

Pet Spending Tops \$43 Billion in 2008

APPA finds people likely to sacrifice on themselves before holding back on pets.

Posted: February 28, 2009, 5 a.m. EST

Despite the recession and cuts in discretionary spending, the pet industry is robust and resilient, according to the American Pet Products Association.

APPA's latest pet industry spending figures show that total pet spending reached \$43.2 billion in 2008, with no declines in any category from 2007. APPA forecasts that it won't stop there either, estimating that total pet spending for 2009 will reach \$45.4 billion.

APPA recently released the data at Global Pet Expo in Orlando, Fla.

Leading the way in the healthcare-related pet spending categories is veterinary care. Total spending in this segment in 2008 was \$11.1 billion.

Medical advances have made for a much broader and more elaborate menu of services, such as CAT scans, root canals, cancer surgery, antibiotics, and grief counseling. This leads to 9.9 percent anticipated growth in this category to \$12.2 billion in 2009.

With the added costs of pet healthcare comes an increase in pet insurance, estimated at \$271 million and projected to grow to \$500 million by 2012.

Pet services are the next fastest growing category. This includes grooming, boarding, training, and pet sitting, among others. In 2008, total spending reached \$3.2 billion. This category is expected to grow 5.9 percent to reach \$3.4 billion in 2009.

Other reported categories include pet food, which reached \$16.8 billion in 2008 and is expected to grow 3.6 percent to \$17.4 billion in 2009, supplies and over the counter medication, which reached \$10 billion in 2008 and is expected to grow 2.1 percent to \$10.2 billion in 2009, and live animal purchases, which reached \$2.1 billion in 2008 and is expected to grow 4.7 percent to \$2.2 billion in 2009.

"These numbers further demonstrate that people are more willing to sacrifice on themselves before trimming back on their four-legged friends," said Bob Vetere, APPA president. "People want to reward their pets in human terms and even in this economy are still demanding the highest quality products and services."

"The pet industry continues to grow at a record pace and has proven to remain strong during times of change, stress and setbacks. As pet ownership and pet quality of life continue to rise, so will the pet industry."

APPA is a nonprofit trade association serving the interests of the pet products industry.