



# ASSALCO

Associazione Nazionale Imprese  
per l'Alimentazione e la Cura  
degli Animali da Compagnia



**ZOOMARK**  
INTERNATIONAL

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**Bologna**  
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# 16th Edition 2023 ASSALCO ZOOMARK REPORT

Pet Food and Pet Care  
**Italians and pets: a valued connection**

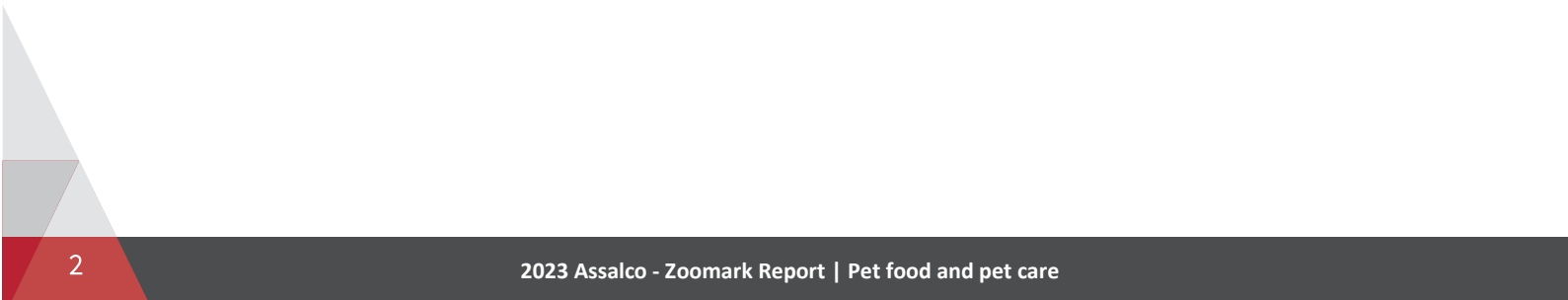
With contributions from



**Circana.**

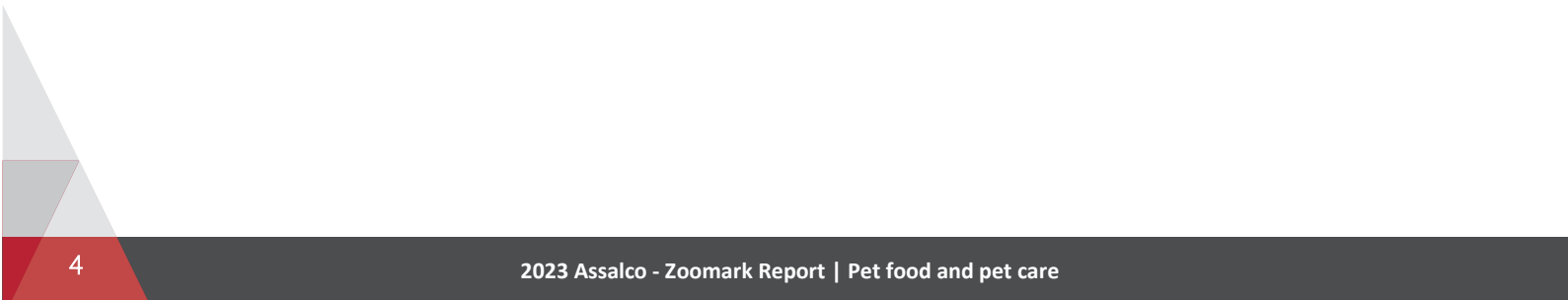


**ANMVI**  
ASSOCIAZIONE NAZIONALE MEDICI VETERINARI ITALIANI

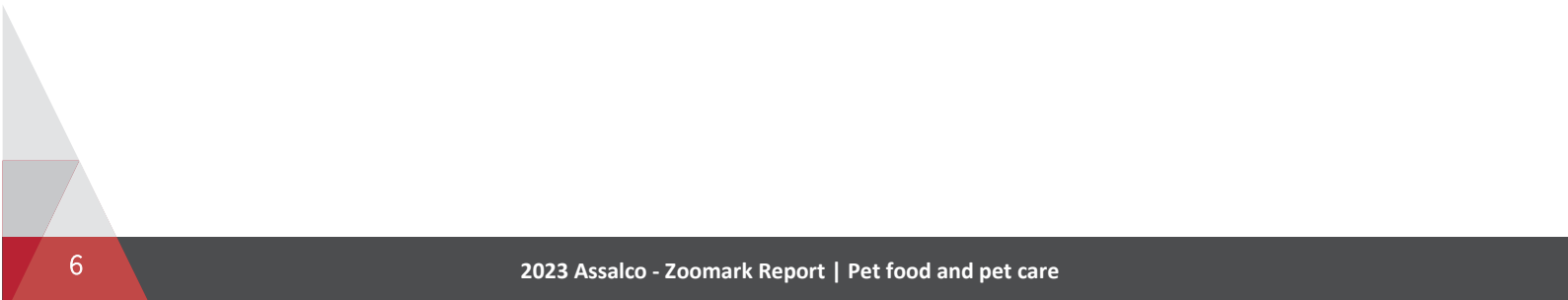


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## MARKET AREA



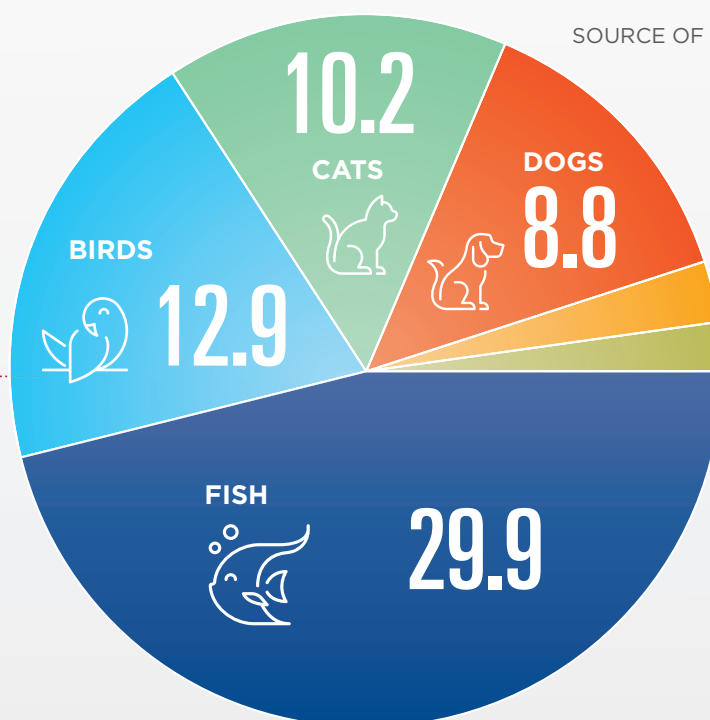
# 2023 ASSALCO - ZOOMARK REPORT

## PETS: POPULATION AND MARKET

FIGURES ARE IN  
MILLIONS OF EURO

### PET POPULATION IN ITALY IN 2022

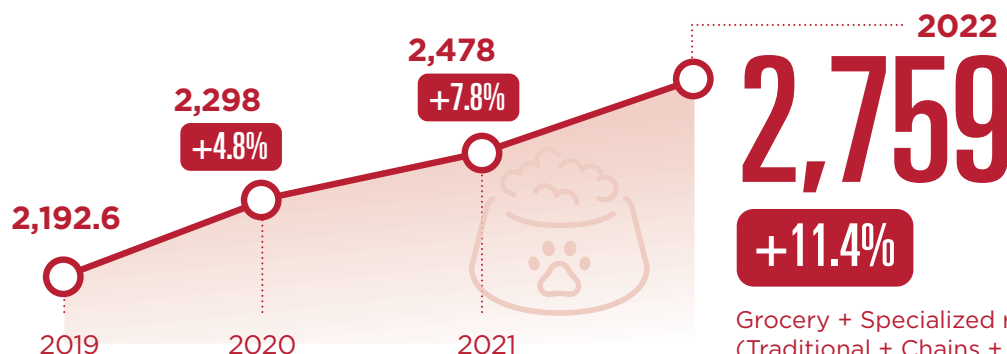
**65**  
MILLION



### MARKET IN ITALY IN 2022

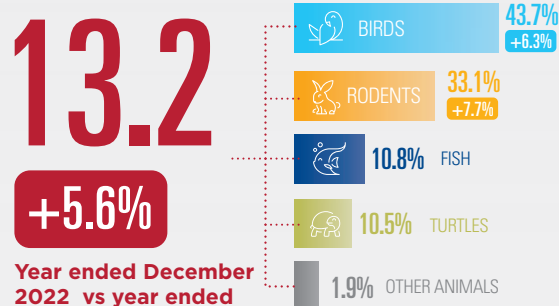
#### FOOD PRODUCTS DOG AND CAT

SOURCE OF DATA: CIRCANA



