



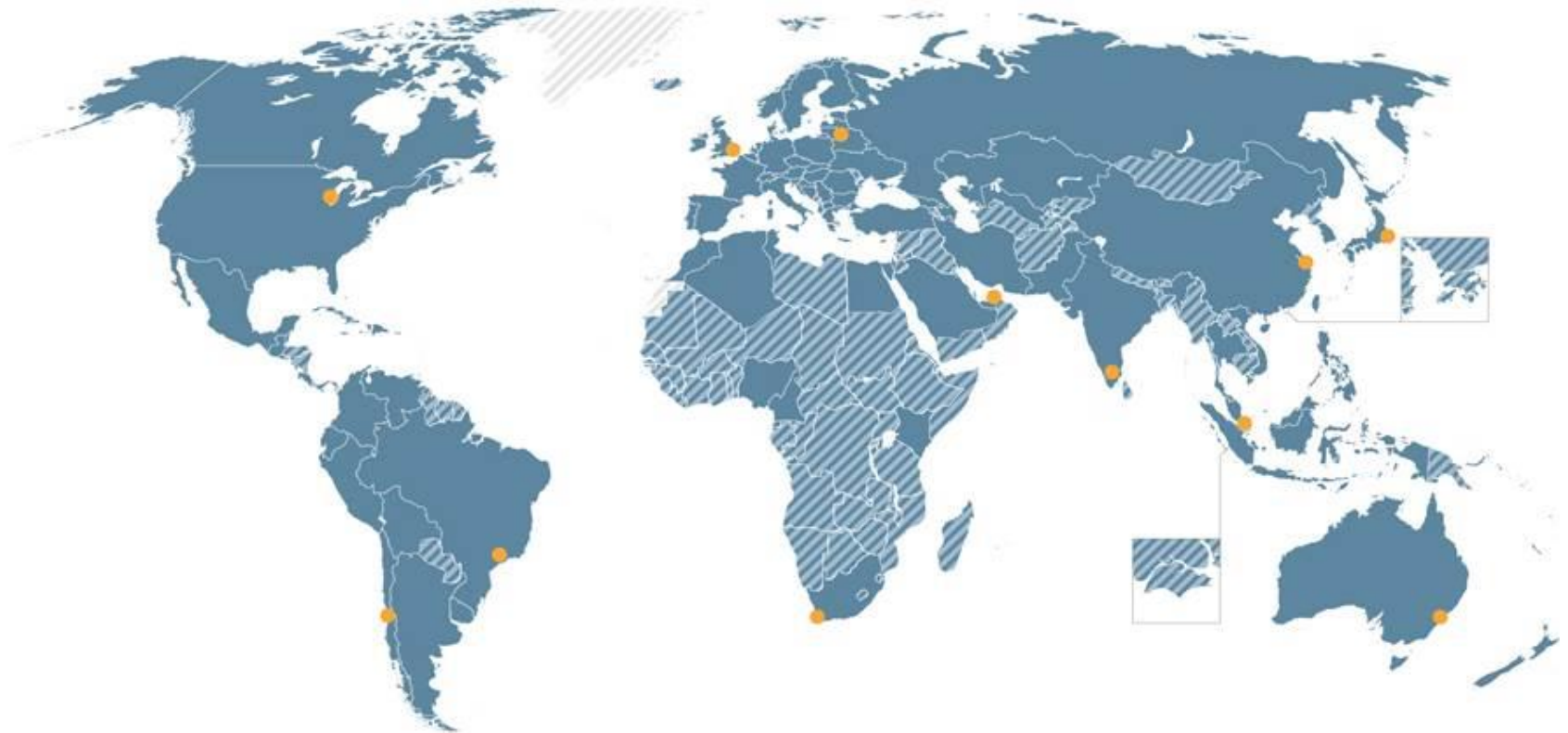
PET CARE ANNUAL UPDATE: TRENDS AND GROWTH OPPORTUNITIES

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PIJAC, MISSISSAUGA, ON

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Euromonitor International

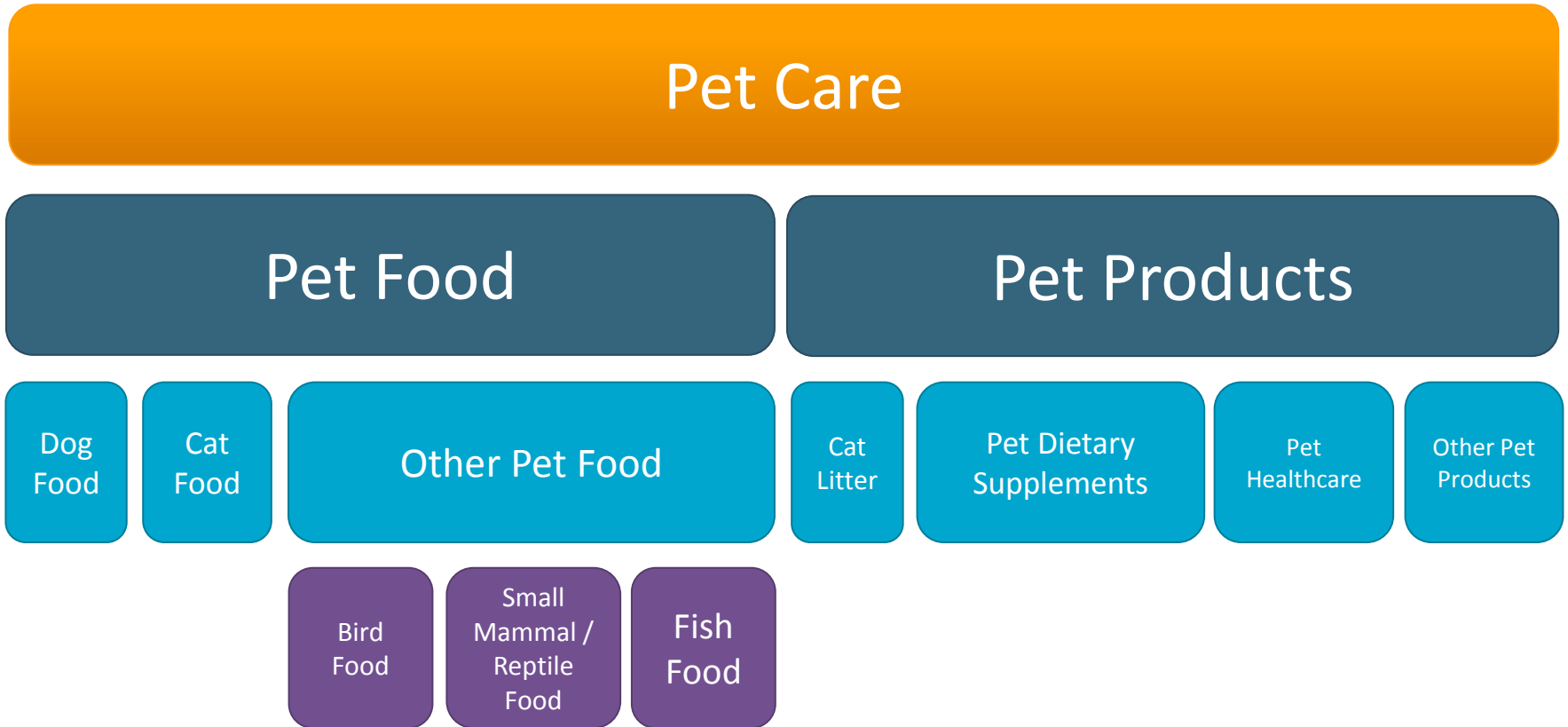


12 OFFICE LOCATIONS
London, Chicago, Singapore, Shanghai,
Vilnius, Santiago, Dubai, Cape Town,
Tokyo, Sydney, Bangalore, and São Paulo

