

OVERVIEW OF THE DOG AND CAT FOOD INDUSTRY

June 2004

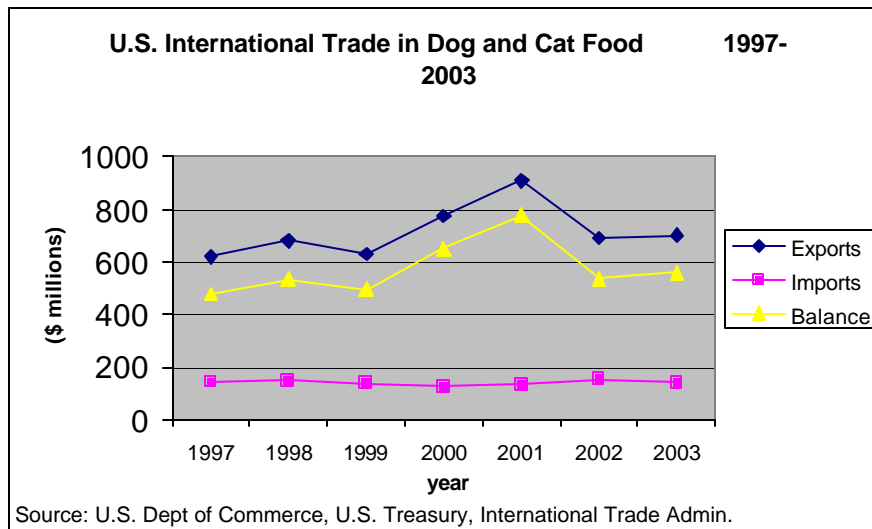
Dog and Cat Food Manufacturing Industry Definition

Establishments classified under NAICS Code 311111, Dog and Cat Food Manufacturing, comprise establishments primarily engaged in manufacturing dog and cat food from ingredients, such as grains, oilseed mill products, and meat products.

International Trade in Dog and Cat Food

Six large companies dominate the world market for dog and cat food, holding a combined market share of nearly 70%. These major players are Mars, Nestle, Iams, Hill's Pet Nutrition, Del Monte, and Doane. The top 2 manufacturers, Nestle and Mars, account for 50% of total dog and cat food sales.

The U.S. is a net exporter of dog and cat food with exports of \$700 million in 2003 compared to \$141 million in imports. U.S. exports have increased 13% from \$621 million in 1997 and imports have decreased .2% from \$144 million in 1997.



U.S. Domestic Industry Overview

In the U.S., the industry is dominated by 7 large companies (see chart below) holding a combined market share of 86 percent. These major players are Nestle, Iams, Hill's Pet Nutrition, Masterfoods, Ol'Roy, Del Monte, and Nutro Products. The top 2 manufacturers, Nestle and Iams, account for 42% of total dog and cat food sales.

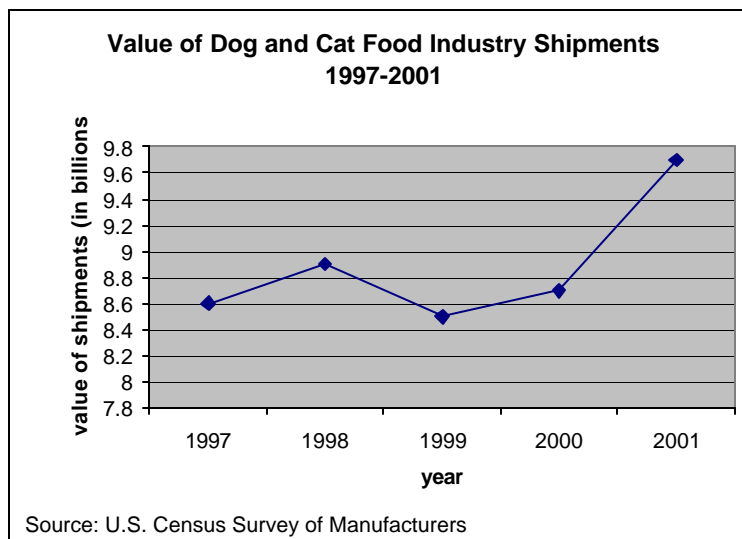
U.S. Sales and Market Share in US\$ billions