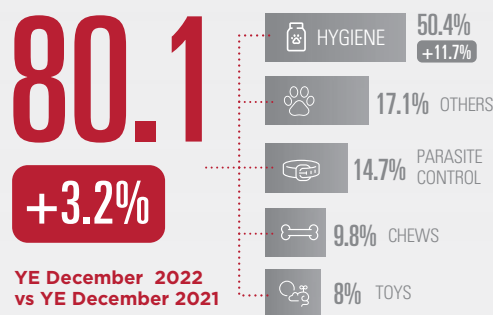
Grocery + Specialized retail  
(Traditional + Chains + supermarket petstores)

#### FOOD FOR SMALL COMPANION ANIMALS



**13.2**  
**+5.6%**  
Year ended December  
2022 vs year ended  
December 2021  
Large scale retail

#### ACCESSORIES EXCLUDING CAT LITTER



**80.1**  
**+3.2%**  
YE December 2022  
vs YE December 2021  
Large scale retail

#### CAT LITTER



**87.7**  
**+9.7%**  
YE December 2022  
vs YE December 2021  
Large scale retail

#### Notes on infographic

Large scale retail: Hypermarkets + Supermarkets + small ind.  
Grocery: GDO + Discount + traditional retail

Circana Panel: represents l'Isola dei Tesori, Maxi Zoo, Croce Azzurra, Italpet, Zoo Megastore, Agrizoo2. Arcaplanet, Fauna Food and Zoomarket are not included

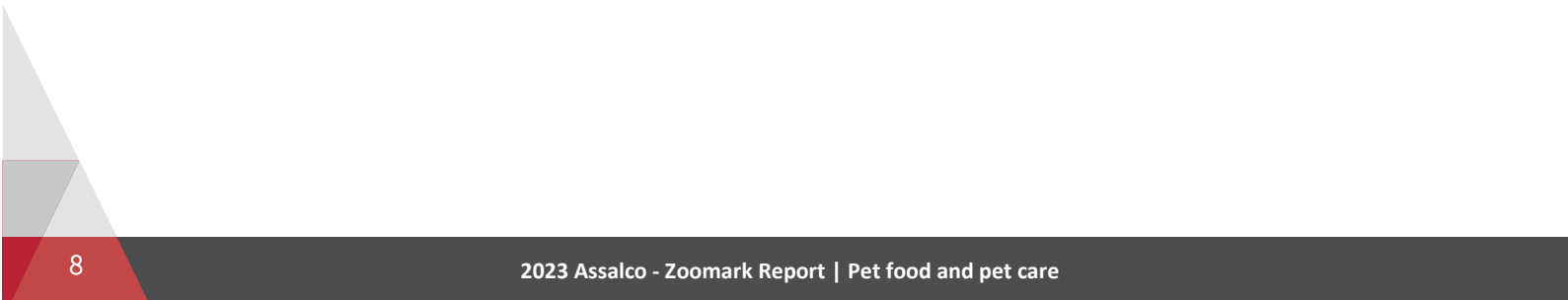
Supermarket Petshops: Specialized stores belonging to a Leader panel of 106 stores: Amici di Casa Coop, Petstore Conad, Animali Che Passione, Joe Zampetti, Pet Elite e Ayoka (Vegè Multicedi).