80 COUNTRIES
in-depth analysis on consumer
goods and service industries

+ 210 COUNTRIES
demographic, macro- and
socio-economic data on
consumers and economies

What We Cover In Pet Care



GLOBAL OVERVIEW

NORTH AMERICA: GROWTH CONTINUES

PREMIUMIZATION, HUMANIZATION AND MORE

THE FUTURE



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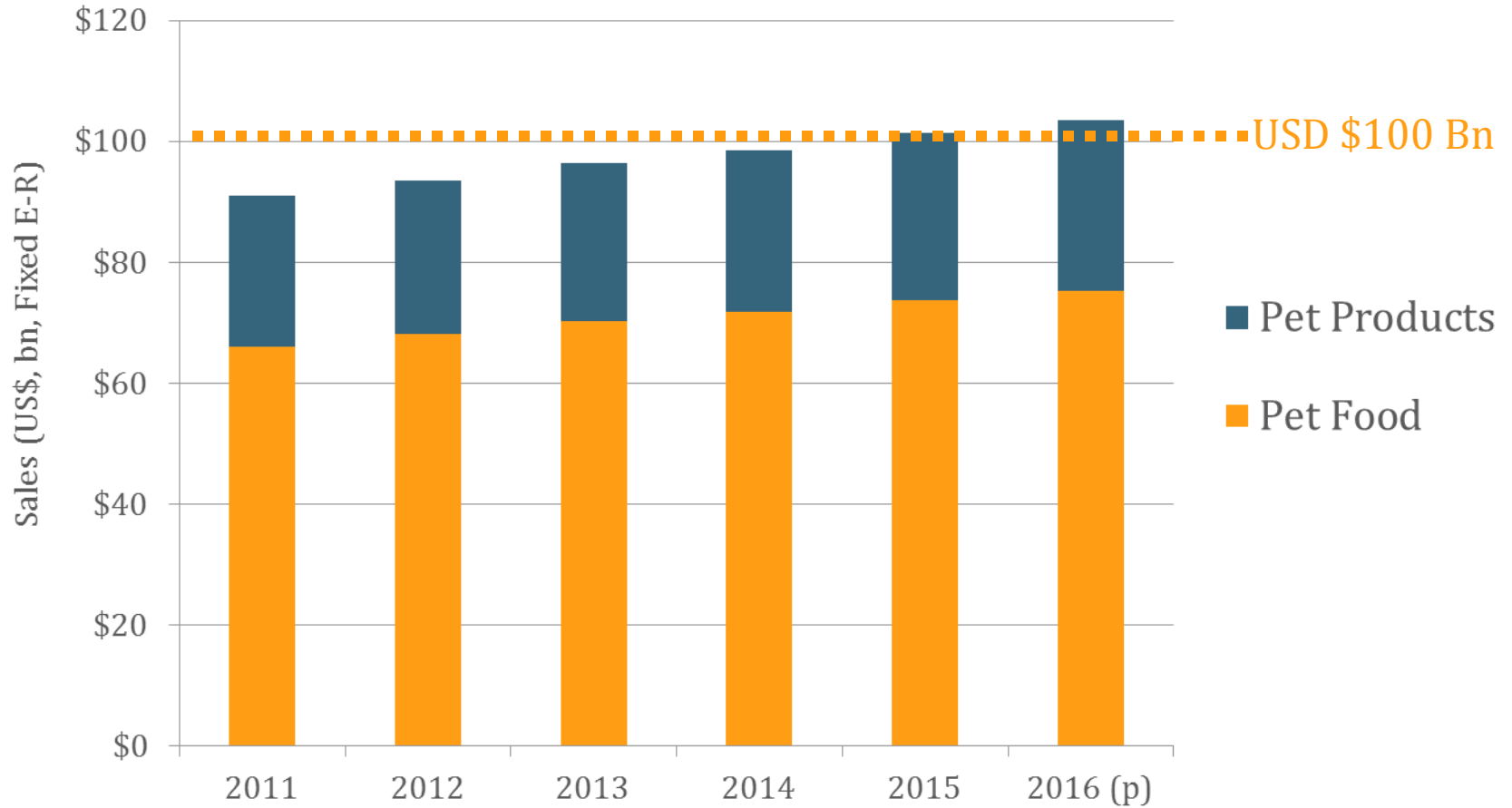
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Pet Care: Growing Despite Economic Challenges

