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Voluntary - Public

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PET FOOD MARKET RESEARCH REPORT

Report Categories:

Food Processing Ingredients

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Report Highlights:

Costa Rica has the largest Central American dog and cat food import market. Its import market is larger than that of the rest of Central America combined. There has been a steady increase in pet food imports from around \$20 million in 2013 to nearly \$30 million in 2017.

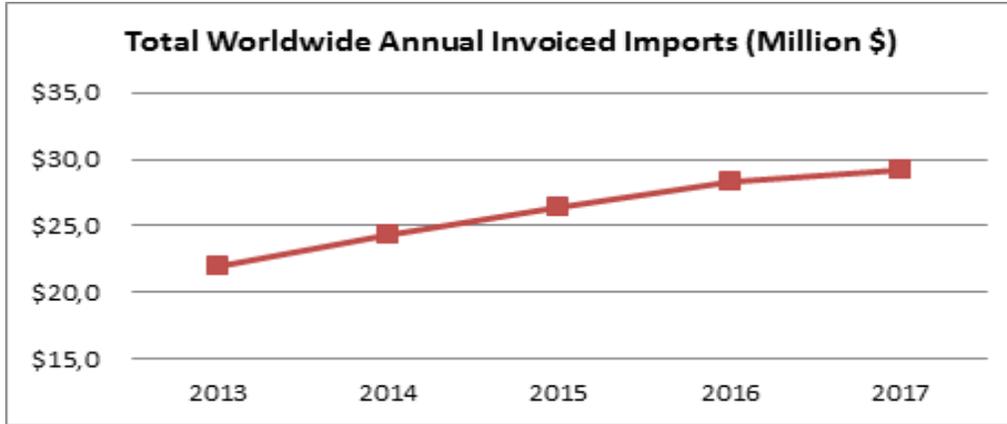
The United States continues to be the lead importer to Costa Rica with an overall market share of 67 percent valued at \$20 million in 2017. Mexico and France are the next largest importers, with market shares of 24 percent and three percent, respectively. The remaining six percent is comprised of imports from ten countries.

Although the cat food market is expanding, the dog food segment continues to be the major player with 75 percent of the overall market share of pet food imports.

Sealed bags of dry pet food, ranging from 1.5 kg up to 25kg, are more popular than imports of canned moist pet food.

General Information:

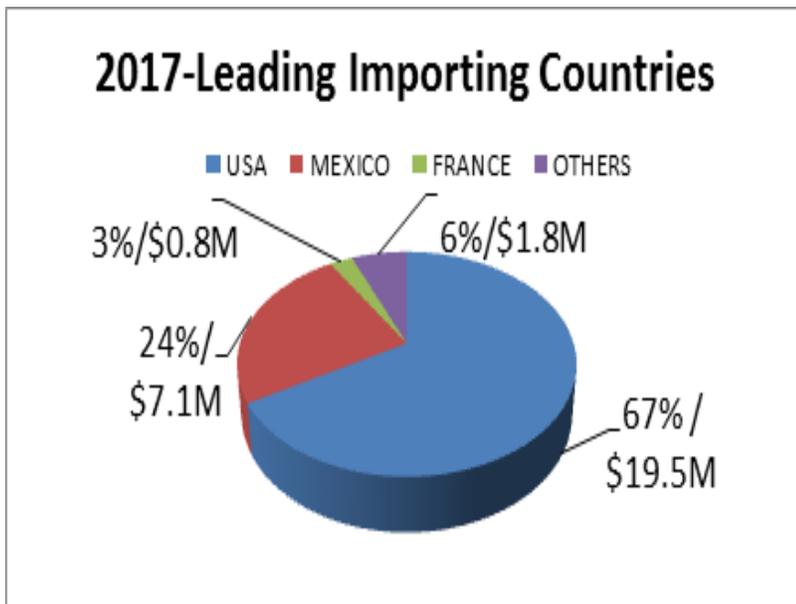
SECTION I. MARKET SUMMARY



Sources: Statistics and information in this graph and the ones that follow are taken from the official Costa Rican Government Harmonization code website for codes 2309100010 and 2309100090:

<https://www.hacienda.go.cr/contenido/702-estadisticas-de-importacion-y-exportacion>