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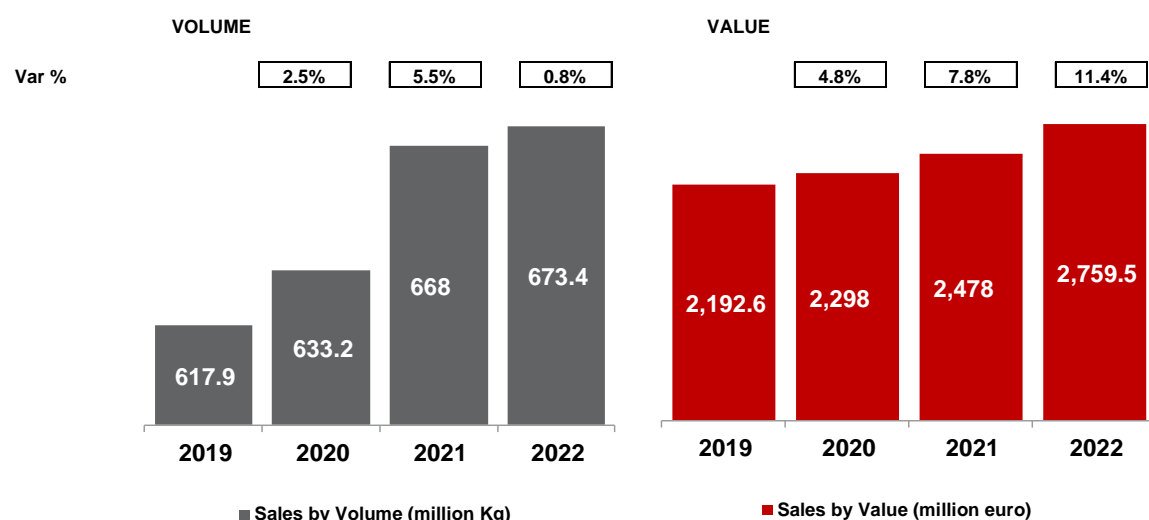


# THE MARKET FOR PET FOOD AND PRODUCTS: SIZE AND TRENDS IN THE MAIN CATEGORIES<sup>1</sup>

In 2022 the market for packaged consumer goods experienced its second major shock in three years: after the Covid 19 pandemic, the consumer staples retail market saw an unprecedented spike in inflation, up by as much as 14% in the latter part of the year.

Despite the inflationary pressure - 2022 saw average inflation in supply of +7.9%<sup>2</sup> - as a whole the FMCG sector reacted well, managing to safeguard volumes. 2022 thus ended with only a moderately negative trend (-0.3%) and 7.2% growth in turnover.<sup>3</sup>

Let's now take a look at the pet food and pet care market in a year which brought further uncertainty.



2023 Assalco - Zoomark Report. Source: Circana - 52 weeks to 1st January 2023

In 2022<sup>4</sup>, the market for **food products for dogs and cats** in Italy - in Grocery shops and Specialized retail, which includes Traditional Petshops, Chains and Supermarket Petshops - had a **turnover of 2,759.5 million euros**, selling a total of **673,449 tons**. Like most of the FMCG sector, the pet food market was also affected by inflation, which translated to an **increase in revenues of +11.4%**, while - compared to the trend of the last 2 years - growth in **volumes** was much slower, at only **+0.8%**.

Dog and cat food: growth in sales (+11.4%) and moderate growth in volume (+0.8%)

Indeed, in the last 15 years, the pet food market has seen value grow more than volume on average (average annual growth in value of +5.7%, compared to growth in volume of +3.1% in the period 2007-2021). The trend is mainly explained by pet owners' increasing interest in pet food that safeguards pet health and well-being, and the industry's continued investment in research and development of high value-added products.

<sup>1</sup>The figures on Dog and Cat food regard Grocery + specialized stores. The Grocery channel: Hypermarkets, Supermarkets, small self-service shops up to 100sqm, Discount supermarkets and Traditional stores; Specialized retail: Traditional Petshops, Petshop chains and Supermarket Petshops.

Data regarding food for other animals, cat litter products and accessories regard the large-scale retail sector (hypermarkets, supermarkets and independent retailers up to 100 sqm).

<sup>2</sup> Circana Osservatorio Prezzi®: Hypermarkets, Supermarkets, small self-service shops up to 100sqm, Household/Hygiene products stores and Discount supermarkets

<sup>3</sup> Circana Liquid Data™: Fast-Moving Consumer Goods - Hypermarkets, Supermarkets, small self-service shops up to 100sqm, Household/Hygiene products stores, Discount supermarkets, Traditional retailers and Generalist Online retailers; Volume = Values at constant prices; Var % Sales by Value compared to corresponding period

<sup>4</sup> Year ending 1st January 2023

To conclude, in 2022 the pet food sector demonstrated its resiliency in the face of high supply inflation, and buyers once again absorbed price increases by safeguarding the quantities purchased, which showed moderate growth compared to the strong growth of 2021.

In 2022, all major segments of dog and cat food showed a positive trend in value compared to the previous year.

Tot Grocery+Specialized retail	Sales by Value (M. Euro)	% Share of Value	Var %
<b>Tot. Dog and Cat Foods</b>	<b>2,759.5</b>	<b>100</b>	<b>11.4</b>
<b>Cat food</b>	<b>1,484.4</b>	<b>53.8</b>	<b>11.9</b>
Wet cat food	918.6	33.3	11.7
Dry Cat food	485.3	17.6	11.4
Cat snacks	80.6	2.9	18.6
<b>Dog food</b>	<b>1,275.1</b>	<b>46.2</b>	<b>10.7</b>
Wet Dog Food	414.5	15.0	11.6
Dry Dog food	647.8	23.5	10.0
Dog snacks	212.8	7.7	11.4

2023 Assalco - Zoomark Report. Source: Circana - 52 weeks to 1st January 2023

**Wet food** remains the **most important** segment, with a turnover of 1,333.1 million euros, equivalent to 48.4% of the market share.

Wet foods proved to be the category worth the most out of the Total market

In 2022 there was a **rise** in **wet food**, with an increase in turnover of 11.6% (growth in volume remained steady).

The **Grocery** channel, which produced 68.1% of revenues (wet cat food 68.3%, wet dog food 67.8%) saw an **increase in turnover** of 13.3%, with a slight **decrease in**

**sales by volume**, down 0.4%.

Within the wet food category, the main segment, **wet cat food** (33.3% of the value of food for dogs and cats) rose in turnover by 12.5% in Grocery (-1.6% in volume) and **+3.5% in Traditional Petshops** (where volumes were stable), while **wet dog food** (15% of the total turnover) grew by 15% (+1% by volume) in Grocery and **fell by 2.9% (-8.1% in volume) in Traditional Petshops**. In the **Petshop chains** and **Supermarket petstores**, both segments grew. In the Petshop chains wet cat food was up 15.6% in value and 7.8% in volume, while wet dog food rose by 14.3% in value and 5% in volume. Supermarket Petshops saw steady growth: wet cat food was up 41.8% in value and 33.6% in volume, while wet dog food rose by 37.9% in value and 28.2% in volume.

The **dry food** segment was worth 1,133 million euros (+10.5% in value and +1.4% in volume compared to the previous year), with a 41.1% share of the market: 23.5% dry dog food and 17.6% dry cat food.