Global Spending on Pet Care: 2011-2016



Global Pet Food Trends



Premiumisation here to stay



Rise of ethics and sustainability

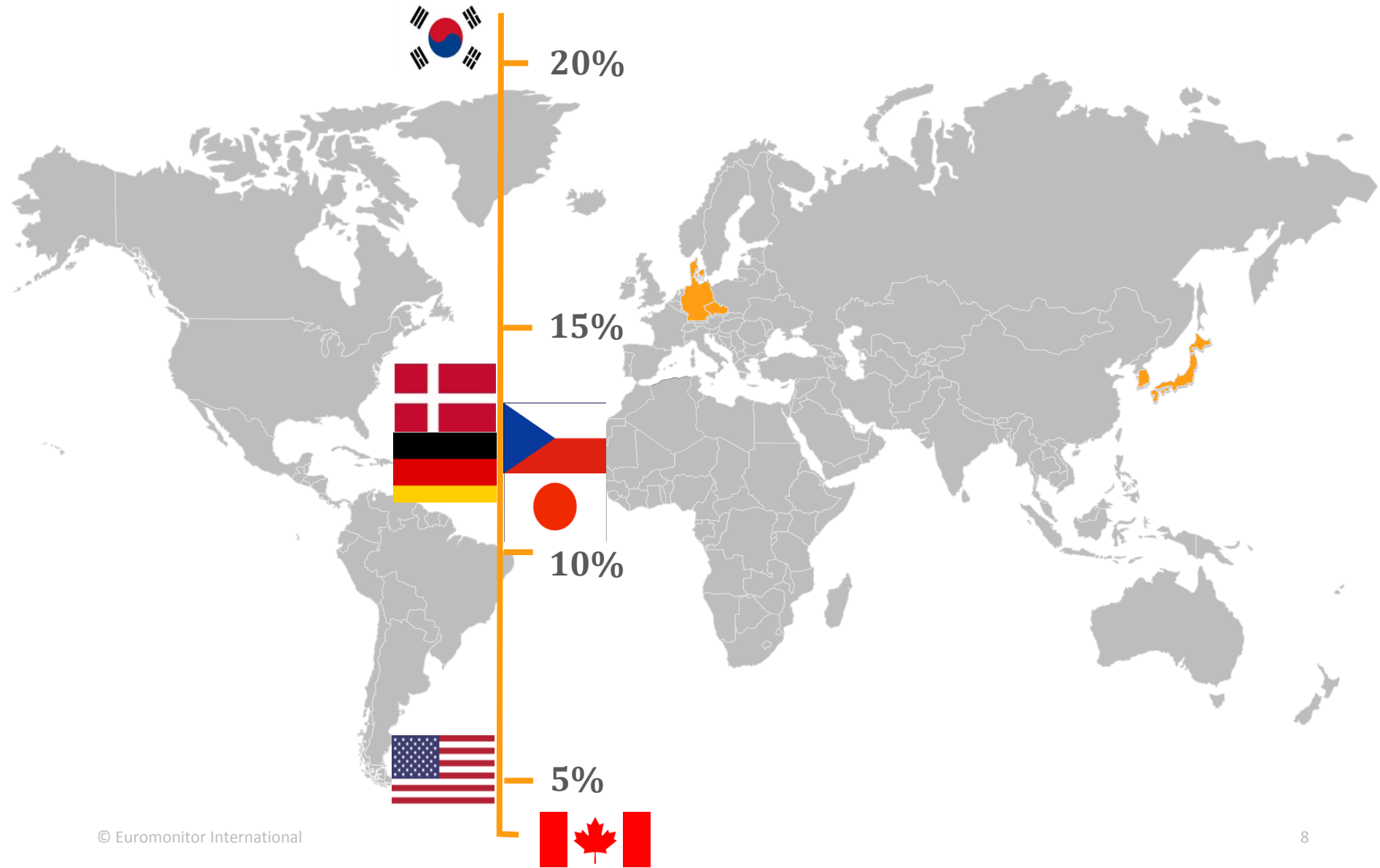


Growth of convenient solutions



Growing online sales

Global Potential for E-Commerce in Pet Care



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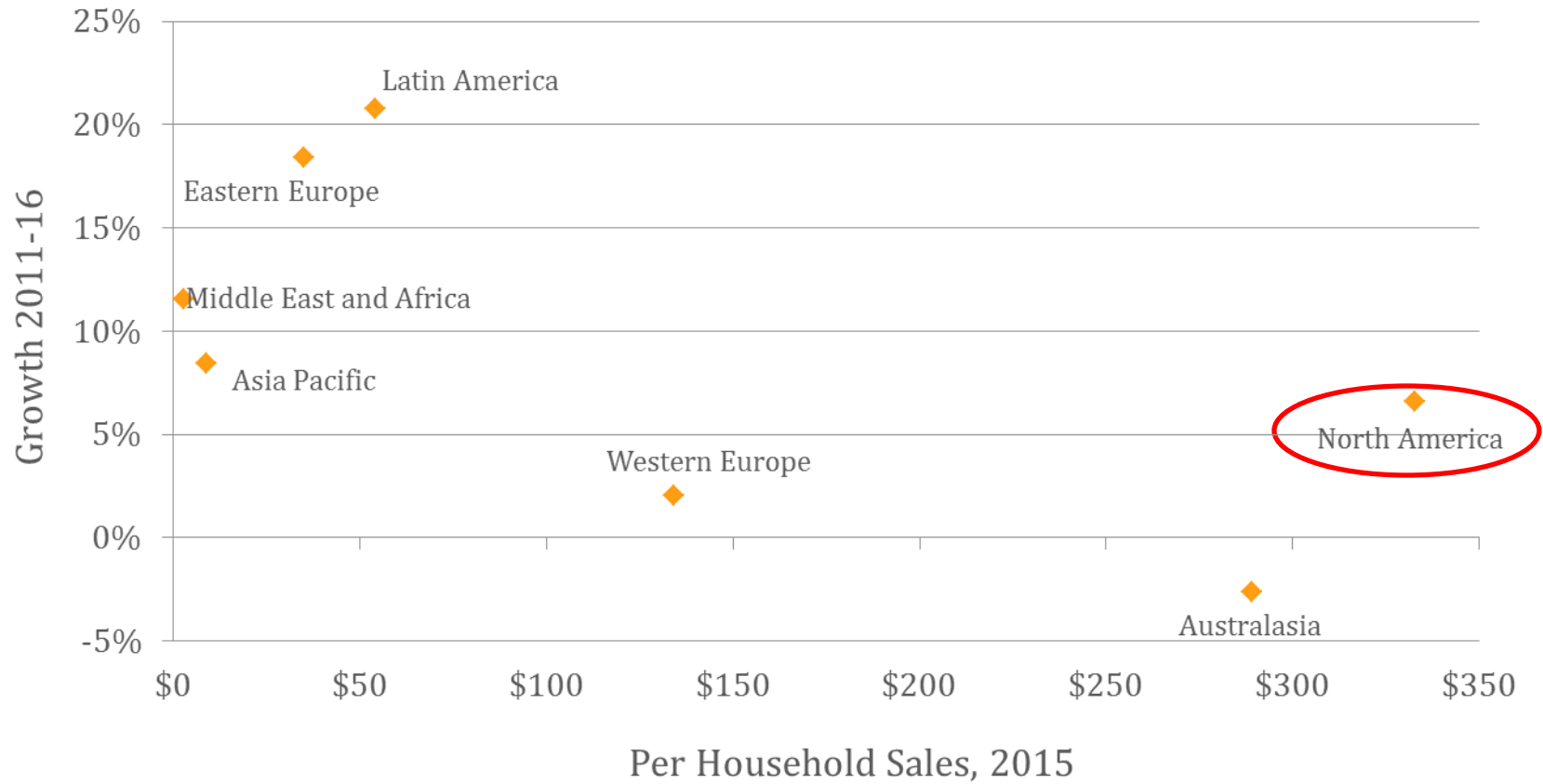
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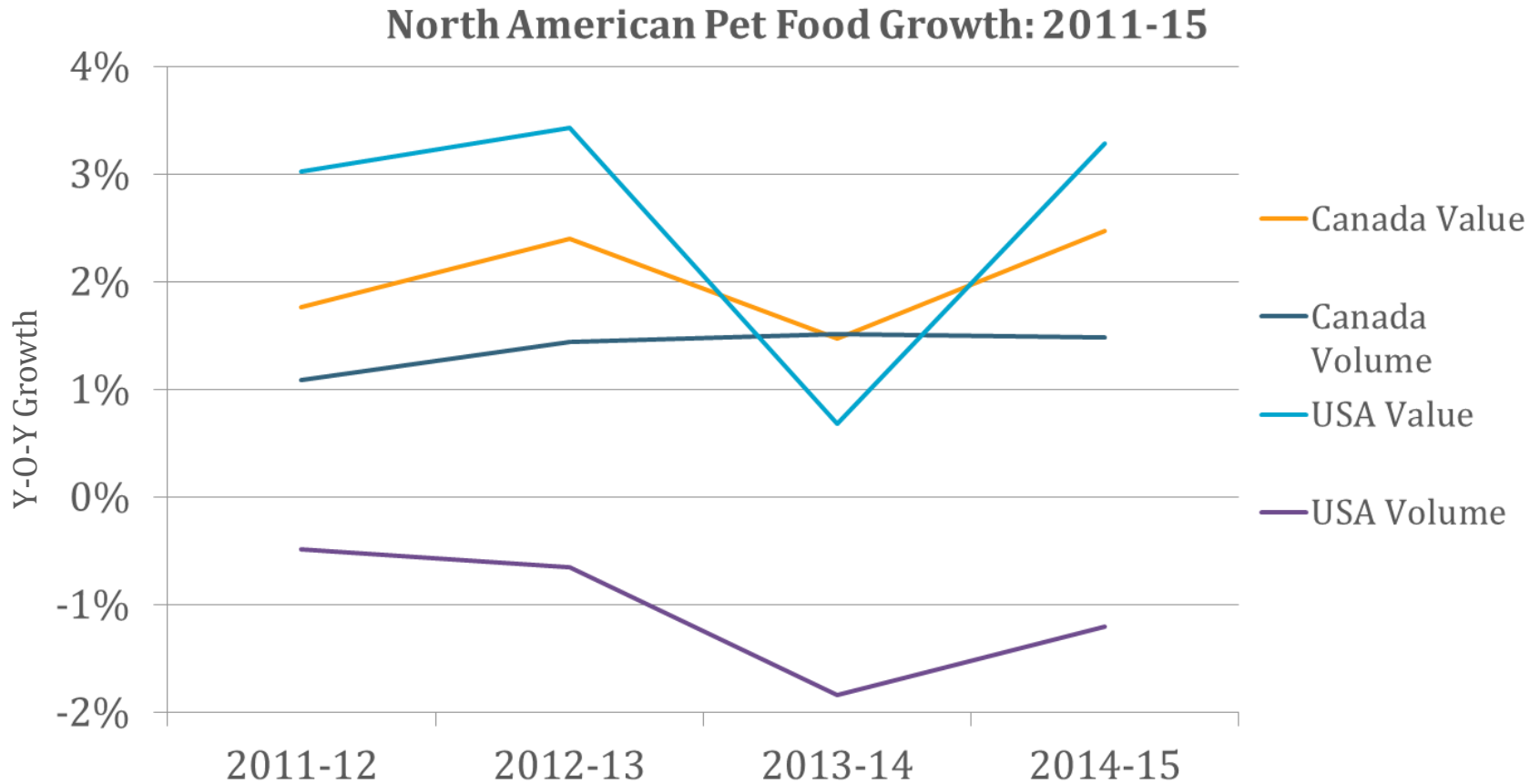
North America: Heavy Spender and Growing

