



A N N U A L  
R E P O R T  
2011

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## Mission Statement

**PFMA aims to be the credible voice of a responsible pet food industry. While striving to achieve a balanced regulatory environment for the production of nutritious and safe food, PFMA also encourages responsible pet ownership working in partnership with relevant pet bodies. It aims to be the main resource for its members, public and others as well as playing a lead role in forming opinions in Europe through the European Pet Food Federation (FEDIAF).**

## Chairman's Foreword

Welcome to the PFMA Annual Report for 2011. Inside you will find an account of our activities over the last year, alongside some useful information on pets and the pet food market.

Last year we passed a major milestone as an industry association, commemorating our 40<sup>th</sup> anniversary. As well as celebrating the past, we also took the opportunity to look forward much further, ten years in fact, as we launched our "2020 Vision". Working with a number of stakeholders we launched an ambitious range of goals which strive not only for improvements in the lives of pets and their owners during the next decade, but also reducing our industry's impact on the environment.

As with the rest of the economy, 2010 remained a challenging one for the pet food industry. Having said that, our latest industry data indicates sales are holding up with a 2% increase in value terms in 2010. The pet food industry now stands at £2.05bn. There also appears to be a sustained switch in production to the UK away from continental Europe, which is encouraging news for our home-based manufacturers.

As well as market information, we collected data on our use of raw materials for the first time. This showed that an impressive 89% of all cereals used in pet food come from the UK. Use of animal by products is only slightly lower at 80%. This equates to well in excess of 500,000 tonnes of ingredients sourced in the UK and shows that pet food is a critically important sector supporting UK farmers. As much of this material consists of by products from the animal and cereal sectors, we also play a crucial role adding value to material that would otherwise have to be disposed of. If you put this alongside the environmental ambitions which we launched last year you will see that pet food production in the UK is a highly sustainable sector. We add value to raw material, we source the vast majority of it locally, and as an industry we are constantly looking to reduce our environmental impact.

Last year saw a hung parliament, followed by the introduction of coalition government in the UK for the first time in decades. This has brought its own challenges in dealing with

government departments. That coupled with swingeing cuts to services has had significant knock on effect both in terms of the economy and likely recovery, but also in respect to the services government provides. Pet food is a highly regulated sector; it is also a sector whose reputation would be threatened if a significant issue occurred. We are also highly self-regulated and I am confident that as a result PFMA members not only meet, but generally far exceed all legislative requirements. Our concern is rather that reduction in resources for enforcement raises significantly the risk of incidents involving companies who are not PFMA members, but whose activities may damage our hard won reputation. We therefore call on government to ensure proper resourcing of their statutory enforcement activities.



Paul Miley,  
Chair PFMA

## PFMA's Aims and Membership Benefits

PFMA aims to be the credible voice of a responsible pet food industry. While striving to achieve a balanced regulatory environment for the production of nutritious and safe food, PFMA also encourages responsible pet ownership working in partnership with relevant pet bodies. It aims to be the main resource for its members, public and others as well as playing a lead role in forming opinions in Europe through the European Pet Food Federation (FEDIAF).

PFMA have been supporting pet food manufacturers for over 40 years. Membership of PFMA means that you will be able to gain one to one expert advice and guidance on all matters related to the pet food industry.

PFMA Membership Benefits include:

- Specialist advice and **support on regulatory and technical matters**
- The opportunity to **influence policy and legislation** through joining PFMA committees
- Access to **members only website** (a one stop shop for information on developments in the pet food industry)
- **Networking opportunities** (with other members and those involved in the pet industry)
- **Media and public relations** support
- Members only **market data**
- **Training seminars** and workshops
- **Crisis Management support** (e.g. Disease out-break)
- **Promotion** through the PFMA website links and banners

## Meet the PFMA Team



**MICHAEL BELLINGHAM – Chief Executive.** Michael joined PFMA in 2004. He has worked in the trade association world for a number of years, firstly with the British Retail Consortium, before moving to the Food and Drink Federation in 1996, then the Federation of European Rice Millers (FERM) in Brussels in 2000. Michael shares his home with Smilla the tabby, as well as his wife and son.



**DR MONIKA PRENNER - Technical and Regulatory Affairs Manager.** Monika deals with all issues related to legislation and technical questions. Her experience in international food and feed legislation and her knowledge of the EU processes are valuable in discussions with UK agencies and stakeholders in current consultations on future legislation.



**NICOLE PALEY – Communications Manager.** Nicole Paley joined the PFMA in 2003 as the PFMA Communications Executive. Nicole is responsible for media relations and the work the association undertakes promoting animal health and welfare. Nicole is the proud owner of a ginger and white moggie called Poppy.



**LANA OLIVER - Veterinary and Nutrition Affairs.** Lana has a degree in Nutrition (Hons) and since joining the PFMA team in late 2009 has been managing veterinary and nutrition issues. Lana also works in events and as an enquiry point for the public, press and members.

## PFMA Officers and Committees



### EXECUTIVE COMMITTEE

Establishing and monitoring PFMA policies, direction and focus.

**Chair: Paul Miley**

**PFMA Secretariat: Michael Bellingham**

### REVIEW COMMITTEE

Identifying, monitoring and commenting on all legislative and other developments in the marketing and technical areas.

**Co-Chairs: Liz Colebrook  
& Phil Taylor**

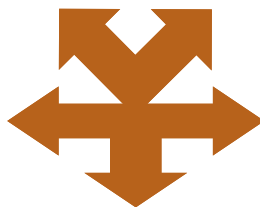
**PFMA Secretariat:  
Monika Prenner**

### ADDITIVES WORKING PARTY

Monitoring and influencing legislation concerning additives.

**Chair: Alana White**

**PFMA Secretariat:  
Monika Prenner**



### VETERINARY NUTRITION SUB – COMMITTEE

To consider all veterinary & nutritional issues. Providing a resource to members and the public.

**Chair: Pauline Devlin**

**PFMA Secretariat:  
Lana Oliver**

### SMALL ANIMAL WORKING PARTY

To act as an issues forum and a representative body on matters related to small animal nutrition.

**Chair: Marion Turnbull**

**PFMA Secretariat:  
Michael Bellingham**

### ENVIRONMENT COMMITTEE

Monitoring and recommend policy on environmental legislation and other environmental issues of impact to the industry

**Chair: Keith Battye**

**PFMA Secretariat:  
Michael Bellingham**

### RAW MATERIALS WORKING PARTY

Dealing with legislation affecting raw materials, such as the Animal-By-Products Regulations and relevant EC Directives

**Chair: Glenn Jefferson**

**PFMA Secretariat:  
Monika Prenner**

### COMMUNICATIONS COMMITTEE

Develop strategies to communicate effectively with both internal and external audiences. Manage media relations and PFMA's responsible pet ownership activities.

