

# China Trade News

Published  
May 19, 2022,

Issue# 103

## Petfood Chinese Importers -China Demands Imported Animal Feed

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Petfood for smaller pet is in excessive demand in China, especially COVIN crises period, Chinese petfood stores are trendy. Chinese importers are importing various **petfood** brands, also, with animal feed, China demands for more feed grains import.

### Petfood and Animal Feed

**PET FOOD** is a specialty food for domesticated animals such as dog food or cat food, which is formulated according to their nutritional needs. Pet food is animal feed intended for consumption by pets, mostly contains of meat, meat byproducts, cereals, grain, vitamins, and minerals. Pet food usually sold in pet stores and supermarkets. **Pet Food Market** is segmented by animal type (dogs, cats, and other animal types), product type (dry pet food, wet pet food, veterinary diets, treats and snacks, and other products), ingredient type (animal-derived, plant-derived, cereals and cereal derivatives, and other ingredient types), distribution channel (specialized pet shops,

supermarkets/hypermarkets, online channel, and other channels). Today, there are five **major pet food players** in the global pet food market: [Mars, Inc.](#), [Nestle Purina Petcare](#), [J. M. Smucker](#), [Hill's Pet Nutrition, Inc.](#) (Owned by [Colgate-Palmolive](#)), and [Blue Buffalo Co. Ltd](#) (owned by [General Mills](#)). The **global pet food market** is projected to grow to US\$113.2 billion by the year 2024, according to a pet food market [forecasts report](#).

**ANIMAL FEED** Is food given to relative bigger farms animals during animal husbandry, mostly livestock, such as pig, cow, and commercial fish farms, etc. There are two basic types: fodder and forage. Used alone, the word **feed** more often refers **to fodder**.

**Animal feed** is a vital contribution to animal agriculture and is commonly the essential

cost of the raising animals. Farms typically try to reduce cost for this food, by growing their own, grazing animals, or supplementing expensive feeds with substitutes, such as food waste like spent grain from beer brewing.



**ANIMAL FEED MARKET GLOBAL MAJOR PLAYERS** are [Adisseo France S.A.S.](#), [Ajinomoto Co., Inc.](#), [Archer Daniel Midland](#) [BASF SE](#), [Biomim Holdings GmbH](#), [Cargill](#), [Chr. Hansen](#), [Danisco](#) , [Elanco Animal Health](#), [Kemin Industries, Inc.](#), etc., **Animal feed market** is anticipated to grow with a growth rate of 3.4% in the forecast period of 2020 to 2027, Animal Feed Additives Market is projected to hit \$31.38 billion by 2025, registering a CAGR of 6.0% from 2018 to 2025, the animal feed market is increased demand for nutritious animal feed, growing livestock industrialization during the forecast period of 2020-2027. These factors are helping in driving the market growth in the above-mentioned forecast period, according to animal feed market [report](#)

## Pet Trend is Establishing in China

China pet food market is growing due to the increasing number of pet owners, raise of affordability to purchase a pet and feed well, and more people love having a pet around, and seeking companionship from pet. China pet trend keeps on the rising and is going bigger. Dogs and cats are the most popular pets in China. Today, the country is the third largest dog-owning market globally, there are total number of

assessed 480 million households nationwide owning a dog or cat, according to a related [report](#).

Today, pet food stores mushroomed expanding in China, and pet care services are escalating too. In response to this rising pet trend, China has taken up imports of pet food and pet food ingredient in recent years. In 2020, [China's imports of dog and cat food](#) are on pace to break another record, surpassing the \$450 million mark, according to a related this report.



Imported pet food in China is gaining attraction, it is believed that tasty food for good breed, there are many well-known pet fodder brands imported to China and imported premium pet feed brands are doing well in the main local cities.

## China's Petfood Market is Far from Saturated

In the two largest Chinese local pet food markets Shanghai/Beijing, both cities have more than 1.5 million dogs and 700,000 cats. That indicates almost 11% of the families in Shanghai/Beijing own a pet dog and the proportion of cat-owning family is 4%, by comparison with other countries in the West (such as in US, pet-owning family account for 70%), there is a bigger percentage gap with pet-owning family, China's pet market is far from saturated, and there is a growing trend in Chinese pet food market, today, most Chinese pet owners rise in demand for natural pet food. This trend shows no signs of abating as huge portions of the market remain untapped. It is clear there is room for growth, especially among certain consumer groups. Amazingly, half of Chinese pet owners are under 30 years old.