In 2022, the **Grocery** channel accounted for 45.6% of total sales, with a **growth** in value for **dry cat food** of 14.4% (+1.2% in volume), while **dry dog food** rose by 19% and 1.4% respectively. In specialized retail, the scenario was as follows: in **Traditional Petshops dry cat food** saw a growth of 1.4% by value (-2.2% by volume) and **dry dog food** was up 0.5% in value (-3.2% in volume); **Petshop chains** continued to be **dynamic** (dry dog food +13.5% in value and +7% in volume; dry cat food +12.7% in value and +5.6% in volume), while **supermarket Petshops** saw **double-digit growth** in both value and volume (dry dog food +35.4% in value and +29.6% in volume; dry cat food +38.1% in value and +34.1% in volume).

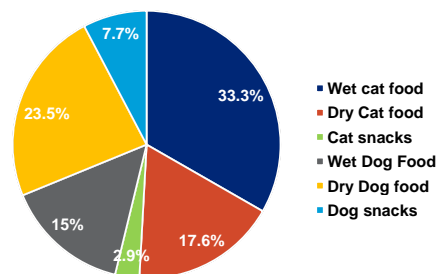
In terms of channels, unlike wet food, which saw dog and cat food in alignment in the Grocery channel, dry dog food saw most of its sales in Traditional Petshops (42.2%) while dry cat food was strongest in the Grocery channel (60.7%)

Functional **snacks and treats** (snacks with functional objectives, for example oral hygiene, or treats designed to be appetizing, usually administered as a reward or more simply to keep the animal busy, e.g. chews), continued to show positive dynamics (+13.3% in value and +3.2% in volume).

In the Grocery channel, sales by value of cat treats rose by 18.3% (+10.9% in volume) and dog snacks saw an increase of 8.3% in value (-0.5% in volume); in Petshop chains dog snacks grew by 8.1 % (+0.8% in volume) and cat snacks by 10% (+5.7% in volume). In Traditional Petshops, dog snacks rose by +24.3% (+21.4% in volume), while cat snacks grew by 26.3% in value and 26.1% in volume.

There was double digit growth in Supermarket Petshops too: dog snacks were up by 34.2% (+27.7% in volume) and cat snacks rose by 46.1% (+43.3% in volume).

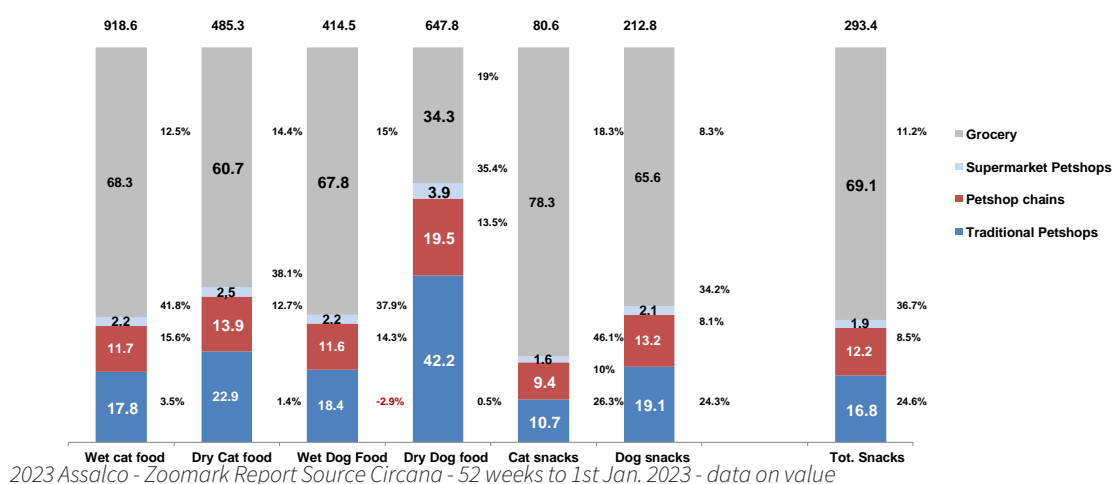
*Breakdown of the market for dog and cat food*



Share of Value	
Cat food	53.8%
Dog food	46.2%

2023 Assalco - Zoomark Report. Source: Circana - 52 weeks to 1st January 2023 - data on value

## Pet food shares and trends by channel (dog and cat)



Large-scale retail (Hyper+Super+small ind.)	Sales Value (M. Euro)	Var %
Food for other animals	13.2	5.6
Pet accessories	80.1	3.2
Cat Litter	87.7	9.7

2023 Assalco - Zoomark Report. Source: Circana - 52 weeks to 1st January 2023

As for the other categories covered (food for other **animals**, **animal accessories** and **litter**), when it comes to large-scale retail<sup>5</sup> alone, **food for other animals** grew by +5.6% in value.

In large-scale retail, the **accessories** market (hygiene products, parasite control products, toys, leashes, beds, bowls, cages, aviaries, aquariums, turtle tanks and various tools) also saw an increase of +3.2% compared to last year.

The **positive trend** in **cat litter** of the last few years continued: in 2022 in the large-scale retail channel it grew in turnover by 9.7%.

<sup>5</sup> Hypermarkets, supermarkets and independents (small self-service retailers 100-399sqm)

## SOCIAL AREA

## THE PET POPULATION IN ITALY

In 2022 the number of pets in Italian households basically remained **stable**. Euromonitor has estimated the total to be around **64.95 million** animals.

In 2022 there were almost 65 million pets

**Dogs and cats** total almost **19 million**, with the number of cats now steady at over 10 million. The aquariums in Italian households are home to almost **30 million fish**. Euromonitor also estimates that there are around **12.88 million ornamental birds**, while **small mammals** and **reptiles** are estimated at **1.8** and **1.4 million**, respectively.

	Estimates - 2020 (million)
Dogs	8.76
Cats	10.23
Fish	29.9
Ornamental birds	12.88
Small mammals	1.82
Reptiles	1,37
<b>Total Pet Population</b>	<b>64.95</b>

2023 Assalco - Zoomark Report - Source: Euromonitor

It is expected these estimates will soon be complemented by more precise data gathered by the National Information System for Companion Animals (SINAC), the new version of the former Pet Registry, which operated on a regional level. SINAC will gather information regarding all companion animals in a manner defined by an operating manual to be published by the Ministry of Health during 2023.