**Chair: Mary Sharrock**

**PFMA Secretariat:  
Nicole Paley**

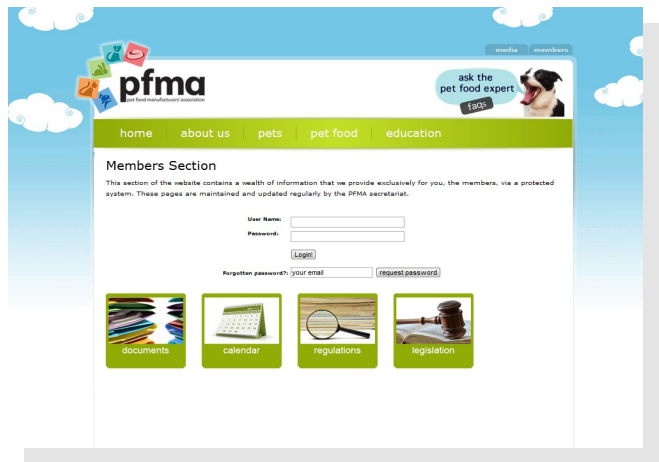
## PFMA Member Services

The PFMA's work is effectively achieved through a committee-based structure in which all member companies are invited to participate. Policies for the pet food industry are formed in these committees in direct response to legislative and technical matters. All PFMA members are kept up-to-date on the Association's activities and are regularly consulted on specific issues.

In recent years a great deal of new and amended legislation has been introduced which has affected the pet food industry. Membership of PFMA is an effective and easy way for companies to ensure they are fully aware of all current developments in the industry. For example, when changes are proposed in legislation, members of the PFMA will not only receive advance warning and an opportunity to comment, but will also receive an explanation of the practical implications of such changes.

### Members-only extranet

The extranet contains a wealth of information via a protected system. Members can find out about the latest industry news, download key pieces of legislation and raise any issues with the membership through the forum facility.



## PFMA Market Data Scheme

We offer member companies the opportunity to participate in the PFMA market data scheme which has been running since 1995. The scheme is coordinated by MIML Market Research and the purpose is to collect sound, robust industry data. Data is collected on an annual basis and a bumper market report is produced for scheme members.



Through participating in the scheme members can:

- **Estimate their market share**
- **Look at their performance in comparison to the market as a whole**
- **Keep up to date with trends in the pet food market**
- **Better understand performance of different pet food categories**

In addition to information on market value and volume, the survey of members also collects information on:

- **The proportion of own-label versus branded products**
- **The location of manufacture**
- **The channel through which the product is distributed.**

While not aiming to be representative of the total market, these additional questions provide information on broad trends.

There is also a section of the survey that collects members' opinions on trends in the market – this year focussing on emerging sub-markets.

## New PFMA Website

The PFMA website is the Association's principal communication tool providing independent and good quality information to the public as well as being a useful tool for members.

Statistics on PFMA website activity are constantly being recorded. This action allows PFMA to understand what information visitors are looking for and which areas on the website have more frequent visits than others. Detailed statistics help identify which parts of the PFMA website to focus on in order to provide the most benefit to visitors; public, media and members.

In 2010 we saw the re-launch of the PFMA website, a new and much improved version. The new website has been designed to be more pet owner-friendly than before, making it easier for pet owners to find all the information they require on pet nutrition.

PFMA have, and will continue to, revise and update the website on a regular basis to make sure the information provided says fresh and, most importantly, accurate.

A brand new and exciting addition to the PFMA website has been the Education Section. The Education Section adopts a fun and friendly teaching method to reach young children with the message of responsible pet ownership. The section includes tricks to teach your pet, practical feeding tips, fun pet facts and much more. Take a look [www.pfma.org.uk/education](http://www.pfma.org.uk/education) !!

The most visited pages of the PFMA website continue to be the Pet Population pages. PFMA commission new data to be collected every year and make this publicly available through the website and in the Annual Report. Pet Population statistics for 2011 can be found on pages 9 and 10 of this report.



## What information are visitors looking for?

1. Pet Population Statistics
2. Dog Nutrition

3. Pet Food Information
4. Information about PFMA



## Growing Together for 40 Years

The Pet Food Manufacturers Association celebrated its 40<sup>th</sup> Anniversary in 2010 by looking back over the last 40 years commemorating the positive changes that have occurred in the pet industry since 1970 when the association had just 4 members. The PFMA, now consisting of 62 members, produced a celebratory document highlighting important milestones in the pet world since 1970 which is available for download from the website [www.pfma.org.uk](http://www.pfma.org.uk).



The theme of the PFMA AGM this year was '20:20 Vision' - looking forward over the next ten years to 2020. The PFMA launched 4 great ambitions for the future concerned with environment, the benefits of pets in society, responsible pet ownership and advantages of prepared pet food. The PFMA and its members will be working closely with associated organisations to help reach targets for each ambition by 2020.

## Four Future Ambitions of PFMA

### 1 Reducing the impact of pet food on the environment

Many pet food manufacturers and members of the PFMA already have their own targets for environmental issues however the PFMA will be teaming up with WRAP to encourage all members to hit their set targets; 10% reduction of CO<sub>2</sub> emissions, 20% reduction in water usage and a total of 80% of all packaging to be recyclable or recoverable by 2020. The PFMA will be taking on the responsibility of setting standards and providing guidelines to their members.

Did you know that only 1% of pet food is wasted compared to a massive 30% of human food?

*"Whether at home or at work, reducing the amount of waste we produce is the most effective thing we can do to protect our natural resources, cut costs and reduce our carbon footprint. At WRAP we will be working with the PFMA to not only to reduce the impact of pet food on the environment but to make a visible, measurable difference to the way the UK uses and thinks about resources." WRAP*

### 2 Increase public awareness of the benefits pets have on our society

Being firm believers that pets are of great value to the family, from the very young to the elderly. the PFMA will be working closely with MPs and the Society for Companion Animal Studies (SCAS) to highlight the health and social benefits that pets bring. The PFMA will be commissioning new research to illustrate the benefits of pets in the family and aims to have made vast improvements to the child friendly section of the website by 2020. If the PFMA and SCAS are successful in reaching their targets by 2020 we will see that no elderly pets owners are parted from their pets when moving to sheltered accommodation and residential homes.

*"Research has shown that pets provide benefits to all ages. Working alongside the PFMA with their funding will allow us the opportunity to continue this research and to teach others about the facts so that more people can benefit from pet interaction." SCAS*



### 3 Increase responsible pet ownership

The PFMA believe it is their duty to promote responsible pet ownership, as responsible pet owners tend to have the happiest and most healthy pets that are fed and cared for well. In 2009 the PFMA launched their obesity campaign and created the Pet Size-O-Meter, a valuable tool for assessing our pets health. Over 80,000 Pet Size-O-Meters have been distributed so far, with the help of pet charities (including the largest dog welfare charity, the Dogs Trust), re-homing centres, breeders, vet organisations, and pet insurance companies the PFMA aim to have 60% of new pet owners in receipt of the tool (plus additional pet care advice), 50% more visitors returning to their website for pet advice and 10% fewer dogs sent to re-homing centres.

