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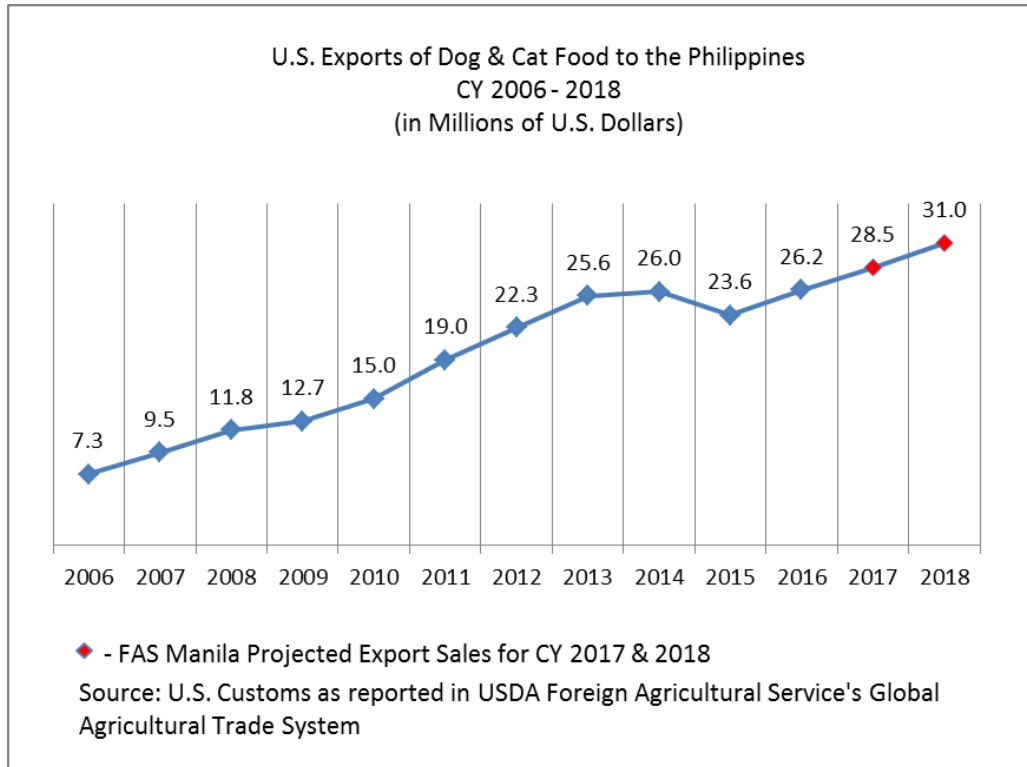
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Report Highlights:

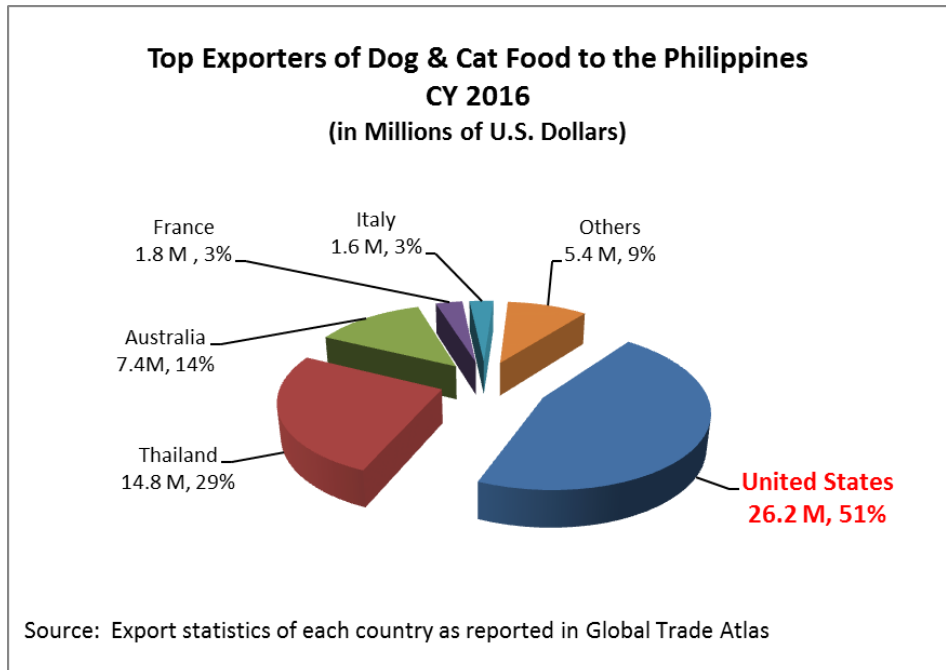
The Philippines is the largest export market in Southeast Asia and the 10th largest in the world for U.S. dog and cat food. Exports of U.S. dog and cat food to the Philippines more than tripled over the past ten years and reached \$26.2 million in 2016, up 10 percent over the previous year. The booming economy and higher disposable income contributed to the healthy export performance. FAS Manila forecasts U.S. exports of dog and cat food to the Philippines will reach \$28.8 million by the end of 2017, and \$31 million by 2018.

