



Packaged
Facts



US Pet Market Outlook 2026

Market Opportunities

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Packaged Facts Pet

Agenda

- **Pet Market Overview**
- **Major Trends Impacting Growth**
- **Opportunities**

A woman with long blonde hair is shown from the chest up, holding a white dog. She is looking down at the dog with a gentle expression. The background is a bright, slightly blurred indoor setting. On the right side of the image, there is a large, abstract graphic composed of overlapping green triangles and polygons in various shades of green, creating a modern, geometric design.

PET MARKET OVERVIEW

sales, inflation, and spending

Pet Market Sales by Sector

- Growth has slowed significantly from a peak in 2020-22.

Pet market sector sales in billions and percent growth

Sector	2025 \$ Sales	2024-25 % Change	2020-2025 CAGR
Retail Products	\$100	2%	8%
Pet Food/Treats	\$69	2%	9%
Pet Supplies	\$31	2%	7%
Services	\$55	4%	6%
Veterinary Services	\$41	2%	5%
Non-Medical Services	\$14	9%	11%
TOTAL	\$156	3%	8%

Pet Market Inflation

Pet market inflation by sector

Sector	2023	2024	2025
Pet Food and Treats*	5.1%	-1.7%	1.2%
Purchase of Pets, Pet Supplies, and Accessories	0.1%	1.5%	1.0%
Veterinary Services	10.8%	6.2%	7.1%
Pet Services	0.7%	11.5%	5.0%

Source: US Bureau of Labor Statistics, Consumer Price Index

Data represents December-December data

*Category was labeled "Pet Food" in 2023 and 2024

Pet Owner Spending

- The share of owners increasing their pet spending in 2025 compared to 2024 was significantly lower than the previous two years.

Changes in pet owners spending, year-over-year

Overall Pet Spending	2021 vs 2020	2022 vs 2021	2023 vs 2022	2024 vs 2023	2025 vs 2024
Increased	38%	45%	49%	50%	43%
Stayed the same	58%	51%	44%	43%	48%
Decreased	4%	5%	7%	6%	9%

Source: Packaged Facts January/February Surveys of Pet Owners



MAJOR TRENDS **impacting market growth**

WHY PET OWNERS KEEP PETS

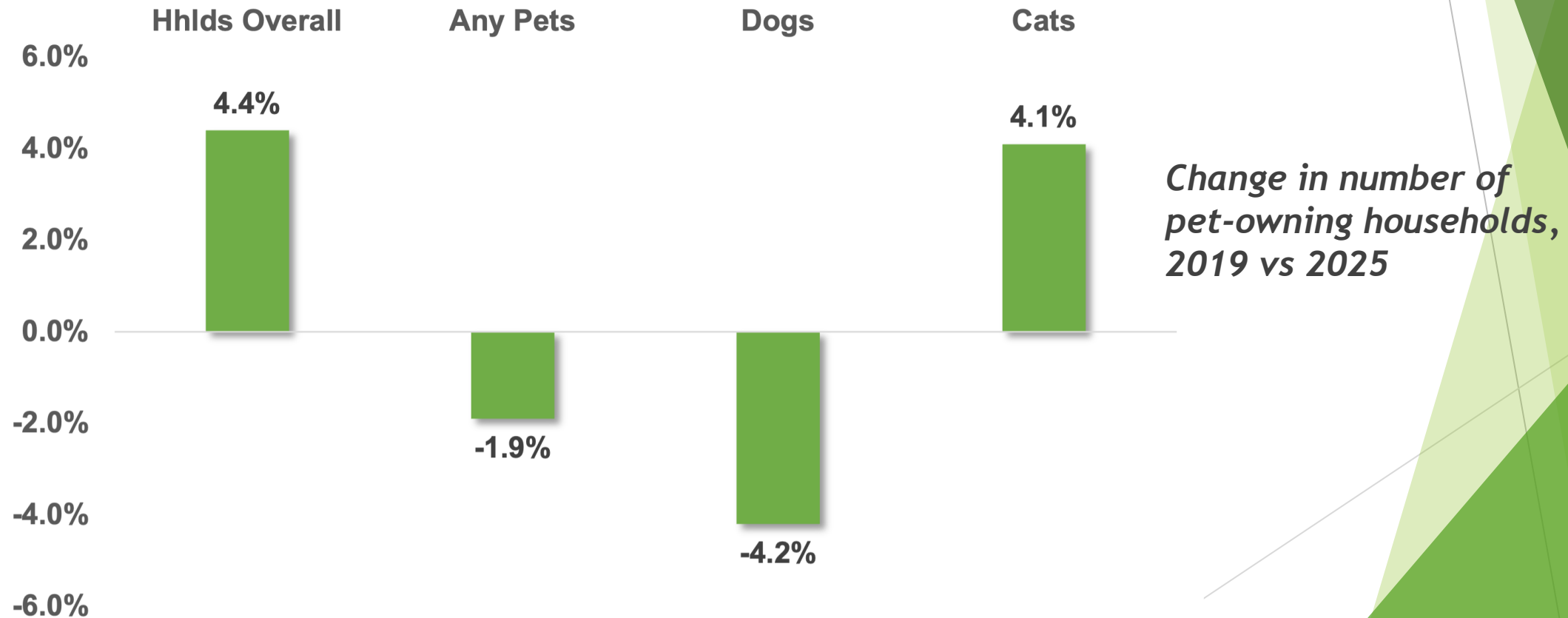
- Companionship, love, affection, and fun are the top reasons pet owners keep pets

Reasons for keeping pets

Reasons	Dog Owners	Cat Owners	Other Pet Owners
For companionship	62%	57%	19%
Love this type of pet	56%	57%	41%
This type of pet is affectionate	43%	42%	10%
This type of pet is fun to interact with	40%	39%	27%
This type of pet has great personality	38%	36%	14%

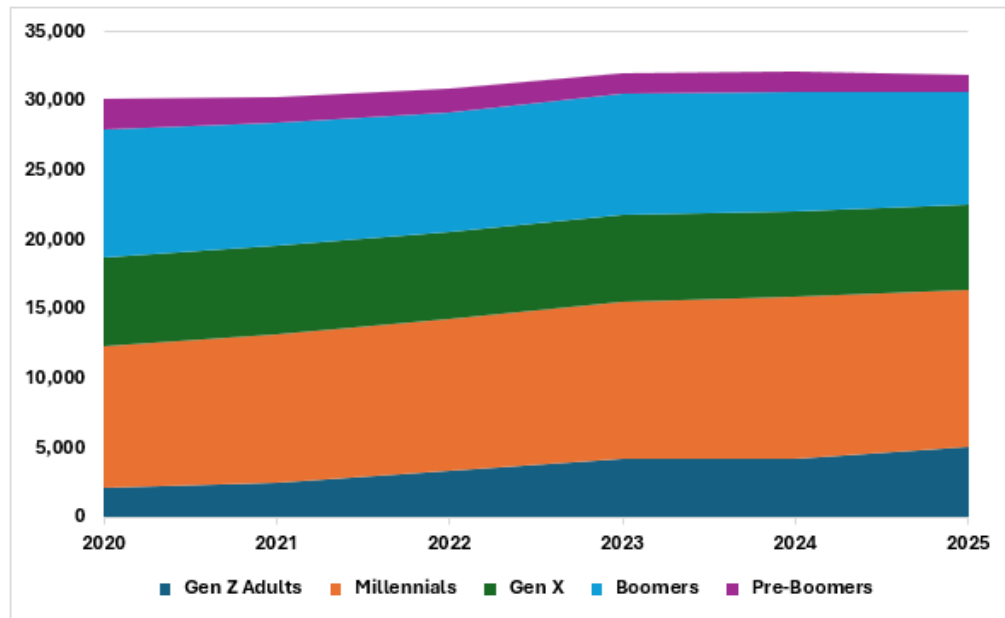
PET POPULATION TRENDS

- The pet population has been fueling pet market growth for decades
- After a brief pandemic-related bump, the dog population has experienced declines



