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# A Brave New World 2017

PFMA ANNUAL REPORT & BREXIT MANIFESTO





# Contents

Chairman's Welcome	03
Brexit Manifesto	05
Chief Executive's 2016 Highlights	08
Membership Benefits	10
Secretariat	12
Educational Tools and Resources	13
Pet Population and Industry Data	14
PFMA Members	16
Mission Statement	16





# Chairman's Welcome

Welcome to the PFMA Brexit Manifesto and Annual report 2017. I complete my first year as Chairman at a very interesting time, in particular with the fallout from the referendum to leave the EU. This will have enormous consequences for the UK economy which are, of course, almost impossible to predict, given that events affecting the final outcome ebb and flow on an almost daily basis.

With respect to our own pet food industry, we engaged our members at an early stage to understand not only their concerns but also the opportunities they wanted us to deliver on. Not surprisingly those key areas are:

- Protect and grow a strong agricultural sector to supply high quality raw materials
- Retain high animal welfare legislation (for both farm and companion animals)
- Ensure robust safety regulations for raw material and finished products
- Protect the ability to trade openly with the rest of Europe through retaining regulatory convergence with the EU
- Recognise that flexibility to shape domestic legislation could also be positive
- Create opportunities to improve trade conditions with the rest of the world, which we need to be in a position to seize

We share our outlook on these priorities and opportunities with you in our newly launched PFMA Brexit Manifesto: A Brave New World (page 05). We recognise that to achieve our goals we cannot act alone. Collaboration on issues where we have commonality of interests is critical and I am delighted to see organisations working together as never before, and we at PFMA are highly pro-active in this key area. I really see the potential for this engagement going beyond Brexit and shaping discourse well into the future, to our mutual benefit.

Finally, I must add that 'business as usual' is also important for our members. The fundamentals of a strong and vibrant pet food sector have not disappeared, and giving our members the support to help them achieve their goals is what PFMA will continue to focus on alongside the Brexit work. In our Annual Report we are pleased to share what we have delivered for our members and the broader pet care sector in 2016.

In this respect, I would like to thank all member companies that have provided resource and support to the PFMA committees, the Executive Committee for providing a robust and challenging steer and the PFMA Secretariat for their continued and unstinted efforts. Without all this work, I have no doubt the industry would not be so strong.

May I wish you a successful 2017 and I look forward to working with you as we embark on this new journey.

A handwritten signature in black ink, which appears to read 'Peter Kersh'. The signature is fluid and cursive, with a long horizontal line underneath.

Peter Kersh  
World Feeds





# PFMA Brexit Manifesto

## A Brave New World



12 million  
UK households have pets

54 million  
total pet population



90%  
of the UK market is  
accounted for by our  
members



44%  
of UK households have  
at least one pet

### Introduction

The Pet Food Manufacturers' Association (PFMA) is the leading trade body for the UK pet food industry. Our 76 members account for over 90% of the UK market with an industry value of £3bn, serving over 12m households with pets. We are members of FEDIAF, the EU representative of the pet food industry, which has a market value of €15bn across Europe. As well as feeding our nation's pets, the sector adds value across the supply chain, in particular using by-products from the human food industry that would otherwise go to waste and, by doing so, provides value for UK farmers. We rely heavily on the agricultural supply chain, hence any changes in the UK agricultural system or access to agricultural raw materials from outside the UK are of key interest.

The decision taken by the UK electorate in June 2016 to leave the EU has profound implications for our Association's members. Since the UK's accession to what was then the European Economic Community some forty years ago, businesses have operated under the rules, regulations and trading patterns agreed in that forum. Few have experience outside that system.

### Involvement

Uncertainty is the enemy of our business; it lowers confidence levels and risks curbing growth and innovation in the UK. As negotiations commence following the triggering of Article 50, PFMA will engage in discussions at all levels to inform Government of issues that will affect our members' interests and business operations.

The pet food industry holds a unique place within the food and feed sector. Whilst we are governed by the same high safety rules covering the feed industry, at the same time our consumers are those who shop in the general retail environment. This presents unique challenges which means we need to be consulted closely as the negotiations proceed to ensure we are considered.

