

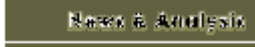

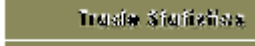

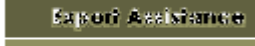

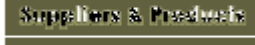
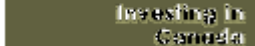
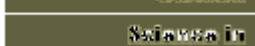



	Agriculture and Agri-Food Canada	Agriculture et Agroalimentaire Canada	
---	-------------------------------------	--	---

Français	Contact Us	Help	Search
AAFC Online	Links	Newsroom	What's New

Canada Site	Site Index
-----------------------------	----------------------------

















Market Information
[United States](#)

The Pet Food and Supplies Market in the Tri-State Area

September 2001



*(Également disponible en français sous le titre,
Le marché des aliments et fournitures pour animaux familiers
dans la région des trois États entourant New York)*

Prepared by the

Market Research Centre
and the
Canadian Trade Commissioner Service

© Department of Foreign Affairs and International Trade
(FaxLink no. 34148)

The Market Research Centre produces a wide range of market reports by region and sector for Canadian exporters. For further information please contact:

Market Support Division (TCM)
Department of Foreign Affairs and
International Trade
E-mail: mrc@dfait-maeci.gc.ca

- FaxLink Domestic service (613-944-4500);
- DFAIT Internet site
(<http://www.dfait-maeci.gc.ca/>)

Trade Evaluation and Analysis
Division (TEAD)
Agriculture and Agri-Food Canada
Contact: Jim Lowe
Telephone: (613) 759-7652
Fax: (613) 759-7505
E-mail: lowej@em.agr.ca

Agri-Food Trade Service:
(<http://ats.agr.ca/>)

The Government of Canada has prepared this report based on primary and secondary sources of information. Readers should take note that the Government of Canada does not guarantee the accuracy of any of the information contained in this report, nor does it necessarily endorse the organizations listed herein. Readers should independently verify the accuracy and reliability of the information. This report is intended as a concise overview of the market for those interested in its potential and is not intended to provide in-depth analysis which may be required by the individual exporter.

THE PET FOOD AND SUPPLIES MARKET IN THE TRI-STATE AREA



EXECUTIVE SUMMARY

The tri-state area, encompassing New York, New Jersey and Connecticut, has a mature pet food and supplies market. The average tri-state pet owner is willing and able to pay top dollar for premium products. They are concerned with their pet's health, which explains the movement towards light diets and super premium foods. Rising incomes and a decrease in family sizes are among the social trends contributing to the expansion of the tri-state area's pet population which is forecast to grow by 2.2% annually through 2005.

Although the tri-state pet food market is currently dominated by several established domestic brands there are a number of opportunities for Canadian companies seeking to enter the market. The best prospects lie in expanding areas such as nutritional super premium food for dogs and cats. The private-label market also offers potential opportunities.

The pet supplies sector has moved the product beyond the niche market into a profitable area for retailers in the tri-state area. Pets, in many households, are treated like members of the family. Many owners buy their pets gifts and treats and now, more than ever, are inclined to purchase drugs to combat health problems. Increased knowledge of nutritional food for pets and marketing designed to convince the public that they should be pampering their pet are also contributing factors to the growing market for luxury pet supplies. Opportunities are available to Canadian exports of innovative

products in this area.

The fiercely competitive tri-state pet food and supplies market is dominated by U.S. suppliers. To compete, Canadian exporters must be committed to the market and ready to adapt their products to meet specific labelling requirement enforced by the Association of American Feed Control Officials (AAFCO)⁽¹⁾. Exporters should also establish a local sales presence to service their accounts and develop an aggressive marketing program to support their products.

Although pet superstores are expected to experience growth as a key distribution outlet, supermarkets are expected to retain their status as the top distribution channel for pet food and supplies for the next five years.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

MARKET OVERVIEW

Key Factors Shaping Market Growth
Opportunities
Actual and Planned Projects

COMPETITIVE ENVIRONMENT

Local Capabilities
International Competition
Canadian Position
Competitive Advantage Through Canadian Government
Policies and Initiatives

PRIVATE-SECTOR CUSTOMERS

MARKET LOGISTICS

Channels of Distribution
Distributors and Wholesalers
Food Brokers
On-line Sales
Market-entry Considerations
Suggested Business Practices
Import Regulations
Authentication of Documents
Export Credit Risks, Restrictions on Letters of Credit,
Currency Controls

PROMOTIONAL EVENTS

KEY CONTACTS AND SUPPORT SERVICES

APPENDIX 1BIBLIOGRAPHYOTHER REFERENCE MATERIALUseful Internet SitesTrade Directories

**THE PET FOOD AND SUPPLIES
MARKET IN THE TRI-STATE
AREA****MARKET OVERVIEW**

Since the implementation of the Canada-U.S. Free Trade Agreement in 1989, bilateral agricultural and agri-food trade has more than tripled. Canadian exports of food and beverages to New York, New Jersey and Connecticut exceeded \$1.9 billion⁽²⁾ in 1999. The area has a population roughly equivalent to that of Canada and a gross domestic product some 38% greater than Canada's.

This tri-state region has a significant pet population and subsequently a thriving pet food and supply market. Although many of the major suppliers of pet food and pet care products are domestic companies, there is great potential for Canadian exporters in key market segments. Success in this region usually means displacing a local product. Canadian companies must, therefore, have a fully developed, well-funded, aggressive marketing plan.

Pet Food

Foods for dogs, cats and other small mammals are classified by food type and by market segment.

There are two main categories of food: dry and wet. Dry foods include long shelf-life kibble, biscuits, meals and mixers containing some or all of the following ingredients: meat, poultry, fish, cereal grains, soy meal, vitamins, minerals, fats, oils, antioxidants, and meat and bone meal. Rehydratable foods also fall under the dry food category.

The wet food category is divided into two categories: wet (or moist) and semi-moist. Wet foods are sold in cans and trays. Ingredients include muscle meats, fish or poultry by-products and vegetable protein. Some, but not all wet food, is supplemented with vitamins and/or minerals. Wet food tends to be more expensive and often has a

higher fat content than dry food.

Semi-moist foods and treats often come in shaped pieces and are sold in vacuum sealed packets that can be resealed. Ingredients include cereal grains, fats and fresh or frozen animal parts.

The pet food market is also divided into four market segments:

- *economy* brands, which are generally low in quality and price and are often sold as generic or no-name brands;
- *mainstream* brands, which are currently the best-selling segment of pet food. They are complete and balanced foods sold at affordable prices;
- *premium* brands, which are more expensive than mainstream brands. They are generally single-serving meals that provide all essential nutrients; and
- *super premium* brands, which provide optimum nutrition for specific stages of a pet's life, such as puppy food, or for a specific type or size of animal. This segment also includes weight-control food.

In response to growing demand for safer and cleaner food, in April 2001, the U.S. Food and Drug Administration (FDA) approved irradiation treatment for bagged complete foods, packaged feed ingredients, dog chews (including rawhide and pigs ears), fish food and birdseed. The treatment, which can be done after the food has been packaged, eliminates harmful pathogens such as salmonella.

Dog Food

Dry dog food accounts for approximately 75% of sales in the dog food sector. Wet food accounts for an estimated 25% in market value terms. Together, Ralston Purina, Heinz and private-label brands account for 43% of overall sales in the dog food sector. The dog food market is expected to grow at an annual rate of 2% through to 2005 with most of the growth occurring in the dry super premium segment of the sector.

With 26.1% of market sales, Ralston is the leading producer of dry dog food followed by Heinz (10.1%), private-label (7.2%), Nestle (4.6%) and Mars (2.8%). The remaining 49.2% of sales are made by local brands and imports.

The leading producers of wet dog food include Nestle (26.5%), Mars (21.4%) and Heinz (17.2%). Ralston Purina accounts for only 2% of total sales while the remaining 32.9% of sales are made by lesser known brands names. Nestle, Mars and Heinz are expected take an even larger portion of the market, approximately 65.1%, by 2005 while sales from smaller companies, including imports, are expected to decrease during this time period.

Cat Food

Dry food represents 51.1% of market sales for the cat food sector.

According to 1999 figures, the market leaders are Ralston Purina, Nestle and Heinz; together, these companies control 37.7% of the market. This figure is expected to grow to 39.1%, by 2005, with Ralston Purina holding a 21.1% share of the entire market. The overall cat food sector is expected to grow by an estimated 4.4% annually until 2005, reflecting the anticipated increase in cat ownership.

Wet food accounts for 48.9% of sales in the cat food sector. In 1999 Nestle captured 21.1% of sales in the market followed by Heinz (12.2%), Mars (4.4%) and Ralston Purina (3.7%). The remaining 58.6% of the market was divided among smaller foreign and domestic companies, including private-label.