PET POPULATION TRENDS

- Several factors are behind this shift:
 - Stalled growth in US households
 - Challenges to home ownership
 - Homeowners are more likely to own dogs
 - Affordability/Consumer Confidence
 - Generational shifts



Dog-owning household population by generational cohort, 2020-25 (thousands)

Expense	Average Annual Cost (Dog)	Average Annual Cost (Cat)
Food	\$250 – \$700	\$150 – \$400
Grooming	\$50 – \$500	\$0 – \$200
Veterinary Care	\$300 – \$800	\$200 – \$500
Toys & Supplies	\$50 – \$200	\$50 – \$150
Total	\$650 – \$2200	\$400 – \$1250

Source: Institute for Environmental Research and Education (IERE)

Source: Packaged Facts, *US Pet Market Outlook, 2026-2027*; MRI-Simmons

PETS AS FAMILY

- The vast majority of pet owners view their pets as parts of the family
- Pets are viewed as central to the household
- This close relationship is why pet owners are willing to spend on their pets

“Pets as family” attitudes


I consider my pets to be a part of the family

91%

My pets are central to my home life

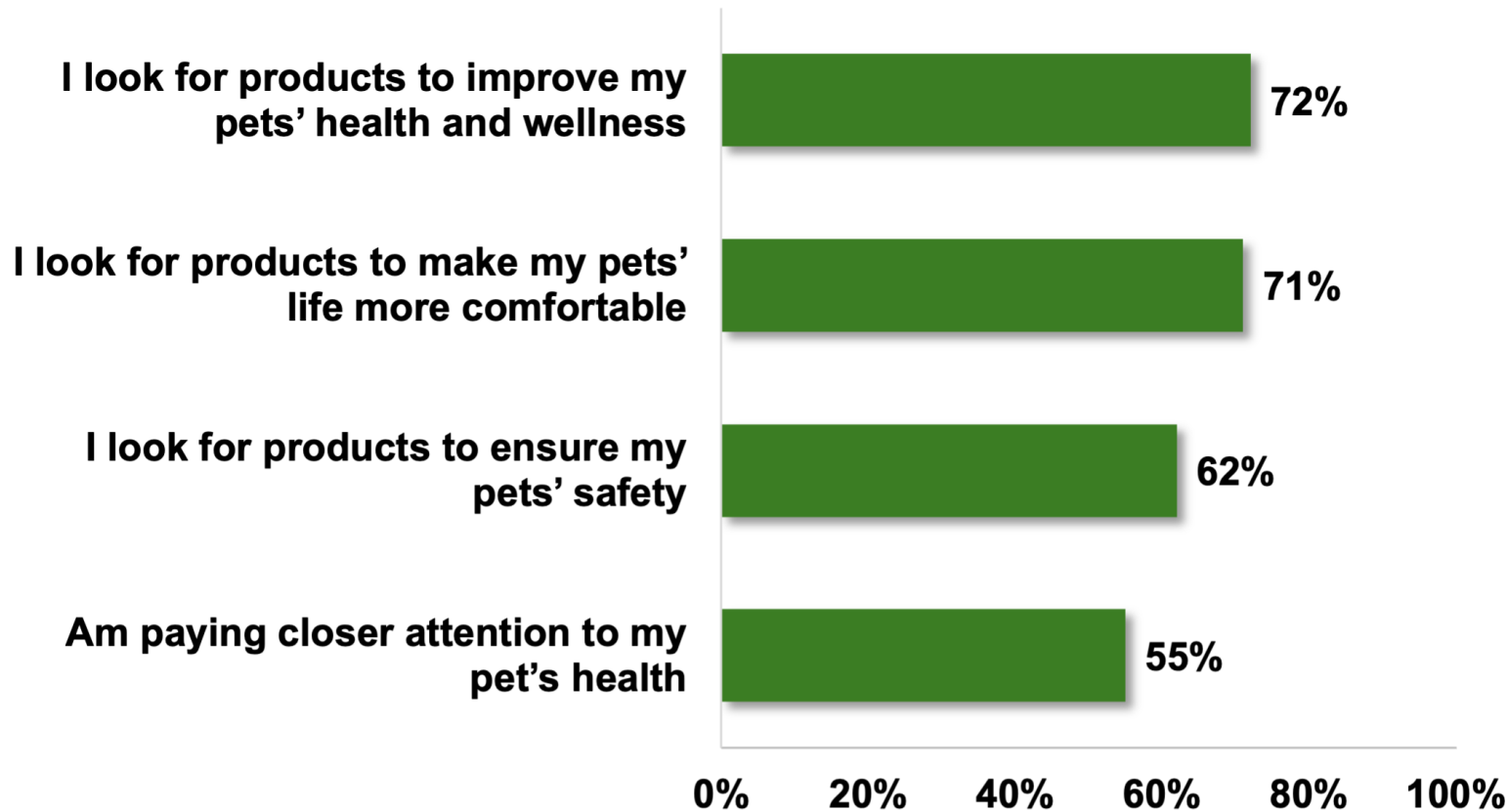
86%

0% 20% 40% 60% 80% 100%



HEALTH AND WELLNESS

- Because pet owners view their pets as family members, they want to keep them as healthy as possible
- Products across all categories that focus on health and wellness are more likely to appeal to pet owners



Attitudes towards pet health and wellness

A woman with long hair is sitting on the grass, looking towards a dog. The scene is overlaid with a semi-transparent green geometric pattern on the right side. The word "OPPORTUNITIES" is written in a bold, green, sans-serif font across the middle of the image.