Data sourced from PFMA and FEDIAF

76 members  
90% are SMEs  
Support over 5,000 jobs

PFMA members currently  
access 500m consumers in the  
EU single market (75m pet  
owners)

European market worth  
€15bn

UK market worth  
£3bn



### Key Issues

#### Safety Standards

In the UK we have some of the highest animal health and product safety standards in the world. This is underpinned by stringent legislation on what raw materials we can use and how pet food is manufactured. It also relies on supervision by official vets and meat hygiene inspectors, as well as safeguards to handle any disease outbreaks. On top of this we have developed a complex set of guidelines through our European association, Fediaf, which ensures our members follow best practice to meet, and even go beyond, the strict regulation. **We must ensure these standards and high animal health levels remain as strong as ever, not only to satisfy our UK customers but to ensure UK pet food remains highly regarded when we trade globally.**

#### Sustainability

We are proud of our contribution to sustainability in the agri-food sector. Pet food companies utilise those parts of the animal surplus to the requirements of the human food chain (around 600,000 tonnes in 2016). This gives value to farmers who would otherwise have to dispose of that high quality material. Similarly, right at the other end of the life cycle only 0.7% of pet food is thrown away by consumers. Compare this to an average 30% of all other food purchased being thrown away.

(source WRAP reports)

#### Non-tariff barriers

Much of the discussion on future trading arrangements with the EU focuses on the impact of tariffs. **For the pet food sector, it is the impact of non-tariff barriers which is likely to be more critical.** These include the requirement for Export Health Certificates (signed by official vets), the requirement to prove the origin of the raw material used in pet food, the need for veterinary inspection at the border. All of these will take time, add cost, and require sufficient numbers of qualified vets.

#### Animal welfare

The pet food sector is in a unique position when it comes to animal welfare. We are not only keen to ensure the highest welfare of our pets, through providing the best possible nutrition, we also support livestock having the best possible life as well as end of life. **Maintaining high levels of farm animal welfare post-Brexit is critical.** This is a cost to farmers that must not be undermined by importing products from markets which operate under lower welfare standards.

# PFMA Brexit Manifesto Our Priorities



## ANIMAL HEALTH & WELFARE

95%

of members support current raw material & product safety rules

PFMA members are proud of the high animal health and welfare and feed standards we have in the UK. Much of this is based on EU legislation.

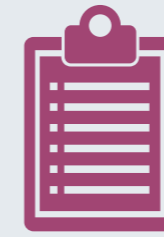


## RAW MATERIAL SUPPLIES

90%

of members want a strong UK agriculture sector to supply their raw materials

PFMA members source more than 80% of their raw materials from the UK. We want this to continue.



## REGULATORY REGIME

74%

of members want to maintain legislation aligned to the EU for ease of trade

PFMA members have worked intensely with EU partners to establish rules and regulations which underpin the Single Market and have facilitated trade.



## MARKET ACCESS

73%

of members want us to focus our resources on market access in future

PFMA members import raw materials, as well as importing and exporting finished product. All this will be significantly impacted by changes to trade relations. Of particular concern is the impact on some of our members with manufacturing plants in Northern Ireland who currently enjoy (and wish to retain) free access to the Republic of Ireland.



## WORKFORCE

40%

of members see access to labour and skills as a risk over the next 12 months

Access to people and skills is as important as access to materials and markets.

## WE NEED...

### NOW

Resolution to the question of overseas vets remaining in the UK is urgent. Approximately 85% of official state vets carrying out official controls in approved meat establishments are from other EU countries and up to 30% of all vets come from the EU. Without their continued presence, the safety and welfare standards, which underpin our industry, are under serious threat.

Dialogue between Government, business and farming sectors to ensure stability along the supply chain during negotiations.

We will need to consider whether to implement new legislation currently under negotiation but not yet in force.

A clear indication of the Government's intentions with regard to market access, both EU and non-EU. Clarity on the future functioning of cross-border arrangements which is of particular importance to our industry.