**China pet food market** is segmented by:

- **Animal Type** (dogs, cats, and other animal types),
- **Product Type** (dry pet food, wet pet food, veterinary diets, treats and snacks, and other products),

- **Ingredient Type** (animal-derived, plant-derived, cereals and cereal derivatives, and other ingredient types),
- **Distribution Channel** (specialized pet shops, supermarkets/hypermarkets, online channel, and other channels).



According to China pet food market overview, among the product types, the wet pet food segment is estimated to witness the fastest growth, with a CAGR of 4.0% during the forecast period.

### **Factors of Chinese Pet Food Market High Growth Rates:**

- **More Chinese individuals own pet**- Several reasons (overcome loneliness, show luxury lifestyle, just animal lovers)
- **Pet humanization** – Pet owners treat its pet as family member, willing spend more on pet treat.
- **Companionship** - Elderly is growing larger: older-aged Chinese seek pets as their companions.
- **Quality Pet Food** - More pet owners learn to feed their pet with nutrition rich quality pet food.
- **Imported brands accessible** - Trade in various premium brands pet foods are variable in the local pet food stores.

Currently, The China pet food market was valued at USD 1,082.0 million in 2020, and it is projected to reach USD 1,474.9 million in 2026, registering a CAGR of 3.8% during the forecast period, 2021-2026, according to a related [report](#).

## **Pet Food Leading Players in China**

### **1) International Key Players Pet Food in China**

Mars, Nestle & Purina, Royal Canin and other international players dominate 70% of pet food market share in China. Although local players have a heavy presence, they only make up 30% of the market.

The top three international players accounted for a dominant share of sales, not only because of years of experience with widespread sales networks in the country, but also because they continued to focus on new product development and on providing a wide product portfolio to meet the various changing demands of consumers.



**(1). Effem Foods ( <http://www.pedigree.com.cn/> ; <http://www.whiskas.com.cn/> )**

Effem Foods (established by Mars Company, the biggest pet food manufacturer in the world) in Beijing is the largest pet food manufacturer in China and dominates the pet food market in China with its two famous brands, [Pedigree](#) and [Whiskas](#). In China, the company retails its cat and dog food in several different package's sizes, including dry food, wet food, and snacks. Except for local production, the company also imports pet food from other Mars overseas factories. Prominent locations include Australia, New Zealand, and Thailand. Although it faced stiff competition, Mars maintained a broad product portfolio in addition to a wide distribution reach and a presence in both mid-price and premium bands through well-established brands.

**(2). Nestle & Purina ( <https://www.nestle.com.cn/> )**

Nestle & Purina has a strong presence in China. With their advantage in R&D and professional communication with consumers, [Nestle & Purina's](#) business is growing fast. Mars was the first international player in China pet food market and once dominated more than 50% of the local market. With the entry of Nestle & Purina, they competed fiercely with Mars in the specialty channel and supermarket channel.

**(3). Royal Canin ( <http://www.royal-canin.cn/> )**

Royal Canin is dominating the high-end pet food market in China. The company offered a wider product range than other companies within pet food. Consumers could always find products that were the most suitable for their dogs and cats whatever the breed, sizes, or life stage. In addition, as a company positioned within high-end sales, [Royal Canin](#) Au Yu (Shanghai) Pet Food Co took advantage of premiumization within pet food in China, while most companies were still targeting mid-priced sales. In addition, the company built up consumer loyalty by setting up a consumer club called Royal Club, and club members could share the benefits of customized e-magazines, community activities and specific promotions only for club members.

Foreign pet food producers are at a disadvantage in terms of price competition. They also must face restrictions on import and distribution rights as well as local protectionism. Through mergers and acquisitions, global players strengthened their product offerings and increased investment in production facilities, thus further reinforcing their competitiveness in the local market.