### More and more Italians now own a pet

The 2022 Eurispes report<sup>6</sup> highlights that the pandemic made Italian families more likely to adopt a pet. Indeed, 37.7% of Italians aged 18 and older state that they own a pet, a significant figure when compared to the results of the same survey in recent years: 2018 (32.4%) and 2019 (33.6 %).

From 2015 to 2022, the number of people who have adopted more than one animal almost doubled

From 2015 to 2022, the number of people owning more than one animal almost doubled: from 9.9% in 2015 to 17.2% in 2022.

The DOXA survey<sup>7</sup> conducted for ASSALCO in 2022 found that 42% of Italian households own one or more pets. In detail, 28% of households own at least one dog and 22% own at least one cat.

<sup>6</sup> Eurispes RI2022, 34th Report Italy

<sup>7</sup> Data was gathered from online interviews with a sample of 1,000 individuals aged 35-74 selected from a BVA-Doxa proprietary panel. The survey was conducted in the period between 4 and 10 April 2022.

## CONSUMER TRENDS IN NUTRITION AS EVIDENCED BY PRODUCT LABELS<sup>8</sup>

The new digital brand content management service launched by GS1 Italy Servizi, **Immagino**, digitizes product images and the information on labels, giving rise to a database that now contains information on more than **133,000 FMCG products** sold in supermarkets and hypermarkets throughout Italy.

The information on the labels, which spans more than **100 variables**, includes: nutrition table, description, certifications/logos, allergens, origin of raw materials, additives, mode of storage and disposal of packaging, marketing claims, and everything else shown on the label.

Based on the interpretation and analysis of this information, cross-referenced with data processed by NielsenIQ on sales and consumption in the large-scale retail sector, GS1 Italy has developed a biannual study entitled **Osservatorio Immagino (osservatorioimmagino.it)**, which monitors **new, hitherto unexplored consumer trends**. This offers valuable insight into purchases of “free from” and enriched products, shows how “gluten-free” or “palm oil-free” products are faring, highlights the consumer trends in plant-based and organic food products, and sketches the consumer profile of those with an awareness of food intolerances or a preference for Italian-made products.

### A confirmation

This new approach to consumer trends enables us to analyze the pet food market from the same perspective: in 2022, more than 4,700 products were considered in the report.

By analyzing pet food products in the light of the trends identified in human food products, it emerged that as well as paying more attention to their own health and nutrition, pet owners now devote the same level of **attention to the food they choose for their pets**.

The most dynamic consumer trends regarded products labelled rich in, free from, and Italian-made: these **three “areas”** accounted for the majority of supply and demand in pet food, as well as being the biggest trends in human food products.

Food products for dogs and cats represent around 80% of the total pet food products monitored and are the basis for the following analyses of the main consumer trends.

When it comes to health and nutrition, pet owners are equally attentive to the choices they make for their animals

### Rich in

Most of the products in this broad basket fall into the “rich in” trend: products whose labels or packaging present a series of claims regarding the prevalence of certain nutrients in the contents. This category therefore includes “with vitamins”, “rich in fibre”, “with Omega 3”, “whole grain”, “rich in iron”, and “source of calcium.”

An analysis of more than **1,800 products** for dog + cat nutrition showed a rise in value of 6.7%, accompanied by a decrease in volume of -6.8%. When these figures are broken down, however, it can be seen that various claims have performed in different ways, also in relation to the price inflation observed over the past year.

The most dynamic trends are “prebiotics,” “natural ingredients,” and “with minerals”, which performed well in both value and volume. On the other hand, two of the most common product claims - “vitamins” (reported on 1,120 products), and “Omega 3/6” (586) - saw a significant drop in sales by volume.

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<sup>8</sup>Text by GS1 - Since the revolutionary introduction of the bar code in 1973, the non-profit organization GS1 has been developing the world's most widely used standards for business-to-business communication. In Italy, GS1 Italy brings together 40 thousand enterprises from the FMCG, healthcare, banking, public administration and logistics sectors. The GS1 standard systems, ECR shared processes and research observatories that GS1 Italy provides simplify and accelerate the process of digital transformation for businesses and the supply chain, enabling companies to create rewarding consumer experiences, increase transparency, reduce costs and make sustainable choices.

### *Dog+cat food: the main claims on “rich in” products*

	#Products	% Trend in Value	% Trend in Volume
<b>Rich in</b>	<b>1,804</b>	<b>6.7</b>	<b>-6.8</b>
Vitamins	1.120	4.7	-10.9
Omega 3/6	586	0.9	-15.9
Protein	749	15.3	5.1
Minerals	350	19.4	10.6
Fibre	247	17.8	6.8
Prebiotics	212	32.0	17.4
Natural ingredients	87	26.6	16.8
Fresh meat/fish	354	25.5	9.8

2023 Assalco - Zoomark Report - Source: Osservatorio Immagino GS1 Italy ed. 1, 2023

Considering **dog** and **cat** food products in more detail, sales for these two claims have gone down in the cat food market, while in dog food, all the “rich in” claims grew in both value and volume. This confirms a particular consumer interest in products labelled “natural ingredients”, “prebiotics”, “minerals”, and “protein” for both cat and dog nutrition.

### *Cat food: main claims on “rich in” products*

	#Products	% Trend in Value	% Trend in Volume
<b>Rich in</b>	<b>905</b>	<b>2.5</b>	<b>-13.4</b>
Vitamins	582	-0.7	-20.1
Omega 3/6	327	-6.1	-26.5
Protein	332	11.8	1.0
Minerals	195	17.8	10.2
Fibre	143	21.0	9.3
Prebiotics	102	46.4	25.4
Natural ingredients	55	17.6	7.3
Fresh meat/fish	161	29.4	13.2

2023: Assalco - Zoomark Report - Source: Osservatorio Immagino GS1 Italy ed. 1, 2023



### Dog food: main claims on “rich in” products

	#Products	% Trend in Value	% Trend in Volume
<b>Rich in</b>	<b>899</b>	<b>13.7</b>	<b>4.3</b>
Vitamins	538	13.2	3.7
Omega 3/6	259	16.6	8.1
Protein	417	20.0	10.4
Minerals	155	23.1	11.6
Fibre	104	10.9	1.6
Prebiotics	110	19.3	10.2
Natural ingredients	32	55.4	46.9
Fresh meat/fish	193	22.2	7

2023: Assalco - Zoomark Report - Source: Osservatorio Immagino GS1 Italy ed. 1, 2023

### Free from

The second largest product category is “free from”: products whose labels or packaging present a series of claims regarding the absence or lower content of certain substances. Examples include “reduced sugar”, “reduced calorie”, “sugar-free”, “free from palm oil”, “free from hydrogenated fats”, “no salt”, “no aspartame”, “no preservatives”, “no GMOs.”