General Information:

The overall Philippine market for imported dog and cat food more than tripled over the past ten years from \$7.3 million to \$26.2 million. Trends that boost pet ownership and dog and cat food consumption include animal welfare initiatives, urbanization and the rise in smaller unit households, popularity of pedigree pets, and a growing awareness of proper pet care.



The United States is the leading supplier of dog & cat food to the Philippines with a 45 percent market share. Other major exporters of dog and cat food to the Philippines include Thailand, Australia, France and Italy. Thai exports consist largely of processed fish-based cat food.



Traders report tremendous room for sales growth since only five percent of households own a cat, and only 30 percent own a dog. Furthermore, among most pet owners, feeding table scraps is still prevalent. Stepped-up promotions by the pet food industry are showing good results as more owners switch to prepared pet food. While demand for high-value dog and cat food is expected to grow, most pet owners are price conscious and will opt for standard, low-priced dog and cat food.

Other Pet Foods

Although U.S. Customs does not track other pet foods as a separate category, pet stores have been increasing shelf-space to accommodate the growing number of new-to-market pet foods for birds, fish, small mammals, reptiles, etc.

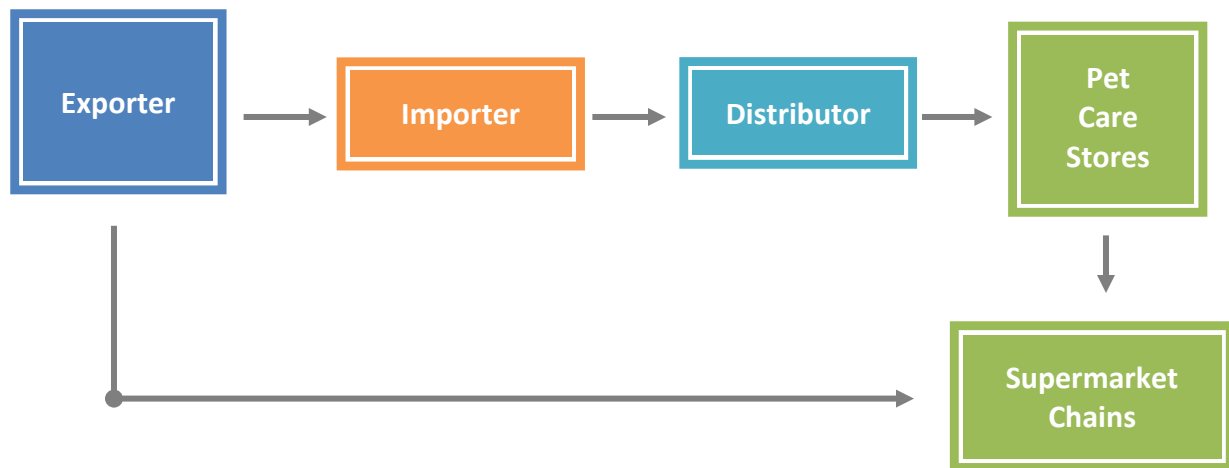
II. Regulatory Systems and Import Requirements

Regulatory Agency: The Philippine Department of Agriculture's Bureau of Animal Industry (BAI) prescribes standards for quality in the manufacture, importation, labeling, advertising, distribution and sale of animal feeds and veterinary supplies in the country. BAI is also charged with preventing, controlling, containing and eradicating communicable animal diseases by regulating the flow of animals and animal products in the country.

Import Regulations for Animal Feed Ingredients and Pet Food: BAI requires Philippine importers of animal feeds and pet food to be registered with BAI prior to importation. All animal feeds, animal feed ingredients and pet food products entering the Philippines need to be accompanied by an Animal Product Export Certificate (VS 16-4) issued by USDA's Animal and Plant Health Inspection Service (APHIS)-Veterinary Service. The importer must secure an Import Permit from BAI and transmit it to the exporter before the goods are shipped out of the United States.

For detailed information regarding standards and regulations for exporting dog and cat food to the Philippines, please refer to the report entitled **“Philippines: Food and Agricultural Import Regulations and Standards – Narrative”** available on-line through the FAS homepage at www.fas.usda.gov or contact USDA/FAS Manila. The full contact information of USDA/FAS Manila is provided at the end of this report.

III. Road Map for Market Entry



- Exporters can appoint a local representative or exclusive importer. If several importers need to be appointed, the market coverage of each importer should be properly identified (e.g. by geography and/or store type). There are some supermarket chains that have the capacity to import directly.
- It is key to identify importers that have the capacity to distribute to the three major cities of the Philippines, namely Manila, Cebu and Davao. Most importers have their own distribution arm or sell to independent distributors. The high cost of inter-island shipping typically make products more expensive in areas outside Manila.
- Many exporters require payment of goods via letter of credit, especially for initial transactions. Credit terms are typically extended to the importer after conducting a thorough background and credit investigation, and after payment habits have been established.
- Supermarket chains require importers to pay slotting fees amounting to \$120 per stock keeping unit (SKU) on a per store basis + year-round marketing support (\$1,000-\$2,000 per annum). Exporters should, as much as possible, support marketing and promotional efforts. Pet care stores do not typically charge slotting fees but often request marketing support.

IV. Further Information and Assistance

FAS Manila is ready to help exporters of U.S. dog and cat food achieve their objectives in the Philippines. For further information or assistance, please contact:

Foreign Agricultural Service
U.S. Department of Agriculture
Embassy of the United States of America
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