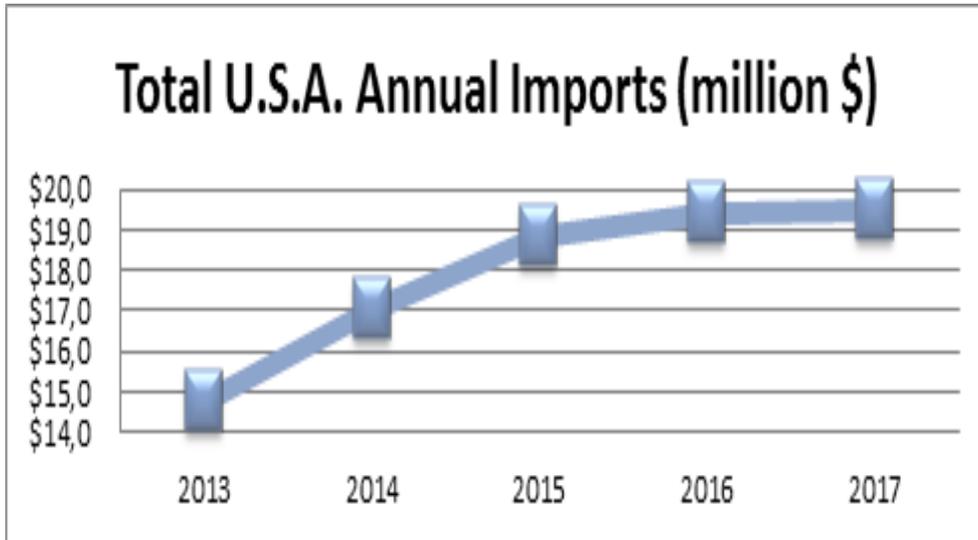
The imports by country was obtained from sales representatives in the market. Dog food makes up about 75 percent of these imports, while cat food represents roughly 25 percent. Imports to Costa Rica are greater than imports to the other Central American countries combined.



The United States dominates the import market with around 67 percent valued at \$20 million. Mexico is second and has been experiencing an even faster growth rate than the United States. France is the only other country that exceeds an annual import figure of \$750,000. The countries that make up the remaining six percent during 2017 include Argentina, Brazil, Canada, Guatemala and Honduras, all with

less than \$500,000of imports.

Import trends from the United States into Costa Rica over the last five years show an increase in total U.S. imports in dog and cat food from \$14.8 million in 2013 to \$19.5 million in 2017.



The following two graphs show the distribution breakdown between imports of airtight packaged dog and cat food versus other imports.





While there is a trend for overall numbers to increase, the airtight packaged category has actually decreased between 2016 and 2017 for the first time. This is due to the increase in production from Mexico of U.S. brands and it is projected that it will continue this trend into 2019 due to another animal food plant to be opened in Mexico in the near future.

SECTION II – ROAD MAP FOR MARKET ENTRY

A. Entry Strategy

Importers of pet foods should register their products with the National Animal Health Authority, SENASA, as an entry requirement. Refer to section 5 for additional information. For dog and cat food, it is highly recommended to engage a local representative/distributor who will be responsible for registration as well as dealing with retailers and/or other intermediaries.

B. Market Structure

The market can be broken down into three major categories based on both pricing policies and quality. There is the high-end specialized dog and cat food which are all imported from the United States, Mexico or France. These are only available through the 1,200 specialty pet stores and veterinary clinics in Costa Rica. The number one brand with veterinarians and pet stores is “Pro Plan”, a top of the line label from Purina, although Hills “Prescription diet” and “Virbac” both have a share of the market as they are the only brands catering to special medical needs for both cats and dogs. Virbac is in second most popular. Both “Virbac” from France and “Nutri Source” labels and “Balance” are widespread followed by other newer brands that have recently appeared, such as “Cesar Millan” and “Carne Fresca”, both imported from Mexico. “Beyond”, an all-natural label from Purina has come onto the market over the last year and is also only available in these markets

Other brand names are “Taste of the Wild” and “Mira” from Bayer. Some of the more premium brands in this category can also be purchased at the top end supermarket chain (Automercado) that has 21 locations including the Canadian produced “Nutrience” and “Royal Canin”. Also, the U.S. brand “Bil

Jac” and to a lesser degree “Nutro” are present throughout the Pet’s Market store chain.

The second category is the mid-price and quality range, which by far has the broadest variety of brands, also mostly imported from the United States, and Mexico. This category tends to dominate the displays in the upper middle establishments and their corresponding points of purchase, such as large supermarket chains, including Automercado, Walmart and Mas X Menos (owned by Walmart) and several convenience store chains like AMPM, Vindi and Fresh Market. The dominating brands in these stores are primarily Purina labels such as “Beneful, Alpo, One Smart Blend”, but “Pedigree” and “Whiskas” for cats are in a close second place in shelf presence.

