

Brazil Is World's Second Largest Pet Market

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Brazil has the second largest world pet population, estimated at 27 million dogs and 11 million cats. Figures supplied by the National Association of Animal Food Manufacturers (Anfal-Pet) show that the country is currently the second largest world pet food market in terms of volume, with a production of 1.2 million tons, and the fifth in terms of revenues, at US\$ 1.2 billion a year.

by Geovana Pagel

The fact that pets, especially dogs and cats, are practically considered family members, generates a good turnover for a market that goes from industry (food, vaccines), to retail (pet shops) and services (hotels, dog walkers, and vets).

The food sector is responsible for 80% of the sector turnover and still has a great potential for growth.

"Only 40% of these animals eat industrialized food. The other 60% eat human food," stated the executive secretary of Anfal-Pet, José Edson Galvão de França.

According to him, since last year, the food sector has grown 6% in terms of volume and 8% in terms of revenues. It has also started making space on the foreign market.

"Around 46 countries import products made in Brazil. Especially countries in Latin America and Europe," he revealed.

Up to the end of 2004 the sector forecasts export of 34,000 tons and revenues of US\$ 16 million. "We should import no more than 2,000 tons, at a cost of US\$ 3 million," added França.

World pet food production has a turnover of around 1 million tons. Brazil represents 3.4% of the world export volume. The United States, the world's leader, has revenues that are ten times greater, around US\$ 12.5 billion a year.

In França's evaluation, Brazil has great growth potential, mainly due to the large volume of raw material and to the competitive factories.

"We are the largest world exporters of cattle beef and chicken, we have available large volumes of animal protein, vegetables, and grain, making it possible to become the largest pet food exporter," he explained.

"Pet food is a product with great added value. It is a product that, in future, may generate great revenues on the foreign market, helping contribute to the trade balance," he said.

However, according to França, confirmation of Brazil as a pet food export platform depends on consolidation of a strong internal market, with companies and products using top end technology and capacity to supply the demanding international market.

Good quality

Boomer Dog Wear, a small company from the southeastern Brazilian state of São Paulo, established eight years ago, has manual production of 20,000 items of dog clothes a year. Export, which began in 2001, is currently responsible for

30% of company revenues.

"As our winter is very short, we found export a good alternative for sales during other seasons," explained the company export manager, Celso Demarchi.

The main markets for clothes made at the factory in the city of Guape, on the coast of São Paulo state, are Japan, the United States, and some countries in Europe. "We also export to Costa Rica and Peru," he said.

The factory employs eight people and has around 45 third party service providers at times when greater production is necessary. "We also develop exclusive clothes for other brands, football teams, and produce theme clothes, and costumes," he pointed out.

The entrepreneurs use manual production, worth twice as much as industrialized products, according to Demarchi, as an important tool when presenting their products on the foreign market.

"Handcraft is our international competitive differential. We have embroidered clothes, knitted clothes, all produced on manual machinery. We can thus guarantee our export even with the low Chinese prices," he explained.

Pet consortium

Boomer participated in the creation of the National Association of Pet Accessory Producers (Anfapet) and, in partnership with other sector companies, is planning the creation of the first pet sector export consortium in 2005.

According to the businessman, Anfapet is the first step for creation of an export consortium. The association is being established with the assistance of the Brazilian Micro and Small Business Support Service (Sebrae), and will be supported by the Brazilian Export Promotion Agency (Apex).

"By connecting companies, we are reducing costs and making participation in fairs possible, especially in the case of international fairs, which may expand our sales on the foreign market," he finished off.

Boomer Dog Wear

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