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Lockdowns

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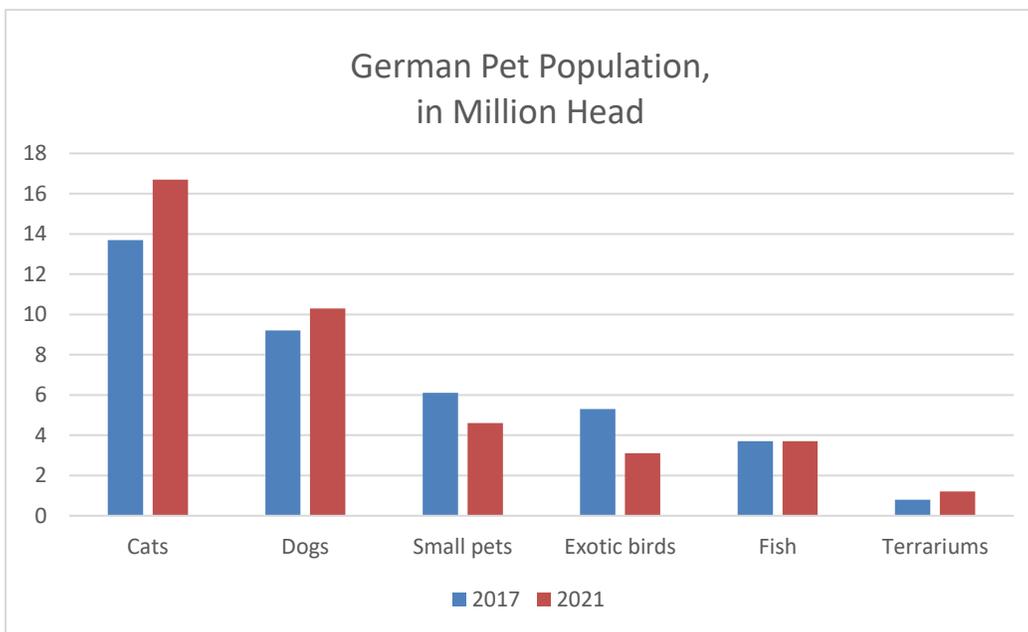
Report Highlights:

Germany, the largest economy in the European Union, is a large and promising pet food market. Imports of pet food account for more than half of the total market. While the market is mature and somewhat saturated, it is steadily growing. One effect of the COVID-19 pandemic and its lockdowns was that people spent more time at home, becoming pet owners and spending more on pet food. Trends in the pet food sector often correspond to those in human nutrition. Trends for pet food include premium products focusing on health and wellness, organic, or natural. This report gives an overview of the pet food market in Germany with guidance for U.S. companies ready to export.

General Information:

1. Pet Food Sector

Germany is the largest economy in the European Union (EU) and the fourth-largest economy in the world. With 83 million of the world's wealthiest consumers and 34.7 million pets, Germany is a leading market for pet food products. In fact, pets can be found in 47 percent of German households, and 15 percent of those households own more than one pet. Germany's pet food market is steadily growing. According to the Industrial Association of Pet Care Producers (IVH) sales increased to nearly \$3.6 billion in 2021, dominated by dog and cat food. The COVID-19 pandemic and several associated lockdowns further fueled the increase in pet population. In particular, the number of cats and dogs increased. This might have a long-lasting effect on the market with people being able to work more from home. The COVID-19 pandemic also further supported the trend to purchase premium pet food.