*“Working with the PFMA we hope to improve public knowledge and increase responsible pet ownership, in turn reducing the number of pets that are neglected, mistreated and abandoned every day. We want to educate people that having a pet can bring you a lifetime of fun and happy memories, and that it is owners responsibilities to provide them with everything they need in a caring and loving home.” Dog’s Trust*



### 4 Increase public awareness of the advantages of feeding prepared pet food

The PFMA wish to highlight the numerous health and environmental advantages there are to feeding our pets prepared pet food, and we want to see a minimum 90% of pet owners feeding their pets commercially prepared pet food by 2020. The PFMA act to reinforce the message that pet foods are regularly updated following research allowing manufacturers to enhance pet health and well being through their products resulting in healthier, longer living pets. The PFMA will continue developing educational material, which will remain fully supported by current scientific knowledge. The PFMA have the support of the Pet Health Council in their ambition and in cooperation they endeavour to bust the myths surrounding pet food.



*“The amount of nutritionally related problems we encountered 30 years ago was legion. We saw bad coats, poor teeth, poor digestion, rickets and shortened life spans. This was all as a result of inadequate nutrition. The widespread feeding of prepared pet foods and advancements in these diets has made a major difference. Pets are now living longer, healthier lives and we just don’t see the nutritionally related conditions we used to.” John Foster, PHC*

## PFMA Timeline

<b>1970</b>	The <b>Pet Food Manufacturers Association</b> was established comprising of 4 members Market value = £100 million, Market volume = 470, 000 tonnes <b>Dog Population 5 million, Cat population 4.25 million</b>
<b>1971</b>	Brand varieties were introduced
<b>1972</b>	3 day week introduced to save electricity
<b>1973</b>	Can rationing – UK joined the EEC, PFMA joined the <b>European Pet Food Manufacturers Association (FEDIAF)</b>
<b>1974</b>	The US <b>National Research Council (NRC)</b> published their first recommendations on the nutritional requirements for cats and dogs.
<b>1975</b>	The first thesis was published on the amino acid requirement for adult mature dogs. <b>Dog population = 5.7 million, Cat population = 4.5 million</b> Manufacturers begin to introduce 'life - stage' diets, starting with the puppy diet.
<b>1976</b>	The Joint Advisory Committee on Pets in Society (known as the <b>Pet Advisory Committee (PAC)</b> ) was formed to examine the role of companion animals in society and encourage responsible pet ownership
<b>1979</b>	Conservative Government Elected The <b>Pet Health Council (PHC)</b> was formed to promote the health and welfare of companion animals The <b>Society for Companion Animal Studies (SCAS)</b> was established to research the benefits to humans of animals and the scientific nature of the bond that develops between them
<b>1980</b>	<b>Dog population = 5.6 million, Cat population = 4.9 million</b> 'Life-stage' products for other pet species at other stages in life become available.
<b>1981</b>	The first zinc requirement values were established for cats- zinc is fundamental in over 200 bodily processes, including the immune system, skin and coat condition and cell growth.
<b>1982</b>	<b>Taurine</b> , an amino acid only found in materials of animal origin, was found to be crucial for the healthy functioning of a cat. Taurine is <b>vital for aspects of metabolism</b> , eye sight, cardiac function, bile formation and reproduction. The first specific legislation for pet food was introduced – the Feedstuffs Regulations- covering labeling additives and contaminants. Research established the <b>sulphur-</b> containing amino acid requirement of puppies. These amino acids are essential for both growing and adult dogs
<b>1984</b>	Research confirmed that <b>protein requirements for adult cats</b> were higher than in other species. Protein is essential for many aspects of body structure and function.
<b>1985</b>	<b>Dog population = 6.3 million, Cat population = 6.1 million</b> NRC Guidelines for nutrition of dogs were revised
<b>1986</b>	NRC Guidelines for nutrition of cats were revised
<b>1987</b>	PFMA launched a campaign to <b>remove VAT from pet food</b> and highlight the injustice of the tax to government
<b>1988</b>	<b>National Pet Week (NPW)</b> was established to promote responsible pet ownership, PFMA is a founding member.
<b>1989</b>	The PFMA responsibly adopted a voluntary ban, ahead of legislation, on the use of specified bovine offal's (SBO) in pet food, in the wake of BSE

## PFMA Timeline

<p><b>Dog population = 7.4 million, cat population = 6.8 million</b></p> <p>The government incorporated the PFMA voluntary ban on SBO's into legislation</p>	<b>1990</b>
<p>The <b>Animal By Products Order</b> was introduced which defined the ingredient and materials permitted for use by industry, and required manufacturers to be registered</p>	<b>1992</b>
<p><b>The cat population exceeded the dog population for the first time</b></p>	<b>1993</b>
<p><b>Dog population = 6.6 million, cat population = 7.2 million</b></p>	<b>1995</b>
<p>The European Union banned the export of farmed beef from the UK when the UK government announced a possible link between BSE and nvCJD in humans.</p> <p>UK legislation brought pet food labeling into line with Europe</p>	<b>1996</b>
<p>First Labour Government in 18 years</p> <p>The government introduced XAP legislation which implemented additional stringent controls on beef-based products</p>	<b>1997</b>
<p>The EU announced the end of the UK beef export ban</p> <p><b>Dog population = 6.7 million, Cat population = 7.7 million</b></p>	<b>1999</b>
<p><b>Foil packs are introduced to the pet food market.</b></p> <p>The PFMA comprised 65 members, with market value of £1,473.8bn and a volume of 1,296,700 tonnes per annum.</p> <p><b>PFMA launched their first website.</b></p>	<b>2000</b>
<p><b>Dog population = 6.1 million, Cat population = 7.5 million</b></p>	<b>2002</b>
<p><b>Dog population = 6.8 million, Cat population = 9.6 million</b></p>	<b>2004</b>
<p>PFMA launches '<b>Petsercise</b>' with PHC a new initiative to promote pet and owners health by increasing the number of activities they do together.</p>	<b>2005</b>
<p><b>NPW becomes National Pet Month (NPM) due to great success.</b></p> <p>Work starts on the review of the FEDIAF nutrition guidelines for pet food manufacturing.</p> <p>The latest version of the NRC guidelines for dogs and cats is published.</p>	<b>2006</b>
<p>The PFMA comprised 51 members, with market value of £1641.5bn and a volume of 1,267,900 tonnes per annum.</p> <p>PFMA launches new contemporary website (<a href="http://www.pfma.org.uk">www.pfma.org.uk</a>), logo and extranet.</p>	<b>2007</b>
<p>PFMA take on the secretariat role of PHC.</p> <p>PFMA produces findings of an independent survey on current pet populations in the UK.</p> <p><b>Dog population overtakes cat population</b></p>	<b>2008</b>
<p><b>PFMA launches their Obesity Campaign and White Paper.</b></p> <p>Cat and Dog population back to level pegging estimated at around 8 million each.</p> <p>Pet Food Market valued at just under £2bn</p>	<b>2009</b>
<p><b>PFMA comprises 60 members, with a market value exceeding £2bn.</b></p> <p><b>In celebration of PFMA's 40th anniversary various 'ambitions' for 2020 are launched relating to pets and the environment, responsible pet ownership, pets and the elderly and the benefits of prepared pet food.</b></p> <p><b>Dog population around 8 million, Cat population around 8 million</b></p>	<b>2010</b>

## The UK Pet Population 2011

Each year PFMA commissions new research into the UK pet population to be conducted by TNS using face-to-face interviews, on a representative sample of the UK population.

