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Argentina

Product Brief

Pet Food

2008

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Report Highlights:

Argentina pet food imports totaled approximately \$1.5 million in 2007. The main country of origin was Brazil, with a 50 percent market share, followed by the U.S., with 35 percent. The pet food market in Argentina is expected to increase by 10 percent in 2008, creating excellent opportunities for U.S. pet food.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Buenos Aires [AR1]
[AR]

Executive Summary

The Argentine pet food market totaled \$300 million in 2007, and it is expected to increase by 10 percent in 2008, primarily due to an expansion of both domestic sales and exports. In 2006, pet food production totaled 300,000 MT, which roughly supplied the domestic demand (based on an article published by La Nacion newspaper in December 2007, and data from the Argentine Chamber of Animal Nutrition - CAENA, in Spanish).

Pet food exports totaled \$51.4 million in 2007. Between 2003 and 2006, exports increased from \$29 to \$48 million. The main export destinations were: Chile (67.5 percent), followed by Uruguay (8 percent) and Peru (5 percent). Imports in 2007 totaled around \$1.5 million. The domestic market is expected to continue to expand, and novelty and more sophisticated products will be introduced.

Pet Food Varieties by Price/Quality

Inexpensive	41%
Premium	29%
Standard	19%
Super Premium	10%
Other	1%

There are an estimated 9 million dogs and 3.5 million cats in Argentina, of whom 30 percent are fed with pet food. Of the 10.5 million households, 70 percent from all socio-economic strata has a pet. Local pet food sales will continue to increase due to several reasons: 1. growing number of one-person households, where pets are treated like family members; 2. less time for cooking as more women are working outside their homes; 3. pet owners are discovering the virtues of pet food: it is practical, clean, and covers all nutritional needs; and 4. the local economy continues to grow: as a consequence, there are more resources devoted for pet care and the purchase of pets, especially bred dogs.

Currently, pet foods are mainly distributed through feed warehouse stores (41.5 percent of the market), which sell the product in bulk; veterinary stores and pet shops (27.8 percent), which sell a wide variety of products, including health and natural products for pets with diabetes, obesity, allergies, heart and kidney diseases, etc.; smaller supermarkets (9.7 percent); and wholesale supermarkets (4.2 percent). Hypermarkets and superstores account for 13.2 percent of the total pet food sales. (Source: Latin Panel).

Pet Food Exports (Million \$ FOB) – HTS Code #2309.10

Country of Destination	2007	2008 (Jan-June 30, 2008)
Chile	34.7	21.7
Uruguay	4.1	3.0
Peru	2.5	0.9
Paraguay	2.1	1.2
Mexico	1.9	--
Brazil	1.9	1.8
Bolivia	1.0	0.8
Venezuela	0.7	0.65
Other	2.5	1.0

TOTAL	51.4	31.05

Source: FAS Buenos Aires based on data from NOSIS (Argentine Customs)

Pet Food Imports (\$ FOB) – HTS Code #2309.10

Country of Origin	2007	Market Share (%)	2008 (Jan-July 23)	Market Share (%)
Brazil	745,000	50	252,000	28
U.S.	523,000	35	433,000	48
Germany	141,000	9.5	133,000	14
Uruguay	7,000	0.5	90,000	10
Other	71,000	5	--	0
TOTAL	1,487,000	100	908,000	100

Source: FAS Buenos Aires based on data from NOSIS (Argentine Customs)

Major Pet Food Importers (2007/Jan-July 23, 2008)

Importer	Market Share (%)
PANACEA S.A.	47
PROCTER & GAMBLE	18
MASTERFOODS	17
ROYAL CANNIN	13
PATAGONIA PET S.A.	3
PET PRODUCTS INC.	2

Source: FAS Buenos Aires based on data from NOSIS (Argentine Customs)

Major Pet Food Producers

There are approximately 70 companies in Argentina selling pet foods, of which 7 are the major players. Nestle leads the market with several brand names of various qualities and prices (Dog Chow, Pro Plan, Purina, and Dogui, among others). Nestle exports around 30 percent of its total production, mainly to Latin American countries, Israel, South Korea, and Taiwan. Royal Canin leads the specialty market. Local pet food sales by Procter & Gamble totaled \$12 million in 2007 and they expect to continue growing significantly. Their brands are Eukanuba and Iams. Other leading pet food companies with significant presence in the Argentine market are: Mars/Effem and Heinz. After the economic crisis of 2001-2002, several smaller national companies, such as ACA (12-13 percent of the market), Molinos Chacabuco, Metrive, Molinos Tassara, Aliba, and Agroindustrias Baires, appeared in the market. Together, they account for 40-45 percent of the market, primarily selling standard products. (Sources: Latin Panel and article published by Infocampo in July 2007).