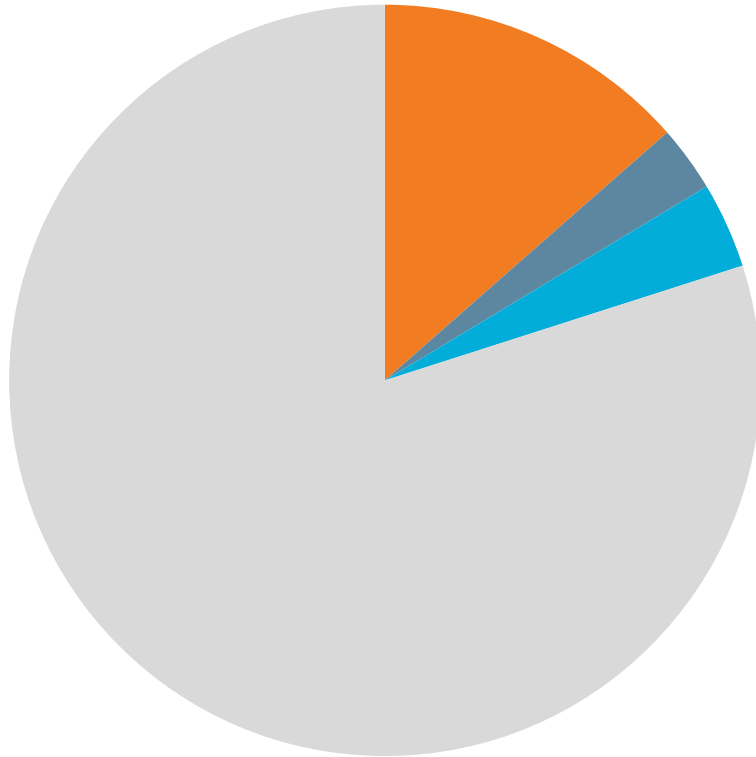


## Dog Food 2019



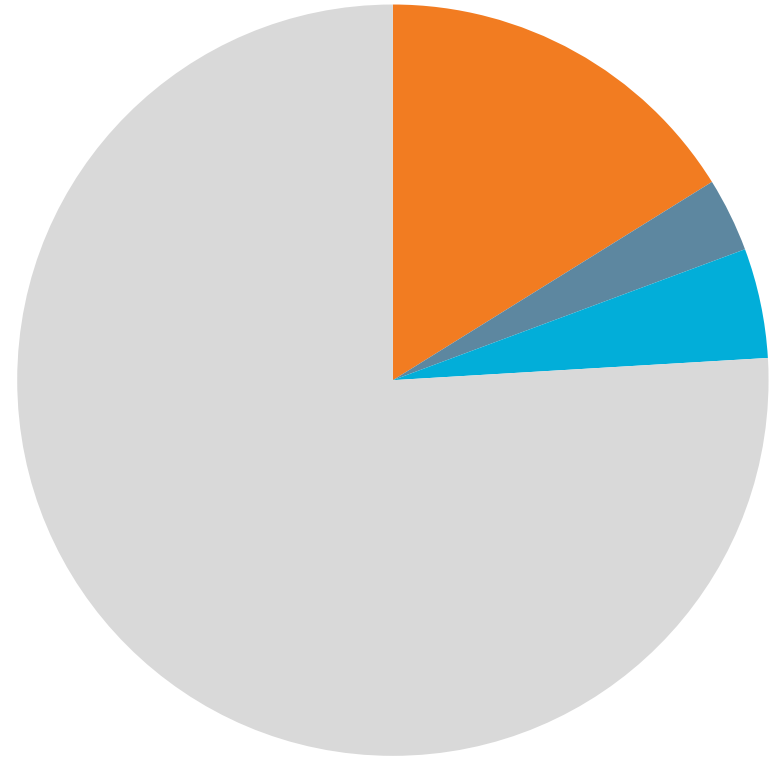
# Pet Products

## Pet Products 2009



■ AP ■ EE ■ LA ■ Others

## Pet Products 2019



■ AP ■ EE ■ LA ■ Others

GLOBAL PERFORMANCE

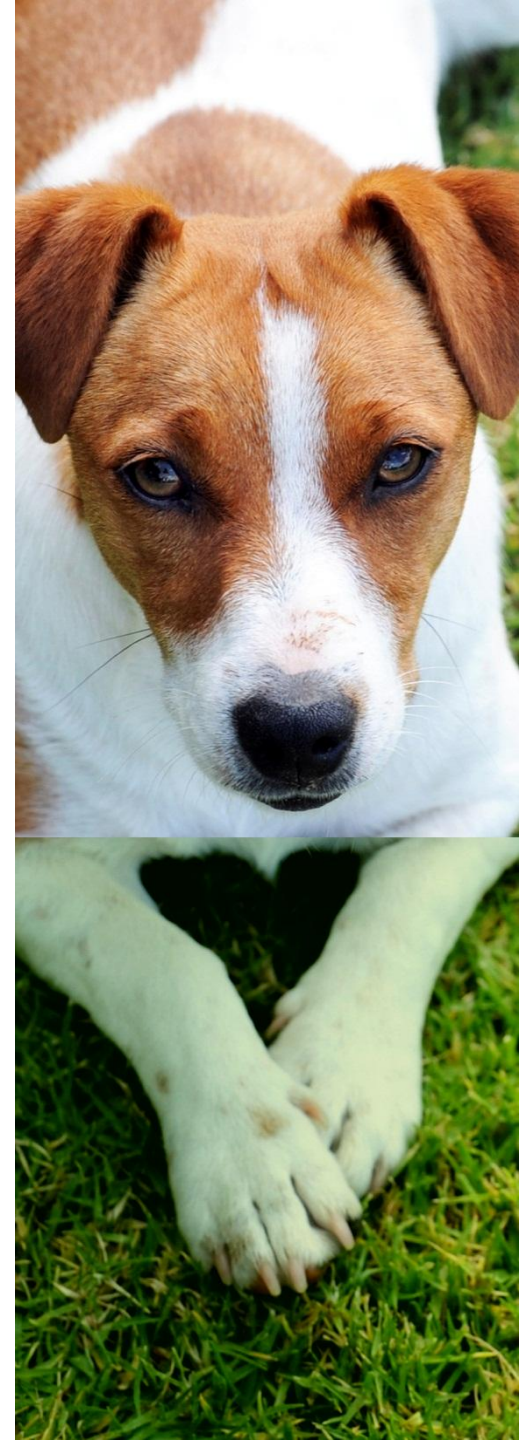
GLOBAL TRENDS

CHINA

CHALLENGES

FUTURE PROSPECTS

**CONCLUSION**



# Increasing Competition



# Legislation to Become More Central



A graphic for 'Flavour' featuring the word in a grey serif font, surrounded by a cluster of orange circles of various sizes.

Flavour

A graphic for 'Health' featuring the word in a grey serif font, surrounded by a cluster of blue circles of various sizes.

Health

A graphic for 'Convenience' featuring the word in a grey serif font, surrounded by a cluster of orange circles of various sizes.

Convenience

A graphic for 'Indulgence' featuring the word in a grey serif font, surrounded by a cluster of orange circles of various sizes.

Indulgence

A graphic for 'Quality' featuring the word in a grey serif font, surrounded by a cluster of orange circles of various sizes.

Quality





**THANK YOU FOR LISTENING**

**Paula Flores**

Head of Pet Care

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