	2002	% share	2003E	% share
Nestle Purina Petcare Company	\$3.8	30.6	\$3.7	29.5
The Iams Company	1.5	12.0	1.6	12.4
Hill's Pet Nutrition Inc.	1.4	11.1	1.5	11.6
MasterFoods USA	1.4	11.0	1.4	11.1
Ol'Roy (Wal-Mart)	1.2	9.6	1.3	10.0
Del Monte Foods	1.0	8.0	0.9	7.4
Nutro Product's Inc.	0.5	4.0	0.5	4.2
All others	1.7	13.7	1.7	13.8
Total	12.3	100.0	12.5	100.0

Source: Petfood Industry, January 2004, and Davenport & Company Estimates

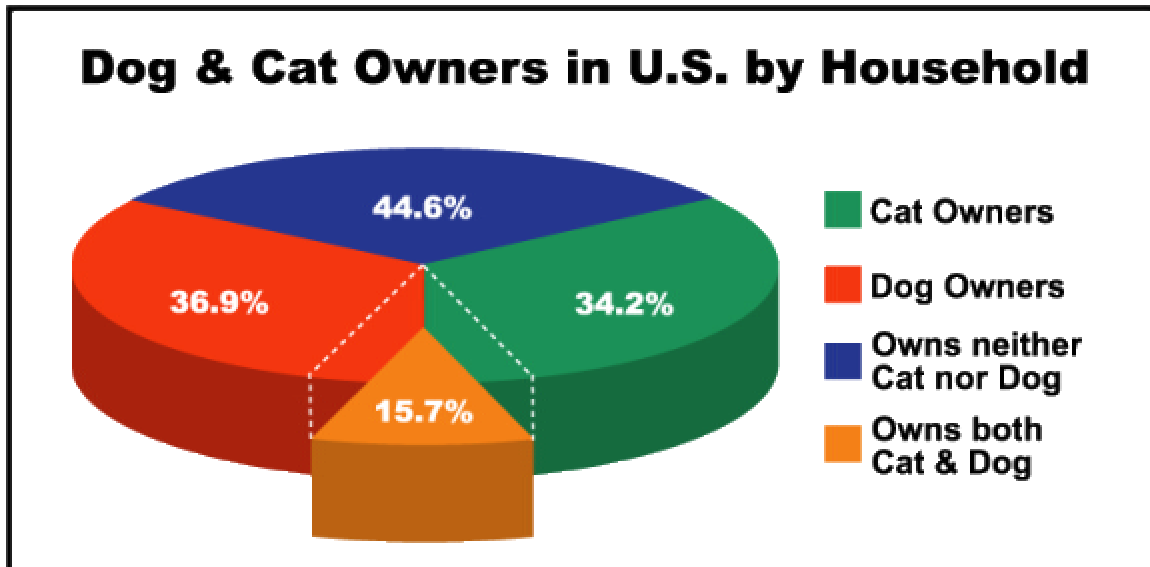
The value of dog and cat food industry shipments has increased from \$8.6 billion in 1997 to \$9.7 billion in 2001, an increase of 13%.

The increase in production is due partly to the increase in pet ownership. According to the Pet Food Institute, in 2001 a majority, 55 percent, of all American households was



home to at least one pet dog or cat. In 2002, the study found there were over 75 million pet cats and over 60 million pet dogs in the United States. On average, each cat owning household is home to two cats, while dog owners usually have one canine companion.

Cat ownership has risen more quickly than dog ownership which has remained relatively stable over the last ten years, reflecting the growing urbanization of the US population.



Source: NPD Group Inc.

Regulation of Pet Food in the U.S.

Regulation of Pet Food falls under the Food Safety and Inspection Service (FSIS) of USDA. FSIS ensures that meat, poultry, and egg products are safe and correctly labeled and packaged as required by the Federal Meat Inspection Act, Poultry Products Inspection Act and Egg Products Inspection Act. The USDA's Animal and Plant Health Inspection Service (APHIS) provides leadership in ensuring the health and care of animals and plants.

Trade Shows

The Department of Commerce Consumer Goods Office organizes a Product Literature/Sample Center booth for U.S. companies to display their products and find foreign buyers at the Pet Food and Equipment Shows listed below. If your company is interested in participating in one of these shows, contact Ed Kimmel for more information at 202-482-3640.

- **Interzoo**, May 2006, Nurnberg, Germany
- **Expozoo**, March 20-22, 2005 in Paris, France
- **SIZOO**, November 2005, Barcelona, Spain
- **Zoomark**, May 5-8, 2005, Bologna, Italy

Resources

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