## 2) Chinese Key Players - Petfood Industry

As said, Chinese pet food market dominated by the international leading players, however, the local native China's pet food industry is catching up, The Chinese market for dog and cat food is geared up for significant growth.

There is an [extraordinary rise of China's pet industry](#), according to figures from China's National Bureau of Statistics (NBS), the compound growth rate of China's pet industry was [49.1 percent from 2010 to 2016](#). That's the fastest growth among all consumer goods categories.

In the past 10 years, China's pet economy, including food, toys, and supplies, in addition to the pets themselves, has grown by an astounding 2000 percent. While pet



ownership has increased by [300 percent](#) since 2013, the [pet economy](#) as a whole has grown by a dizzying 400 percent. By 2023, China's pet industry is [estimated](#) to reach RMB 472.3 billion in combined annual revenue.

This would represent an 800 percent increase compared to 2013. According to Daxue Consulting, although local Chinese pet food key players have a heavy presence, they only make up 30% of the pet food market share in China. The reason for that is most Chinese pet owners believe foreign brands provide value-added nutrition quality. It is true. But there are several Chinese key players in pet food industry try to catch up.

(1). **Bridge Pet Care** <http://www.bpet.cn/>

[Bridge Pet Care](#) (past name: Nory Pet) was established in March 2002 by investors from China and Norway. Head office is in Jinshan Industrial Park in Southern Shanghai, covering an area of 20,000 square meters and with more than 400

employees. The company is engaging in full series of cat and dog food R&D, production and brand sales and has No.1 market share among domestic players. Bridge is giving priority to domestic market but is also aiming to become a leading international high-end brand in the world.

**(2). Ronsy Pet Food Co., Ltd** <http://www.chinarongxi.com/>

[Hebei Rongxi Pet Food Co., Ltd.](http://www.chinarongxi.com/), established in 2002, is an enterprise specialized in producing dog and cat food. Rongxi have elaborately compounded AIER series of dog food based on the world latest research with advanced technical staff, famous American animal nutrition professors and German dog and cat breeding experts.

**(3). Tianjin Ken-Canpo Animal Medicament Health Product Co Ltd**

<http://www.sanpopet.com/>

Tianjin Ken-Canpo Animal Medicament Health Product Co Ltd was founded in 2002. Their plant in Tianjin covered an area of 14,000 sqm with annual production capacity of 26,000 ton. The company has established a well-equipped special pet feeding and nutrition testing centre, specializing in research on nutrition and palatability of pet food to ensure healthy growth for pets.

**(4). Care Pet** [www.care-pet.com/](http://www.care-pet.com/)

[Care Pet](http://www.care-pet.com/) is a subsidiary of Tongwei Group, is one of the top 10 local pet food manufacturers. Its parent company Tongwei is a big agriculture group in China, specializing in feed and aquaculture industry. Care Pet was invested by Tong Wei and UK E.L.I in 2001. With a strong scientific and technological strength, Care Pet established an R & D centre with a team of more than 80 animal nutrition experts.

Tongwei group invested another CNY 200 million in Care Pet to upgrade the production equipment. Meanwhile, Care Pet launched 30 new products which were popular in the local pet food market.



Domestic players are making efforts to improve product quality and vie for sales opportunities in the medium price segment. However, due to low brand awareness, local brands still mainly cater to low-end and mass consumer needs. While domestic players have still a long way to go to overturn the lead of international companies.

## China Market Opportunities for Petfood

China pet food market presents enormous opportunities for international brands, the country will be world's largest pet market soon, and China's pet food market growing into a global power.

To explore pet food market potential for your product or service in China, from the numbers of China pet ownership and China pet food imports data, there is a clear commercial signal sending out: there is strong demand for value-added nutrition rich quality pet food, natural organic pet foods are welcome on board. there are various lucrative opportunities in pet food, and particularly, pet food ingredient exports to China.

To further explore pet food market potential of your product or service in China. For preparations of animal feeding export to China, HS Customs Classification Number: 2309.mTotal imports to China for pet food product are increasing in recent years in 2020, China's imports of value \$450 million USD of dog and cat food, China pet food market has significant growth potential.