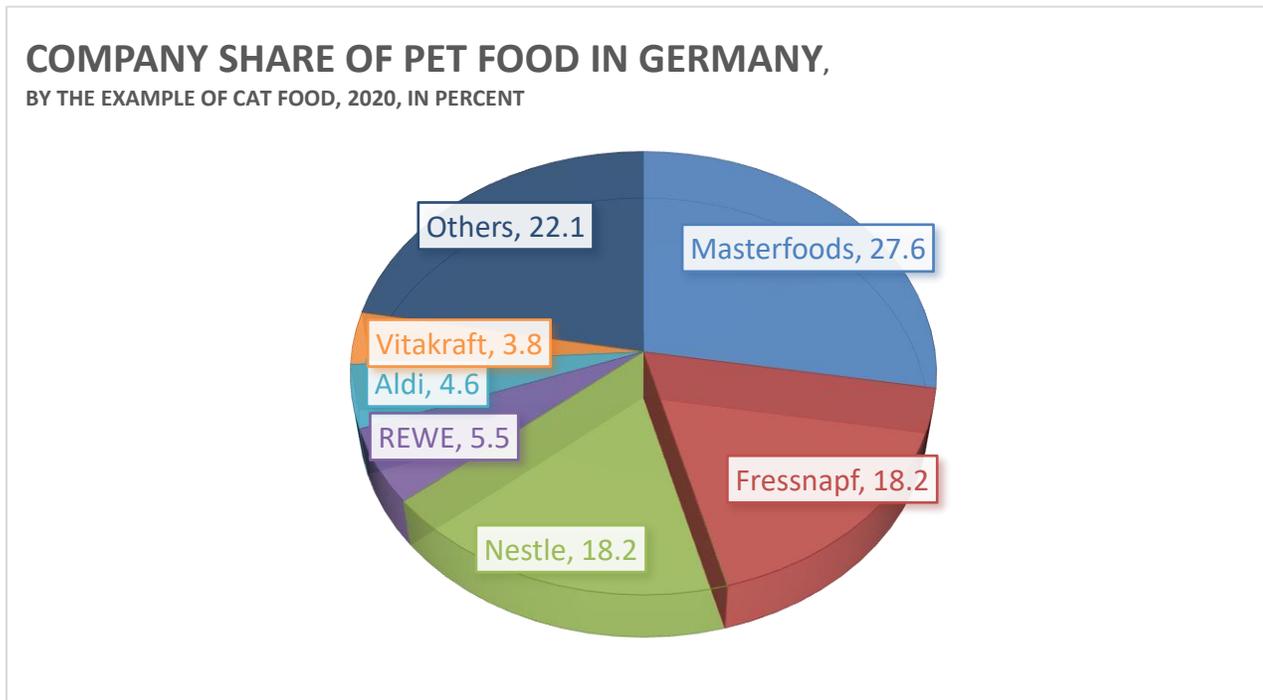
Source: IVH

The German pet food market is mature and saturated but also divided, with both premium and economy-priced food performing well. This shows that price and quality are the most important factors for German customers and is similar to the split in preferences seen for other consumer products in Germany. Premium pet food products are mostly marketed through specialty shops, while mid-priced products are available both in specialty shops and in supermarkets. Economy lines are sold by

supermarkets and discounters. Economy lines or private label products account for nearly two-thirds of all sales making retailers the most important sales channel:

Please see the link below for more information on the German retail market:

- [FAS Berlin: 2021 Retail Foods Report - Germany](#)



Source: Euromonitor

The market for pet food in Germany is dominated by Masterfoods, Fressnapf, and Nestlé. The three biggest companies account for half of the total market. The rest of the market is rather fragmented. Masterfoods pet food brands include Whiskas, Pedigree, Sheba, Cesar, Eukanuba, and Royal Canin. Nestlé’s pet food brands include Purina Felix, Purina Beneful, and Purina One. Fressnapf’s biggest brands are Fit+Fun, Select Gold, and MultiFit. Aldi and Rewe are both retailers. Rewe is selling both, private label pet food (ja!, ZooRoyal) and common brand pet food. Aldi is only selling private label pet food (Romeo, Baldo).

A major trend in pet food in Germany has been the ‘humanization’ or anthropomorphism of pets. Animals are increasingly perceived as members of the family especially by older and single people. Pet owners are also worried about their pets’ health and weight. By focusing on health and wellness, manufacturers have been able to target a growing percentage of consumers who seek high quality pet food. Key aspects of the ‘humanization’ of pet food include providing specific nutrition, functional nutrition, a variety of ‘gastronomic experiences,’ and addressing safety and health concerns. There is also an increasing demand for functional or natural pet food. As a result of this focus on special diets

and specific ingredients, the average unit price has been rising, especially in the premium and super-premium segments.

2. Cat Food Market

Masterfoods, Fressnapf and Nestlé are the major players in Germany's growing cat food market, accounting for more than 60 percent of total cat food sales in 2021. Total turnover in cat food products increased by over six percent and was more than \$2.1 billion in 2021. Growth in cat food was fueled by the COVID-19 pandemic. First and longtime cat owners spent more time at home with their cats and spent more on cat food in general but particularly on premium products and cat treat and mixers. It is expected that the cat food market will perform better than dog food because the German population is aging, and cats are easier to look after than dogs.

The good performance of cat food is also due to the pet humanization trend in Germany. Healthier cat food has gained popularity leading to rising demand for more natural ingredients, including organic products. Sustainability has now also become a buzzword in cat food. Whilst vegan, vegetarian, and superfood trends in cat food have lost some of their original appeal, products with free-from claims (e.g., "grain free"), as well as "natural" lines with high levels of protein and meat content show good demand and contribute to value growth. Products featuring specific health benefits like reducing fur balls, supporting healthy teeth, or a shiny coat also performing well.