Figures from this research are then published within this Annual Report and also on the PFMA website along with previous research.

The total number of pets owned in the UK stands at over **20 million** (excluding fish).

The UK fish population stands at over 40 million in 2011. It is estimated that over 20 million fish are kept in indoor tanks and that over 20 million fish are kept in ponds.



Around 8 million dogs



Around 8 million cats



Around 3 million small furry animals, including rabbits



Around 2 million birds, including caged, fowl and pigeons

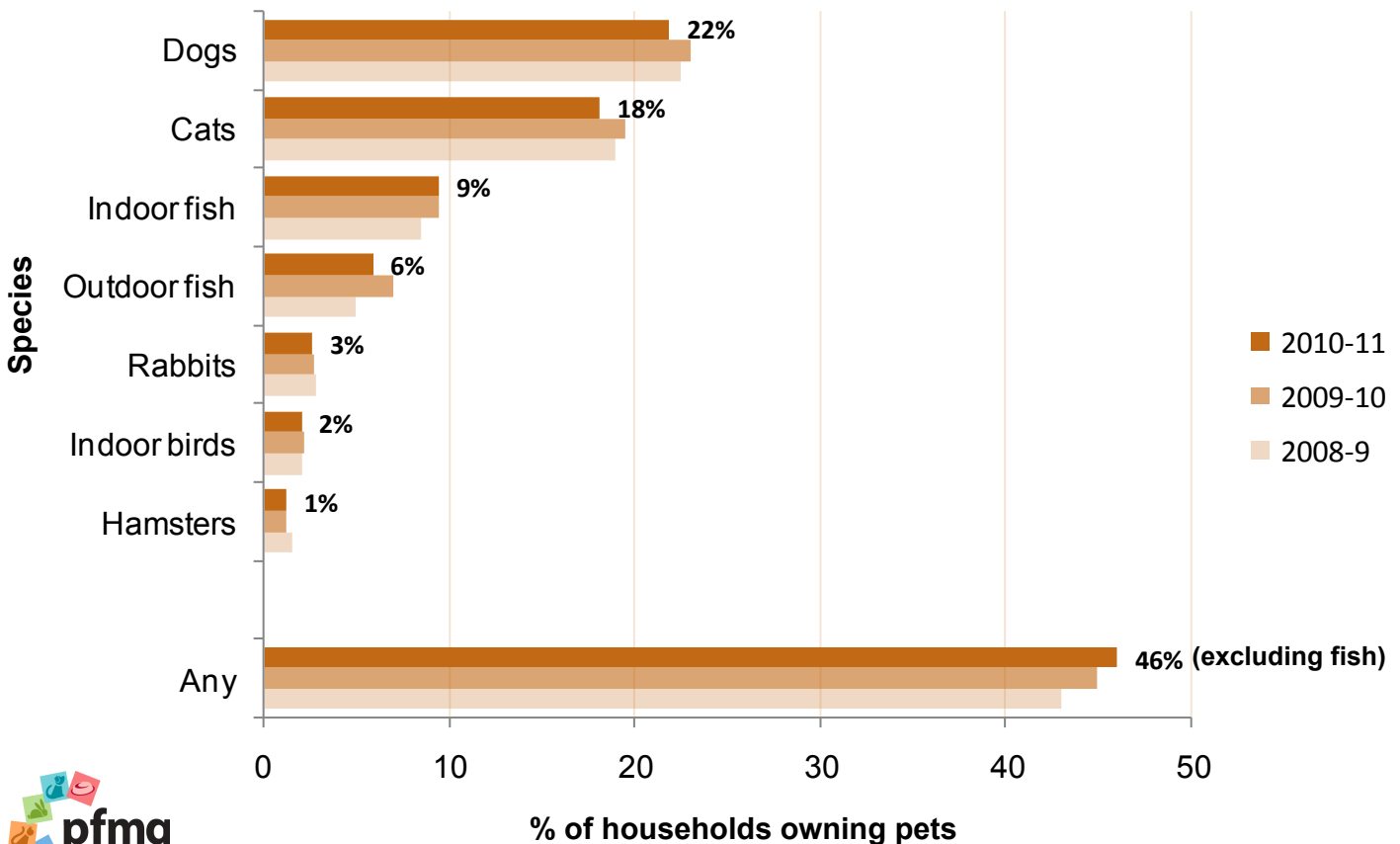


Around 2 million other pets, including exotic pets, horses and insects



## Percentage of Households Owning Pets

In the UK today approximately **46%** of households own a pet (excluding fish). The graph below shows the percentage of households that own particular pets.



## Happiness Survey - Press Release

The PM wants to know how happy you are – the pet food industry thinks it already knows...

**Government begins work on new happiness survey – the PFMA has already done one.**

David Cameron and his helpers are set to travel around the UK to find out how happy we are as a nation. The Prime Minister's Big Idea is the National Happiness Index which will gauge the nation's fluctuating mood year by year.

However, a new survey released by the PFMA may already have done some of the work for him, with the research showing happiness is a warm furry animal (or indeed a nice scaly reptile if that is your pet of choice).

The survey of over 2,000 adults got respondents to rank their happiness levels and found that pet owners rate themselves as being happier than those without a pet.

Nearly 60% of people with pets say their pet makes them a happier person, while a similar number say being with their cuddly companion makes them feel more relaxed. Almost a third state their pet makes them a healthier person.

Whether or not they own a pet – 81% of people agree that "Pets are the antidote to a bad mood" so it's not surprising that when owners do need a lift in their mood they'll turn to their pet above all else, including their partner and chocolate. Non pet owners use music to lift the doom and gloom, while chocolate rates equally with their partner as a mood enhancer.

Whilst cats and dogs are traditionally Britain's most popular pets, a wide variety of pets are kept by the nation including rabbits, guinea pigs, budgies and iguanas. With just under half the UK households owning a pet (46%), animal magic is benefitting many contributing to a happier, healthier nation.

*The research was carried out for PFMA by Opinion Matters between 23/02/2011 and 09/03/2011 amongst a panel resulting in 2022 UK adult respondents.*



*"Pets are the antidote to a bad mood"*



## Pet Food Market Data Survey

PFMA conducts an annual market data survey. Members submit figures on the amount and types of pet food they supply to the UK pet food market. These figures are provided confidentially to an independent third party who collates the results on behalf of participant members. A group of PFMA members then review the figures, and reach a consensus on the size and shape of the various markets for pet foods in the UK.



## 2010 Total Market Data

The pet food industry in the UK continued to grow in 2010, as it did in 2009, despite consumers facing the deepest recession for many years. Volume of product sold rose by 0.3% in 2010, while the value rose to a new all time high of £2.05bn.

The **Dog Food** market showed steady growth in 2010, both in volume and value. There was 1% growth in volume and 2% growth in value. This compares to flat volume growth in 2009 but 5% growth in value (which was thought to be driven by rising raw material costs). The dog food market in the UK is now worth £1,057m.

The **Cat Food** market saw a small decline in volume of 1%, but a growth in value of 1%, to over £900m. This reflects a shift in consumer demand towards use of single-serve products and greater consumption of treats.