OPPORTUNITIES

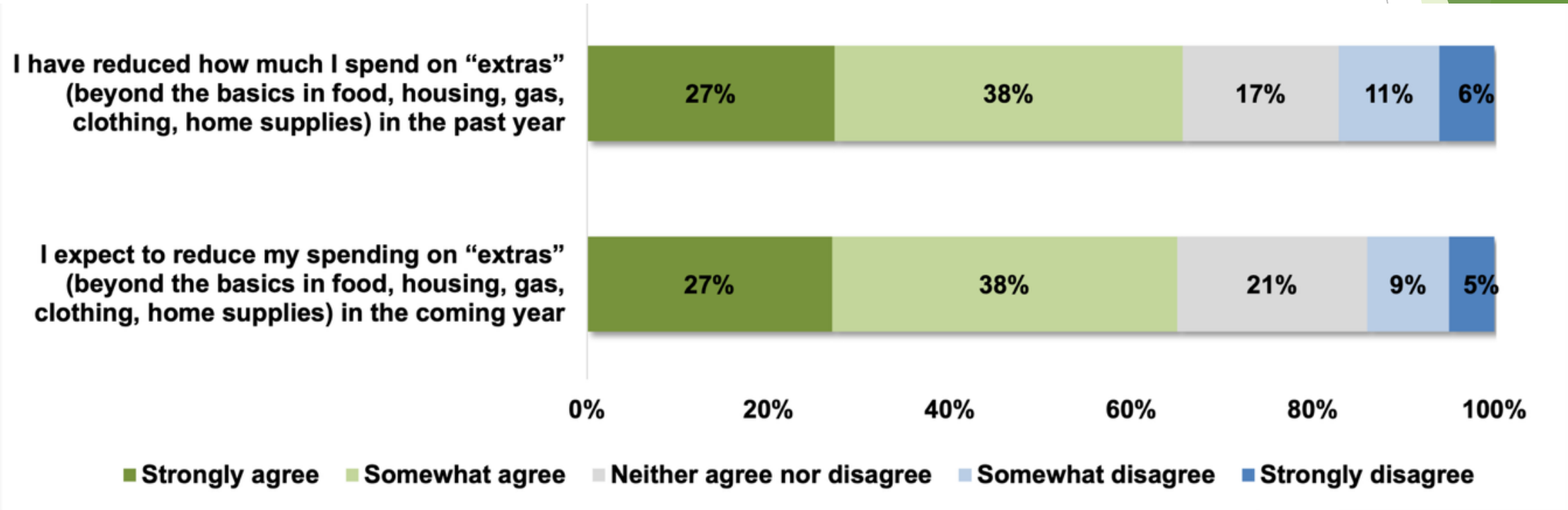
VALUE



The Importance of Value

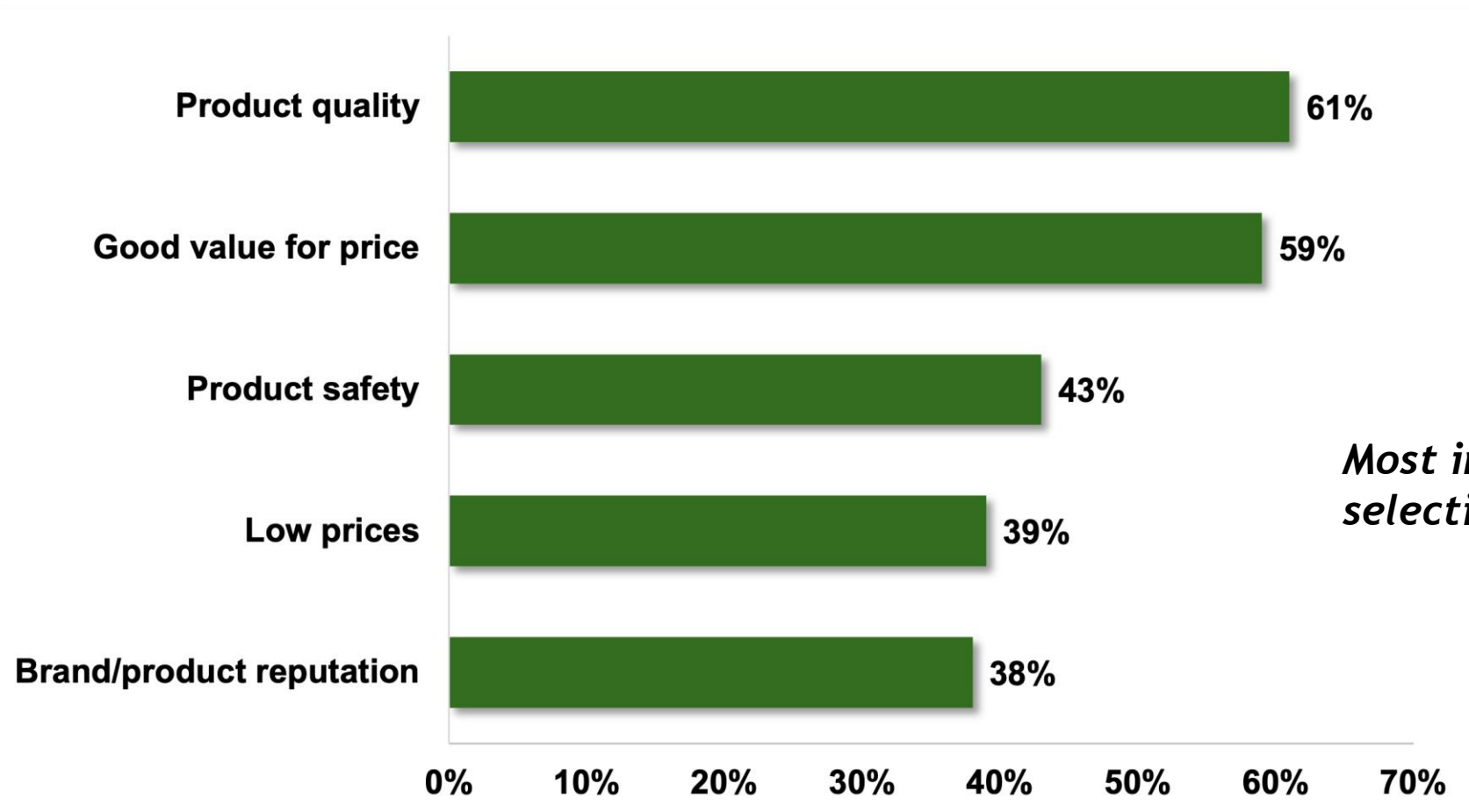
- Pet owners are cutting back on “extras” and want the products they are spending on to provide the most value possible

Spending on “extras”, historical and expected



The Importance of Value

- Quality and value are the most important factors impacting purchase decisions



Most important factors when selecting pet products

Premiumization 2.0

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the slide, creating a modern, layered effect. The text 'Premiumization 2.0' is positioned on the left side of the slide in a bold, dark green font.

Pet Food Premiumization

- Households earning \$70K or more account for over two-thirds of overall pet market spending.
- Annual expenditures on pet food increase steadily up the income ladder.