3. Dog Food Market

The dog food market is also led by Masterfoods, Fressnapf and Nestlé. These companies had a combined market share of nearly 50 percent in 2021. Total turnover with dog food in Germany increased by seven percent reaching nearly \$2 billion in 2021 according to IVH. Like cat food, dog food sales also increased strongly along with dog ownership in the COVID-19 pandemic. Owners were also willing to pay more for premium dog food, treats, and snacks.

The humanization trend in the dog food market can be seen in the increasing success of premium dog products and specialty dog foods. Consumer knowledge concerning a dog's specific needs improved and manufacturers are broadening product ranges by targeting specific functions, breeds, lifestyles, and ages. Rise of alternative protein in the human diet can also be seen in increasing sales of alternative proteins in dog food.

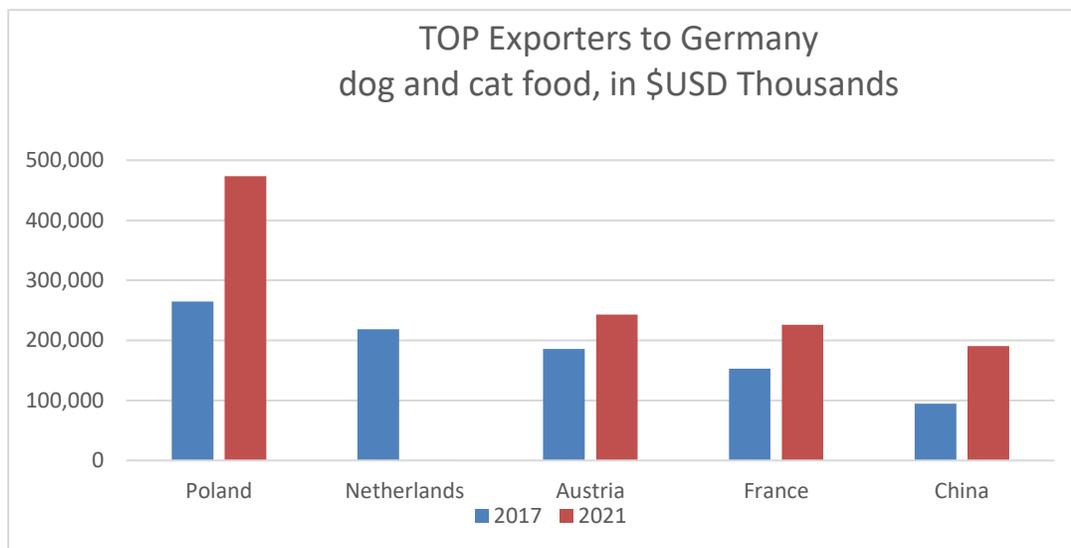
4. Other pet foods

The 'other' pet food category is very fragmented due to the various types of animals and specialty shops. In 2021 other pet food sales rose by three percent to \$260 million. The COVID-19 pandemic and

its lockdown had some positive effects on the market, but the overall trend of decreasing popularity of birds, small mammals, and reptiles is expected to continue after the pandemic. German pet owners who choose non-traditional types of pets like ornamental fish, reptiles, or birds tend to invest a lot of time and money into caring for their pets, at hobby and semi-professional levels. Professional looking products are expected to gain even more popularity and become the driving market value force in the other pet food category. As in other markets, sales of premium products branded organic, sustainable, or natural increased.