The **Small Animal** pet food market (for rabbits, guinea pigs and rodents) is small in comparison to the dog and cat market, but it showed the

strongest growth of any of the major markets. Volume was up 3% to 82,000 tonnes, while value grew by 4% to £66m.

It should be noted that these 'totals' reflect a re-basing of the estimate of the size of some markets, so that they are not directly comparable with the figures given in the 2009 report.



2010	Volume	Value	Volume	Value
	000 tonnes	£m	% growth	% growth
<b>Dog</b>	777	1,057	1%	2%
<b>Cat</b>	408	905	-1%	1%
<b>Small animal</b>	82	66	3%	4%
<b>Total</b>	1,271	2,046	0.3%	2%

*It should be noted that where market value figures are shown in the report, these refer to consumer spending exclusive of any VAT that may apply to each product.*

## Pet Food Market Data

### Prepared dog food market

The prepared dog food market is broken down as follows:

**All wet food £325 million** (0% growth on 2009)

**Dry complete £483 million** (2% growth on 2009)

**Mixers £26 million** (-3% fall on 2009)

**Treats £223 million** (4% growth on 2009)

### Prepared cat food market

The prepared cat food market is broken down as follows:

**Wet single serve food £480million** (1% growth on 2009)

**Wet multi-serve food £150 million** (-5% fall on 2009)

**Dry complete £232 million** (4% growth on 2009)

**Treats £43 million** (19% growth on 2009)

## Market Trends

### Dog Market

The Dog Food market appears to be weathering the recession well. There has been growth at the value end of the market, but also at the premium end, with the middle-market being squeezed. Long-term trends noted in previous years have continued:

- Increased demand for provenance of product
- Some growth in organic products, albeit from a small base
- Growth in products for specific life-stages
- Growth in health-improving products, including joint-care and obesity.

Some members mentioned that, while consumers are becoming better educated on health-related issues for pets, specialist and health-improving products are no longer commanding the same price premium as they did in earlier years.

### Cat Market

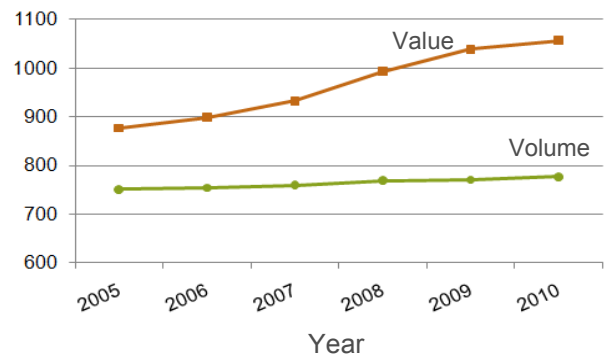
Looking forward, PFMA members expect the trend from Multi-Serve to Single Serve to continue, with predictions of a 3% fall in both volume and value of Multi-Serve in 2011, compared to growth of 2% in volume of Single Serve and 4% in value.

Dry Complete cat food showed the best growth of all the main meal categories within both dog and cat food. Growth in volume in 2010 was 3% (2% in Dry Complete dog food) and growth in value was 4% (2% in Dry Complete dog food). Members expect this market to continue to show some growth in 2011, with the average forecast being 2% growth in volume and 3% growth in value.

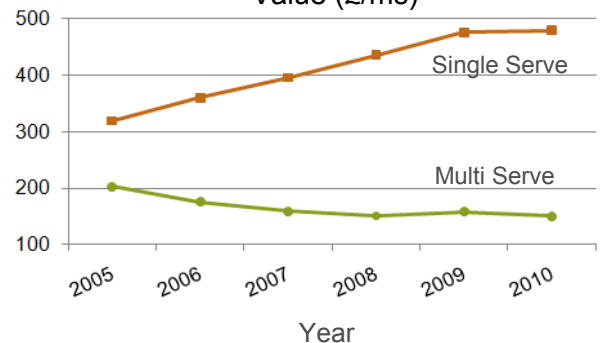
Further statistics, including historical data, is available on the PFMA website:

[www.pfma.org.uk](http://www.pfma.org.uk)

**All Prepared Dog Food**  
Value (£/ms) and Volume (000 tonnes)



**Wet Cat Food**  
Value (£/ms)



*“Treating for both cats and dogs is definitely on the increase, with functional and real meat products leading the way.”*



## PFMA Supports 'Pets For Life'

During our 40<sup>th</sup> anniversary celebrations last year, PFMA launched its 20:20 vision for the future announcing a number of goals to achieve over the next 10 years. One of the goals promised continued support for the SCAS (Society of Companion Animal Studies) 'Pets for Life' campaign which seeks to encourage UK housing providers to implement responsible pet policies with a particular focus on housing for older people. Recent studies into mental health and well-being in later life have identified pet ownership as an important factor in promoting good physical and psychological health in older people. However, only 40% of homes have recognised the benefits of interaction with pets in improving social interaction and reducing isolation.



The change in Government has meant that new relationships have had to be built, however SCAS has continued its efforts in this area. Stage two of the campaign will see the development and promotion of the Pet Care Kit – a practical tool kit for care homes implementing a pet policy.

## Education Symposium

From talking to a large number of organisations involved with companion animals, it is clear there is a tremendous amount of good work going on in the education arena. This is coming not only from the charities, but also trade associations and veterinary bodies.

At the PFMA AGM last year, one of our colleagues from a pet charity gave us a challenge to explore how all this work could be best channelled so that everybody gets the best value. To meet this challenge PFMA hosted an education symposium on 14<sup>th</sup> February at the RAC Club in London, providing an opportunity for all those in the arena to meet, discuss current projects and consider areas for potential collaboration.

Twenty organisations attended on the day, including Blue Cross, Cats Protection, Dogs Trust, Wood Green Animal Shelters, RSPCA, NOAH and the BVA. Following a morning of presentations guests broke out in to workshop groups to consider opportunities such as getting animal welfare on the national curriculum and areas where organisations could work together.

Neil Parish MP, Chairman of the All Parliamentary Group for Animal Welfare gave the closing address and it was agreed the day provided plenty of food for thought.

## Parliamentary Lunch

PFMA held its annual parliamentary lunch in November 2010. Hosted by Roger Gale, a small number of select MPs including Andrew Rossindell, Therese Coffey and Chris Heaton-Harris joined members of the PFMA to discuss the latest developments in the pet food industry and the pet environment more generally. Topics under discussion included pet obesity, pet food labelling, pet ownership issues for people going in to residential housing and the importance of starting responsible pet ownership education at a young age.



*Roger Gale MP*

## Promoting Responsible Pet Ownership

In November 2010 PFMA launched a campaign to highlight how by making a few simple changes to a pet's environment or daily routine, an owner can ensure they are catering for all aspects of his welfare – his health, behaviour and happiness. In order to illustrate this PFMA created a series of fun visuals of a pet's ideal home as designed by them focusing on aspects related to feeding, activity and sleep. The visuals were created working with animal behaviourist Peter Neville.