Amount spent on pet food by household income, 2025

Amount spent	Household Income				
	<\$30k	\$30k-\$59k	\$60k-\$99k	\$100k-\$149k	\$150k+
<\$200	27%	24%	20%	18%	15%
\$200-\$299	13%	11%	11%	11%	9%
\$300-\$499	14%	16%	16%	16%	15%
\$500+	23%	26%	32%	37%	41%

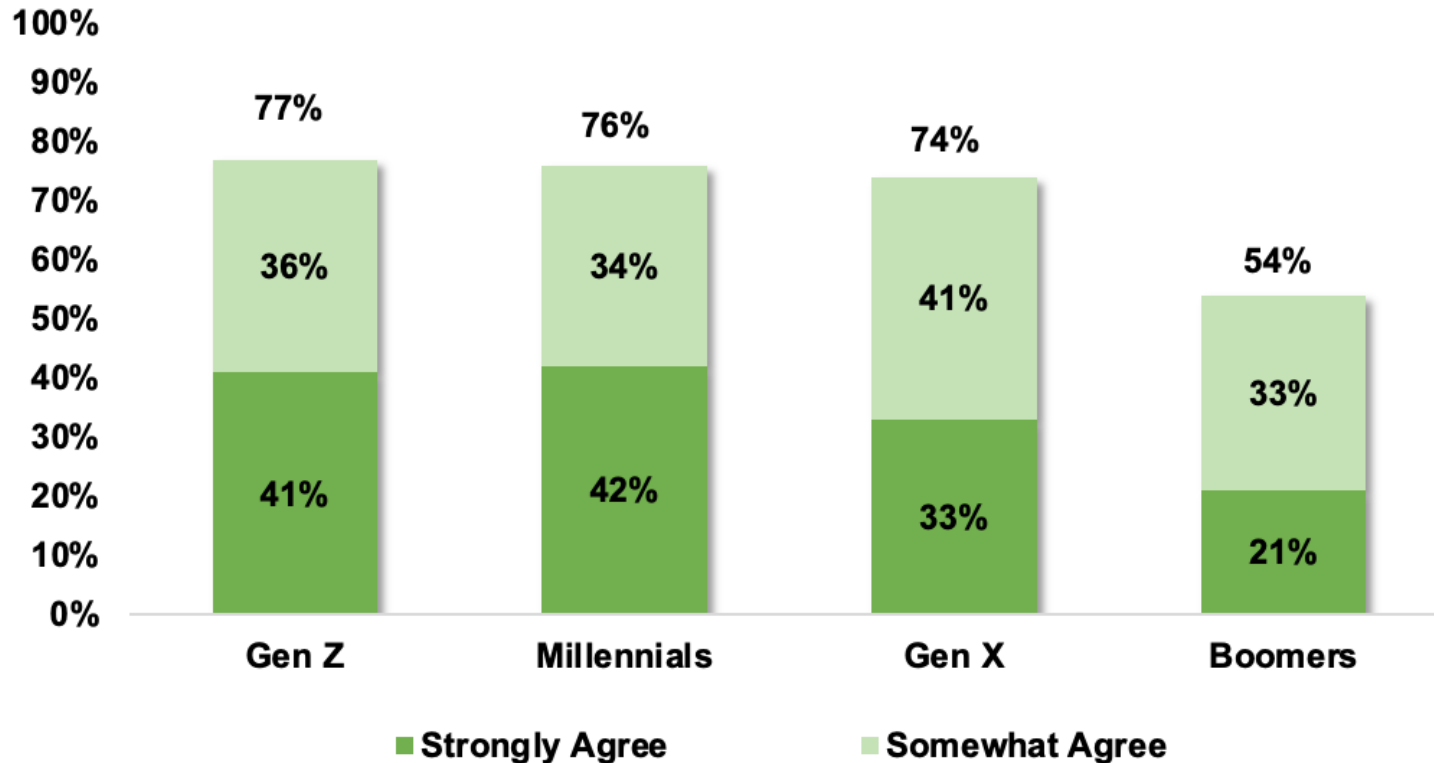
Source: Packaged Facts, *US Pet Market Outlook 2026-2027*; MRI-Simmons Fall 2025 survey

Omnichannel/Omnimarket

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect. The text 'Omnichannel/Omnimarket' is centered horizontally and positioned in the upper half of the image.

Omnichannel/Omnimarket

- Younger generations are more likely to seek out a single source for pet care.
- Single source petcare can mean greater customer loyalty.
- Combining product types—including consumables, for subscription/DTC appeal—with vet/pet services is increasingly essential for major players.

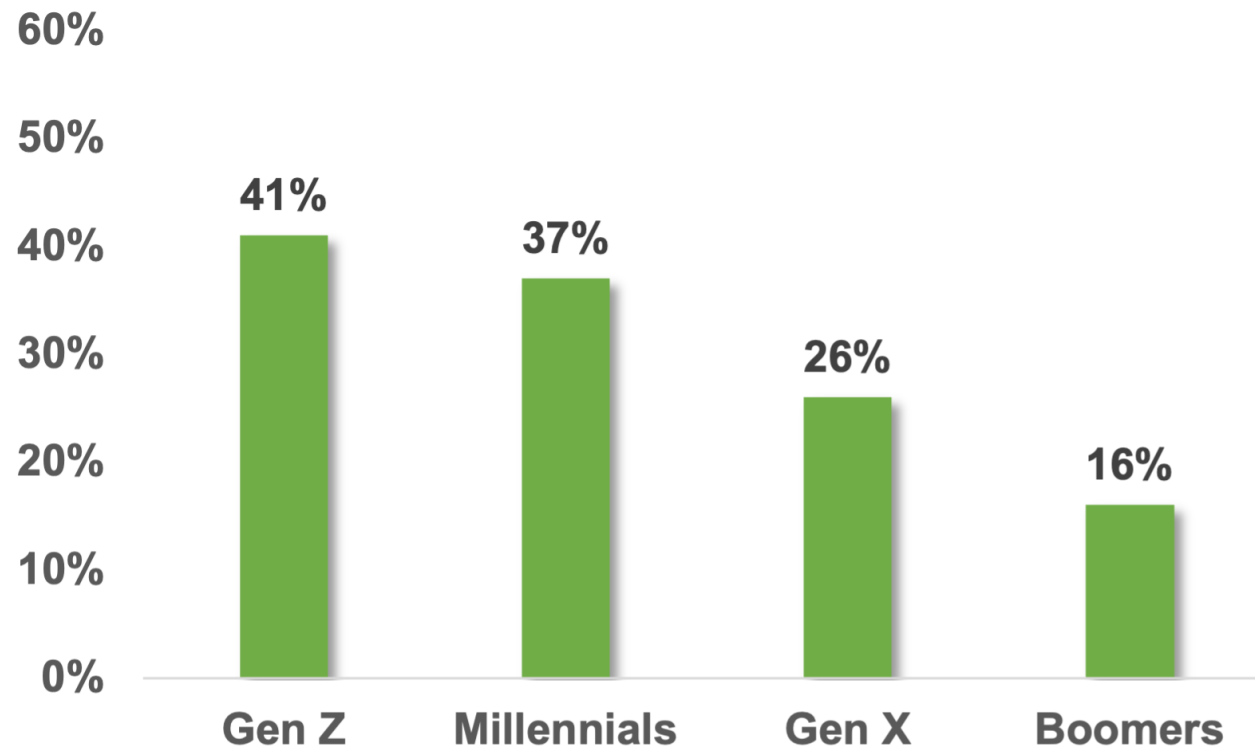


“I like the idea of single source for pet care, including pet products and pet services”

Omnichannel/Omnimarket

- Younger generations are more fluid (and less loyal) shoppers.