Treats

Sales of pet treats are growing considerably as a result of consumers' inclination toward pampering their pets. Snacks for dogs, cats and other small mammals, including biscuits, jerky treats, and crunchy and semi-moist chewy treats are meant to be served in addition to a balanced diet. However, as treats have become more nutritionally balanced and offer specific health benefits such as tartar control, sales are increasing. Another growing trend in the treat subsector is the increase in flavour variety, which parallels similar trends in the human snack food industry. Several companies manufacturing pet treats have also begun to make their products more eye-catching, at least to human consumers, by introducing interesting and innovative shapes. Companies, even those established producing recognizable brands such as Milk Bone, that have not followed this trend have noticed a decrease in sales.

Other Pet Food

Bird food accounts for the largest share of sale in terms of volume of pet food other than food for dogs and cats. Fish food, which is currently the most-expensive pet food by volume in the other pet food category, accounts for the largest share of the market in terms of value.

Pet Supplies

There are significant opportunities in the pet supplies sector; particularly luxury items. ⁽³⁾

Cat Litter

Cat litter is the top-selling product in the pet supplies sector accounting for 17.7% of total sector sales in 1999.

Cat litter comes in clumping and non-clumping varieties and is made from clay or newspapers. The addition of bentonite as the basis of clumping litter was introduced in 1992. Since that time, clumping litters with bentonite tend to be the best selling brands in the United

States. Four major companies account for approximately 77% of sales in the sector: Clorox, Ralston Purina, Oil-Dri Corporation and American Colloid.

With total U.S. sales of \$383 million in 1999, Clorox is the market leader in the cat litter category. Its brands include clumping and non-clumping varieties including Everclean, Everfresh, Scoop Away, Jonny Cat, First Step, Fresh Scoop and Kitty Kat.

Ralston Purina is second in sales of cat litter with brands such as Tidy Cats, Tidy Scoop, Kitty Litter Max, Yesterday's News and Scamp brands. In 2000, it introduced dog litter made from recycled paper. So far the new product has not found great success in the tri-state market.

American Colloid manufactures many varieties of clumping cat litters including Natural Select, Carefree Kitty, Premium Choice, Cat Tails, Cat Paws and Pamper Cat brands, as well as private-label brands for grocery and department stores. American Colloid also markets non-clumping litter (Cat's Pride, Lasting Pride and Saular) manufactured by Oil-Dri Corporation. In 2000, American Colloid set up an agreement with Grantek to market and distribute their flushable litter made from recycled paper.

Dog and Cat Accessories

Dog and cat accessories such as collars, leashes, carriers, beds, grooming products and feeding bowls are a lucrative market, accounting for national sales of \$1.3 billion in 1999. The leading domestic companies in this sector include American Leather Specialities, Dorskocil, Penn-Plan and F.M. Brown. Hartz has recently entered this market with a line of feeding dishes, leads and grooming accessories. The largest import category among pet supplies is walking accessories for dogs, which includes items such as collars, leashes and muzzles.

Pet toys and clothing are in great demand, with overall national sales expected to increase 10-15% annually by 2010. Devices such as invisible fences and electric training collars are also expected to contribute to growing sales in this sector.

Flea and Tick Prevention Supplies

In 1999, national sales of flea/tick products totalled \$1.1 billion. Topical cream is the top selling flea/tick remedy, accounting for 55% of total sales in this segment. These creams are produced by pharmaceutical companies such as Bayer, Novartis, Merial, and Pfizer and are prescribed by veterinarians. Other flea and tick products include powders, shampoos, sprays, collars and dips--Hartz and Sergeant's Pet Products are the market leaders in over-the-counter products.

Fish Supplies

Fish supplies account for the third-largest segment of the pet supplies

market. The dominant companies in this segment include Tetra, Rolf C. Hagen Inc., Hartz, and Aquarium Pharmaceuticals. Supplies include aquariums and accessories (e.g. pumps, heaters, decorations, plants). Both independent and large multinational pet stores account for the vast majority of sales in the fish supplies market, including the sales of fish livestock.

Bird Supplies

There are no dominant manufacturers/suppliers in the tri-state bird care market. Bird supplies including toys, feeders, and cages are generally sold by companies that specialize in particular products and are primarily sold in pet stores--both small shops and superstores.

Other Pet Supplies

Like bird and fish accessories, the majority of supplies for reptiles (terrariums, accessories and vitamins) and small mammals (cages, vitamins, toys and litter) are sold in small pet stores and pet superstores. There are no specific market leaders for these products.

Key Factors Shaping Market Growth

Several long-term social trends are contributing to the expansion of the tri-state area's pet food market. With rising incomes, pet ownership is becoming an increasingly affordable luxury. People are marrying later in life and with the size of families shrinking, domestic pets are increasingly being perceived as potential companions and, in some cases, surrogate children. Some tri-state pet owners lavish gifts on their pets to make up for the time spent away from them due to hectic work schedules. There is an increasing propensity to purchase premium foods, including organic foods, as well as items such as toys, clothes and furniture to pamper their pet. In large urban centres such as New York City, restaurants and day care centres for dogs are also becoming popular.

Owners are now, more than ever, conscious of their animal's health. More trips to the veterinarian are made annually, and owners are more aware of and willing to treat health problems that occur. Obesity in pets has opened niche markets not only for low-fat dog and cat food, but also doggie gyms and weight-loss programs specifically designed for pets. Pet health insurance is also a growing service in the tri-state area as are as pet ambulances. Drugs specifically designed to combat pet health problems are also increasingly common. Sales of Iams, Hill's Pet Nutrition and Nutro products are steadily growing, reflecting consumer demands for health-oriented pet food.

According to several studies, the tri-state pet industry appears to be recession proof--no matter what state the economy is in, pet owners do not cut back on purchasing luxury food and items for their pets.

Opportunities

Due to the relatively mature nature of the tri-state market, the most promising opportunities for Canadian exporters will involve relatively new or unique products where dominant companies have yet to establish market dominance. Consumers are willing to splurge on their pets resulting in market growth in pet care products such as toys and accessories as well as services. The market for pet health-care products for pets is also expected to grow in the forthcoming years opening opportunities to Canadian exporters.

As the feline population grows, the dog food market is expected to decline. Nevertheless, super premium dry dog food has strong growth prospects because of its health benefits, particularly in terms of tooth and gum maintenance. In fact, the market for super premium food for both dogs and cats is expected to grow substantially due to increasing concerns over health and the desire for a nutritious diet. Food made for specific breeds or food that can combat certain health problems are becoming important market segments.

Although imports of traditional cat litter are not expected to increase over the next five years, there is great potential for innovative products including litters that are dust free, flushable, scoopable or made for multiple cat households and those that offer odour and/or bacteria control. Environmentally friendly litters, such as those made of biodegradable material or recycled paper and those made of silicone, are also becoming popular in the market.

Topical products in the flea and tick remedy supply sector have proven quite successful, opening the market to new and effective remedies. Since the mid-1990s, natural products, including organic remedies, have gained substantial growth in the market. There are tremendous opportunities for exporters with innovative and effective solutions to combat flea and tick problems.

Private label is another area with potential opportunities. Retailers that sell private-label pet food and supplies are looking for the greatest profit margin possible resulting in opportunities for pet food from Canadian companies that can underbid local suppliers. From an exporter's perspective, the private-label market can present certain advantages. For instance, many retailers exempt their manufacturers from normal slotting fees and promotional budgets, and assume the responsibility of developing FDA-compliant labels.

Products including dry premium dog food and cat litter are the strongest private-label items for pets. In 1999, private-label dry dog food represents 21.1% of total dry food sales in the United States. Private-label wet food and treats accounted for 3.2% and 8.6% of total U.S. sales in their respective segments. Doane manufacturers the most successful private-label brand, Ol' Roy, for Wal-Mart.

Private-label sales of cat food is currently negligible because cat owners tend to trust brand-name foods due to their perceived quality over private-label brands. Moreover, cats tend to require a gradual period of transition for new food products; pet owners are therefore not as likely to try out a less-expensive product on a whim. Through

proper packaging and marketing, however, the cat food segment could be a potential growth area for exporters of quality cat food.

Cat litter accounted for 15% of 1999 U.S. private-label sales in the overall pet food and supplies sector. Unlike cat food, it is easy for owners to switch brands of litter without resistance from their pet. Consumers are attracted to low-priced clumping litters, a segment that will continue to grow in the coming years. Opportunities for private-name litters made of recyclable and/or flushable materials are also expected to grow.

Because the pet food sector is highly competitive, private brand producers cannot rely solely on low prices for sales and have begun to target value-minded consumers by introducing attractive packaging, complete with graphics and/or colourful text, that emphasizes the quality and nutrition of the food.

Actual and Planned Projects

Oil-Dri Corporation, a company that makes private-label clumping, non-clumping and paper litters for supermarkets, pet stores and drug stores, is looking for partners to strengthen its place in the market.

COMPETITIVE ENVIRONMENT

Local Capabilities

Competition is fierce in the tri-state area and there is little that buyers cannot find locally. The domestic industry leaders include Colgate Palmolive, H.J. Heinz Company, Mars Inc. and Ralston Purina Co. Ralston, Heinz and Nestle deal in exclusively in the dog and cat food markets and do not produce other types of pet food. In January 2001, Nestles acquired Ralston Purina in a \$16.7 billion agreement and began selling products under the Nestle Purina Pet Care at the end of 2001.