Visuals and supporting care information for cats, dogs and rabbits can be downloaded from the PFMA website: [www.pfma.org.uk](http://www.pfma.org.uk)



## Working with Pet Organisations

Recognising the many and varied roles pets can play in our life, the PFMA works with voluntary organisations, charities and associations to help encourage responsible ownership and promote animal welfare to allow everyone to benefit from animals in our society. PFMA is a trustee of the National Pet Month charity and a member of the Pet Health Council, Pet Advisory Committee, Society of Companion Animal Studies and the All Parliamentary Group for Animal Welfare (APGAW).



## National Pet Month

Under the banner 'Happy, healthy pets' National Pet Month 2010 was a great success. A record number of events (over 1200) took place across the country with activities ranging from a 2000 dog sponsored walk to a library session creating pets from household cardboard tubes. Over £80,000 was raised for at least 30 animal charities.

The 'Happy Pet I Know' schools art competition helped cement partnerships between vets, pet shops, schools and youth groups and reinforced the benefits of pets to children. It received a great number of entries. More people came to the National Pet Month site from Times Educational Supplement website than from any other site, showing NPM's impact in schools.

A photographic competition was run with two categories, 'Friends for life' for the over 60's and a 'General' category looking for a photo that captured the special bond between an owner and their pet. The winning entries received a free session with Venture Photography and photographs up to the value of £1,000.

National Pet Month extends its thanks to the 2010 sponsors - Argos, Countrywide, Venture Photography & Zooplus.com.

While many of the events held during National Pet Month raise funds for local animal charities, the charity is also about raising awareness of how pets makes peoples' lives better, and how we can repay the pets we love by really looking after them responsibly.

The theme for this year's event, running from 2<sup>nd</sup> April to 2<sup>nd</sup> May, is 'Happiness is...time with your pet'. There are lots of fun events already in the pipeline from competitions to many local activities. Phil Sketchley, chairman of NPM said: "We have got some really great plans for 2011. Keep in touch with what's on in your area by looking on our website. We are also planning some great competitions too."

"National Pet Month is an opportunity for us all to learn more about responsible pet care so we can enjoy our pets for many years to come. By following our 10 top tips, our animals will enjoy healthier and longer lives," explained Phil Sketchley.

National Pet Month is proud to be working with Royal Canin, it's platinum sponsor and Companion Care



To find out more, please visit [www.nationalpetmonth.org.uk](http://www.nationalpetmonth.org.uk)



## Pet Health Council

PFMA is a member of the Pet Health Council and has provided the secretariat since 2008. PHC is a unique organisation which handles issues related to pet and human health promoting the message that pets are good for people. It provides a resource to the public as well as the media with a wealth of spokespeople who can comment on a range of subjects from the health benefits of pet ownership to caring for your pet.

The expertise comes from a broad membership of pet and human health professionals including:

- **British Veterinary Association (BVA)**
- **Society of Companion Animal Studies (SCAS)**
- **National Office of Animal Health (NOAH)**
- **Association of Pet Behaviour Counsellors (APBC)**
- **Royal College of Nursing (RCN)**
- **Royal Pharmaceutical Society of GB (RPSGB)**
- **PFMA**
- **PDSA**
- **Pets As Therapy**
- **Pet Care Trust**

At the end of 2010 PHC integrated with National Pet Month to continue promoting, informing and advising on the health and welfare of pet animals in the interest of both pets and people. Visit the PHC website to find out more [www.pethealthcouncil.co.uk](http://www.pethealthcouncil.co.uk)



## Pet Advisory Committee

The Pet Advisory Committee continues its major role of lobbying on companion animals issues. Unfortunately during the year it lost the services of Andrew Stunell MP as Chairman of PAC due to his new role in the coalition government. Approaches have been made to a number of prominent MPs to take on this critical role. PAC has also been in the process of appointing a new secretariat following the phasing out of support from a major company. This hiatus has inevitably impacted on the activities of PAC.

Nevertheless, following the general election a good deal of effort has been spent identifying MPs with an interest in animal welfare issues. There has also been a deal of frustration with the new government over its lack of will to move forward on secondary legislation under the Animal Welfare Act. This is in stark contrast to the devolved administrations where animal welfare remains a key activity.

Members of the Pet Advisory Committee include:



- **Blue Cross**
- **British Small Animal Veterinary Association**
- **British Veterinary Association**
- **Cats Protection**
- **Feline Advisory Bureau**
- **Dogs Trust**
- **Federation of Companion Animal Societies**
- **The Kennel Club**
- **National Office of Animal Health**
- **Ornamental Aquatic Trade Association**
- **Pet Care Trust**
- **Rabbit Welfare Association and Fund**
- **Scottish RSPCA**
- **PFMA**



# Media Relations

PFMA is on hand to respond to any media enquiries related to pet food nutrition and we have a wealth of expertise in our Veterinary Nutrition Committee. We welcome media attention as an opportunity to highlight the fundamental importance of good nutrition through prepared pet food for good health.

## The areas of interest included:

- Impact of pet food on the environment
- Advancements in pet food nutrition
- Pet food ingredients

PFMA responded to many media enquiries in 2010 including the Daily Mail, Guardian online, Your Cat, Your Dog and Dogs Today.

The collage features several media articles and images:

- From table scraps to fine dining:** An article about the history of cat food, mentioning that the first commercial cat food was introduced in the UK in 1939. It also discusses the benefits of pet food for cats and dogs.
- Hints to Cat Lovers:** A feature on cat nutrition, including a section on 'What makes his eyes...'. It mentions that cats require taurine for eye health.
- As seen on TV:** A piece about the popularity of pet food on television, specifically mentioning the 'Whiskas' brand.
- A better world with pets:** An article discussing the benefits of pet ownership and the importance of pet food.
- Forty years of pet food:** A commemorative article celebrating the 40th anniversary of the Pet Food Manufacturers' Association (PFMA).
- From BISCUITS to BIFFIONS:** A detailed history of dog food, tracing its roots from biscuits to modern pet food products.

At the bottom left, the PFMA logo is displayed, featuring a colorful circular graphic and the text 'pfma pet food manufacturers' association'.