Share of pet product shoppers who significantly changed where/how they bought pet products in 2025

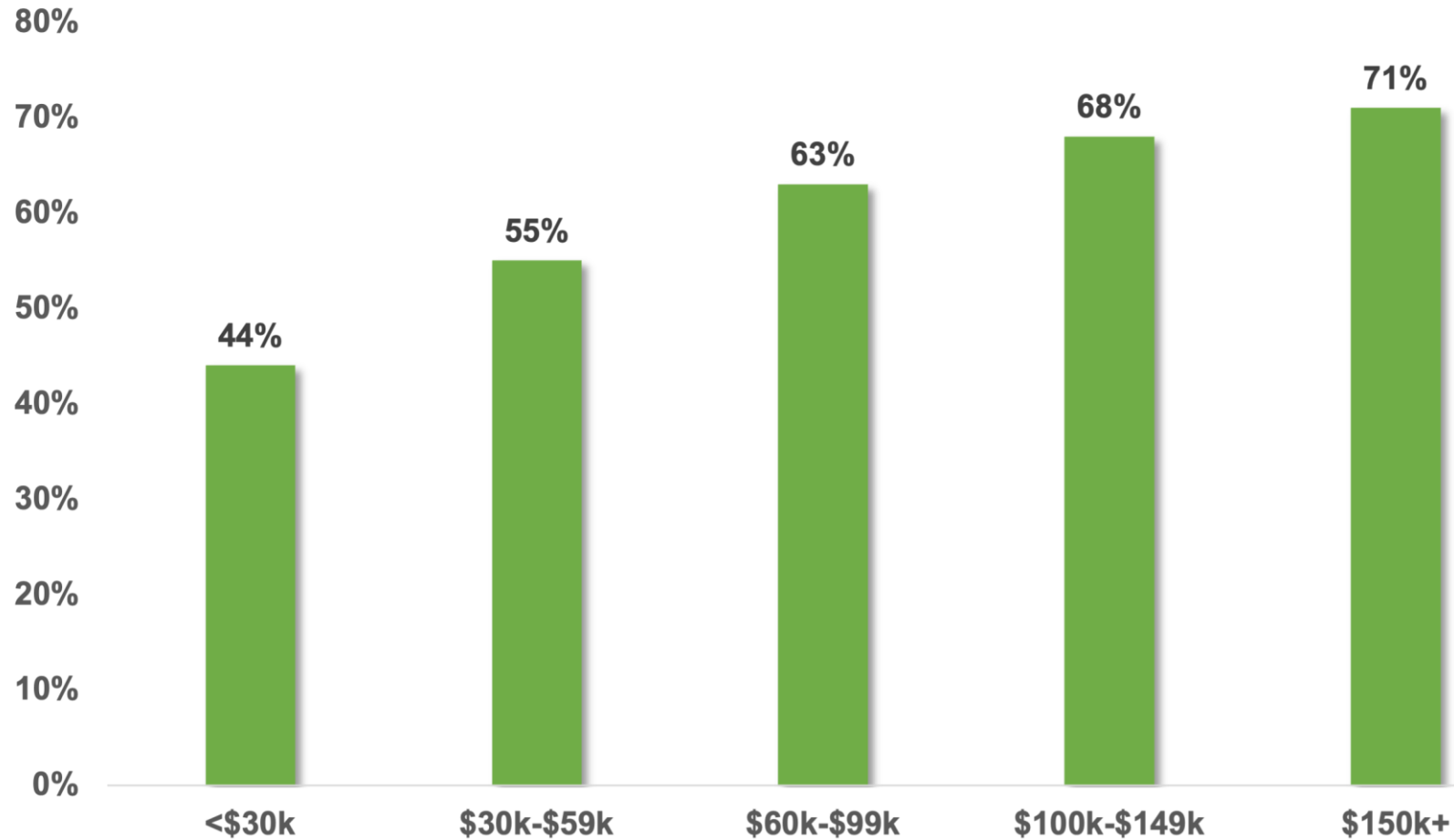


Customer Loyalty

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the page, creating a modern, layered effect. The text 'Customer Loyalty' is positioned on the left side of the page, centered vertically, in a bold, dark green font.

Customer Loyalty: Income

- Rewards program usage rises up the income ladder



Percent of pet product shoppers using any type of customer loyalty/rewards program

Customer Loyalty: Private Label

- Rising usage rates for private label and continued macroeconomic uncertainty signal opportunities for retailers (and competition for branded products).

Store brand usage rates by dog or cat product category, 2019 vs. 2025

Category	2019	2025
Dry Dog Food	9%	11%
Wet Dog Food	9%	11%
Dog Treats	15%	19%
Dry Cat Food	7%	8%
Wet Cat Food	7%	8%
Cat Treats	5%	5%
Cat Litter	13%	16%