A clear message that the UK continues to welcome workers from EU Member States under current "Freedom of Movement" provisions and will continue to do so at least until the Article 50 negotiations are concluded.

### FUTURE

To protect our already strong feed safety and animal welfare standards

To resist opening our domestic market to imports which do not have equivalent standards.

Strengthen UK agricultural policy to ensure a reliable and sustainable source of raw materials. This includes acknowledging farmers' key role in ensuring high welfare and safety standards

Maintain the present regulatory regime in line with EU rules. The package of detailed legislation to be reviewed once the UK's new position in the world becomes clearer.

Avoidance of barriers to trade, both tariff and non-tariff. In a highly competitive industry, any on-costs as a result of increased bureaucracy and delays to shipments are potentially damaging.

Strong assistance from relevant Government Departments to support industry accessing new markets, for instance through organizing trade missions or providing training on new rules and systems.

We must maintain flexibility to employ the best qualified people, whatever their origin, as part of the competitive edge that will maintain our success in domestic and international markets.



# PFMA Annual Report

## Chief Executive's Highlights

The UK vote to leave the EU last June has not changed our role and it is vital our usual activities of supporting the membership, promoting the sector and educating on pet food nutrition continues. In this latest edition of our Annual Report we highlight what we have delivered to our Members in 2016 and how we have supported those in the broader field of animal health and nutrition.

## 2016

### Winner!

Winner of 'Best Digital Campaign' at the Trade Association Forum Awards for our 'Truth about Pet Food' campaign. A campaign to educate on pet food production and pet nutrition.



### Educational Material

Increasing our offering of educational material to 13 pet food fact sheets, three nutrition posters and five Pet Size-O-Meters, which are all available free to download from our website.



(from 70 to 76 members in March 2017)

### Companion Animal Nutrition Conference

Teaming up with one of UK's leading colleges – Moulton College – to co-host our first 'Companion Animal Nutrition Conference' which brought together researchers, industry professionals and students to discuss the latest science on companion animal nutrition.



### Companion Animal Nutrition Conference

### London Vet Show Seminar

For the second year running, hosting a seminar at London Vet Show entitled: 'Humanisation of pets: part of the family but not at the table'. PFMA was joined by leading small animal veterinary nutritionists Dr. Marge Chandler and Dr. Cecilia Villaverde.



Branded media coverage reaching **over 21 million** and **worth over £1.15 million**.

This 44% value increase on the previous year firmly establishes PFMA as the voice on pet food nutrition.



### Pets & Aquatics Trade Show

PFMA ran a survey of pet retailers at PATS to find out how we can support retailers on nutrition education.

### A brand-new office for PFMA

Along with FDF, the team moved from Catherine Street in Covent Garden to Bloomsbury Way; a modern open plan meeting space with better networking opportunities

Whilst Brexit is an important new part of our work programme, we have other exciting initiatives in store for 2017 and we share a taster of this below.

## 2017

### European Society of Veterinary Comparative Nutrition Annual Conference

The 21st ESVCN Congress will be held in Cirencester, UK, from 20-23 September. The event will showcase the latest research in animal nutrition with delegates participating from across the nutrition discipline. PFMA will be running a seminar and networking session with the title of Pet Food Exposed; Behind the Scenes of Pet Food Industry on the 23rd looking at the hottest topics in pet food. More info: [www.rau.ac.uk/esvcn2017](http://www.rau.ac.uk/esvcn2017)

### ESVCN Congress 2017

### Raw Guidelines to be launched

Sector specific guidelines for PFMA members who manufacture raw pet food.

### London Vet Show

Visit our stand at London Vet Show from 16-17 November and hear the latest from the voice of the industry.

We look forward to working with you in 2017.

Michael Bellingham  
PFMA



### European Pet Food Federation (FEDIAF) AGM

PFMA is hosting the AGM of the European Pet Food Federation (FEDIAF) in Manchester from 01-02 June with a highly relevant theme – 'A global pet food industry united'. All members are encouraged to attend.