This category, numbering **1,708 products**, is also particularly dynamic, with more sales by volume in 2022 than in 2021, despite price inflation. Particularly popular claims are “low calorie”, “grain-free/low grain”, and “sugar free”.

The growth of these three claims is driven by cat food products, but they also performed well in the dog food market.

### Dog+cat food: main claims on “free from” products

	#Products	% Trend in Value	% Trend in Volume
<b>Free from</b>	<b>1,708</b>	<b>15.1</b>	<b>2.0</b>
No artificial colours	1,346	15.1	1.6
Sugar-free	400	17.8	11.4
Grain-free / Low grain	324	23.3	12.7
Low calorie	47	32.1	25.1
GMO-free	80	21.3	6.5

2023: Assalco - Zoomark Report - Source: Osservatorio Immagino GS1 Italy ed. 1, 2023

### Cat food: main claims on “free from” products

	#Products	% Trend in Value	% Trend in Volume
<b>Free from</b>	<b>872</b>	<b>18.3</b>	<b>1.7</b>
No artificial colours	718	17.5	1.0
Sugar free	153	31.5	24.6
Grain free / Low grain	150	39.2	24.8
Low calorie	28	36.4	28.9
GMO-free	35	15.7	1.1

2023: Assalco - Zoomark Report - Source: Osservatorio Immagino GS1 Italy ed. 1, 2023

### Dog food: main claims on “free from” products

	#Products	% Trend in Value	% Trend in Volume
<b>Free from</b>	<b>836</b>	<b>10.4</b>	<b>2.3</b>
No artificial colours	628	10.5	2.8
Sugar-free	247	10.9	4.7
Grain-free / Low grain	174	12.5	4.4
Low calorie	19	13.1	8.6
GMO-free	45	26.1	11.1

2023: Assalco - Zoomark Report - Source: Osservatorio Immagino GS1 Italy ed. 1, 2023

### Italian-made

In the category of products that reference Italian origin, we considered the following claims on labels and packaging: “Made in Italy”, “produced in Italy”, “only Italian ingredients”, “100% Italian”, or European geographical indications (such as IGP, DOP, DOCG and DOC), the Italian flag or the name of the region in question.

In dog+cat nutrition this category included **517 products**, with a positive trend for all the claims in question, with the exception of “100% Italian”, which however only decreased in value and volume in dog food.

The Italian origin category also showed particularly dynamic and positive trends.

### Dog+cat food: main claims on Italian-made products

	#Products	% Trend in Value	% Trend in Volume
<b>Italian-made</b>	<b>517</b>	<b>21.5</b>	<b>9.1</b>
Italian flag	500	21.5	9.1
Produced in Italy / Made in Italy	352	26.8	13.4
100% Italian	49	-2.3	-19.7
Italian Quality	21	12.5	0.9

2023: Assalco - Zoomark Report - Source: *Osservatorio Immagino GS1 Italy ed. 1, 2023*

### Cat food: main claims on Italian-made products

	#Products	% Trend in Value	% Trend in Volume
<b>Italian-made</b>	<b>219</b>	<b>28.9</b>	<b>16.1</b>
Italian flag	213	28.8	16.0
Produced in Italy / Made in Italy	148	35.9	21.9
100% Italian	21	25.0	4.2
Italian Quality	8	9.4	0.9

2023: Assalco - Zoomark Report - Source: *Osservatorio Immagino GS1 Italy ed. 1, 2023*

### Dog food: main claims on Italian-made products

	#Products	% Trend in Value	% Trend in Volume
<b>Italian-made</b>	<b>298</b>	<b>18.1</b>	<b>6.0</b>
Italian flag	287	18.1	5.9
Produced in Italy / Made in Italy	204	22.5	9.3
100% Italian	28	-11.7	-28.0
Italian Quality	13	14.4	1

2023: Assalco - Zoomark Report - Source: *Osservatorio Immagino GS1 Italy ed. 1, 2023*

### Sustainability in the world of pet food

Sustainability was another focus of the Osservatorio Immagino study, spanning various areas. When applied to the total pet food market, there were three claims which proved to be of particular interest to consumers: “animal welfare”, “sustainable resource management”, and “sustainable agriculture/farming”.

All of these performed positively in both value and volume. **The “animal welfare” claim was particularly dynamic, showing that pet owners are particularly aware of this issue.**

Interest in sustainable packaging regarded both supply and demand, with nearly 140 products with biodegradable or recyclable packaging on offer, and positive trends in both value and volume.

There was also great attention to ingredients, which confirms consumer attention to the quality and wholesomeness of products, guaranteed in this case by sustainable agriculture and animal husbandry

practices: EU organic is the most common claim in this area, receiving a particularly dynamic response from consumers.

*PET nutrition: the main claims on sustainable products*

	#Products	% Trend in Value	% Trend in Volume
<b>ANIMAL WELFARE</b>	<b>825</b>	<b>24.3</b>	<b>11.1</b>
No Cruelty Claim	766	23.1	10.5
MSC	59	34.6	17.2
Cruelty Free (logo)	213	18.4	6.7
Friend of the Sea	51	15.8	5.8
<b>SUSTAINABLE RESOURCE MANAGEMENT</b>	<b>308</b>	<b>20.6</b>	<b>9.9</b>
Plant-based	177	18.9	11.5
Biodegradable	30	14.0	6.0
Recyclable	107	16.3	9.1
Compostable	14	-0.1	-14.2
<b>SUSTAINABLE FARMING</b>	<b>638</b>	<b>23.2</b>	<b>11.8</b>
EU Organic	552	23.6	12.6
100% Natural Ingredients	136	13.8	4.4
GMO-free	80	21.3	6.5
Supply chain / Traceability	16	15.1	6.3

2023: Assalco - Zoomark Report - Source: *Osservatorio Immagino GS1 Italy ed. 1, 2023*

## PRODUCT SELECTION CRITERIA: PET SATISFACTION AND WELL-BEING

Italian pet owners choose their pets' food with great care, keeping an eye on all the latest innovations and environmental criteria, without compromising on pet well-being, even when finances are tight. This is what emerged from a survey of dog and cat owners conducted by Toluna.<sup>9</sup>

Pets are viewed as bona fide members of the family, and as such, no aspect of their care is left to chance, starting from nutrition. Pet owners trust the brands they buy and the nutritional completeness of the products on offer, and often do extensive research into what they choose.

