



American Pet Products Association

ADVANCING THE PET INDUSTRY

Contact: Tierra Bonaldi or Julie Rowe

The Impetus Agency 775-322-4022

[tierra@theimpetusagency.com](mailto:tierra@theimpetusagency.com)

## Pet Industry Spending at All-Time High: Up \$6 Billion

*-The American Pet Products Association (APPA) Releases  
Annual Industry-Wide Spending Figures-*

(Orlando, FL) March 23, 2017 Bob Vetere, president and CEO of the American Pet Products Association (APPA), announced at Global Pet Expo, an annual pet products trade show presented by APPA and the Pet Industry Distributors Association (PIDA), that the overall spending in the pet industry has surpassed previous spending by more than \$6 billion. Pet industry spending for 2016 came in at a record high \$66.75 billion, up from \$60.28 billion in 2015, or a 10.7 percent growth. APPA’s annual comprehensive industry figures report covers pet spending in the market categories of: food, supplies/over-the-counter (OTC) medications, veterinary care, live animal purchases and other services.

“While this shows a significant increase over last year, it is more reflective of an adjustment in data reporting than actual growth,” said Vetere. “Actual growth when compared to previous reporting methods is closer to 4 percent.”

### Pet Industry Spending Breakdown:

<u>Category</u>	<u>2015 Actual</u> (\$ Billion)	<u>2016 Actual</u> (\$ Billion)	<u>% Growth</u> 2016 vs. 2015	<u>2017 Estimate</u> (\$ Billion)	<u>% Growth</u> 2017 vs. 2016
Food	23.05	28.23	22.5	29.69	5.2
Supplies/ OTC Med	14.28	14.71	3.0	14.93	1.5
Veterinary Care	15.42	15.95	3.4	16.62	4.2
Live Animal Purchases	2.12	2.1	-0.9	2.01	-4.2
Other Services	5.41	5.76	6.5	6.11	6.1
<b>Total</b>	<b>60.28</b>	<b>66.75</b>	<b>10.7</b>	<b>69.36</b>	<b>3.9</b>

The noticeable increase in pet food spending of 22.6 percent in 2016 is primarily due to APPA accounting for new data from the U.S. Bureau of Labor Statistics (US BLS), which indicated previous spending figures released may have been too conservative. With \$28.23 billion spent, the increase in this category now accurately reflects the steady growth the pet food industry has experienced all along. Interest in high end, premium pet food and treats continues to be a key driver for increased spending in the pet food category.

“We do still expect growth in the category, although the growth percentage will level out again as we continue to access updated analytics from the same data report.” said Vetere.

Veterinary care spending remains the second source of spending in the pet industry at \$15.95 billion. While routine veterinary visits have not necessarily increased, new advances in health care and services available may be contributing to the 3.4 percent growth. Additionally, there is growing research on the human health benefits of pets and research from the Human Animal Bond Research Institute shows that the more pet owners become aware of the health benefits of their pets, the more likely they are to take care of them.

The third highest source of spending is in supplies and over the counter (OTC) medications. Up 3.0 percent from 2015, \$14.71 billion was spent on items such as beds, collars, leashes, toys, travel items, clothing, food and water bowls, and other accessories. Live animal purchases continue to decrease for the third year in a row, down .9 percent to \$2.1 billion in 2016.

Other services such as grooming, boarding, walking, training, pet sitting, yard services and more saw significant growth from 2015, second only to pet food category growth. While spending on pet services is behind the next closest spending segment by nearly \$9 billion, category growth for the past few years is something to take note of. It is even estimated to grow another six percent in 2017- higher than expected growth percentage for any other spending segment.

“Now that millennials have officially taken the reins as primary demographic of pet owners, they stand to further develop the humanization of pets trend,” said Vetere. “We’ve been anxious to see how this new group of pet owners will affect the industry, and now that they’re here and the industry spending is higher than ever, it’s a promising sign that our country’s pets are in good hands.”

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**The American Pet Products Association (APPA)** is the leading trade association serving the interests of the pet products industry since 1958. APPA membership includes more than 1,200 pet product manufacturers, their representatives, importers and livestock suppliers representing both large corporations and growing business enterprises. APPA's mission is to promote, develop and advance pet ownership and the pet product industry and to provide the services necessary to help its members prosper. APPA is also proud to grow and support the industry through the following [initiatives](#): Pets Add Life (PAL), the Human Animal Bond Research Initiative (HABRI), The Pet Leadership Council (PLC), the Pet Industry Joint Advisory Council (PIJAC) and the Pet Care Trust. Visit [www.americanpetproducts.org](http://www.americanpetproducts.org) for more information.