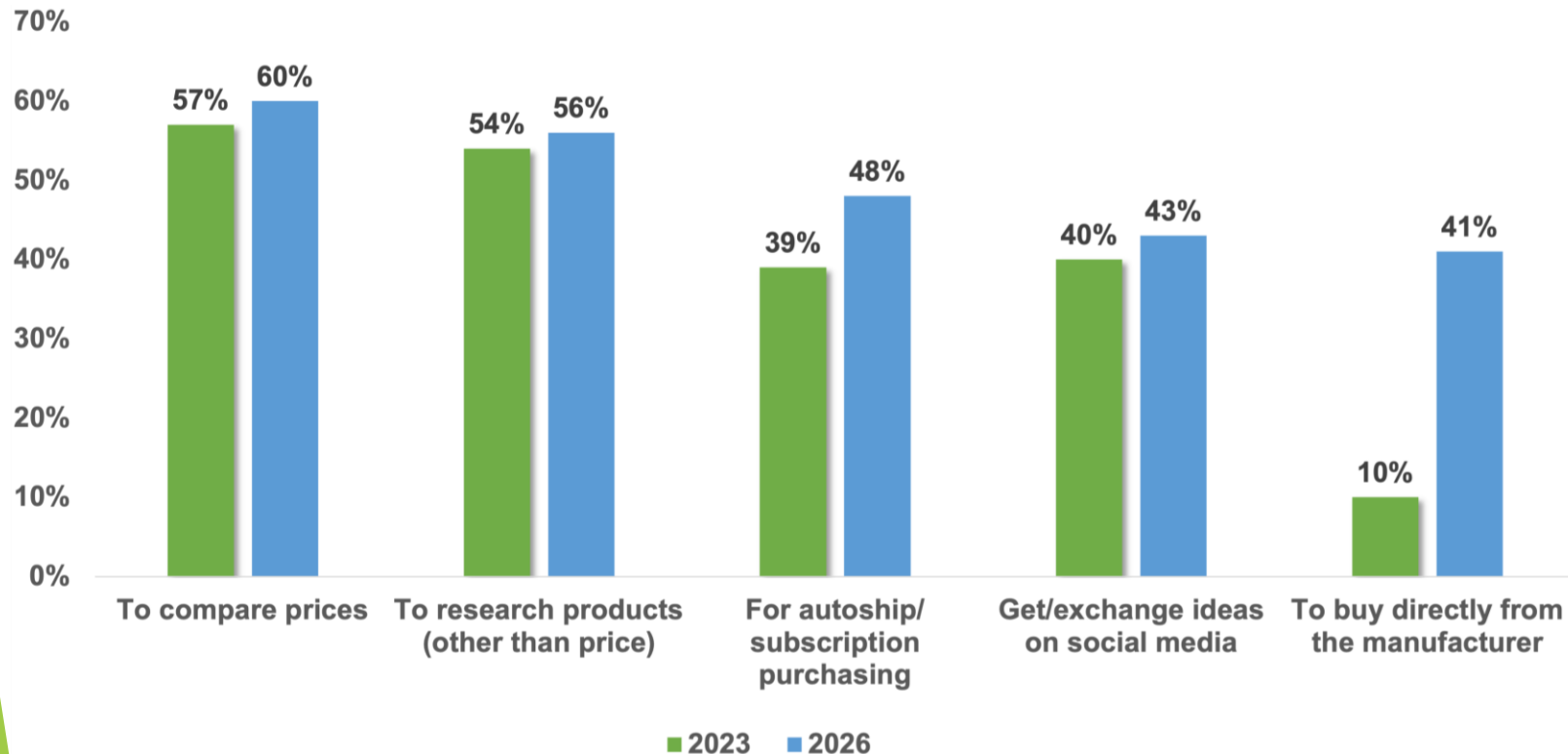
AI's Role in Customer Loyalty

- Predictive personalization based on past purchases and web searches
- 24/7 virtual assistance and chatbots
- Proactive health monitoring—wearables, transmission to health care providers
- Optimized services scheduling—bookings, check-ins, reminders, etc.
- Enhanced customer experience—streamlined marketing via personalized campaigns, email offers, etc.
- Cost reduction

Direct-to-Consumer and Autoship/Subscriptions

DTC: Impressive Growth

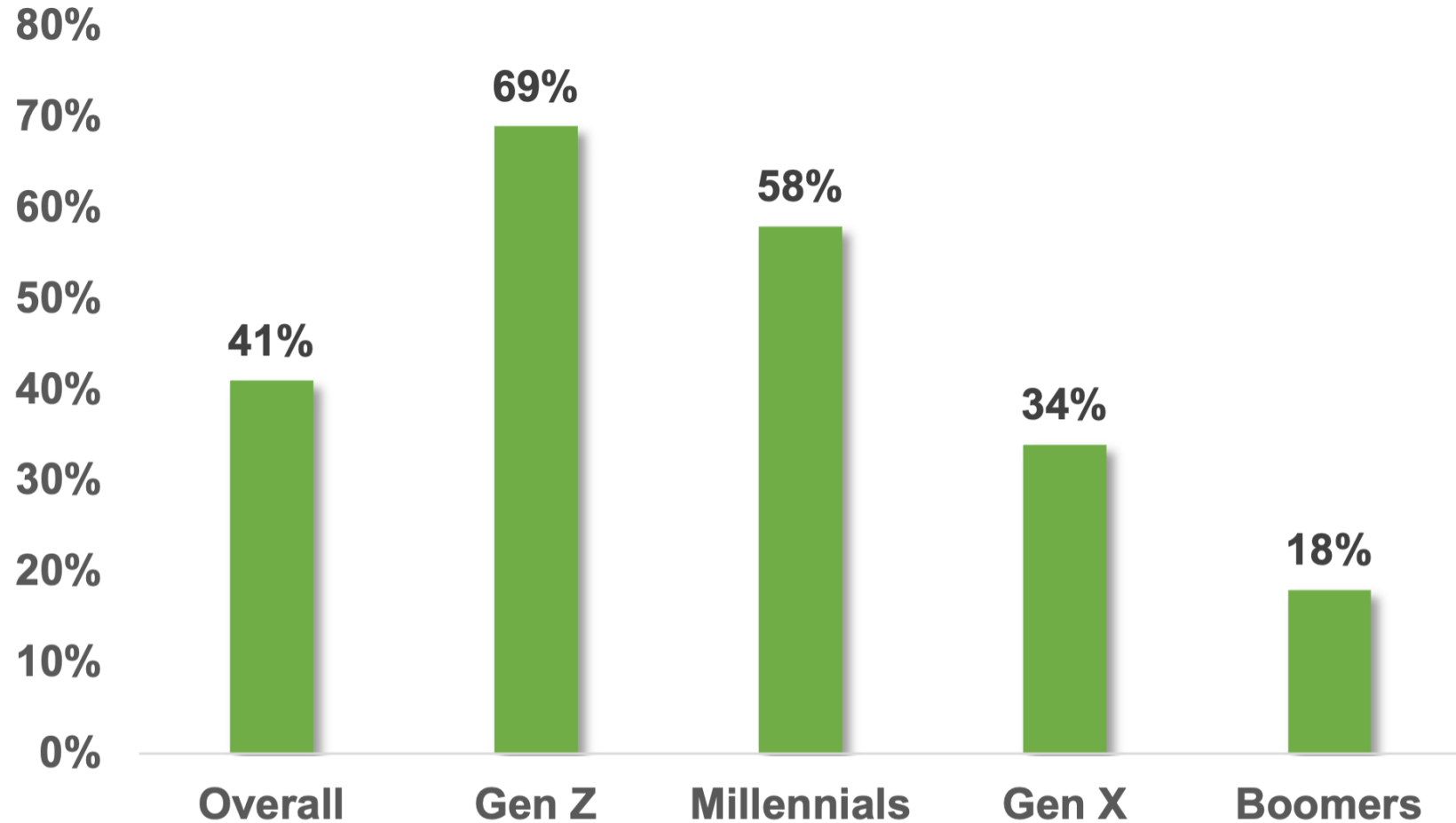
- E-commerce share of retail pet product sales jumped from 24% in 2019 to 41% share in 2026.
- Huge increase in DTC from 2023 to 2026 (potentially crimping retail subscription shopping).