CFSG  
Canine & Feline Sector Group

### Canine Feline Sector Group

Working with the Canine Feline Sector Group (CFSG) to develop a robust system for data collection to help with strategic planning on animal welfare issues.

### Developing education

Extending our nutrition education offering to vets through digital learning (to include webinars and more).

Developing more tailored education resources for pet retailers.

Visiting UK vet schools to participate in pet food nutrition seminars and education.

# Membership Benefits

PFMA strives to represent its members by promoting the good nutrition of pet food products. Knowledge is shared online, via committee meetings, in topic papers and tailored articles for trade and hobby press. PFMA also lobbies government on issues and monitors the wider media environment. Our recent member survey asked members to prioritise why they were members of PFMA.

## Information Resource

85%

are members because PFMA is a valuable information resource

## Credibility

79%

are members because PFMA gives credibility to the industry

## Networking

76%

value PFMA for networking opportunities

## Lobbying

74%

look to PFMA for lobbying influence



## Information Resource



dedicated online portal for members



annual pet food market report



newly launched Brexit Newsletter



annual pet population report



online shop for all PFMA educational leaflets and factsheets



35 working group meetings



400+ member queries answered



49 editions of pet themed 'Your News' for members



10 dedicated working groups & committees



10 new pet food factsheets



2 media training workshops

## Networking and Credibility



annual convention & AGM



190 PFMA branded media mentions



19 pet food articles produced for trade and hobby press



attendance at international science symposium



5 training sessions and workshops (LVS, BVNA Congress, Glasgow University Pet Food Seminar, Moulton College, PATS)

## Lobbying



dedicated Brexit task force



MP lunch



39 meetings with government bodies



member of All Parliamentary Group for Animal Welfare



member of the Canine Feline Sector Group



member of FEDIAF (the European pet food federation)



# PFMA Secretariat



**MICHAEL BELLINGHAM**  
Chief Executive

Michael joined PFMA in 2004. Before that he worked in both retail and food trade associations in the UK. In 2000 he moved to Brussels to run a European cereals association which focused on international trade issues. As well as looking after the Executive Committee, which has financial and strategic oversight of PFMA, Michael also runs the Fish and Raw Pet Food Groups. He is Chairman of National Pet Month, a charity which PFMA supports which promotes positive messages on the bond between pets and humans.



**NICOLE PALEY**  
Communications Manager

Nicole joined the PFMA in 2003 and manages the PFMA communications activity overseeing both internal and external communications. Nicole also runs the PFMA Press Office and is an industry spokesperson. Beyond the UK, Nicole sits on the Communications Working Group of the European Pet Food Federation and participates in the communications discussions of the Global Pet Food Alliance, GAPFA.



**SARAH HORMOZI**  
Science and Education Manager

Sarah joined PFMA in 2011 and runs a number of PFMA Committees and Working Groups including Veterinary & Nutrition Committee, Bird and Small Animal Working Groups. Part of her role is to keep abreast of developments in areas such as veterinary medicine/science and animal nutrition. Collaboration with government and other trade associations on technical issues and providing advice to members also form an important part of her role.



**LANA MORGAN**  
Regulatory Affairs Manager

Having joined PFMA in 2009, Lana is responsible for dealing with all regulatory issues, acting as an intermediary between government and the industry, and providing advice to members.



**LYNN INSALL**

Lynn joined PFMA as a consultant at the end of January and is covering aspects of Lana's regulatory work during her maternity leave. Lynn spent twenty years in regulatory affairs with FDF and has substantial experience in European legislation. She is also supporting Michael on Brexit issues.



# Education

Education is an important element of what we do as today's pet owner is keen to be well informed about the diet they provide for their pet.



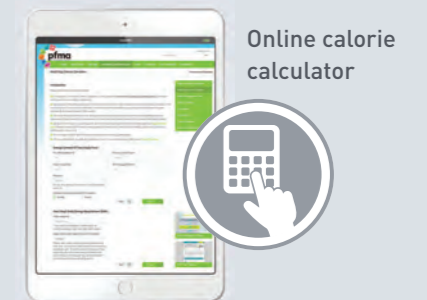
**PFMA works hard to ensure pet owners and those at the front line of pet care have all the information they need to make diet related decisions.** Obesity remains a concern and we are active in developing and promoting tools to help professionals' access information on good pet nutrition and healthy feeding.