Pet Care: Per Household Sales and Growth 2016 vs. 2011



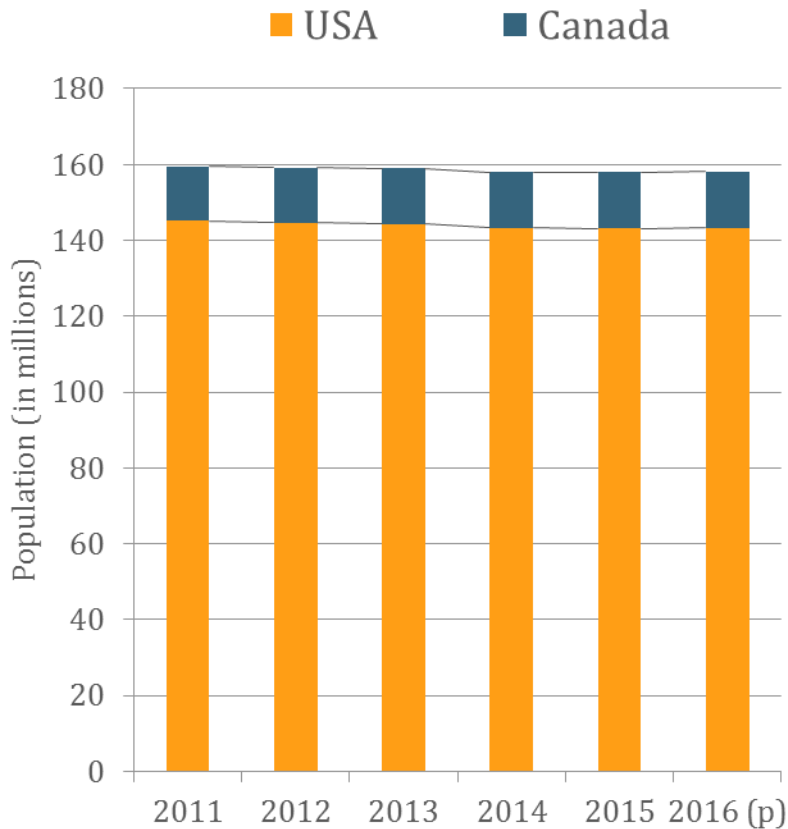
Retail Value RSP | US\$ mn | Constant 2016 Prices | Fixed 2016 Exchange Rates

Values Over Volumes

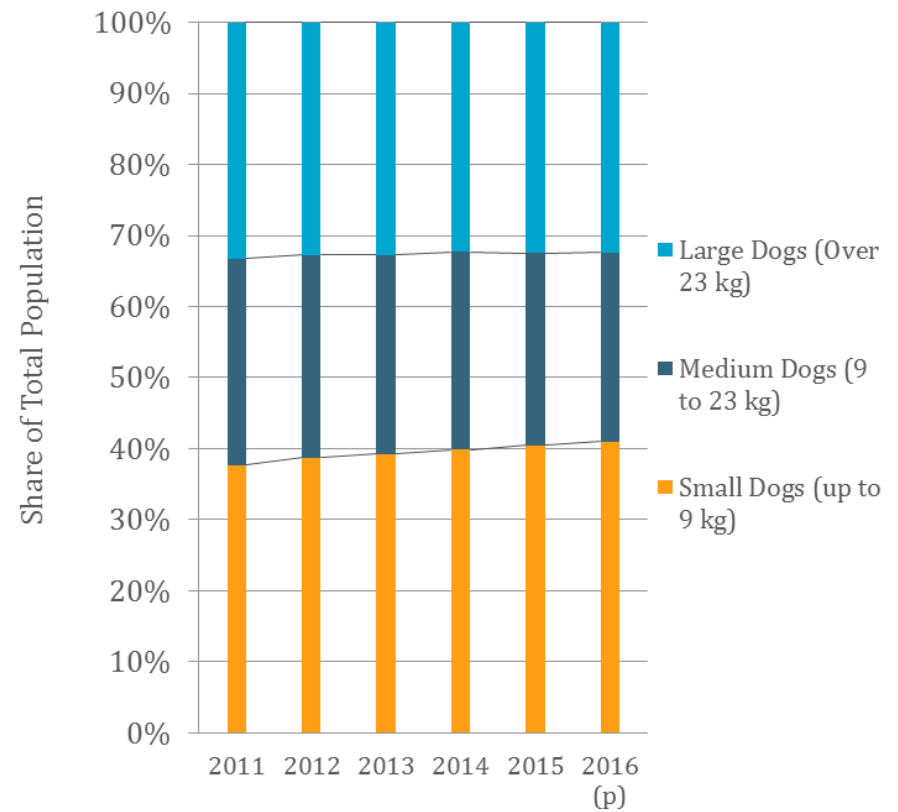


Pet Population Declining and Smaller Breeds Gaining Popularity

North American Dog and Cat Population: 2011-16



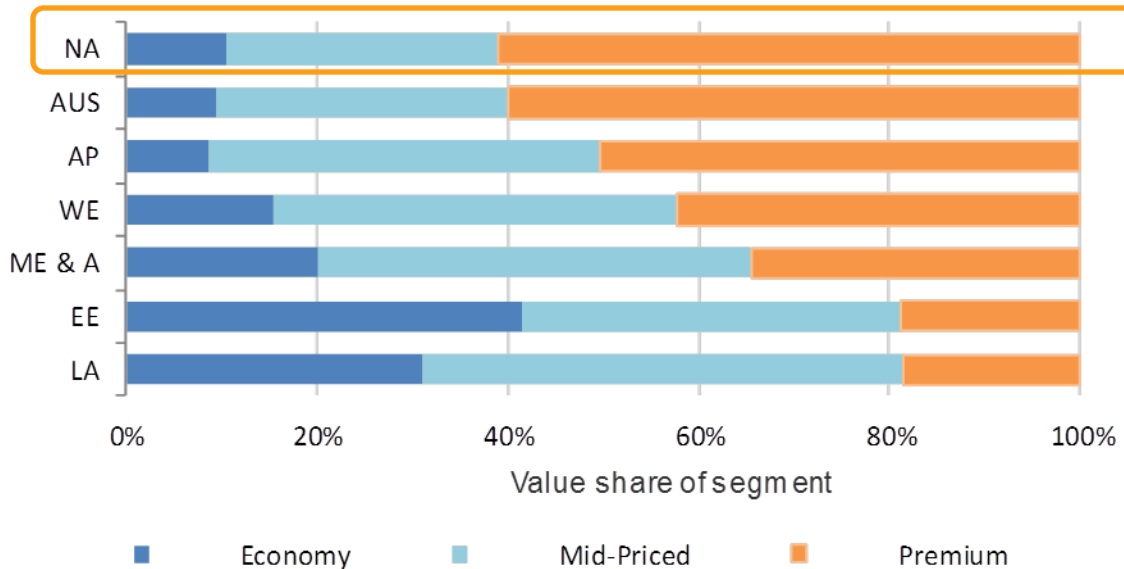
Dogs in North America by Size: 2011-16



Opportunities Lie in Premiumization and Humanization

- Premium offerings outperform the rest of the market and mimic human food trends; natural, free from, clean label, raw, etc.