## PFMA Veterinary and Nutrition Committee

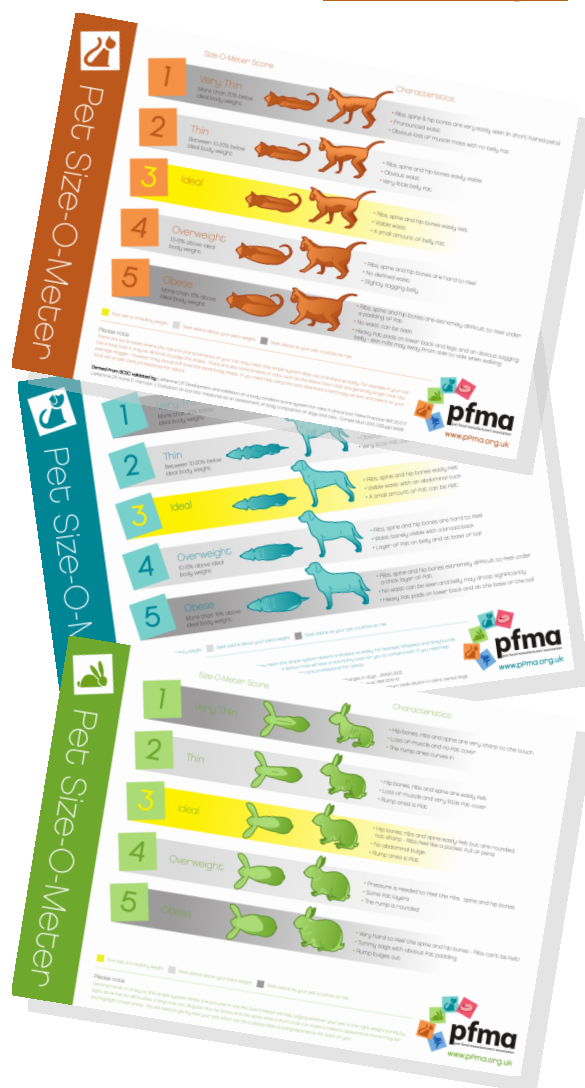
The PFMA Veterinary Nutrition Committee is a valuable asset for the Association. The group includes representatives from member companies with veterinary or nutrition expertise. Having a large group of active members from a variety of companies ensures that any information we provide is truly independent. Day to day activities of the Committee include using their expertise to respond to any public and media enquiries related to pet food and pet nutrition.

Part of the work conducted by the Veterinary Nutrition Committee is to examine current nutrition and health related issues and in 2009 they were behind the launch of the PFMA Pet Obesity Campaign.

The PFMA Pet Obesity Campaign, now into its second year, is still going strong. The main focus of the campaign recently has been to distribute the Pet Size-O-Meter (a body condition score chart for cats, dogs and rabbits) to rehoming centres who then put these into rehoming information packs of every pet that finds a new home.

So far Wood Green Animal Shelters, Dogs Trust, Blue Cross, Battersea Dogs and Cats, Mayhew and the National Animal Welfare Trust rehoming centres are putting the Pet Size-O-Meter into their packs. The British Veterinary Nursing Association, Kennel Club and Aid 4 Animals are also helping distribute the tool to pet owners.

Pet Size-O-Meters are available for download from the PFMA website, [www.pfma.org.uk](http://www.pfma.org.uk)



## FEDIAF Nutritional Guidelines

FEDIAF, the European Pet Food Association, produces a nutritional guideline for manufacturers to follow when producing complete and complementary foods for cats and dogs. These guidelines which detail the nutritional needs of cats and dogs at the varying life-stages are a review of the NRC Guidelines (the US based National Research Council) and other existing science on pet nutrition. The document is looked at on a regular basis to ensure it includes the latest knowledge and is peer reviewed by independent nutrition experts throughout Europe.

The guidelines are available for download at: [www.fediaf.org.uk](http://www.fediaf.org.uk)

PFMA continues to promote this document to UK industry including both members and non members to ensure a high standard of pet food for our nation's pets.

PFMA Small Animal Committee have been working alongside fellow pet nutrition experts from around Europe to develop additional guidelines - Nutritional Guidelines for Small Animals. The first of this series will be Nutritional Guidelines for Rabbits, developed with support from academics from Edinburgh University Vet School. PFMA expect the guidelines to be published later this year.

## Pet Food Legislation

The pet food industry is subject to stringent legislation to ensure safe products of high quality. There are over 50 regulations that cover all aspects of the pet food cycle from ingredients and traceability to labelling and claims. For example, the legislation covering pet food ingredients stipulates that manufacturers must only use raw materials from animals that have passed veterinary inspections as fit for human consumption.

Most of the legislation applicable to pet food originates from the EU, mainly in the form of Regulations.

Pet food manufacturers are in a unique position. There are few pet food specific regulations. Legislation covering pet food (the raw materials used or finished product) has either been intended for products for the human food chain or for farm animal feed.



This provides great security with regard to the raw materials - for example the restrictions on residue levels of veterinary substances in meat, and pesticide limits in cereal products.

In addition, the industry has adopted a number of Codes of Practice that support the regulations and in some cases even exceed legislative requirements.



## Pet Food Safety and Labelling

The Marketing and Use of Feed Regulation (Regulation (EC) Nr 767/2009) harmonises the labelling of pet food (and feed for food producing animals) in all 27 EU member states even further than the previous legislation.

The new Marketing Regulation took 5 years of preparation. During this time the industry played an active part in lobbying the UK authorities to ensure that a practical and proportionate approach was taken. Unfortunately the devil is of-

ten in the detail, and for the last 12 months we have worked on a common sense interpretation for a number of provisions laid down in the Regulation.

Since the publication of the Regulation, PFMA has endeavoured to ensure that manufacturers are up-to-date on the ever-changing views on how to label pet food in the future (or at least until the next review of the legislation, which could be in another 30 years).

## The New Pet Food Label

The new marketing rules already apply to all animal feed since 1 September 2010. However, pet food companies benefit from an additional transitional period until 31 Aug 2011.

Members have been changing their labels over the last 12 months taking into account additional legislation that affects the pet food labels. During this period of keeping track of newly published requirements and changing interpretations, PFMA tried to ensure that members were well-informed about the possible changes, by providing regular updates and articles in the quarterly newsletter.

In principle, labels following the new regulation will include the same provisions as laid down in the previous legislation. There will still be the need for a product name and the statutory declaration, which has to be clearly legible and indelible.

In addition, the new Regulation prescribes section headings such as 'Composition', 'Additives' and 'Analytical Constituents' which should improve readability for the consumer.



The consumer will also find additional information on the additives that have been used in the pet food product. As an industry it will be important to explain to consumers that additional additive information does not necessarily mean that more additives have been used to produce the pet food than before the label change.

## Ongoing Changes on the Horizon

As with every new piece of regulation, ensuring a uniform interpretation can be difficult and time-consuming. During the process of updating labels in line with the Regulation on the Marketing and Use of Feed, the industry discovered a number of areas where the interpretation of the provisions was unclear. Together with our European Association, FEDIAF, PFMA worked on achieving a practical approach that would fulfil the requirements of the Regulation, but that would not put an unnecessary burden on industry.

Notwithstanding this, changing interpretations as the Regulation becomes established, as well as additional legislation (such as the Community Catalogue of Feed Materials) and the various regulations re-authorising long established feed additives, could lead to changes regarding the information provided on the pet food label. Members will then need to update their labels accordingly (e.g. information on changing additives identification numbers).

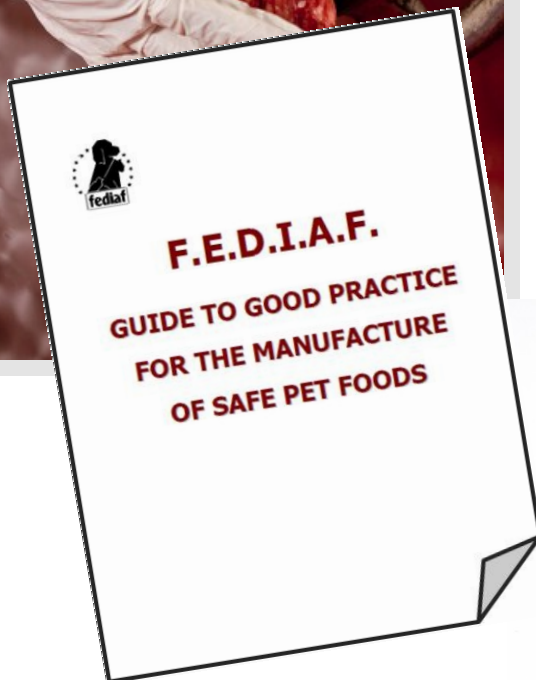
PFMA members will receive regular updates to ensure that they can base their labelling decisions on the latest available interpretation. Furthermore, the FEDIAF Community Code of Good Labelling Practice for Pet Food will be an essential tool in ensuring compliance with the legislation.