Use of the Internet for pet product shopping, 2023 vs. 2026

DTC: Generations

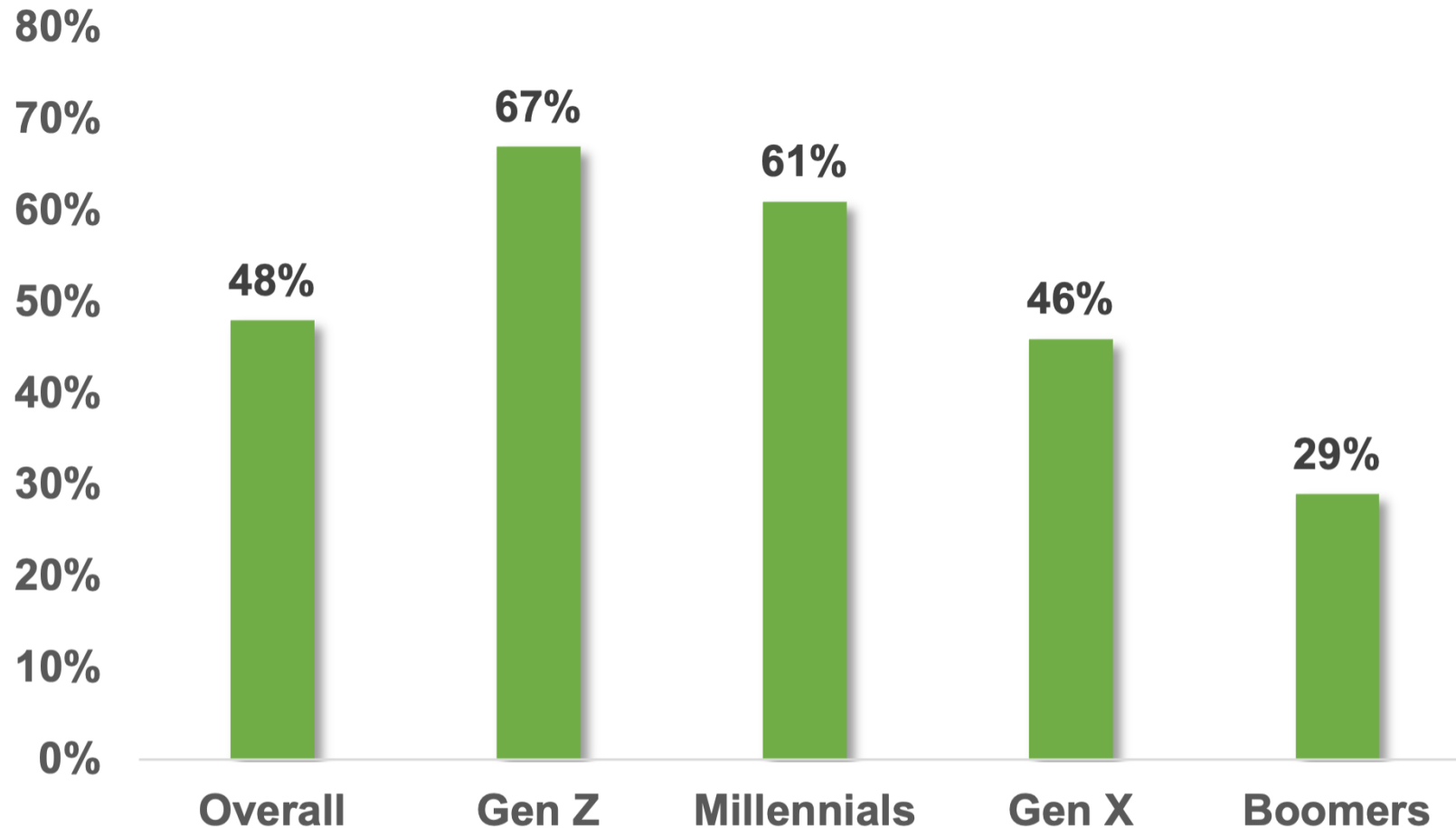
Share of shoppers using any type of pet product DTC service, by generation



Source: Packaged Facts January 2026 Survey of Pet Owners

Autoship/Subscriptions: Generations

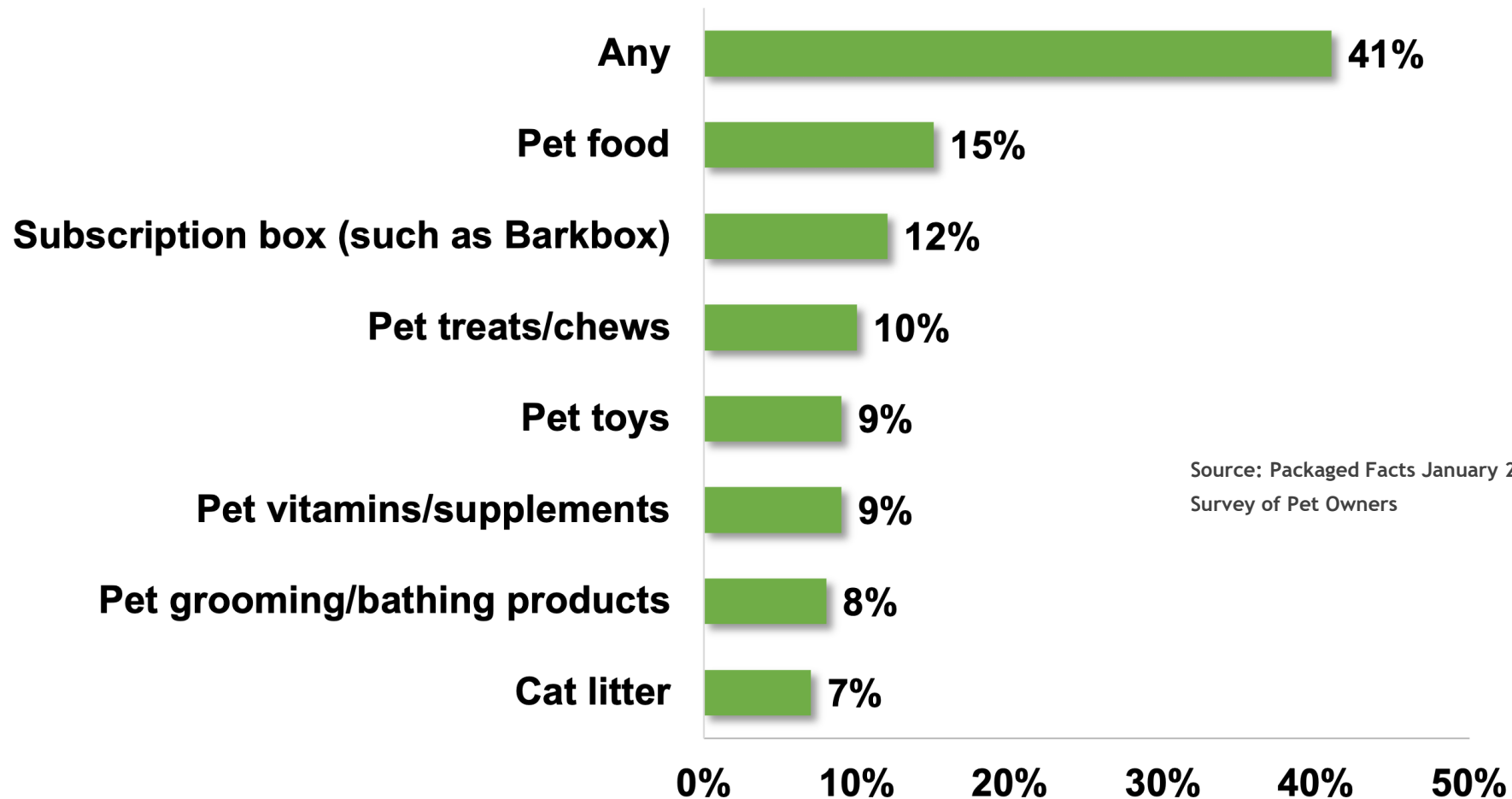
Share of shoppers using any type of pet product autoship/subscription service,