Dog Food by Price Platform and Region 2015



Nature's Variety Instinct Fridge
USA

GLOBAL OVERVIEW

NORTH AMERICA: GROWTH CONTINUES

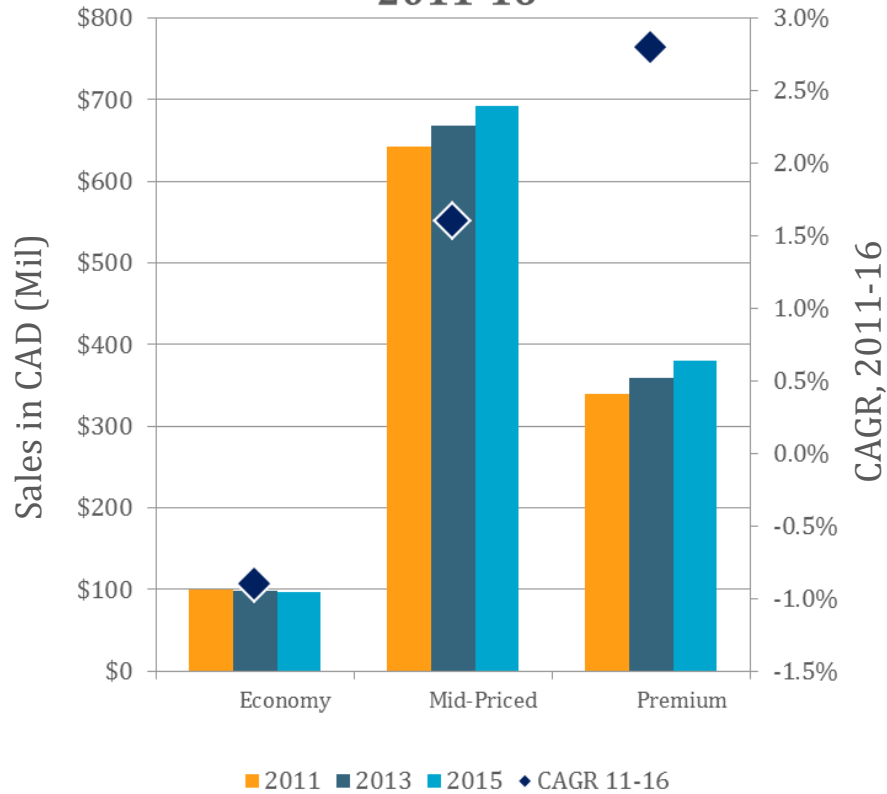
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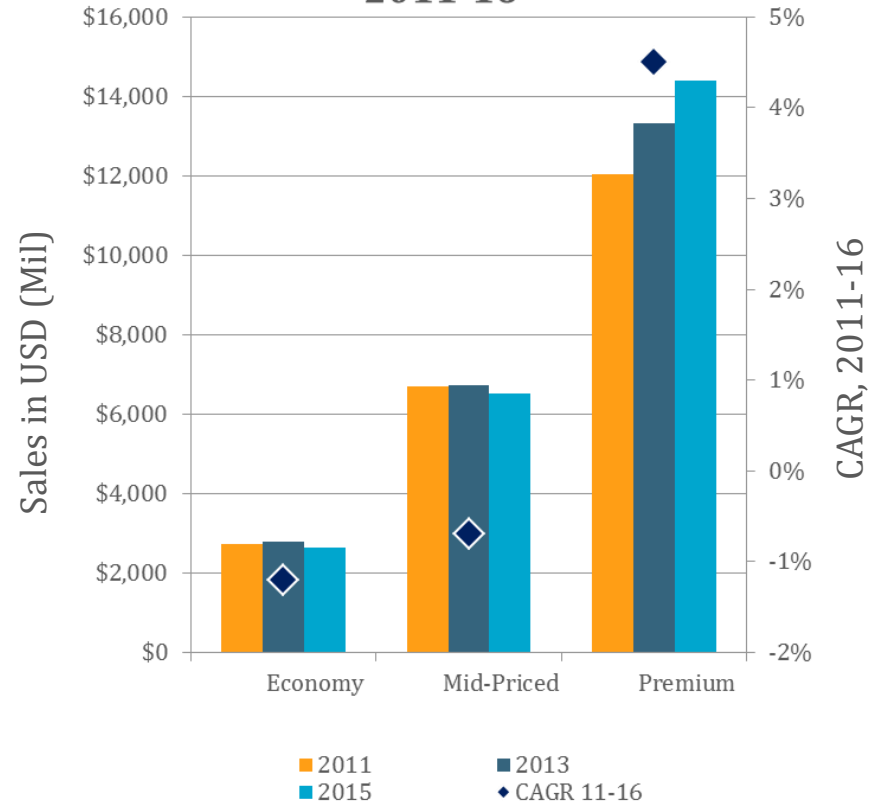