In order to promote good pet nutrition, PFMA has organized events or presence at numerous conferences and seminars including:

- Moulton College, June 2016
- BVNA Congress, October 2016
- Glasgow University Pet Food Seminar
- PATS, September 2016
- LVS, November 2016

At these events and through our media work, we promote our evolving range of pet nutrition resources. All these tools are downloadable from [pfma.org.uk/resources-and-downloads](http://pfma.org.uk/resources-and-downloads). This advice from the voice of the industry has proven very popular with over 5800 page views since its launch six months ago.

**We are active in developing and promoting tools to help professionals' access information on good pet nutrition and healthy feeding**



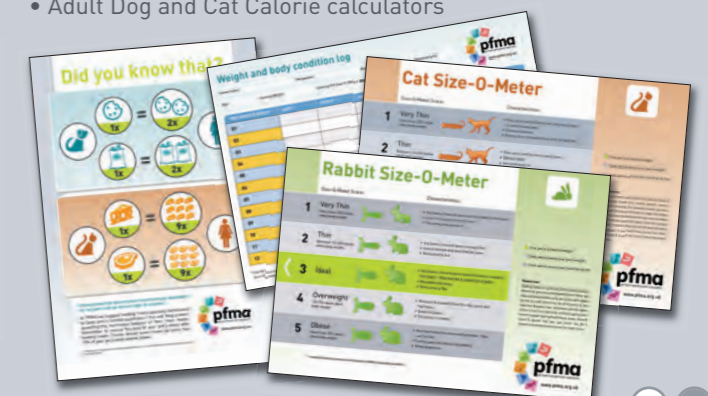
## Fact Sheets

13 subjects and still expanding... from responsible raw and homemade diets to additives and protein. Top three fact sheets are currently Raw Feeding (1350 views), Puppy Nutrition (1114 views) and Labelling (832 views)



## Weight Management Tools

- Pet Size-0-Meters for dogs, cats, rabbits, guinea pigs and birds are still incredibly popular with over 8000 views this year.
- Food Diary, Weight Log and Posters about pets and human leftovers
- Adult Dog and Cat Calorie calculators

