

Voluntary Report – Voluntary - Public Distribution

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Report Name: Growing Opportunities for US Pet Food in the China Market

Country: China - Peoples Republic of

Post: Guangzhou ATO

Report Category: Agricultural Situation

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Report Highlights:

China's pet food market is experiencing phenomenal growth that is expected to continue into the future. This growth spells new opportunities for U.S. pet food (and ingredients). Many Chinese pet food buyers are eagerly seeking business partnerships with U.S. pet food suppliers. Interested U.S. companies seeking to connect with prospective buyers are encouraged to work with FAS-China's Agricultural Trade Offices (ATOs) and the U.S. Pet Food Institute. Contact information provided herein.

China Pet Food Market Has Significant Growth Potential

China's pet food market is experiencing phenomenal growth as the number of households with pets continues to grow. The rising trend in pet ownership is predominantly fueled by the growing number of middle-class consumers, who increasingly have the financial means and interest in owning a pet.

In just one year, the number of households owning a dog or cat climbed an astounding 4.7 million to 61.2 million in 2019. But this is still just a fraction of the total number of estimated 480 million households nationwide. China's dog and cat population was estimated at 99.2 million in 2019, which is about three-quarters of the U.S. dog and cat population.

China has ramped up imports of pet food and pet food ingredient in recent years in response to this rising trend in pet ownership. In 2020, China's imports of dog and cat food are on pace to break another record, surpassing the \$450 million mark. Just five years ago in 2015, imports were a little more than \$16 million.

These statistics – both pet ownership numbers and import data – are indicative of the numerous commercial opportunities awaiting U.S. pet food and ingredient exports to China. By the end of September 2020, U.S. pet food exports (dog and cat food) to China totaled nearly \$24 million, nearly doubling the previous annual record. Exports of U.S. pet food could eventually reach \$300 million or more, according to the [Interim Report on the Economic and Trade Agreement \(ETA\) between the U.S. and China](#).¹

Number of Registered U.S. Pet Food Facilities Increases

In order to capitalize on the gains made under the ETA, a number of U.S. pet food companies have applied and had their facilities approved for export to China. As of November 4, 2020, there were 40 U.S. pet food facilities registered on the General Administration of Customs China's (GACC) [eligible plant list](#), compared to just 16 prior to implementation of the ETA.

Chinese Buyers Eagerly Seeking Business Partnerships with U.S. Pet Food Suppliers

In August 2020, USDA organized its first ever virtual trade event (VTE) – including business-to-business meetings – to promote U.S. pet food sales to China. Chinese participation was strong with 50 buyers from medium to large-size companies. The event generated new sales and a number of trade leads. Notwithstanding this success, many Chinese buyers are still eagerly seeking business partnerships with U.S. pet food suppliers. Interested U.S. companies seeking to connect with prospective buyers are encouraged to work with FAS-China's Agricultural Trade Offices (ATOs) in Shanghai and Guangzhou, as well as the U.S. Pet Food Institute. See contact details below.

For information on how to export U.S. pet food to China, please see [China: US-China Economic and Trade Agreement Brings Welcome Changes for US Pet Food Exporters](#).

¹ The U.S. China Economic and Trade Agreement (ETA), which went into effect in March of 2020, expanded market access for a wider range of U.S. pet food products.

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Attachments:

No Attachments.