Premiumization Continues in North America

CANADA:
Dog and Cat Food by Price Tier,
2011-16

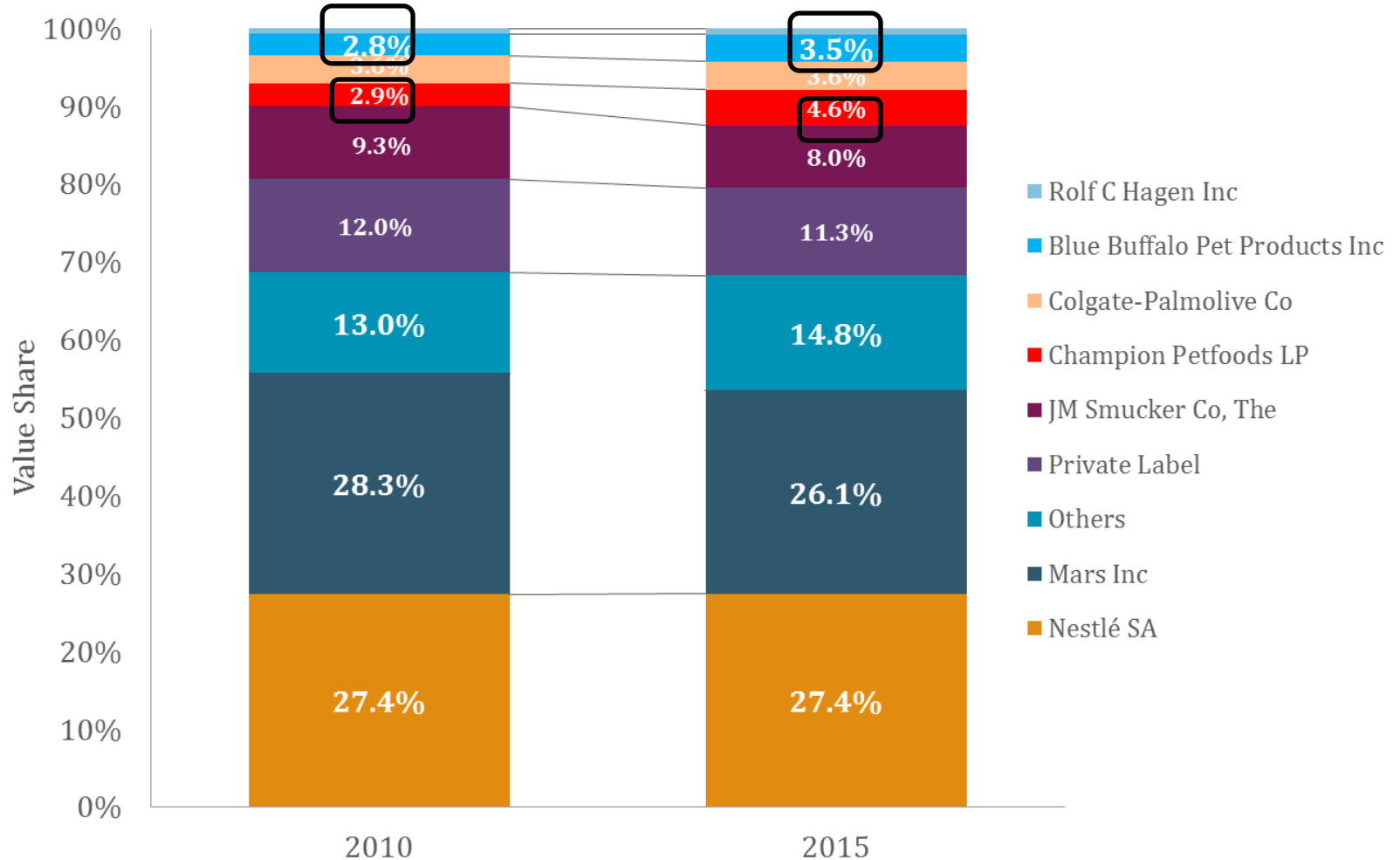


USA:
Dog and Cat Food by Price Tier,
2011-16



Premium Manufacturers Gain Share

Canada: Dog & Cat Food Share by Company, 2010 vs. 2015



Humanization Continues: Quality & Variety in Pets' Diet



Open Farm Certified Humane by Open Farm Inc
Premium Dry Dog Food
Canada, January 2015

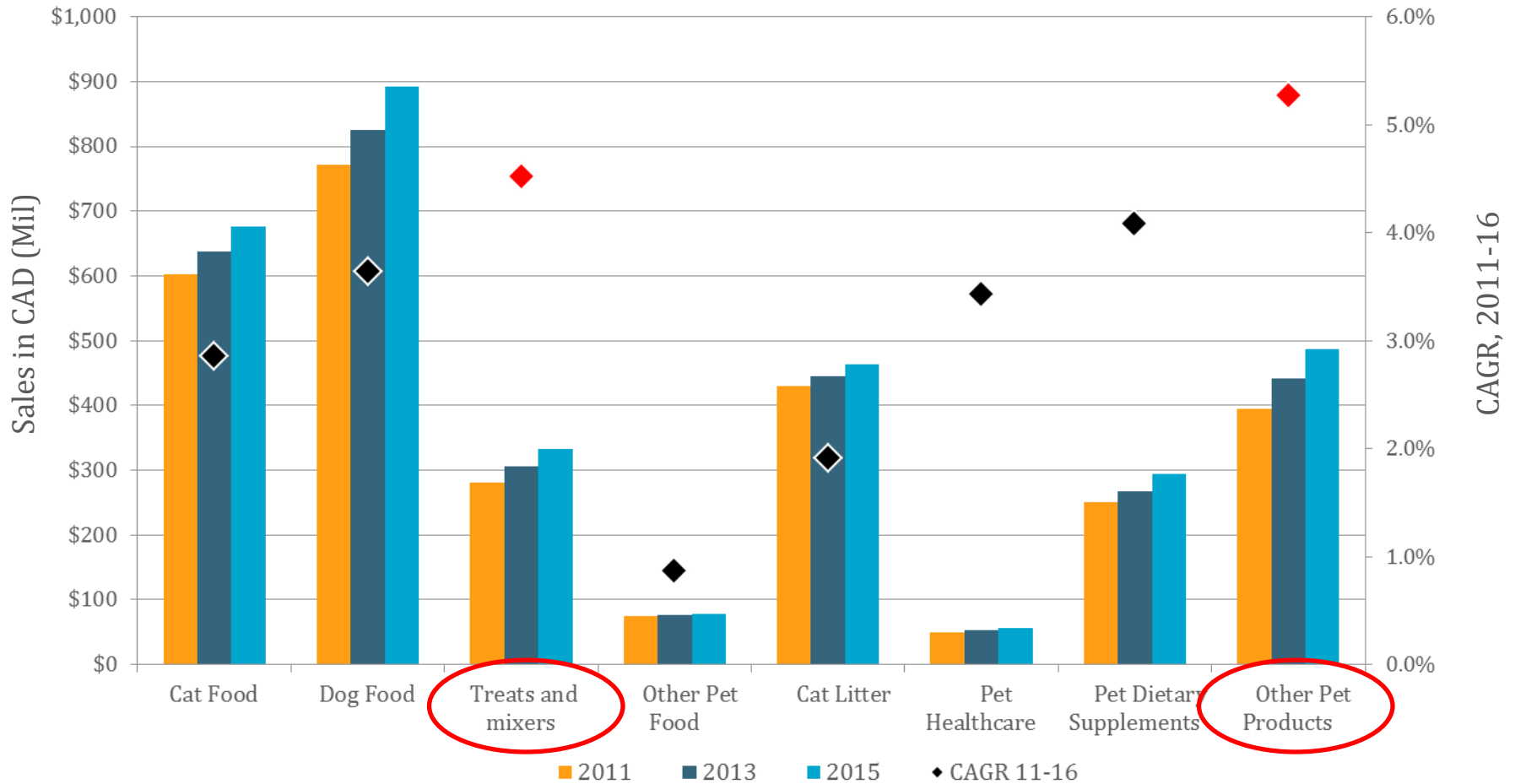
- Resembles with the socially conscious trend in human food
- Uses meat certified humane: No antibiotics, No Animal By-Products and free range
- Premium packaging: Recyclable Cartons; BPA-Free
- Flavours: Homestead Turkey & Chicken, Catch of the Season Whitefish & Green Lentil, Farmers Market Pork and Root Vegetable

Nutro Rotations by Nutro Products Inc
Premium Dry Dog Food
USA, July 2015

- People enjoy variety in their diets, and Nutro Rotations allows them to give this same variation to their dogs.
- The product allows seamless transitions between its various formulas through consistent protein, fat and fibre profiles.

Humanization: “Treats” And “Other Pet Products” Outperforms

Canada: Pet Care Spending by Category, 2011-16

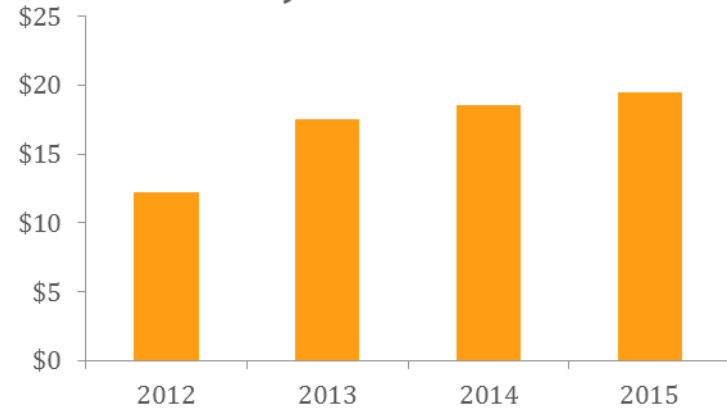


Natural Trend Percolates Down To Treats



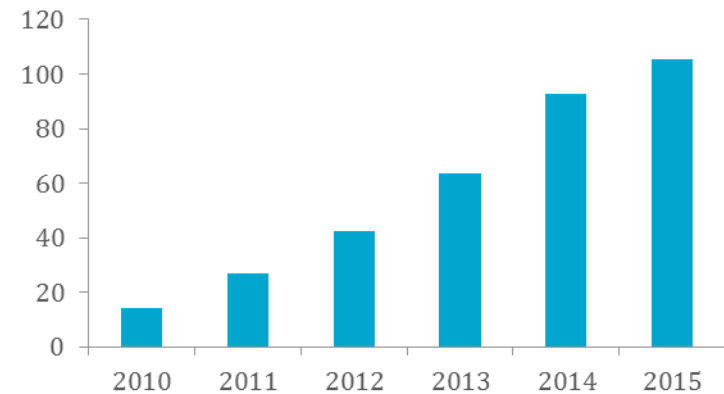
Orijen Original treats
by Champion Petfoods
Canada, 2012