Detailed information about leading domestic companies is located in **Appendix A**.

International Competition

Other than Swiss-owned Nestle, companies from France, Germany and Australia are Canada's main competitors in the tri-state dog and cat food market.

The United States imports 59.3% of pet food for animals other than dogs and cats from Germany. Other leading exporting countries include India, Myanmar, Taiwan, Japan and the United Kingdom. Canadian exports account for 5% of total imports in this sector.

In 1999, Taiwan, Germany and China were the largest exporters of dog accessories to the U.S. market.

Canadian Position

Canada is the leading source of imported dog and cat food in the United States, accounting for 75.7% of total imports in 1999.

Table 1. Total Canadian Exports of Pet Food to the Tri-State Area, 1998-2001

HS Code	1999	2000	2001 (January-June)
2309.1	\$76,009	\$61,908	\$33,510
2309.9	\$43,455	\$44,552	\$23,994
Total	\$119,463	\$106,568	\$57,506

2309.1 Dog and cat food, put up for retail sale
 2309.9 Animal feed preparations (mixed feeds), other than dog or cat food put up for retail sale
 Source: United States. United States International Trade Commission. "Interactive Tariff and Trade, DataWeb," 2001, downloaded from <http://dataweb.usitc.gov/> on August 14, 2001

L.B. Products Ltd., based in Bourneville, Quebec sells a vast range of pet foods sold under private brand names to the U.S. market. Their dog and cat food lines are nutritionally balanced and made from top-quality ingredients. Shur-Gain has found also found success in the United States with their premium and super premium dog and cat food lines.

Canada is the top foreign exporter of cat litter to the tri-state market. This import segment of the pet supply sector is rather insignificant, however, because domestic production is highly competitive.

Normerica Inc., based in Etobicoke, Ontario, sells their Simplicity Plus bentonite clay litters, through Costco stores throughout the United States.

Competitive Advantage Through Canadian Government Policies and Initiatives

Canadian Commercial Corporation

The Canadian Commercial Corporation (CCC) gives Canadian companies access to financing and better payment terms under the Progress Payment Program (PPP). The PPP concept was developed as a partnership between major Canadian financial institutions and the CCC. It enables the exporter's bank to open a project line of credit for the exporter's benefit, based on CCC approval of the project and the exporter's ability to perform. The CCC will also act as a prime contractor on behalf of Canadian small and medium-sized enterprises, giving those businesses increased credibility and competitive advantage.

Export Development Corporation

Export Development Corporation (EDC) offers export financing and insurance to Canadian exporters. Additionally, insurance can be provided for larger transactions that are subject to the terms and conditions established by the buyer. EDC prefers to work through letters of credit, bank credits or bank guarantees. Approval for financing is considered on a case-by-case basis.

ExportUSA

ExportUSA consists of three programs that aim to increase the number of active exporters to the United States. Since 1984, over 15 000 Canadian companies have participated in these export programs.

The New Exporters to Border States (NEBS) program introduces the essentials of exporting to Canadian companies that have not yet exported to the United States. NEBS provides participants with practical information and first-hand exposure to U.S. border state markets.

Exporters to the United States (EXTUS -formerly NEBS Plus) helps Canadian companies that are already exporting to U.S. border states to expand to other regions of the United States.

The Reverse NEBS program provides seminars in Canada that cover the essentials of exporting to the United States.

For more information on ExportUSA, call 1-888-811-1119 or visit <http://www.can-am.gc.ca/nebs/runtime/search-e.asp>.

North American Free Trade Agreement

The North American Free Trade Agreement (NAFTA) is a comprehensive free trade agreement among Canada, the United States and Mexico, which came into effect January 1, 1994. The NAFTA has opened markets to Canadian exporters through the elimination of tariff and non-tariff barriers. Efforts have also been made to address export issues of direct concern to small and medium-sized enterprises (SMEs) in terms of trade facilitation, such as infrastructure improvements for the transport of commercial goods.

In recognition of the important role that SMEs play in the national economies of the NAFTA countries, a number of customs-related trade facilitation initiatives have been undertaken to simplify customs procedures and reduce bureaucratic impediments to cross-border trading. For example, The North American Trade Automation Prototype (NATAP) is a joint initiative among Canada, the United States and Mexico to streamline the customs clearance of commercial goods. The Prototype is based on a foundation of common data elements, documents and processes, and will attempt to show that

most of the duplication required today could be eliminated. It will also test the use of Intelligent Transportation Systems (ITS) and the concept of a seamless border for low-risk and pre-approved drivers. The Prototype is a low-volume field test currently being operated at six sites, including two on the Canada-U.S. border.

SMEs can now also benefit from a standard procedure for moving commercial samples, professional equipment, tools of trade and exhibition material across borders on a temporary basis, and from the dissemination of accurate, consistent and easy-to-understand information relating to customs laws and procedures. For further information, contact the Canada Customs and Revenue Agency, Trade Agreements Information Line at 1-800-661-6121 or (613) 941-0965, or the NAFTA Customs Web site at <http://www.nafta-customs.org/>.

Program for Export Market Development

The Program for Export Market Development (PEMD) helps Canadian companies enter new markets by sharing the costs of activities that companies normally could not or would not undertake alone, thereby reducing risks involved in entering a foreign market. Eligible costs and activities include market visits, trade fairs, incoming buyers, product testing for market certification, legal fees for international marketing agreements, transportation costs of offshore company trainees, product demonstration costs, promotional materials, and other costs necessary to execute a market development plan. Activity costs are shared on a pre-approved, 50/50 basis.

The PEMD refundable contribution ranges from \$5,000 to a maximum of \$50,000. Preference is given to companies with fewer than 100 employees for a firm in the manufacturing sector and 50 in the service industry, or with annual sales between \$250,000 and \$10 million. Other components of the program include international bid preparation (Capital Project Bidding) and, for trade associations, developing international marketing activities for their membership. For additional information visit <http://www.infoexport.gc.ca/pemd/menu-e.asp> or call 1-888-811-1119.

WIN Exports

WIN Exports, a database of Canadian exporters and their capabilities, is used by trade commissioners around the world and by Team Canada Inc partners in Canada to match Canadian suppliers with foreign business leads, and to share information on trade events. To register your company in WIN Exports or for more information, visit http://www.infoexport.gc.ca/winexports/home_e.html or call 1-888-811-1119.

PRIVATE-SECTOR CUSTOMERS

Dogs are the most commonly owned pets in the tri-state area, followed closely by cats.

Table 2. Estimated Number of Households Owning Pets⁽⁴⁾ in the Tri-State Area, 2000

Pet	New York	New Jersey	Connecticut
Dog	2 201 000	951 433	404 246
Cat	1 901 500	821 966	349 237
Bird	320 400	138 499	58 845
Freshwater Fish	805 500	348 300	140 000

Source: United States. Census Bureau. "2000 State and National Profiles," downloaded from <http://www.census.gov/c2ss/www/Products/Profiles/2000/index.htm> on August 29, 2001

The tri-state's pet population is expected to grow by 2.2% annually through to the year 2005. Most of the growth will be in cat ownership, followed by increases in the ownership of fish and small mammals due to space restraints and leisure time constraints on the part of owners. Although bird and reptile populations were the fastest-growing groups through the 1990s, their populations are expected to slow down over the next five years.

Dog owners are typically married home owners, often with at least one child under age 18. Dogs can be expensive pets and require a great deal of attention in terms of care and exercise. Home owners are more likely to own dogs because landlords often do not allow tenants to keep large pets.

Cats are much more independent than dogs and are far less expensive to care for. Because of their low-maintenance, cats are suitable pets for the fast-paced lifestyles of many urban dwellers. They can easily take care of themselves while their owner(s) are away. Cats are more adaptable to apartment living and are thus more common than dogs in urban settings.

Approximately 50% of bird owners have more than one. Birds are inexpensive pets and require little attention and are more likely to be owned by people who live in apartments than in houses. More restrictive living quarters have shifted consumer preferences away from birds, toward animals that are quieter and require less care.

Reptiles and amphibians, including snakes, turtles, and lizards became popular alternative pets in the 1990s but still account for a small percentage of the overall pet population. Ownership of these pets is not expected to grow during the next five years.

Small mammals, including rabbits, ferrets, guinea pigs, hamsters and gerbils, have shown a slight increase in popularity in the past decade, with ownership growing at an annual rate of 1.2%. This rate is expected to continue over the next five years. In May 2001, the New York City Council voted to uphold a law created in the 1960s that

declared ferrets illegal pets in the city, thus there will be no increase in the ferret population in the New York City area.