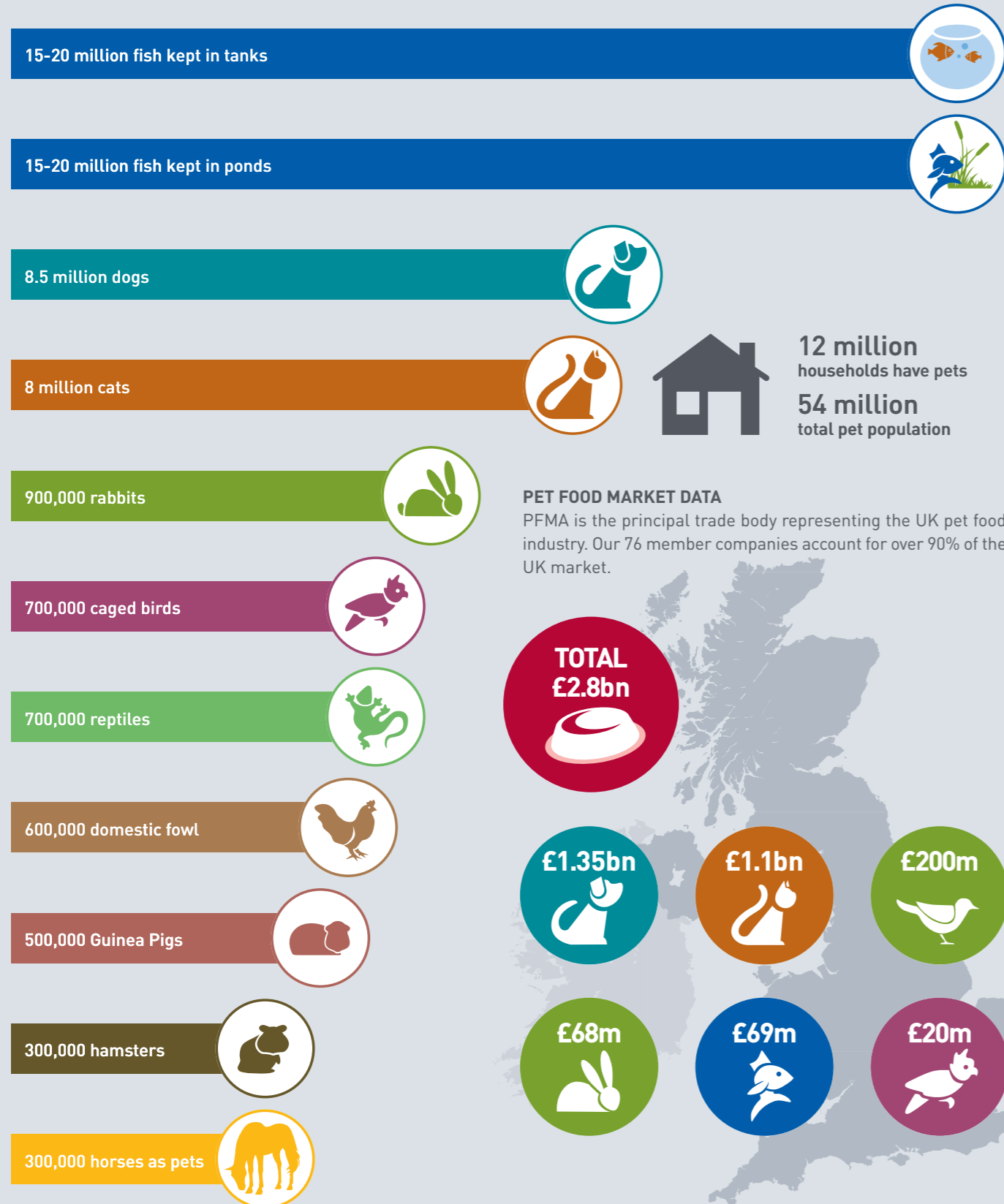




# Pet and Industry Data

Every year PFMA gathers Pet Food Market Data and commissions Pet Population Research. Here is a snapshot of our findings and more detail can be viewed in our 'Pet Data Report'.