Orijen - CAD mn



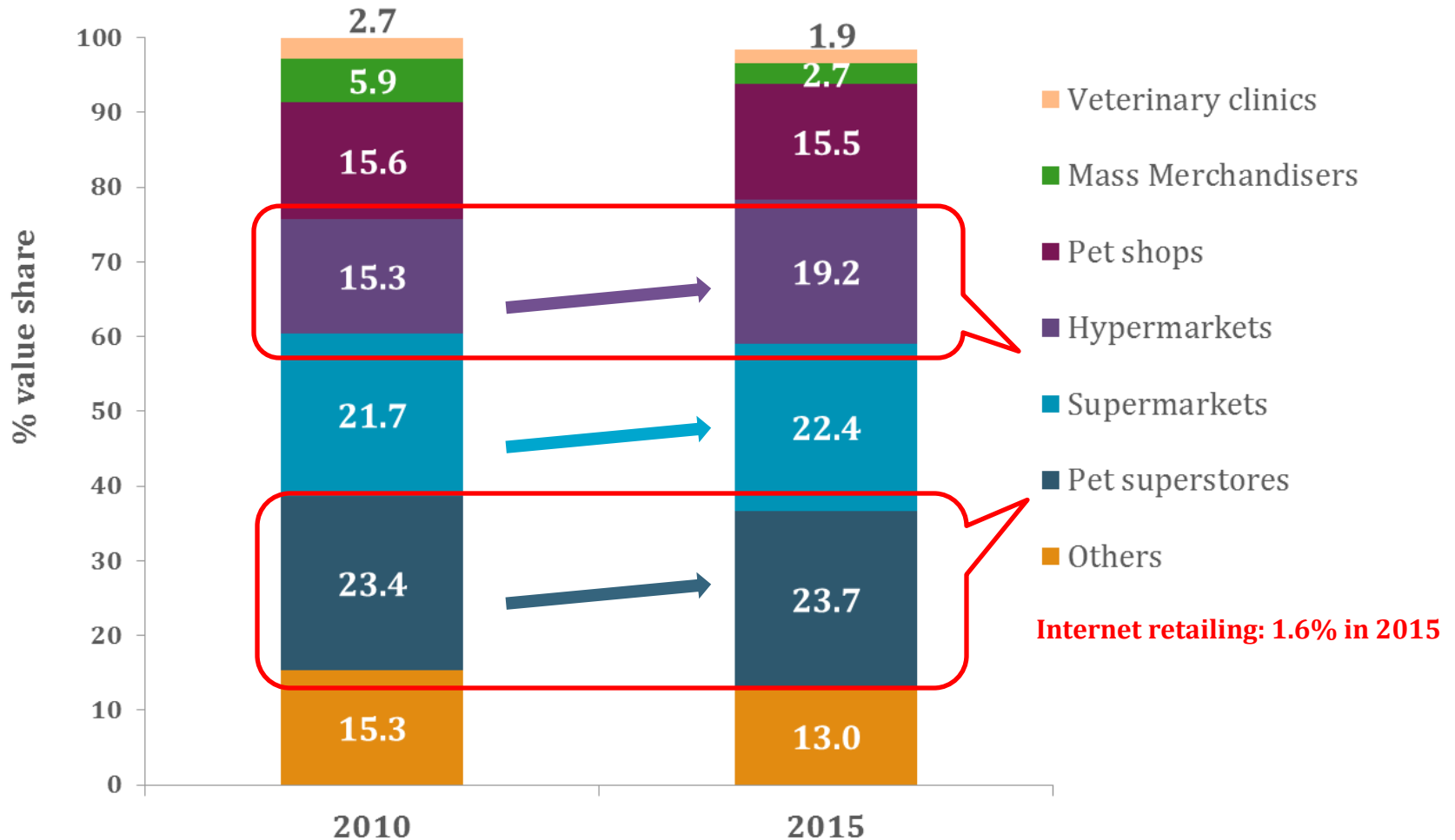
Basics Limited-ingredient Dog Treats
by Blue Buffalo Co, Ltd
USA 2010

Blue Buffalo - US\$ mn



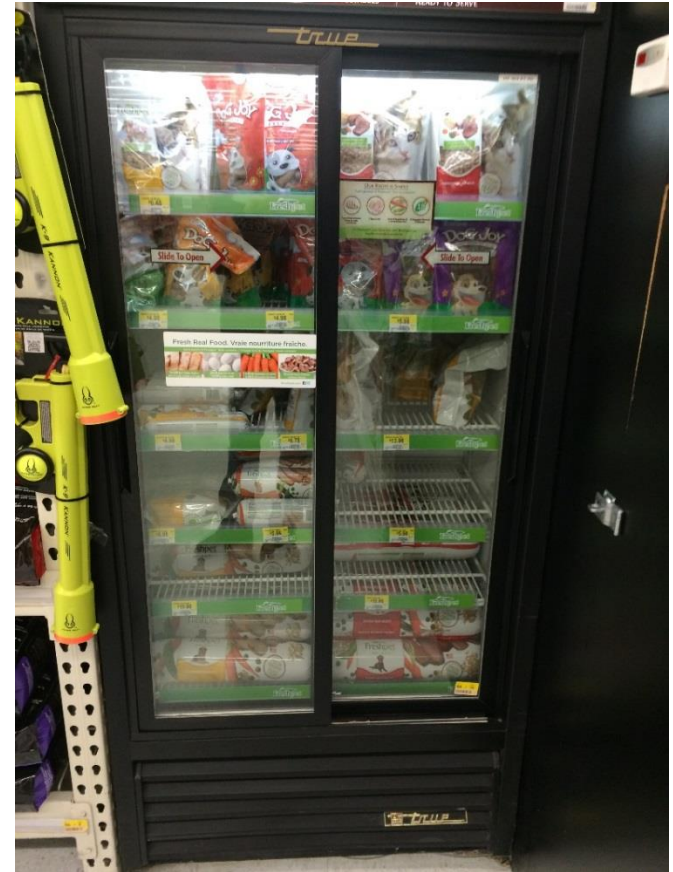
Hypermarkets Has Shown An Impressive Growth In Canada

Canada: Pet Food Share by Channel, 2010-15



More Mainstream Channels Also Capitalize on Premiumization

- Since recent years, Freshpet has worked to install refrigerated retail units for its premium foods in supermarkets and hypermarkets, allowing the channels to mirror the storage that has historically only been present in the speciality pet channels.
- These channels draw pet owners with lower prices, on the other hand have also leveraged the premiumization trend
- Convenience remains key; supermarkets and hypermarkets still offer a one shopping trip.