MARKET LOGISTICS

Channels of Distribution

The U.S. supermarket industry is composed of chain stores and independents. Chain stores buy primarily through their corporate headquarters, while independents buy primarily through a wholesaler. The usual markup on food products is 25%. A producer can market directly to these chains but it must have the capacity to warehouse the product. It is normal for a chain to charge \$200,000 to \$250,000 per stock keeping unit for shelf space. This fee will often not guarantee place on a shelf unless the product sells well. An experienced, local food broker can be of great help when negotiating these fees.

Retail outlets tend to be very careful regarding new product introductions due to limited of space. When listing a new product, they want to reduce the risk of both product failure and the alienation of customers who purchased old products. Currently, it is estimated that only 20% of new products succeed. Therefore, guaranteed promotional support is usually required before retailers are willing to carry a new product.

When introducing a new product, exporters should expect to pay a slotting fee (or as Canadians refer to them, listing fees) if they wish to succeed in gaining supermarket distribution. These fees are common practice in this market, and can range from \$3,100 (US\$2,000) to \$15,000 (US\$10,000) depending on the customer and on the product and volume. Manufacturers can sometimes avoid these fees by providing discounts, marketing and promotional support, or product samples.

Approval from a store's New Product Review Committee is often required to get products onto the shelves. This approval may take a long time (Post: Can you please confirm how long it takes to be approved) and the potential supplier may be required to provide references who can speak to their reputation, or offer a tour of their production facilities. Also, the product may have to undergo evaluation by a review committee before even being asked for a slotting fee.

Supermarkets currently account for 46.1% of all pet food sales and are the top distribution channels for pet food. The second-largest distribution channel is through mass merchandisers (34.9%), including Wal-mart and pet superstores. Petco and Petsmart are the leading pet superstores chains in the tri-state area. Petsmart has approximately 20 locations throughout the region, while Petco has 32 stores in New York, 13 stores in Connecticut and 15 stores in New Jersey. These stores sell a wide range of products, from toys to food for all types of household pets, and offer services such as grooming

and obedience training. Petsmart also sells a super premium line of dog and cat food under the name "Authority". In the coming years, pet superstores are forecast to become the most important channel for future distribution of pet food and pet care products, particularly for dogs and cats, while smaller, traditional pet shops are expected to focus on pet food and supplies for small and/or exotic animals.

Sales through the veterinary channel currently stand at 7.4% but are continually increasing as consumers place more emphasis on feeding their pet a healthy balanced diet. Traditional pet shops account for only 5.6% of total pet food sales but tend to be the largest distribution channel for pet food for pets other than cats and dogs. This number is expected to decline as large pet superstores grow in numbers. The final 6% of the market is sold through channels such as groomers and kennels, as well as outlets such as drug stores and hardware stores.

Approximately 29% of dog and cat supplies are sold through pet superstores, followed by mass merchandisers (27%), supermarkets (21%), independent pet stores (10%), veterinarians (8%) and the remaining 5% through catalogues, on-line sales, and hardware, drug and convenience stores.

Distributors and Wholesalers

Distributors are required to ensure that all imported products comply with U.S. food regulations. However, manufacturers must also take the initiative to ensure that products meet with U.S. import and labelling regulations. Although one distributor can help with access to a specific region of the tri-state area, multiple distributors may be necessary to ensure more widespread distribution.

The level of service provided by distributors varies significantly. Some distributors simply deal with the logistics (e.g. transportation, storage) of products, while others will become more involved in marketing and promotion. When seeking the services of a distributor or wholesaler, exporters should consider the relationship that these individuals have with local governments, buyers and banks; the condition of their facilities; and their willingness and ability to keep inventory. Canadian producers are advised to review U.S. import regulations with a qualified lawyer before entering into an agreement with a prospective partner.

A company can opt to market its products directly to a wholesaler who will warehouse products and distribute them to retailers. A markup of 5-10% is normal depending on the type of product, the volume and the promotional support a supplier is willing to provide. A list of wholesalers that specialize in pet food and supplies in the tri-state region is located in **Key Contacts and Support Services**.

Food Brokers

The way to penetrate the tri-state market is to use a food broker.

Typically they will charge 2-5% commission depending on the type of product and the volume they are selling. With a broker, the Canadian exporter will be able to rely on their expertise when choosing a distributor or seeking shelf space at the grocery store.

Brokers do not take title or possession of the goods, but instead act as "outside" sales staff. Some of the advantages of using a broker's services include:

- comparatively low start-up and overhead costs (no sales, no costs);
- quick access to an established network of buying contacts;
- a local presence to service clients; and
- the broker's knowledge of both the market and the product's promotional requirements.

Many brokers have established solid relationships with retailers and wholesalers, and have regular appointments with their buyers. As a result, they can often be instrumental in helping exporters to introduce new products.

When seeking the services of a broker, exporters should consider:

- the market segments and customers it serves;
- its reputation within the industry;
- the size of its sales force;
- its product knowledge;
- the number and location of its offices;
- the services it offers;
- the products it currently sells; and
- its interest in the exporter's goods and in those of its competition.

Any written agreement between an exporter and a broker should be prepared by a lawyer, and should cover the following points:

- territory covered;
- exclusivity, payment terms;
- performance criteria;
- collection of receivables;
- duration of agreement; and
- procedures to terminate the agreement.

It is important for an exporter to build a close and active working relationship with the chosen broker so that the exported products are given the necessary exposure. Exporters should plan to make multiple trips to the market while attempting to establish a product in the United States. In order to ensure strong product support from a broker, companies should also spend time "educating and motivating" the entire broker's staff. In addition, producers should plan visits to the market to make joint sales calls on buyers. Manufacturers have the most interest, knowledge, and excitement in their product(s), which should be passed on to distribution partners.

Some markets may require that a broker and distributor be used, while other areas can be most effectively serviced through direct sales and distribution (DSD). With some niche products, distributors will perform the functions of both the broker and the distributor--more of a DSD.

For information about food brokers in the tri-state area, exporters are encouraged to seek a retailer's recommendation or contact the Canadian Consulate in New York City or Buffalo.

On-line Sales

Distribution lies at the heart of the changes occurring in the American food industry today. In this respect, analysts predict that e-business will be the ultimate connection bringing buyers and suppliers together. It is estimated that two out of three wholesalers/distributors are currently on-line and by 2003, 5% of all business-to-business transactions in the United-States will be done on-line. The use of the Internet to improve business-to-business communications has indeed become a major concern for executives. Most of the emphasis is being placed on the business-to-business side initiatives that streamline the supply chain and make it more efficient. Collaborative planning, forecasting and replenishment, known as the CPFR concept of the business-to-business supply chain, are being increasingly used by a number of chains and manufacturers as a way to significantly increase sales, reduce out-of-stock levels, and streamline the supply chain.

Market-entry Considerations

Suggested Business Practices

Generally, business practices employed in Canada and the United States are quite similar. However, Canadian exporters should note that success in the United States will require additional dedication, commitment, persistence, aggressiveness and resources. The relative maturity and intense competition within the U.S. pet food market, particularly in the tri-state area, has led to customers having come to expect significant after-sales service and incentives. In addition, customer loyalty may not be strong if similar products can be found with added benefits, such as lower costs.

Canadian companies must not underestimate the importance of structuring their business relationships in the United States with reference to state and federal taxation and commercial laws. Proper planning can lead to immense savings in the event of future disputes. General information is available on the Web site of the Canadian Consulate General at <http://www.canapple.com>. Click on "Canadian Users" and then "Doing Business in the Tri-state Area." Please note that the information provided is general in nature and does not constitute legal advice. For greater assistance with these issues seek the advice of an attorney.

Import Regulations

The importation of foods into the United States is governed by the provisions of the Federal Food, Drug, and Cosmetic Act, which is administered by the FDA. Imported products regulated by the FDA are subject to inspection at the time of entry. Shipments found not to comply with the laws and regulations are subject to detention and they must be brought into compliance, destroyed or re-exported. At the discretion of the FDA, an importer may be permitted to bring nonconforming importation into compliance, however, any sorting, reprocessing or relabelling must be supervised by the FDA at the expense of the importer.

For complete FDA regulations on importing pet food into the tri-state area refer to the FDA Web site:

- <http://www.fda.gov/opacom/morechoices/smallbusiness/blubook.htm#animalpetfood> for general information;
- <http://www.fda.gov/opacom/morechoices/smallbusiness/blubook.htm#animaldoses> for animal dosage form drugs-prescription and non- prescription; and
- <http://www.fda.gov/opacom/morechoices/smallbusiness/blubook.htm#animgroom> for animal grooming aids.

In addition to the FDA, two agencies oversee aspects of the U.S. pet food industry: the Association of American Feed Control Officials (AAFCO) and the National Research Council (NRC). The AAFCO was established to develop nutritional and labelling standards for pet food and to promote uniform regulations between states. The NRC has no regulatory responsibilities but makes nutritional recommendations to the AAFCO based on research.

Canadian exporters are strongly encouraged to hire a certified customs broker to manage border procedures. Customs brokers are familiar with all information required by the exporter, and are able to provide insight on such market access issues as import restrictions based on quotas, health regulations, documentation, labelling and product testing. Customs brokers typically charge exporters on a per-shipment basis.