The criteria for product selection are dominated by pet satisfaction (indicated by 85% of dog owners and 84% of cat owners, respectively), attention to animal welfare (83%) and quality (for 82% of dog owners and 80% of cat owners). The ideal brand stands out for its attention to the animal's life cycle, specific diets and health conditions. For these very reasons, consumers are looking for a wide range of products to suit different needs and ages.

### Innovation: consumers' opinions

When it comes to the latest trends in the pet food market, respondents to the survey showed particular interest in “rich in” products, featuring for example Omega 3 or vitamins (indicated by 3 out of 4 cat owners and more than 80% of dog owners), followed by functional foods created to respond to specific issues (78% and 75%), and those containing only natural preservatives (76% and 81%).

### The impact of inflation on pet care shopping

The rising cost of living has not spared the pet industry, where 85% of respondents noted that the price rises are affecting their spending forecasts for the future: 23% of cat owners and 26% of dog owners believe they will have to spend more on their pets in the six months following the survey.

Though the economic situation is challenging, spending on pets was one of the last things respondents were willing to cut back on (only 6% and 8%), preferring to forgo meals out, holidays, clothing and beauty products.

After all, pet owners appear unwilling to change their purchasing habits. In recent months, 25% of respondents with a cat and 19% of those with a dog have not changed their behaviour at all, while 37% and 32% respectively have continued to buy the usual products, taking advantage of deals or seeking out special promotions, and 23% in both categories have bought in bulk to benefit from discounts. Discount supermarkets were mentioned mostly by dog owners (21%).

### In retail: a range of services with great potential

The pet market presents numerous retail opportunities yet to be explored. When asked about the services pet stores offer or might offer in the future, the respondents to the survey showed considerable interest in veterinary advice (82% of cat owners, 83% of dog owners), sales of medication (78%, 83%), nutrition advice (74%, 77%), and microchip registration (71%, 78%), along with “do-it-yourself” washing stations, mentioned by 63% of cat owners, and grooming services, which 77% of dog owners expressed an interest in. The future of pet retail thus appears to be the One-Stop shop.

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<sup>9</sup>Research conducted by Toluna, a digital market research agency, in the second half of March 2023, interviewing 1,800 Italian respondents who own dogs or cats and are directly responsible for their care.

Beyond pet food, moreover, 72% of respondents with a cat would like to be able to purchase products such as waste disposal systems (litter bins) and water and kibble distributors in pet stores or online. Dog owners, on the other hand, expressed interest in dedicated air fresheners (72%) and GPS accessories (70%).

# THE HUMAN-PET RELATIONSHIP: A KEY BOND IN POST-COVID SOCIETY

The Covid-19 pandemic was an unexpected and dramatic event, and the spread of the infection called for sudden changes in people's habits and lifestyles. The rules on social isolation inevitably generated an increase in loneliness, especially for certain social categories such as the elderly. The pandemic had significant effects on social relations: physical distancing, working from home and distance learning changed our lives in many ways. Our relationships suffered as a result, creating a gap that was not always easy to fill. In this critical context, pets played a key role, helping boost mood and making the enforced isolation easier to bear. It is no coincidence that there was a marked increase in dog and cat adoptions in the very period when Covid-19 was at its peak. This phenomenon also reflected a trend that had already been present for some time, boosting and reinforcing it: that of viewing pets as bona fide members of the family.

## A beneficial connection

The Covid-19 pandemic highlighted people's vulnerabilities, giving the lie to individualistic tendencies. And it was a challenging time not just for the elderly: many young people suffered as a result of social isolation and ended up having to seek help. In many cases, getting a pet was a natural way of giving and receiving affection at a time which was fraught with uncertainty, and pets proved to be an excellent way of helping people embrace a healthier, more grounded lifestyle. It is no coincidence that 2021 saw the creation of the Pet Alliance Europe<sup>10</sup>, an association coordinated by Animal Health Europe and Fediaf - the European Pet Food Federation, set up with the idea that pets have the potential to improve everyone's lives, thus increasing the well-being of society as a whole: a set of benefits summed up as #PetPower. This notion is supported by an increasing number of scientific studies which attest to the fact that living with a pet is not only a source of joy, but also a unique experience that can help improve both physical and mental health. On a social level, pets act as "mediators", helping people break the ice and engage in positive interactions with others. Many studies demonstrate the role of pets in reducing feelings of isolation: children develop more empathy and improved social skills, adults are more relaxed and less stressed, and in the elderly, pets have even been shown to have a positive effect in the grieving process.<sup>11</sup>

## The key to positive human-animal relationships: starting early

Among the many benefits generated by the human-animal relationship, some are specifically related to childhood. Children who live with a pet tend to show more empathy and respect for others, developing a greater sense of self-worth and responsibility, as well as strengthening values related to love and loyalty,<sup>12</sup> not to mention the benefits established by scientific research in terms of physical health. Indeed, early contact with pets in the home has a significant impact in reducing the development of allergies and asthma later in life.<sup>13</sup> With a view to starting as early as possible to form a positive relationship with companion animals, the project "Nelle sue zampe" by FNOVI (the Italian National Federation of Veterinary Orders) is of great interest. The aim of this initiative is to illustrate that, in order to ensure a positive human-dog relationship, we need to gain insight into how the animal acts, reacts,

Early contact with  
pets fosters  
empathy, good self-  
esteem and a sense  
of responsibility

<sup>10</sup> Pet Alliance Europe – [pet-power.eu](https://pet-power.eu)

<sup>11</sup> European Pet Food Federation (FEDIAF) - [europeanpetfood.org](https://europeanpetfood.org)

<sup>12</sup> Pets and Children - American Academy of Child and Adolescent Psychiatry - [www.aacap.org](https://www.aacap.org)

<sup>13</sup> Wegienka, G., Johnson, C. C., Havstad, S., Ownby, D. R., Nicholas, C., & Zoratti, E. M. (2011). Lifetime dog and cat exposure and dog-and cat-specific sensitization at age 18 years. *Clinical & experimental allergy*, 41(7), 979-986; Gern, J. E., Reardon, C. L., Hoffjan, S., Nicolae, D., Li, Z., Roberg, K. A., ... & Anderson, E. (2004). Effects of dog ownership and genotype on immune development and atopy in infancy. *Journal of Allergy and Clinical Immunology*, 113(2), 307-314.

and perceives its surroundings. For this reason, the project also includes an educational booklet entitled “I’m not afraid of dogs”, an animal welfare training course designed for primary school children, which can be downloaded from the website [nellesuezampe.it](https://nellesuezampe.it). With the help of their parents and teachers, children can learn all about dogs, and how to interpret their behaviour and emotions, and thus interact with them in a way that respects their needs.