DTC Purchase Rates by Product

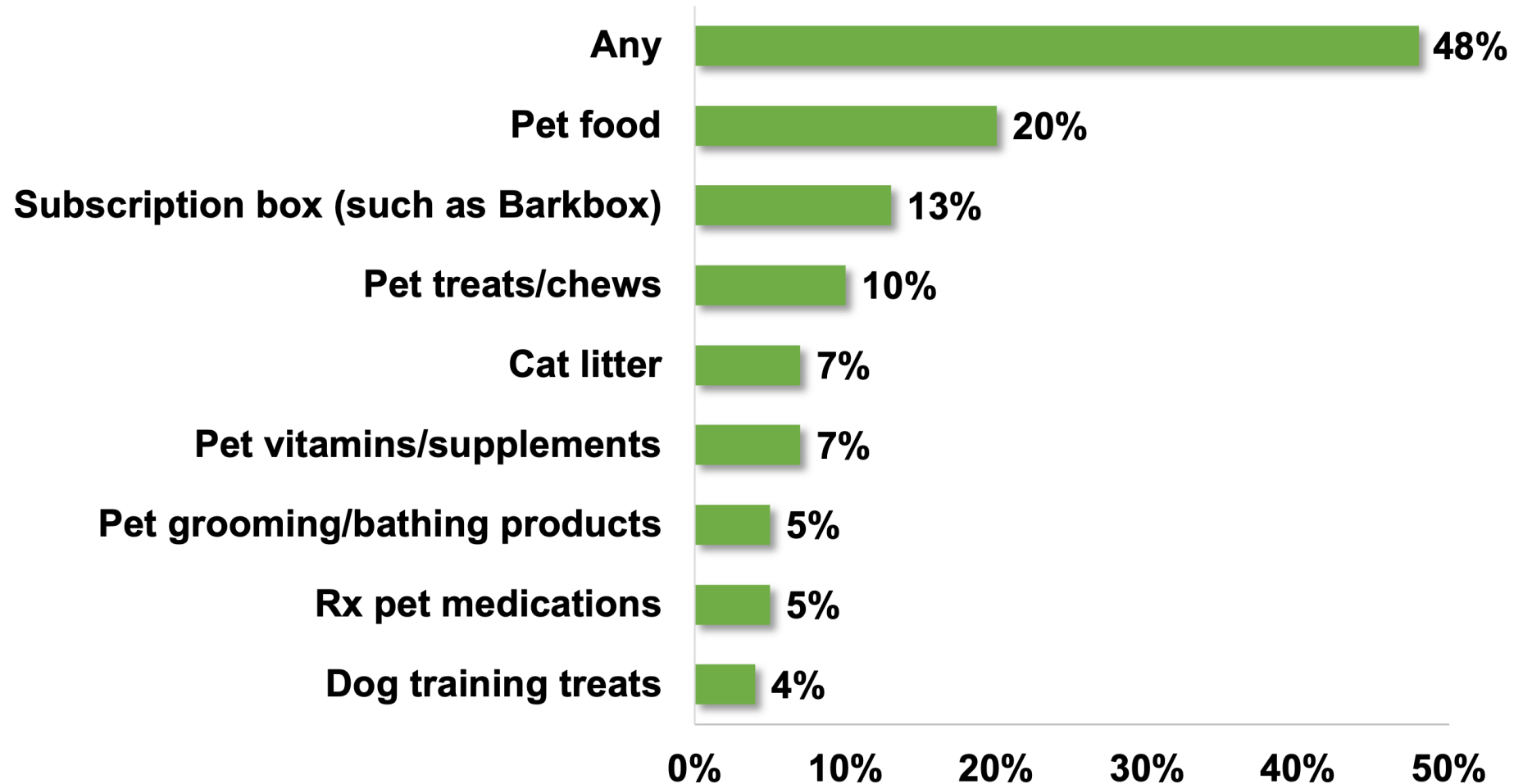
- Pet food remains at the forefront of DTC sales, primarily driven by fresh pet food

Direct-to-consumer purchasing rates by key pet product types



Autoship Purchase Rates by Product

Autoship/subscription purchasing rates by key pet product types



Source: Packaged Facts January 2026 Survey of Pet Owners

Pet Health and Longevity

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect. The rest of the background is plain white.

Senior Pet Ownership Rates

- Half and dog- and cat-owning households have senior pets.

Percentage of Dog-Owning and Cat-Owning Households with a Senior Pet (Age 7+)

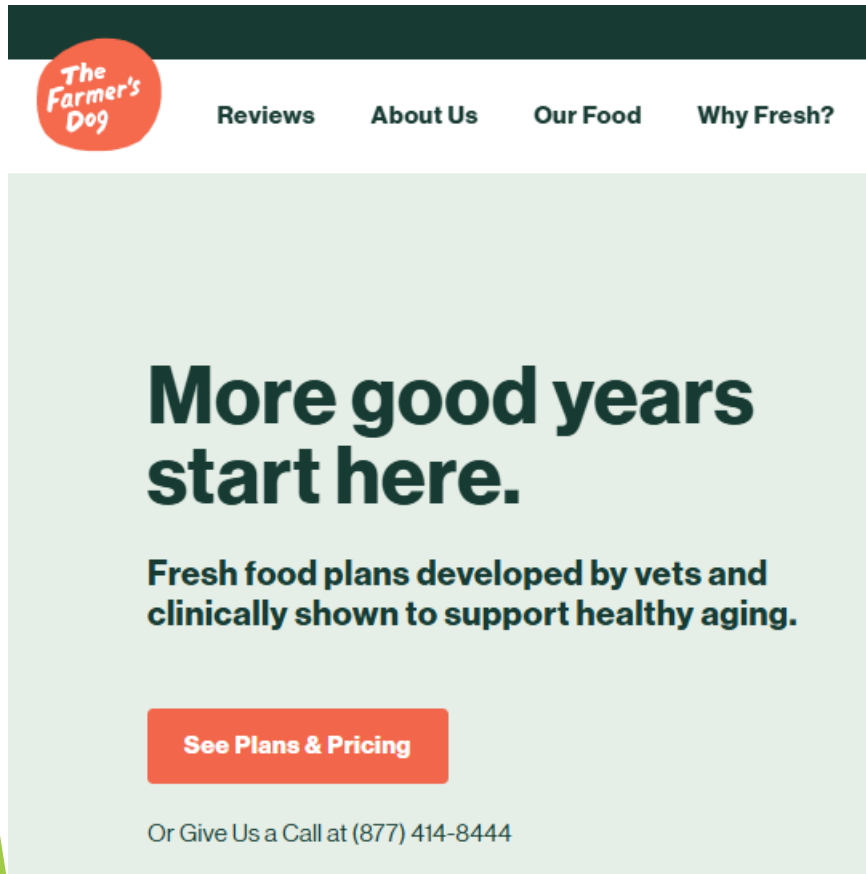
Type	2019	2020	2021	2022	2023	2024	2025
Dog	51%	51%	54%	54%	52%	52%	52%
Cat	49%	53%	54%	52%	50%	51%	50%

Source: Packaged Facts, *US Pet Market Outlook 2026-2027*; MRI-Simmons Fall 2019 - Fall 2025 surveys



Focus on Healthy Aging

- New Study from The Farmer's Dog shows that fresh food can support healthier aging in dogs.
- Pet supplements and pet food marketers are focusing on longevity - "healthspan"



The Farmer's Dog

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Any questions?

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