To retain the services of a U.S. customs broker, an exporter must first authorize the brokerage firm (by power of attorney) to file entries on its behalf with U.S. Customs Service (USCS). USCS also requires the exporter to post a bond, usually in an amount equal to the value of the shipment plus duties and fees. Exporters should complete the required documents and forward them in advance to their customs brokers, who can then notify USCS of entry and arrange for clearance. The original documents must accompany the shipment, and must include the following:

- pro forma invoice;
- bill of lading;
- inward cargo manifest;

- health certificate, as required by the U.S. Department of Agriculture; and
- NAFTA certificate (for individual or annual shipments valued at more than US\$2,000).

Exporters may also wish to consult a product broker. These individuals find buyers for products outside the normal distribution channels.

Bill of Lading

The bill of lading is the shipper's acknowledgment of receipt of the shipment. Each shipment may contain a set of bills of lading, one copy of which should be kept on file, while other copies are sent to the importer and customs broker, respectively. The bill of lading should include:

- description of the product(s);
- weights and measurements of the packages and their types;
- ports of origin and destination;
- names and addresses of shipper, importer and customs broker;
- any freight or other charge incurred;
- number of bills of lading in the full set; and
- the carrier's acknowledgment of receipt "on board" of the goods for shipment.

Depending on the product, it may be necessary for exporters to include storage temperature and requirements on the bill(s) of lading.

Packaging and Labelling

Goods should be properly packed and marked for shipment, to reduce both the risk of damage and pilferage. Properly packaged and labelled goods will also help to expedite customs examination. Food samples (not for resale) are exempt from labelling requirements, but must be marked as samples and shipped in compliance with U.S. import regulations.

Pet food labelling is primarily regulated by the FDA's Centre of Veterinary Medicine (CVM) and the AFFCO. Product labels should include:

- net quantity;
- manufacturer's name and address (including toll-free telephone number if available);
- list of ingredients (listed in order by weight);
- nutritional adequacy statement;
- feeding directions;
- caloric statement;
- statement of "Guaranteed Analysis" --the minimum of crude protein and fat and the maximum percentages of moisture and crude fibre must be expressed on a pet food label;
- other label claims, such as *premium* or *super premium*; and
- product names.

Table 3 outlines four rules established by the AAFCO regarding product name.

Table 3. Pet Food Product Names Rules Established by the AAFCO, 2001

"95%" Rule	This rule applies to products consisting primarily of meat, poultry or fish, such as some of the canned products. They have simple names, such as "Beef for Dogs" or "Tuna Cat Food." In these examples, at least 95% of the product must be the named ingredient (beef or tuna, respectively), not counting the water added for processing and "condiments." Counting the added water, the named ingredient still must comprise 70% of the product. Since ingredient lists must be declared in the proper order of predominance by weight, "beef" or "tuna" should be the first ingredient listed, followed often by water, and then other components such as vitamins and minerals. If the name includes a combination of ingredients, such as "Chicken 'n Liver Dog Food," the two together must comprise 95% of the total weight. The first ingredient named in the product name must be the one of higher predominance in the product. For example, the product could not be named "Lobster and Salmon for Cats" if there is more salmon than lobster in the product. Because this rule only applies to ingredients of animal origin, ingredients that are not from a meat, poultry or fish source, such as grains and vegetables, cannot be used as a component of the 95% total. For example, a "Lamb and Rice Dog Food" would be misnamed unless the product comprised at least 95% lamb.
"25%" or "Dinner" Rule	This rule applies to many canned and dry products. If the named ingredients comprise at least 25% of the product (not counting the water for processing), but less than 95%, the name must include a qualifying descriptive term, such as "Beef Dinner for Dogs." Many descriptors other than "dinner" are used, however. "Platter," "entree," "nuggets" and "formula" are just a few examples. Because, in this example, only one quarter of the product must be beef, it would most likely be found third or fourth on the ingredient list. Since the primary ingredient is not always the named ingredient, and may in fact be an ingredient that is not desired, the ingredient list should always be checked before purchase. For example, a cat owner may have learned from his or her finicky feline to avoid buying products with fish in it, since the cat doesn't like fish. However, a "Chicken Formula Cat Food" may not always be the best choice, since some "chicken formulas" may indeed contain fish, and sometimes may contain even more fish than chicken. A quick check of the ingredient list would avert this mistake.
"3%" or "With" Rule	This rule was originally intended to apply only to ingredients highlighted on the principal display panel, but outside the product name, in order to allow manufacturers to point out the presence of minor ingredients that were not added in sufficient quantity to merit a "dinner" claim. For example, a "Cheese Dinner," with 25% cheese, would not be feasible or economical to produce, but either a "Beef Dinner for Dogs" or "Chicken Formula Cat Food" could include a side burst "with cheese" if at least 3% cheese is added. Recent amendments to the AAFCO model regulations now allow use of the term "with" as part of the product name, too, such as "Dog Food With Beef" or "Cat Food With Chicken." Now, even a minor change in the wording of the name has a dramatic impact on the minimum amount of the named ingredient required, e.g., a can of "Cat Food With Tuna" could be confused with a can of "Tuna Cat Food," but, whereas the latter example must contain at least 95% tuna, the first needs only 3%. Therefore, the consumer must read labels carefully before purchase to ensure that the desired product is obtained.
"Flavour" Rule	Under the "flavour" rule, a specific percentage is not required, but a product must contain an amount sufficient to be able to be detected. There are specific test methods, using animals trained to prefer specific flavours, that can be used to confirm this claim. In the example of "Beef Flavour Dog Food," the word "flavour" must appear on the label in the same size, style and colour as the word "beef." The corresponding ingredient may be beef, but more often it is another substance that will give the characterizing flavor, such as beef meal or beef by-products.

Source: United States. Food and Drug Administration. "Interpreting Pet Food Labels," May 17, 2001, downloaded from <http://www.fda.gov/cvm/index/consumer/petlabel.htm> on August 13, 2001

For further labelling regulations for pet food and pet care products, including drugs, dental products, and skin and coat products, refer to the FDA Web site:

<http://www.fda.gov/cvm/index/consumer/market.htm>.

Authentication of Documents

The U.S. government requires that some documents be authenticated, such as certificates of sale and letters authorizing an exporter's local agent or importer to act on their behalf. Documents must first be notarized in Canada, then can be authenticated, at no cost, by sending them to the Authentication and Service of Documents (JLAC) division, Department of Foreign Affairs and International Trade.

Export Credit Risks, Restrictions on Letters of Credit, Currency Controls

Cash-in-advance and open-account sales are the most common methods of payment. Payments can easily be made by cheque or bank transfer. A buyer's credit rating can be checked with bankers, other suppliers and private credit analysis institutions. EDC offers insurance programs to protect Canadian exporters against non-payment by U.S. buyers. Some exporters have found it helpful to maintain a U.S. business address and bank account; however, companies should first consider the legal and tax implications of such an arrangement.

PROMOTIONAL EVENTS

Event/Description

PET INDUSTRY Spring Trade Show 2002

April 12-14, 2002
New Atlantic City Convention Center
Atlantic City, New Jersey

PIJAC Canadian National Pet Industry Trade Show 2002

September 21 -22, 2002 (Annual)
Toronto, Ontario

New York Pet Show

October 2002 (Annual)
New York City, New York

Madison Square Garden

Allows producers of pet food and pet care products to develop tremendous product presence in the tri-state mass market.

Organizer

200 S. Michigan Ave., # 840
Chicago, IL 60604

Tel.: (312) 663-4040

Fax: (312) 663-5676

E-mail: hbacker@aol.com

Pet Industry Joint Advisory Council Canada
2442 St. Joseph Blvd., Suite 102

Orleans, ON K1C 1G1

Tel.: (514) 630-7878

Fax: (514) 630-7444

E-mail: executiveoffice@pijaccanada.com

RDP Group

30 Tower Lane

Avon, CT 06001

Tel.: 1-800-243-9774

Fax: (860) 677-6869

E-mail: info@rdpgroup.com

Internet:

<http://www.rdpgroup.com/pets/index.html>

KEY CONTACTS AND SUPPORT SERVICES

Canadian Embassy -Washington

501 Pennsylvania Ave. NW
Washington, DC 20001
Contact: Cynthia Stevenson, Business
Development Officer
Tel.: (202) 682-7765
Fax: (202) 682-7619
E-mail: cynthia.stevenson@dfait-maeci.gc.ca

Canadian Consulate General-Buffalo

1 Marine Midland Centre, Suite 3000
Buffalo, NY 14203-2884
Contact: Marcia Grove, Business Development
Officer
Tel.: (716) 858-9555
Fax: (716) 852-4340
E-mail: marcia.grove@dfait-maeci.gc.ca
Internet: <http://www.canadianconsulatebuf.org>