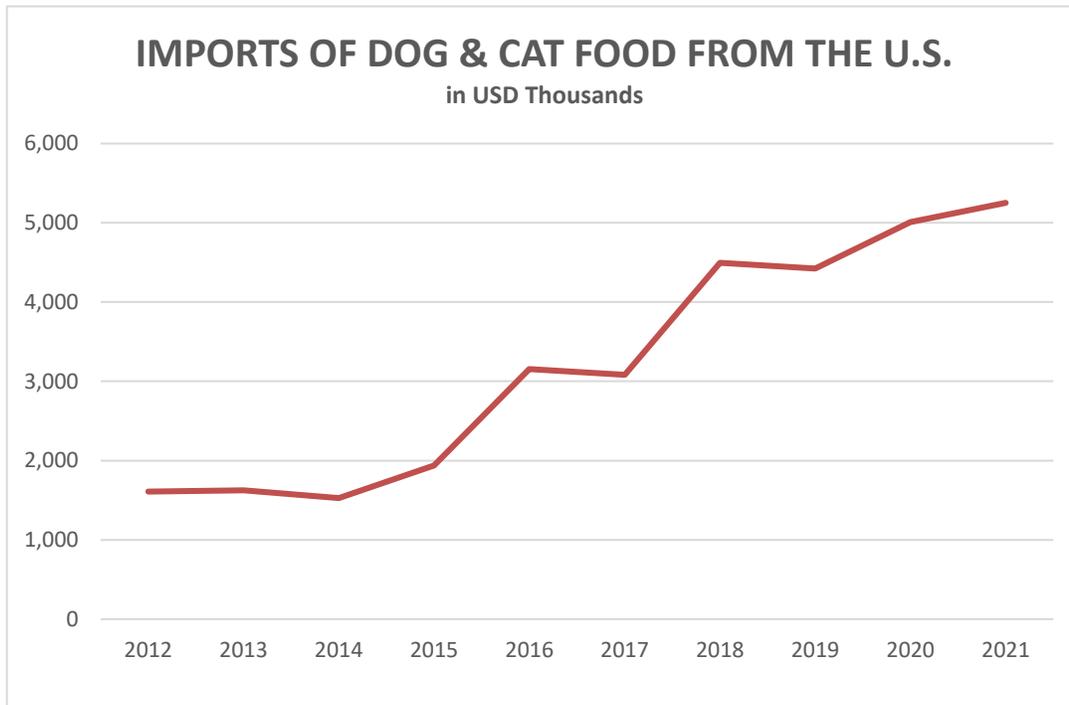
5. Exporting pet food to the EU

The German pet food market is attractive for international suppliers. Imports account for nearly \$1.9 billion which is over half of the total market. The majority of these imports come from other European countries, with Poland, Austria, and the Netherlands as the biggest suppliers. However, a large portion of the Dutch shipments are re-exports of other origin. The main supplier from abroad is China, followed by Thailand, Switzerland, and the United States.



Source: Trade Data Monitor

Shipments from the United States increased in recent years, and the value of imported goods has more than tripled in the past ten years. However, Germany is just a minor market for U.S. pet food exports and the number three market in the European Union after the Netherlands and France. In 2021, the United States exported dog and cat food valued over \$2.05 billion to global markets. Canada is by far the biggest market with nearly half of the volume, followed by Mexico, Japan, Australia, China, and the European Union.



Source: Trade Data Monitor

In the EU, pet food is not regulated by one specific piece of legislation. The [EU's Animal Feed legislation](#) covers food for companion animals as well as food for all other animals. Pet food is often also subject to the EU's veterinary legislation which has different product coverage than the feed marketing legislation. The veterinary legislation covers products of animal origin and hay/straw as these present a risk for spreading animal diseases. The EU's approach in dealing with these risks consists of a system of mandatory consignment notification and inspection at port of entry as well as product establishment approval and export certification in the country of origin.

Specific certification rules have been developed for various product groups, including "animal by-products." The [Regulation \(EC\) No 1069/2009](#) lays down health rules as regards to animal-by-products and derived products not intended for human consumption. The [EU's animal by-product legislation](#) contains several certificates required for successfully shipping pet food with animal origin ingredients.

All exports of U.S. pet food to the European Union must comply with EU requirements which include rules on labeling, hygiene, animal health, certification, and the use of additives. U.S. pet food exporters must verify the full set of import requirements with their EU customers. Final import approval is subject to the importing country's rules as interpreted by border officials at the time of product entry.

Visit links below for more information:

- [Exporting Pet Food to the EU \(FAS GAIN Report\)](#)
- [EU-27 Feed and Pet Food Labeling Requirements \(FAS GAIN Report\)](#)

- [EU FAIRS Export Certificate Report \(FAS GAIN Report\)](#)
- [European Commission – Health & Consumers DG – Animal Feed](#)
- [Catalog of Feed Materials \(Commission Regulation 68/2013 of Jan. 16, 2013\)](#)

6. Trade fairs

Participating or simply attending a trade show can be a very cost-effective way to test the German market, to introduce a product, or to expand sales. Interzoo (<https://www.interzoo.com/en>) in Nuremberg, which is held every two years, is the world's leading trade show for pet food and supplies. This trade show enjoys an exceptional reputation with a truly global reach.

In addition to Interzoo there are a few smaller trade fairs (e.g. [Hund & Co](#), [ANIMAL](#)) which might also be worth a visit.

7. Key Contacts and Further Information

Homepages of potential interest to the U.S. exporters are listed below:

Foreign Agricultural Service (FAS) Berlin <http://fas-europe.org/>

FAS at U.S. Mission to the European Union <https://www.usda-eu.org/>

Foreign Agricultural Service Washington www.fas.usda.gov

If you have questions or comments regarding this report, or need assistance exporting to Germany, please contact the U.S. Foreign Agricultural Service Office in Berlin at the following address:

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Attachments:

No Attachments.