## FEDIAF Community Code of Good Labelling Practice

The new Marketing Regulation permits the industry to develop a Community Code of Good Practice on Product Communication. The Code will provide details on how to label products in line with the Marketing Regulation, but will also provide information on claims and off-pack communications. FEDIAF, the European Pet Food Federation (supported by PFMA), has already submitted a draft of the pet food Code to the EU Commission and national authorities. Following the feedback received, the FEDIAF Code is currently under revision with the intention of it being adopted in Spring 2011 and subsequently published in the Official Journal.



## Feed Hygiene Regulation

Since 2005 the EU Feed Hygiene Regulation ensures that food safety is considered at all stages in the production of pet food. The rules laid down in the Regulation were previously covered by a number of pieces of legislation. The Regulation consolidates the requirements for HACCP and the hygiene of facilities, storage, and personnel, and record-keeping.

In 2007 the EU Commission formally recognised the FEDIAF Guide to Good Practice for the Manufacture of Safe Pet Foods. An updated version was issued in 2010.

The Feed Hygiene Regulation encourages the development of these Community guides to good practice is, their purpose being to ensure compliance with the hygiene and HACCP requirements of that Regulation.



## Regulations Covering Animal Based Raw Materials

The Animal By-Products Regulation applies to any animal based raw material used in pet food. The legislation lays down the health rules concerning animal by-products not intended for human consumption (Regulation (EU) Nr 1069/2009, and its Implementing Regulation, Regulation (EU) 142/2011).

The Regulation defines the various kinds of animal by-products according to their risk potential, which leads to the exclusion of any animal raw material that could potentially be a risk to human or animal health.

A number of agencies, such as the Food Standards Agency and Animal Health (formerly SVS) are responsible for the enforcement of the Animal By-Products Regulations, which cover classification, movement, storage, processing (including the licensing of premises) and documentation of any animal based raw material.

Furthermore, the Animal By-Products Regulations provide a clear classification of animal by-products, emphasising that only by-products from animals passed as fit, but not intended for human consumption, can be used for the production of pet food. This is in line with previous legislation in this area and confirms the long-standing voluntary raw material policy of PFMA members.

PFMA members only use materials from species that are generally accepted in the human food chain, such as beef, lamb, poultry, pork, fish, shellfish, rabbit and game (please see the PFMA Raw Materials Policy for details).

**The Animal By-Products Regulation has recently been updated.**

The revised Regulation is based on the well-respected principles of the previous legislation reflecting changes in operations and addressing practical issues. During the last 3 years of discussions, PFMA has supported the UK Authorities by providing feedback and suggestions during the negotiation process, to ensure that provisions are proportionate and appropriate with regard to the risk to human and animal health.



## Future Use of Additives in Pet Food

Manufacturers wishing to ensure that they can utilise the whole spectrum of permitted feed additives in the future had until 8 November 2010 to submit a re-authorisation dossier for each individual additive.

As an industry that is primarily an end-user of feed additives, rather than a producer, the task of providing dossiers was considered to go beyond the industry's capability (due to the amount of detailed information required). The pet food industry relied upon their suppliers to take the necessary action by reminding them of the importance of feed additives to the pet food industry.

Additives for which no dossier has been submitted ("orphan additives") will be removed from the register of permitted feed additives (allowing for a two year transitional period).

Companies that have been using these "orphan additives" will have to reformulate their products or submit a full authorisation dossier. The dossier for authorisation as a new additive for use in animal feed would need to include comprehensive information on the substance without taking into account its long history of safe use in pet food.

Manufacturers wishing to find out more about acceptable additives for the use in pet food should check the latest version of the EU Community Register of Feed Additives.



**To find out more about acceptable additives for the use in pet food should check the latest version of the EU Community Register of Feed Additives.**

## Legislative Measures to Eradicate Animal Diseases

The manufacture and export of pet food containing animal based raw materials can be severely affected by an animal disease outbreak (Avian Influenza, Foot and Mouth Disease). PFMA is keeping a close eye on any developments in the UK and other EU member states.



## FEDIAF

PFMA is a founding and active member of FEDIAF, the European Pet Food Federation. FEDIAF was formed in 1970 and now includes 20 national pet food associations with more than 450 companies. It promotes the views and interests of the pet food industry before EU institutions and other international bodies, aiming at a legislative framework for the production of safe, nutritious and palatable pet food.

FEDIAF also support the development of technical Guides to Good Practice for the industry. Working groups consisting of technical experts performs the main work for these guides. The FEDIAF Guide to Good Manufacturing Practice is recognised by the EU and a link to it is included on their official website.

In a similar way FEDIAF has compiled nutritional guidelines for complete and complementary pet feed for dogs and cats. FEDIAF was not only able to attract a number of nutritional experts with practical experience in the industry, but was also fortunate to receive feedback from a number of eminent academics working for leading universities.

This strong engagement by the industry in providing information and support via a trade body is beneficial not only for manufacturers but also for their customers and ultimately for pets. By aiming to establish guides to best practice in various areas, the industry can lead the way and assure quality, safety and animal well being beyond the legal framework.



## FEDIAF AGM 2011

Each year members of FEDIAF take it in turns to host the Annual General Meeting. In 2007, it was the UK's turn and last year we were invited to Prague.

This year's FEDIAF AGM will be held in Krakow (Poland) from the 26<sup>th</sup> to 27<sup>th</sup> May.

**FEDIAF**  
**(Federation Europeenne de L'Indstrie des**  
**Aliments pour Animaux Familiers)**

**Add: Avenue Louise 89, B-1050, Brussels, Belgium**

**Tel: 00 322 536 0520**

**Fax: 00 322 537 8469**

**Email: [fediaf@fediaf.org](mailto:fediaf@fediaf.org)**

**Website: [www.fediaf.org](http://www.fediaf.org)**



The PFMA Annual Report is available to download from the PFMA website:  
[www.pfma.org.uk](http://www.pfma.org.uk)

For further information on any section of the report do not  
hesitate to contact the PFMA team:

**Michael Bellingham – Chief Executive**

**Dr Monika Prenner – Technical & Regulatory Affairs Manager**

**Nicole Harrison – Communications Manager**

**Lana Oliver – Veterinary & Nutrition Affairs**



**PFMA Contact Details:**

Address:

**6 Catherine Street  
London  
WC2B 5JJ**

Telephone: **020 7379 9009**

Email: **info@pfma.org.uk**

Website: **www.pfma.org.uk**