A retail refrigerator unit with pet food at a Wal-Mart store in Toronto, ON Canada

GLOBAL OVERVIEW

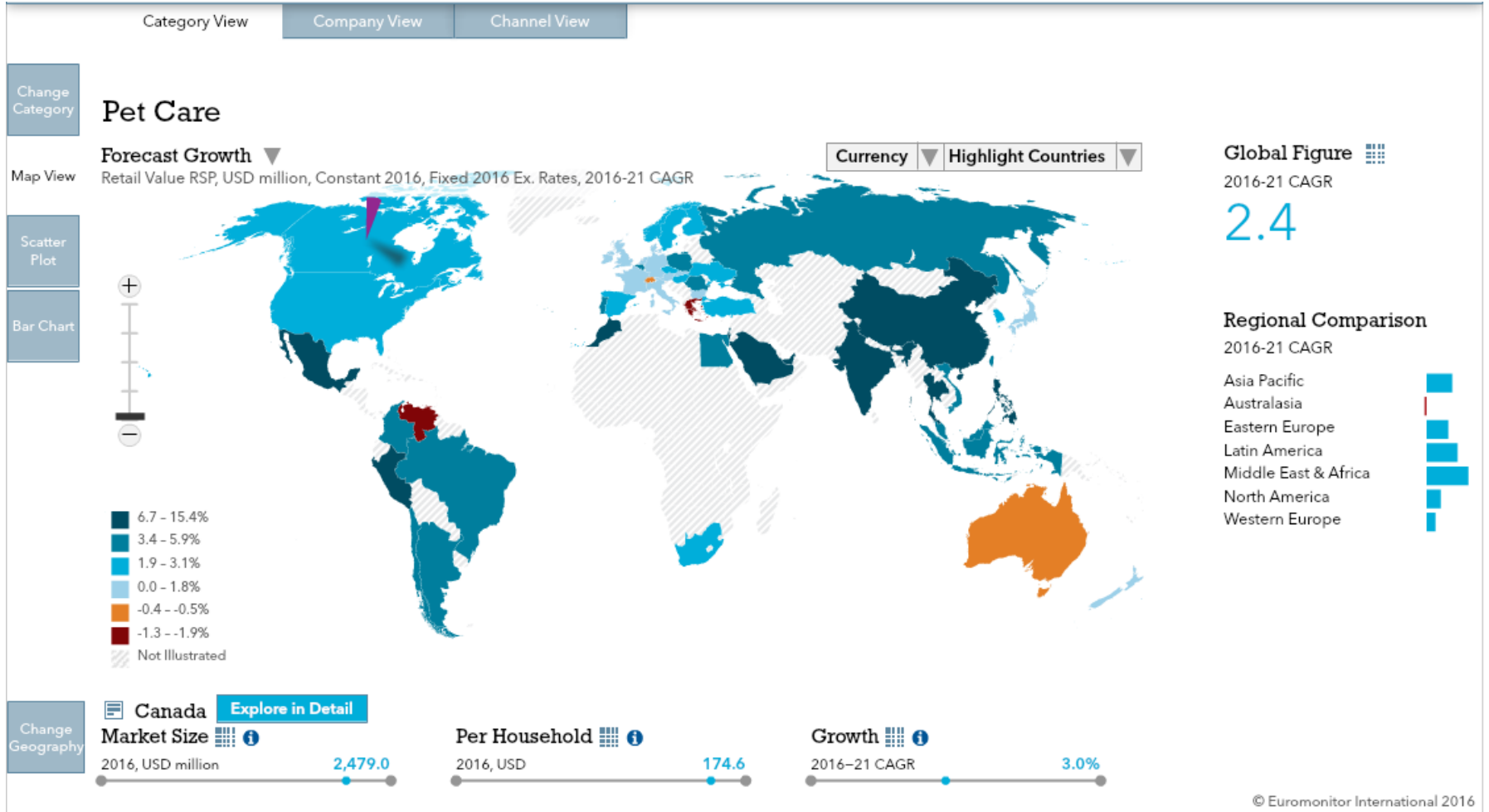
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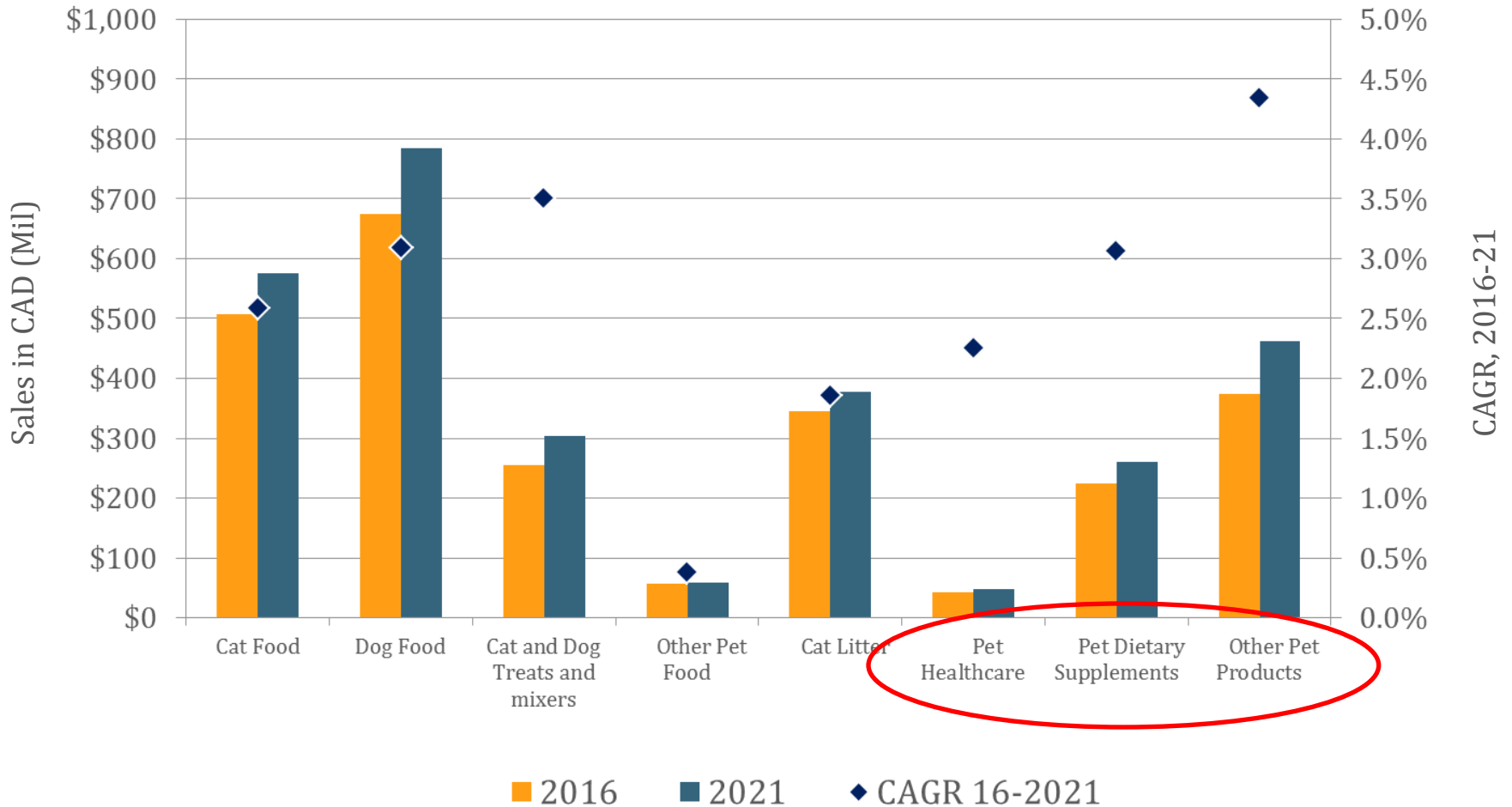


Global: Growth Expected to Continue in Pet Care



Canada: Overall Positive Outlook and Strong Development in Pet Products

Canada: Forecast Pet Spending by Category, 2016-2021



Conclusion

Global

- The global pet care market stands out for its consistent growth despite global economic challenges
- Emerging markets with very promising growth trends
- E-commerce has seen tremendous growth across the globe

North America

- North America remains a heavy spender and also growing
- Stagnant pet populations growth and smaller breeds limiting volume growth
- Value outpaces volume as consumers are trading up

Canada

- Premium pet food, treats and pet products are the key growing areas
- Humanization supports the development of these categories
- Pet specialty stores and hypermarkets gain momentum



THANK YOU FOR LISTENING

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