Canadian Consulate General-New York

1251 Avenue of the Americas
New York, NY 10020-1175
Contact: Lisa Rambert, Business Development
Officer
Tel.: (212) 596-1656
Fax: (212) 596-1793
E-mail: lisa.rambert@dfait-maeci.gc.ca

Canadian Food Inspection Agency (CFIA)

59 Camelot Dr.
Nepean, ON K1A 0Y9
Tel.: (613) 225-2342
Fax: (613) 228-6653
E-mail: cfiamaster@em.agr.ca

Department of Foreign Affairs and International Trade (DFAIT)

125 Sussex Dr.
Ottawa, ON K1A 0G2
Internet: <http://www.dfait-maeci.gc.ca>

Authentication and Service of Documents

(JLAC)
Tel.: (613) 992-6602
Fax: (613) 992-2467

Market Support Division (TCM)

Tel.: (613) 995-1773
Fax: (613) 943-1103

Tariffs and Market Access Division (EAT)

Tel.: (613) 992-2177
Fax: (613) 992-6002 or 944-4840

Internet: <http://www.canada-ny.org>

U.S. Business Development Division (UTO)

Tel.: (613) 944-5912

Fax: (613) 944-9119

Agriculture and Agri-Food Canada

International Markets Bureau

930 Carling Ave., 10th Floor

Ottawa, ON K1A 0C5

Contact: Brenda Jack, Senior International Marketing Officer

Tel.: (613) 759-1589

Fax: (613) 759-7506

E-mail: jackb@em.agr.ca

Export Development Corporation (EDC)

151 O'Connor St.

Ottawa, ON K1A 1K3

Tel.: 1-800-850-9626 or (613) 598-2500

Fax: (613) 598-6697

E-mail: export@edc4.edc.ca

Internet: <http://www.edc.ca>

Canadian Commercial Corporation (CCC)

50 O'Connor St., 11th Floor

Ottawa, ON K1A 0S6

Tel.: 1-800-748-8191 or (613) 996-0034

Fax: (613) 995-2121

E-mail: info@ccc.ca

Internet: <http://www.ccc.ca>

Agriculture and Agri-Food Canada-Regional Trade Contacts

Al McIsaac

St. John's, Nfld.

Tel.: (709) 772-0330

E-mail: mcisaaca@em.agr.ca

Janet Steele

Halifax, N.S.

Tel.: (902) 426-7171

E-mail: steelej@em.agr.ca

Bernard Mallet

Moncton, N.B.

Tel.: (506) 452-3706

E-mail: malleth@em.agr.ca

Rollin Andrew

Charlottetown, P.E.I.

Tel.: (902) 566-7315

E-mail: andrewr@em.agr.ca

Sandra Gagné

Montreal, Que.

Tel.: (514) 283-3815 ext 523

E-mail: gagnes@em.agr.ca

Wayne Parlee

Guelph, Ont.

Tel.: (519) 837-5824

E-mail: parleew@em.agr.ca

Fay Abizadeh

Winnipeg, Man.

Tel.: (204) 983-8622

E-mail: abizadehf@em.agr.ca

Jim Atcheson

Regina, Sask.

Tel.: (306) 780-5545

E-mail: atchesonj@em.agr.ca

Lorrie McFadden

Edmonton, Alta.

Tel.: (780) 495-2119

E-mail: mcfaddenl@em.agr.ca

Margaret Bancroft

New Westminster, B.C.

Tel.: (604) 666-3054

E-mail: bancroftm@em.agr.ca

International Trade Centres

For export counselling or publications for Canadian exporters, contact a local International Trade Centre by calling 1-888-811-1119.

Export-oriented Canadian Food Industry Associations

A detailed list of both provincial and national Canadian food industry associations can be found on the Agriculture and Agri-Food Web site at: <http://ats.agr.ca/>

Atlantic Canada Export Club

24 Pictou Rd.

Truro, NS B2N 2R8

Tel.: (902) 893-7539

Fax: (902) 893-7041

E-mail: atlcanadaexport@ns.sympatico.ca

Internet: <http://www.atlcanadaexport.ca>

Food Institute of Canada (FIC)

1600 Scott St., Suite 415

Ottawa, ON K1Y 4N7

Tel.: (613) 722-1000

Fax: (613) 722-1404

Internet: <http://foodnet.fic.ca>

Canadian Food Exporters Association

885 Don Mills Rd., Suite 301

Don Mills, ON M3C 1V9

Tel.: 1-888-227-8848 or (416) 445-3747

Quebec Agri-Food Export Club

200 MacDonald St., Suite 102

St. Jean-sur-Richelieu, QC J3B 8J6

Tel.: (514) 349-1521

Fax: (514) 349-6923

Fax: (416) 510-8044
 E-mail: susanp@cfea.com
 Internet: <http://www.cfea.com>

E-mail: castor@profil-cdi.qc.ca

Food Beverage Canada
 17311-103rd Ave., Suite 201
 Edmonton, AB T5S 1J4
 Tel.: 1-800-493-9767 or (780) 486-9679
 Fax: (780) 484-0985
 Internet: <http://www.foodbeveragecanada.com>

U.S. Government Contacts

National Research Council
 2101 Constitution Ave. NW
 Washington, DC 20418
 Internet: <http://www.nas.edu/nrc>

Committee on Animal Nutrition
 Tel.: (202) 334-3062
 Fax: (202) 334-1978
 E-mail: ckirk@nas.edu
 Internet:
<http://www.nationalacademies.org/catdog>

U.S. Department of Agriculture (USDA)
 14th St. and Independence Ave. SW
 Washington, DC 20250
 Tel.: (202) 720-2791
 Internet: <http://www.usda.gov>

Note: All USDA offices are accessible from the main telephone number.

Food Safety and Inspection Service (FSIS)
 Tel.: (202) 720-7025
 Fax: (202) 205-0158
 Internet: <http://www.fsis.usda.gov>

U.S. Department of Health and Human Services
 Food and Drug Administration (FDA)
 5600 Fishers Lane
 Rockville, MD 20857
 Tel.: (301) 443-4480
 Fax: (301) 443-0335
 Internet: <http://www.fda.gov>

FDA Center for Veterinary Medicine
 7500 Standish Pl. HFV-12
 Rockville, MD 20855
 Tel.: (301) 594-1755
 E-mail: CVMHomeP@cvm.fda.gov
 Internet: <http://www.fda.gov/cvm>

U.S. Department of the Treasury
 U.S. Customs Service (USCS)
 1300 Pennsylvania Ave. NW
 Washington, DC 20229
 Tel.: (202) 927-6724
 Fax: (202) 927-1393
 Internet: <http://www.customs.ustreas.gov>

U.S. Environmental Protection Agency
 Ariel Rios Building
 1200 Pennsylvania Ave. NW
 Washington, DC 20460
 Tel.: (202) 260-2090
 Internet: <http://www.epa.gov>

Canadian Industry Associations

Canadian Manufacturers and Exporters Association (CME)
 National Office
 1 Nicholas St., Suite 1500
 Ottawa, ON K1N 7B7
 Tel.: (613) 238-8888
 Fax: (613) 563-9218
 Internet: <http://www.cme-mec.ca>

Pet Food Association of Canada
 Export Committee
 345 Banbury Rd.
 North York, ON M2L 2V2
 Tel.: (416) 447-9970
 Fax: (416) 443-9137
 E-mail: mwilder@netcom.ca
 Internet: <http://www.petfoodexporters.com>

Pet Industry Joint Advisory Council
 2442 St. Joseph Blvd., Suite 102
 Orleans, ON K1C 1G1
 Tel.: (613) 834-2111
 Fax: (613) 834-4854
 E-mail: executiveoffice@pijaccanada.com
 Internet: <http://www.pijaccanada.com>

U.S. Industry Associations

American Pet Association
 PO Box 725065

The Center for Food Safety
 666 Pennsylvania Ave. SE, Suite 302

Atlanta, GA 31139-9065
 Tel.: 800-272-7387
 Fax: (303) 494-7316
 E-mail: apa@apapets.org
 Internet: <http://www.apapets.com/petstats2.htm>

American Pet Products Manufacturers Association

255 Glenville Rd.
 Greenwich, CT 06831
 Tel.: (203) 532-0000
 Fax: (203) 532-0551
 E-mail: info@appma.org
 Internet: <http://www.appma.org>

American Veterinary Medical Association

1931 North Meacham Rd., Suite 100
 Schaumburg, IL 60173
 Tel.: 847-925-8070
 Fax: 847-925-1329
 E-mail: avmainfo@avma.org
 Internet: <http://www.avma.org>

Association of American Feed Control Officials

PO Box 478
 Oxford, IN 47971
 Tel.: (765) 385-1029
 Fax: (765) 385-1032
 Internet: <http://www.aafco.org>

Association of Sales and Marketing Companies

2100 Reston Parkway, Suite 400
 Reston, VA 20191-1218
 Tel.: (703) 758-7790
 Fax: (703) 758-7787
 E-mail: info@asmc.org
 Internet: <http://www.asmc.org>

Note: Formerly the National Food Brokers Association and the International Food Service Brokers Association

National Food Processors Association

1350 I St. NW, Suite 300
 Washington, DC 20005
 Tel.: (202) 639-5900
 Fax: (202) 639-5932
 E-mail: nfpa@nfpa-food.org
 Internet: <http://www.nfpa-food.org/index.html>

National Nutritional Foods Association

3931 MacArthur Blvd., Suite 101
 Newport Beach, CA 92660
 Tel.: (949) 622-6272
 Fax: (949) 622-6266
 Internet: <http://www.nnfa.org>

New Jersey Veterinary Medical Association

66 Morris Ave. Suite. 2A
 Springfield, NJ 07081
 Internet: <http://njvma.org/public/main/index.cfm>

Pet Food Institute

1200 19th St. NW, Suite 300
 Washington, DC 20036
 Tel.: (202) 857-1120
 Fax: (202) 223-4579
 E-mail: pfi@dc.sba.com
 Internet: <http://www.petfoodinstitute.org>

Washington, DC 20003
 Tel.: (202) 547-9359
 Fax: (202) 547-9429
 E-mail: office@centerforfoodsafety.org
 Internet: <http://www.centerforfoodsafety.org>

Ferret Association of Connecticut, Inc.