## Implication China Pet Food Import Data

Particularly, recent the pet ownership numbers, and **China pet food import data** indicate, there are growing opportunities for imported pet food in the Chinese market, and still, Chinese pet food importers and pet food ingredient buyers are positively looking for more commercial partnerships with pet food suppliers.

Since global food and drink conglomerates Mars, Inc. and Nestle S.A. attained sweeping success in China in the early 2000s, numerous market research analyses have projected enormous growth momentum in China's pet food industry. Their confidence in China's pet food sector is fundamentally based on the reality that around 75 percent of pet owners in China still do not feed their animals with commercial pet food, as estimated by Euromonitor. However, the use of commercial pet food is expected to become more widespread going forward.



## **Challenges Foreign Brands Petfood in China**

The allure of its enormous 1.4 billion population and rising affluence has seen China become one of the world's most attractive markets, but also, it's most competitive. Many international brands have struggled to gain a presence and generate sales. Foreign marketers often battle with understanding the intricacies of the China market, leading to initiatives being irrelevant or even inappropriate for Chinese consumers. Getting the basics right is crucial as the following three challenges reflect:

### **(1). China market is gigantic and competitive**

China market is gigantic with 1.4 billion Chinese people, and it is the most crowded market on the planet, and it becomes even more-so on daily basis. New international brands continue to fill in the shelf, while local players are becoming more astute to consumer trends and preferences, there are 500 new products launching daily in China. Under such circumstance, new brands will struggle to make an impact if without a sensible marketing targeting plan. Chinese social media plays a decisive role, there are 14 million official accounts advertise for Chinese consumers' attention in WeChat alone. It is like a sand in the seashore, not easy to stand out, and to be noticed. New brands with a limited marketing campaign budget must dig deep, find alternative way show up to the public consumers.

### **(2). China pet food market is different**

Just as Chinese consumers have different motivations and tastes than their western peers, they use different platforms to research and endorse them. Facebook, Google, Instagram, Pinterest, Twitter, and YouTube are all blocked in China. The resulting ecosystem of channels Chinese consumers are familiar with can often become confusing for foreign marketers. QQ, Weibo, WeChat, Baidu, Taobao, Tmall, JD are the best-known, but along with these come thousands of channels that might be more appropriate for a brand chasing a specific category or demographic. While the big players boast mouth-watering user statistics, smaller niche platforms can cater to a more targeted customer segment. The channels utilised by a wine brand will therefore differ greatly from those for fashion, cosmetics, or mom & baby.

### **(3). Chinese consumers are discerning**

Various food and product scandals have led Chinese consumers to become some of the least trusting of product authenticity until the opposite is proven. They conduct

much more research around a new product or brand, employing an average of 7-10 touch points from official online channels to offline influences like friends or family. With personal opinions being the most-trusted source of information, 70% of Chinese shoppers leave reviews online after purchasing a good.

These not only include a product's quality, but the whole consumer experience from responsiveness to logistics, purchasing process, packaging, safety, speed of delivery, after-sales service and more. Fulfilling these criteria effectively can be challenging for foreign brands, particularly as local competitors have the advantage of being closer to their target market and are therefore able to relate better to their needs and preferences.

However, many foreign brands have adapted smart methods to cater to Chinese consumers, undertaking considered efforts to understand their target market and China's fascinating and unique characteristics. Smaller brands can even gain a substantial consumer base once an appealing brand strategy is developed.

## **Main Countries Supplying China with Petfood**

Currently, China total imports value for pet food product is \$450 million USD and **is expected to continue growth into the future**. There are top five countries supplying China with pet food product (USD millions) as of 2021: Canada (151.7 USD), United States (115.3 USD), Thailand (59.59 USD); Netherlands (59.21 USD); New Zealand (30.76 USD).

The China pet food market is segmented based on the product type, animal type, pricing, and sales channels. Pet Meal and Treats together accounted for over 85% of the market share in terms of volume. The market for organic products is on the rise, due to higher demand for diets with natural ingredients from the health aware consumers.