The third category is low-cost pet food. It is mostly composed of two local manufacturers. The first, Pipasa (which is now owned by Cargill) with their “Ascan” and “Mimados” labels and the newer label “Dogui”. The second, Central Veterinaria, which also produces its own labels such as “Super Perro, ProPet and Maxi Cat”. There is however an import presence in this category from Purina’s “Dog Chow and Cat Chow” which also appears in all major supermarket chains. However, the Pali and Maxi Pali supermarket chains (also owned by Walmart) carry only the local brands and “Dog Chow and Cat Chow” labels and cater to the lower middle and lower income households. Two new brands Fibs” and “Coby” have been introduced recently from Brazil.

B. Company Profiles

The following is a list of importers and their respective websites and brands distributed.

BELINA

Distributor of the Pure Vita, Nutri Source and Balance brands.

<http://www.diamondpetcr.com/modules/content/index.php?id=52>

MARS COSTA RICA

Labels: Pedigree and Whiskas

No local website, only the Mars Global site. <https://www.mars.com/global>

Local contact: Andrea Soto, coordinator. Tel.2215-1676 / andrea.soto@effem.com

NAVET INTERNACIONAL S.A.

Distributor of the Virbac brand.

<https://cr.virbac.com/home/distribuidores/costa-rica.html>

PET’S MARKET (GRUPO MELO)

Distributor the Bil Jac, Nutro, Fib’s and Coby brands.

<http://www.melopetsmarket.com>

PURINA

Labels: Pro Plan, Beyond, Pura Vita, Dog Chow, Cat Chow, Puppy Chow, Alpo, One Smart Blend and Beneful

<https://www.purina-latam.com/cam/cr/dogchow/home-page.html>

SANIDAD PECUARIA

Distributor of the Grand Pet brands, Cesar Millan and Carne Fresca.

<https://www.gyg.co.cr>

SUPLIDORA INTERNACIONAL ROYAL LTDA

Distributor of the labels: Nutrience and Royal Canin

<https://www.royalcanincr.com>

VETIM S.A.

Distributor of the Hills Prescription Diet brand.

<https://www.vetimsa.com>

YANYUNIS INC S.A.

Distributor of Diamond pet foods and the Taste of the Wild label.

<http://www.diamondpetcr.com/modules/content/index.php?id=52>

III. COMPETITION

Competition varies greatly based on price category.. At the premium and specialized pet food price points, there is a group of around half a dozen importers each bringing in one or two labels. There is a list of links to these importers and their respective brands being imported below. There is trend for more products to be imported from Mexico than in the past, even though the United States maintains the largest market share. Both French and Canadian labels are present in this category. The retail price range per kilo for dry food in this category varies from around \$10 to as much as \$20.

The middle range pricing bracket is dominated by two manufacturers, Purina and Mars, with Purina offering a wider selection due to its multiple labels. In the case of cat food, both “Cat Chow” and “Whiskas” are in this category. Almost this entire category is currently being imported from Mexico and not the United States. The retail price range per kilo in this category starts at around \$4 up to just under \$6 .

The lower range price bracket has fierce competition made up of the two major local manufacturers and to some degree with Purina’s “Dog Chow” their least expensive label, and also “Pedigree” which borders at the higher end of this range. The retail price range per kilo in this category is between \$2 and \$4. However, both Pedigree and Dog Chow compete favorably when customers elect the larger 15kg bags as opposed to the more common packaging of 1.5kg and 2.0kg bags.

IV. BEST PROSPECTS CATEGORY

In recent years there has been an increased awareness in animal health concerns and this has been reflected in the pet food market. The introduction of healthier food such as premium or super premium mixes and “holistic” or all natural tendencies are two categories that show promise with new brands appearing in the market in the last year. Alternatively, there are only a half dozen brands competing in the lower quality dog and cat food market. Low cost imported competitors to the

locally made products may be able to gain traction in this segment.

SECTION V. POST CONTACT AND FURTHER INFORMATION

If you have any question or comments regarding this report or need assistance exporting to Costa Rica, please contact the

Foreign Agricultural Service in San José at the following address:

Phone : (506) 2519-2285 / 2333

Fax: (506) 2519-2097

Email: AgSanJose@fas.usda.gov

website : www.fas.usda.gov

<http://costarica.usembassy.gov/fas.html>

US Department of Commerce | Global Market Agency/ Global Markets

Phone: (506) 2519-2203

web: <https://2016.export.gov/ccg/costarica090950.asp>

Servicio Nacional de Salud Animal (SENASA)

Phone: (506) 2587-1600

Email: info@senasa.go.cr

Link to list of requirements for importation of dog and cat food in Spanish & English:

www.senasa.go.cr/senasa/sitio/files/310317015149