16 Sherbrooke Ave.
 Hartford, CT 06106-3838
 Tel./Fax: (860) 247-1275
 Internet:
<http://www.ferret-fact.org/Miniguide.htm>

Food Distributors International

201 Park Washington Court
 Falls Church, VA 22046-4521
 Tel.: (703) 532-9400
 Fax: (703) 538-4673
 Internet: <http://www.fdi.org/>

Note: Formerly the National American Wholesale Grocers Association and the International Food Service Distributors Association

Food Marketing Institute

655 15th St. NW
 Washington, DC 20005
 Tel.: (202) 452-8444
 Fax: (202) 429-4519
 E-mail: fmi@fmi.org
 Internet: <http://www.fmi.org>

National Association for Retail Merchandising Services

PO Box 906
 Plover, WI 54467-0906
 Tel.: (715) 342-0948
 Fax: (715) 342-1943
 Internet: <http://www.narms.com>

Pet Industry Distributors Association

5024-R Campbell Blvd.
 Baltimore, MD 21236-5974
 Tel.: (410) 931-8100
 Fax: (410) 931-8111
 E-mail: pida@clemonsmgmt.com
 Internet: <http://www.pida.org>

Specialty Food Distributors and Manufacturers Association

401 North Michigan Ave., Suite 2200
 Chicago, IL 60611
 Tel.: (312) 644-6610
 Fax: (312) 527-6783
 E-mail: sfdma@sba.com
 Internet: <http://www.specialtyfoods.org>

World Wide Pet Supply Association

406 South First Ave.
 Arcadia, CA 91006
 Tel.: (626) 447-2222
 Fax: (626) 447-8350
 E-mail: info@wwpsa.com
 Internet: <http://www.wwpsa.com>

Tri-State Pet Supplies Wholesalers

Add Aquatics
350 Whitney St.
Rochester, NY 14606
Tel.: (716) 254-4470

All Pet Distributors
355 Crooked Hill Rd.
Brentwood, NY 11717
Tel.: (516) 273-6363

Allerpet Inc.
250 E. 73rd St. # 4F
New York, NY 10021
Tel.: (212) 861-1134

Green Leaf Distributors Inc.
76 Exchange St.
Albany, NY 12205
Tel.: (518) 459-3507

Hagen Pet Foods
Broad Street Extension
Waverly, NY 14892
Tel.: (607) 565-3497
Internet: <http://www.hagen.com>

IMS Trading Corporation
7001 Roustein Ave.
North Bergen, NJ 07047
Tel.: (201) 662-8288

J-B Wholesale Pet Supplies
5 Raritan Rd.
Oakland, NJ 07436
Tel.: (201) 405-1111

Mid Jersey Pet Supply-Pro Salt
296 Pershing Ave.
Carteret, NJ 07008
Tel.: (732) 541-2807

Millburn Feed Company
378 Millburn Ave.
Millburn, NJ 07041
Tel.: (973) 376-0822

Normera Resources Inc.
3737 New Court Ave.
Syracuse, NY 13206
Tel.: (315) 437-7700

Original Hobbes & Company
152 Doncaster Rd.
Kenmore, NY 14217
Tel.: (716) 876-6325

Otego Pet Supply
357 Flax Island Rd.
Otego, NY 13825
Tel.: (607) 988-7706

Passion For Pet Inc.
488 7th Ave.
New York, NY 10018
Tel.: (212) 268-1550

APPENDIX 1

Major U.S. Pet Food and Supplies Companies

Company	Products/Profile
<p>Doane Pet Care Enterprises 210 Westwood Place S, Suite. 400 Brentwood, TN 37027 Tel.: (615) 373-7774 Fax: (615) 309-1187</p>	<p>Leading maker of private-label dog and cat food. Wal-mart is Doane's largest customer accounting for more than 40% of sales in 2000.</p>
<p>Hartz Mountain Corporation 400 Plaza Dr. Secaucus, NJ 07094 Tel.: (201) 271-4800 Fax: (201) 271-0164 Internet: http://www.hartz.com</p>	<p>Manufactures 1500 pet care products including nutritional products for small pets, birds, and aquariums; over-the-counter animal health products (including flea and tick treatments); and toys and accessories for dogs, cats and birds.</p>
<p>H.J. Heinz PO Box 57 Pittsburgh, PA 15230-5700 Tel.: (412) 456-0057 Internet: http://www.heinz.com/jsp/heinzpet_f.jsp</p>	<p>Heinz Pet Products is the second-largest producer of pet food in the United States, offering the most balanced family of products of any American pet food company. Heinz North American Corporate Brands sells private-label pet food.</p>
<p>Hill's Pet Nutrition 300 Park Ave. New York, NY 10022 Tel.: (212) 310-2000 Internet: http://www.colgate.com</p>	<p>One of the world's leading pet food manufacturers and a pioneer in clinical nutrition for dogs and cats with its Prescription Diet and Science Diet brands. Hill's Science Diet brand pet foods are available through veterinary clinics and specialty pet supply retailers in 68 countries. The company is a subsidiary of Colgate Palmolive.</p>
<p>Iams Company 7250 Poe Ave. Dayton, OH 45414 Tel.: 1-800-863-4267 Fax: (937) 264-7264 Internet: http://www.iams.com</p>	<p>The Iams Company makes Eukanuba and Iams premium-priced dog and cat foods (dry and canned) and sells them in pet supply stores and veterinarians' offices in 77 countries. The company also makes biscuits and the Eukanuba Veterinary Diets pet food line, which is specially formulated for pet health disorders.</p>
<p>Kal Kan Foods 3250 East 44th St. Vernon, CA 90058-2499</p>	<p>Kal Kan's pet care product range includes complete diets for dogs and cats, including a variety of pet snacks and treats, and a complete line of veterinarian supplied</p>

Tel: (213) 587-2727 Internet: http://www.mypetstop.com	prescription diets. Kal Kan is a subsidiary of Mars Inc.
Natura Pet Products PO Box 271 Santa Clara, CA 95052 Internet: http://www.naturapet.com	Natura Pet Products uses high quality, natural ingredients in their lines of dog and cat food Innova. They supply a wide range of wet and dry food, biscuits, as well lite foods and food specifically designed for senior dogs and cats. They also produce Best Friend Skin & Coat Supplement for dogs and cats.
Nestle USA Inc. 800 North Brand Blvd. Glendale, CA 91203 Tel.: (818) 549-6000 Fax: (818) 549-6952 Internet: http://www.nestleusa.com	Nestle produces a full line of wet and dry food for cats and dogs. In January 2001, Nestle purchased Ralston Purina. The company, renamed Nestle Purina Pet Food, will begin selling products under the new name by the end of 2001.
Nutro Products Inc. 445 Wilson Way City of Industry, CA 91744 Tel.: 1-800-833-5330 Internet: http://www.nutroproducts.com	Produces healthy super premium lines of cat and dog food.
Purina Mills 1401 South Hanley Rd. St. Louis, MO 63144-2987 Tel.: (314) 768-4100 Fax: (314) 768-4894 Internet: http://www.purina-mills.com	Purina Mills makes specialty feed for lab animals and exotic pets. Its Mazuri brand include foods for a large range of animals including hamsters, guinea pigs, gerbils, chinchillas, ferrets, fish, and reptiles (iguanas, tortoises, fresh water turtles, amphibian and carnivorous reptiles). No longer part of Ralston Purina, Purina Mills makes its own brand of dog and cat food and operates more than 40 America's Country Store retail outlets. It has also been expanding its feed-dealer network. Purina Mills was acquired by Land O'Lakes in 2000.
Ralston Purina Co See Nestle USA Inc.	The Ralston Purina Company is the leading pet food manufacturer in the U.S. It sells complete lines of dog and cat food including kitten and puppy specific brands, treats, diet foods and cat litter. They also sell second nature brand, a house training/litter system for dogs. Some products are formulated to maintain a healthy immune system and to ensure urinary tracts.. Ralston recently merged with Nestle.
Sunshine Mills Inc. PO Box 676 500 6th St. SW Red Bay, AL 35582 Tel.: 256-356-9541 E-mail: lozbird@sunshinemills.com Internet: http://www.sunshinemills.com	Produces economic, premium and super premium cat and dog food lines, including treats.