## PET FOOD POPULATION DATA



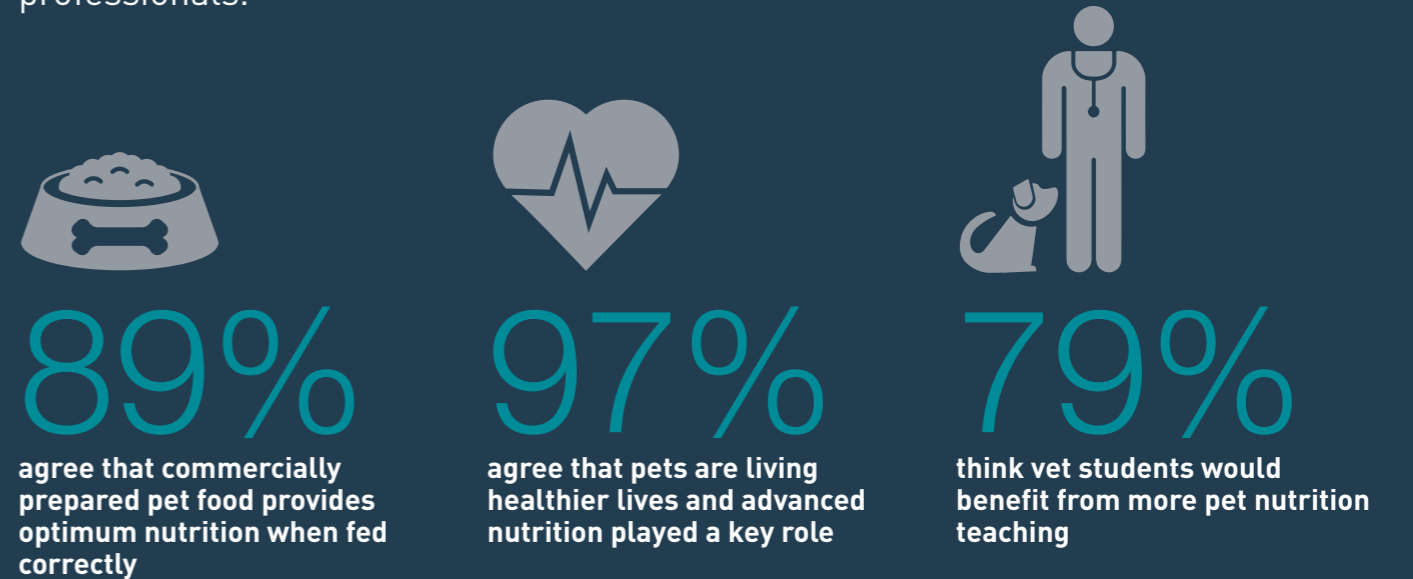
## PET FOOD MARKET DATA

PFMA is the principal trade body representing the UK pet food industry. Our 76 member companies account for over 90% of the UK market.



# Veterinary Professional Research

PFMA has a presence at the London Vet Show every year and surveys veterinary professionals on pets' health and nutrition. Our aim is to get an up-to-date picture of the state of pets' health, introducing our latest educational material and raising awareness of the industry representatives (PFMA and FEDIAF) to veterinary professionals.



## PERCENTAGE OF OVERWEIGHT PETS ACCORDING TO VETS



Vets believe that 49% of dogs, 44% cats, 32% small mammals and 11% birds are obese



Awareness of PFMA has grown among vets from 16% in 2012 to 35% in 2016



# Mission Statement

PFMA aims to create a credible and responsible industry by placing pets at the centre of everything we do. 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, the public and others, as well as playing a lead role in forming opinions in Europe through the European Pet Food Federation (FEDIAF).

## PFMA Members



Alba Protein  
Alltech  
Arden Grange Pet Foods  
Beaphar  
Benyfit natural pet food  
Billy and Margot  
Bob Martin  
Burgess Pet Care  
Burns Pet Nutrition  
Butcher's Pet Care  
C&D Foods  
Caledonian  
Cambrian Pet Foods  
Cotswold Raw  
Countryside Products  
Crown Pet Foods  
Devenish Nutrition  
Dietex International  
Dodson and Horrell  
DSM  
DuPont N&H  
Durham Animal Feeds  
Eden Holistic Pet Foods  
Feedwell Animal Foods  
Fish4Dogs  
Fold Hill Foods (inc Pointer)

GA Pet Food Partners  
Gel Systems  
Gladwell & Sons  
Grove Pet Foods  
Happy Pet Products  
Henry Bell and Co  
Hill's Pet Nutrition  
Honey's Real Dog Food  
Inspired Pet Nutrition  
Interpet  
John Pointon & Sons  
Johnsons Vet Prods  
Johnston & Jeff  
Lily's Kitchen  
Marches Natural  
Marriage's Specialist Foods  
Mars Petcare  
Millies Wolfheart  
MPM Products  
Natural Instinct  
Natural Vetcare  
Natures Menu  
Nestle Purina PetCare  
Nutriment  
Oscar Pet Foods  
Pacific Proteins

Pedigree Wholesale  
Pet Food UK  
Pets Choice  
Premier Pet Nutrition  
Pro-pet  
Provimi  
Rolf C Hagen  
Regency Feeds  
Rettenmaier (JRS)  
Roger Skinner  
RSPB Trading  
Sarval  
Spectrum Brands  
Suffolk Group  
Supreme Pet Foods  
Thompson and Capper  
Town & Country Petfoods  
TPMS Animal Feeds  
Trouw Nutrition GB  
United Fish Industries  
Wafcol  
Westland Horticulture  
Wolf Tucker  
World Feeds