This market is expected to grow at the next 5 years. Changing lifestyles of the owners made them prefer similar healthier diets for their furry companions. This resulted in a spike for grain-free diets and the segment is expected to grow considerably. However, increased canine pets from foreign immigrants are expected to boost the sales of dog food with a CAGR of 8.4% over the forecasted period. The major players of the region are the Mars, Nestle, Nory Pet (Shanghai) Co Ltd and Tongwei Co. Ltd.

# China Market Petfood Annual Forecast 2021-2023

- Premium Dog Food: +13%
- Premium Cat Food: +10%
- Whole sector average: +9%
- 38,000,000 cats and dogs
- 80,000,000 fish



## (1) Main Retail Channels in China's Pet Food Market

Supermarkets, pet stores and online shops are the three main retail channels in China's pet food market. They compete and complement with each other. According to the survey, elderly people prefer to buy pet food from the supermarkets and pet shops while young people usually order pet food from online shops.

In China, 2/3 of the pet owners prefer to buy pet food during one-stop shopping. The convenience of this channel enables pet owners to pick up food for their pets while buying groceries themselves. Nevertheless, international players dominate this channel. The pet food giant Mars dominates 80% of supermarket shares in China because of its widespread supermarket sales network and its compelling reputation within pet food.

However, supermarket channel requires expensive slotting fee. To avoid the excessive cost and direct competition with international players in supermarket channels, most Chinese manufacturers choose pet stores as the primary distribution channel through which to develop their business. Although pet stores only account for 16% of the market share, they still maintain a rapid growth momentum. Most new pet owners prefer to take professional advice from pet stores when it comes to choose pet food.

## (2) China's Demand for Feed Grains

China pet food and animal feed market stronger growth led to raising demand for feed grains China imports. The price of the grain hit a nine year high in early May at \$7.32 per bushel. China's demand for common [feed grains](#) has been increasing rapidly, such as [soy](#) and [corn](#). Imports into China were up by almost 250 percent in the 2020/21 marketing year, while those of wheat nearly doubled. At this moment, as for corn, the U.S. is a major corn exporter to China. Soybeans, Brazil as the biggest supplier of soybeans product to China, according to [Statista](#).

## Import Petfood to China by Chinese Importers

Particularly, Petfood for smaller pet China imports is steady growth, purchase imported pet food is a trend, and Chinese pet feed market demands for more quality brands products. Imported foreign pet food brands are doing well, get better attention in the pet food stores, or supermarkets, because Chinese pet owners prefer imported quality pet food rather than domestic products, feeding luxury pet food is common for pet owners in China.

In China, as people adopted pets with the growing desire for companionship during the lockdown. China demands for the pet food witnessed steady growth, the statistics showed that China pet food sector has been performing well during COVIN-19 crisis time, getting comfort from pet, particularly, receiving companionship from pet is rewarding to pet owners, pet cheers and lifts people spirit up in challenging time. In turn, pet owners reward its pet, usually, by feeding more delicious pet food, which led to better pet food sales in local Chinese feed stores, especially, imported brands quality feed sales going up, the pet food China market strengthened by the solid growth in pet food sales.

China market present broad opportunities for **pet food** Products, particularly, with retail sales value of pet food by subcategory, major **pet food brands** imported to China are doing well, Pet food export to China with Chinese importers is the latest pet food growing trends. For pet food suppliers, producers and exporters, the good news is that pet food export to China with Chinese importers, it is reliable way to enter China pet food market. At this moment, several major foreign pet food brands dominate the China petfood market, among other, they are Mars' Royal Canin; Nestlé's Purina, Pedigree, Pro Plan, and Nature Bridge, according to a related [report](#). The top-selling pet-food in China are all foreign brands.

As predicted, over the long run, there is a growing interest of pet owners over their pet health and nutrition, which in turn is expected to boost the sales of organic, premium, and custom-made products. In the Chinese pet food market, the premiumization and humanization trends are expected to remain the key drivers for the market growth in the next foreseeable years.

For international petfood producers, petfood imports/exports companies attempt to seek the market opportunities in China, find [Chinese importers](#), the [Database of Chinese Importers for Petfood](#) is available. For further information. Please contact

[DCCC](#)- the organization assists foreign companies to connect with reliable Chinese importers, distributors for Consumers Goods, Food-Beverages.

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