Hoovers Online. "Non-Durable Consumer Goods -Company List," 2001, downloaded from <http://www.hoovers.com/> on August 13, 2001.

BIBLIOGRAPHY

Print

BCC Market Research. "The Pet Industry: Food, Accessories, Health Products and Services," January 2001.

Dow Jones. "New York's Ferret Fans Fight City Ban on Their Fuzzy Friends," May 8, 2001.

----- . "Pets are Masters of Their Domains, According to Trend Study," July 30, 2001.

Euromonitor. "USA Pet Foods and Accessories Market," May 2000.

----- . "Pet Food and Pet Care Products-North America," September 2000.

----- . "Cat Food in the U.S.," April 2001.

----- . "Dog Food in the U.S.," April 2001.

Nashville Business Journal. "Doane Pet Care Sells Wet Pet Food Business," May 3, 2001.

New York Times. "You Ferrets, Keep Your Weaselly Heads Down," June 28, 2001.

PL Buyer. "A Salute to the Category Colonels," July 2001.

Electronic

American Veterinary Medical Association. "Formulas to Estimate Pet Numbers," August 13, 2001 downloaded from <http://www.avma.org/cim/estimate.htm> on August 29, 2001.

Canada. Department of Foreign Affairs and International Trade. "Agri-Food Sector Profile: Southeastern New York, New Jersey, and Connecticut," April 9, 2001, downloaded from http://www.infoexport.gc.ca/docs/P34053_e.pdf on August 8, 2001.

----- . "Agri-food Market Trends New York," June 2001, downloaded from <http://www.infoexport.gc.ca/docs/view-e.asp?did=5729&gid=232> on August 8, 2001.

----- . "Connecticut Food Market Overview," August 13, 2001, downloaded from <http://www.infoexport.gc.ca/docs/view-e.asp?did=5727&gid=232> on August 8, 2001.

----- . "Distribution Channels," June 2001, downloaded from <http://www.infoexport.gc.ca/docs/view-e.asp?did=5979&gid=232> on August 8, 2001.

----- . "Regulatory Requirements and Customs Information," June 2001, downloaded from <http://www.infoexport.gc.ca/docs/view-e.asp?did=5731&gid=232> on August 8, 2001.

----- . "The Tri-State Food and Beverage Market: Overview," June 2001, downloaded from <http://www.infoexport.gc.ca/docs/view-e.asp?did=5732&gid=232> on August 8, 2001.

CBS Marketwatch. "Nestle Buys Ralston for \$10 Billion," January 16, 2001, downloaded from <http://aolpf.marketwatch.com/source/blq/aolpf/archive/20010116/news/current/ral.asp> on August 8, 2001.

Government of New York City. "Mayor Giuliani Vetoes Bill That Would Allow for Ownership, Purchase and Sale of Domestic Ferrets," May 2001, downloaded from <http://www.nyc.gov/html/om/html/2001a/pr164-01.html> on August 13, 2001.

Hoovers Online. "Non-Durable Consumer Goods -Company List," 2001, downloaded from <http://www.hoovers.com/> on August 13, 2001.

NYC Consumer Affairs. "DCA Releases Pet Products Survey to Collar the Cost of Owning a Pet," April 24, 2000 downloaded from <http://www.nyc.gov/html/dca/html/petfood.html> on August 31, 2001.

Pet Industry Online. "Pet Supplies Wholesale Market New Jersey," August 10, 2001, downloaded from <http://www.planet-pets.com/suppnj.htm> on August 27, 2001.

----- . "Pet Supplies Wholesale Market New York," August 10, 2001, downloaded from <http://www.planet-pets.com/suppnny.htm> on August 27, 2001.

Petco. "Locate a Petco Store," 2001, downloaded from <http://petco.know-where.com/petco> on August 13, 2001.

Prepared Foods. "Nestle Acquires Ralston Purina for \$10.3 Billion," January 22, 2001, downloaded from <http://www.preparedfoods.com/newsletter/articles/0101/01220001.asp> on August 13, 2001.

----- . "FDA Approves Irradiation of Pet Foods," April 17, 2001, downloaded from http://www.preparedfoods.com/newsletter/articles/0401/0104000_4c.htm on August 13, 2001.

Speedyvet. "Pet Food Types," 2001, downloaded from http://www.speedyvet.com/L_earningcentre/course1/4_1foodtype.htm on August 9, 2001.

----- . "Regulation of Pet Food," 2001, downloaded from http://www.speedyvet.com/L_earningcentre/course1/4_3AAFCO.htm on August 4, 2001.

United States. Census Bureau. "2000 State and National Profiles," downloaded from <http://www.census.gov/c2ss/www/Products/Profiles/2000/index.htm> on August 29, 2001.

United States. Food and Drug Administration. "Information on Marketing a Pet Food Product," May 17, 2001, downloaded from <http://www.fda.gov/cvm/index/consumer/petlabel.htm> on August 13, 2001.

----- "Interpreting Pet Food Labels," May 17, 2001, downloaded from <http://www.fda.gov/cvm/index/consumer/petlabel.htm> on August 13, 2001.

OTHER REFERENCE MATERIAL

Useful Internet Sites

Agriculture and Agri-Food Canada: <http://www.agr.ca/>

Agri-Food Trade Service: <http://ats.agr.ca/>

ExportSource: <http://exportsource.gc.ca/>

InfoExport: <http://www.infoexport.gc.ca/>

Pet Age: <http://www.petage.com/>

Pet Business: <http://www.petbusiness.com/>

Pets International Magazine: <http://www.pets.nl/>

Pet Product News: <http://www.animalnetwork.com/petindustry/ppn/default.asp>

Trade Directories

Directory of Foodservice Distributors

Published by Chain Store Guide
Tel.: (813) 627-6800
Fax: (813) 627-6882
Internet: <http://www.csjgis.com>

Progressive Grocer/Supermarket Business

Bill Communications Inc.
Tel.: (646) 654-4500
Fax: (646) 654-7463
Internet: <http://www.progressivegrocer.com>

Progressive Grocer's Marketing Guidebook: The Book of Supermarket Distribution Facts

Published by Trade Dimensions
Tel.: (203) 563-3000
Fax: (203) 563-3131
Internet: <http://www.tradedimensions.com>

Thomas Food Industry Register

Published by Thomas Publishing
Tel.: (212) 290-7341
Fax: (212) 290-8749
Internet: <http://www.tfir.com>

READER EVALUATION

Please help the Team Canada Market Research Centre to produce market reports which meet your information needs by completing this evaluation form and returning it by facsimile at (613) 943-8820. Thank you for your valuable input.

1. How did you obtain a copy of this market report?

- InfoCentre FaxLink system Government worldwide web site
 InfoCentre help line InfoCentre bulletin board system
 Local government office Other:

2. How would you describe this market report?

- | | Strongly agree | Agree | No opinion | Disagree | Strongly disagree |
|--------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Useful | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

- Complete
- Well organized
- Well written
- Ideal length

3. In what form do you prefer to obtain these reports?

- Print Electronic

4. Based on the information in this report, what specific action(s) does your organization plan to take in this market? Check all that apply.

- Seek an agent/distributor Contact Canadian trade office abroad
- Visit the market Participate in a trade show abroad
- Do more research Nothing
- Other: _____

5. What other market reports would be of benefit to your organization? Please identify specific products and countries.

6. Which of the following categories best describes your organization? Check one only.

- Processor/manufacture Government
- Trading house Student/academia
- Export service provider Consultant
- Industry/trade association Other: _____

7. What were your organization's total sales last year, in Canadian dollars?

- Less than 10 million 10 million to 50 million
- More than 50 million Not applicable

Additional comments/suggestions for improvement:

OPTIONAL — The name of your organization is:

--

1. For contact information regarding key organizations mentioned in this report, see **Key Contacts and Support Services**.

2. All monetary amounts are expressed in Canadian dollars, unless otherwise indicated. The conversion rate to Canadian dollars is based on IDD Information Services, *Tradeline*, September 2001.

3. Market statistics specifically for the tri-state area were not available at time of publication. National quotes that have been added reflect the average expected growth across the United States and therefore reflect approximate growth for the tri-state area.

4. Pet population figures for reptiles and small mammals were not available at the time of publication.

Date Modified: 2001 09 01

[Important Notices and Disclaimers](#)

[[Français](#) | [Contact Us](#) | [Help](#) | [Search](#) | [Canada Site](#)]
[[AAFC Online](#) | [Links](#) | [Newsroom](#) | [What's New](#) | [Site Index](#)]