This teaches young children what to do and what not to do to strengthen a bond that is of great educational value. On completing the course, the child receives a “Junior Pet Licence”<sup>14</sup> certificate.

### The health of older people: the positive impact of pet ownership

During the pandemic, older people were probably the social category that benefitted the most from the companionship of a pet. And this bond has become increasingly important in the post-Covid-19 period too, as evidenced by the growing number of older people choosing the company of a pet. In Italy, there are 1,920,264 people over the age of 65 living with a dog and 1,838,832 with a cat. According to the Senior Italia FederAnziani study centre, 9 out of 10 Italian pet owners over 65 believe that living with a pet has a positive impact on their health and mood, reducing feelings of loneliness and increasing well-being. More than 70% also say they view their animals as genuine members of the family.<sup>15</sup>

Nearly 4 million  
Italians aged over 65  
live with a dog or cat

The importance of the relationship between pets and the elderly has also been acknowledged in official channels and is one of the principles underpinning the new package of welfare measures that Parliament has proposed to Government in the form of a specific Legislative Decree. The aim of the measures is to “preserve functional independence in old age and maintain a good quality of life, and identify, organize and implement pathways and initiatives to help preserve physical, mental, occupational and social capabilities”, including by means of the bond with a pet.

Federanziani has calculated that the more active lifestyle fostered by pet ownership leads to an improved management of cardiovascular and metabolic diseases in the elderly population, translating to potential savings for the National Health Service of about 1.3 billion euros.<sup>16</sup> And if the pets in question are adopted from shelters, municipalities would also be saving on their upkeep: according to a Federanziani estimate this figure could exceed 1 billion euros.<sup>17</sup>

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<sup>14</sup> <https://nellesuezampe.it>

<sup>15</sup> [www.senioritalia.it](http://www.senioritalia.it)

<sup>16</sup> Based on the 7% lower incidence of cardiovascular disease thanks to walking a dog daily.

<sup>17</sup> The Senior Italia Federanziani estimate of 1,127,309,435 euros considers the average cost of keeping a dog in a shelter (1,277.50 euros per year), multiplied by the number of dogs in shelters, for a total of 161,044,205 euros, multiplied by seven years (the average length of shelter stay if not adopted).



# PETS IN SOCIETY: INSTITUTIONAL DEVELOPMENTS AND FUTURE GOALS

## The objective: from property to sentient beings

It is only in the past few decades that people's growing love of animals has been translated into legal principles. A key historical first step in this regard was Law No. 281 of 14th August 1991, in which Italy recognized the right to life and protection of stray animals, prohibiting their killing except in certain special cases. A few years later, the Agreement of 6th February 2003 between the state, regions and autonomous provinces outlined the responsibilities that come with animal ownership. But the real turning point only came when Law 189 was passed on 20th July 2004, adding a number of new criminal offences pertaining to animal mistreatment to the Penal Code (Articles 544b to 544e). Those responsible for the death or mistreatment of an animal “out of cruelty or needlessly” were now punishable by law, including by means of a prison sentence. This was a very important step forward, even though the focus of this law is protecting human sentiment towards animals, rather than the animals directly. The next important development was Law 210 of 2010, by which Italy ratified the 1991 European Convention for Companion Animals, which not only broadened the notion of “companion animal” to include some species not previously covered, but also included sanctions for human behaviour that, in addition to actual physical suffering, could cause “distress” in the animal. This brought us one step closer to something which to date has only been acknowledged in a few court rulings<sup>18</sup>, namely the idea that animals are autonomous, sentient beings, capable of experiencing sensations and emotions. In line with the growing awareness being embraced by the institutions, during the 18th legislature Parliament approved a law to reform the Constitution, including environmental protection among the fundamental principles of the Italian Republic. Constitutional Law No. 1 of 11th February 2022 amended Article 9 of the Italian Constitution, adding the following paragraph: “Protection of the environment, biodiversity and ecosystems, including in the interest of future generations. The law of the State governs the methods and forms of animal protection”. This follows the previous paragraph of Article 9, which reads, “The Republic promotes the development of culture and scientific and technical research. It protects the nation's landscapes and historical and artistic heritage.” This amendment to our Constitution is of historic import, introducing the concept of sustainable development not only for benefit of the present generation but also that of future generations.

The idea of animals as sentient beings, with sensations and emotions, is gaining credence

## The parliamentary intergroup on animal rights and environmental protection

In view of the ever-increasing importance of animals in Italy, the Parliamentary Intergroup for Animal Rights was also formed in the 19th legislature, extending its scope to include environmental protection.

The Parliamentary Intergroup is an organization that brings together politicians from different parties who share the goal of safeguarding animal welfare and protecting their rights. It is chaired by the Hon. Michela Vittoria Brambilla, with vice chairs former Environment Minister Hon. Sergio Costa, and Hon. Walter Rizzetto. With representatives from all the political parties, the Intergroup now numbers dozens of members.

There have been similar developments on a European level, with the creation of the European Intergroup on Animal Welfare and Protection, a body made up of MEPs from different political groups who carry on an ongoing dialogue on these issues. However, the Intergroup is not endowed with special institutional prerogatives and, for this reason, there is heated debate on appointing an animal welfare commissioner who could have the authority to protect animals in all countries of the European Union.

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<sup>18</sup>See the Italian Appeals Court. n. 20934/2017

In Italy, the first proposed law (AC30) aims to amend the Penal Code to add abandonment to the crime of mistreatment and introduce harsher sentences for those who mistreat or kill an animal. This bill has been widely promoted by LEIDAA (the Italian League for the Defence of Animals and the Environment).<sup>19</sup> The proposal calls for severe penalties, up to imprisonment in the most serious cases.

Other issues the Intergroup is working on include the phenomenon of stray animals, which continue to be a major problem in some regions, weighing heavily on the public budget. The Intergroup is also working to get companion animals included on the family status certificate, effectively making official what owners already know: that pets are bona fide members of the family. Other issues being examined by the Intergroup include standardizing the rules governing access to public areas.

### VAT: the efforts being made to support pet-owning households

The work being done on fiscal levers to reduce the costs of pet ownership merits a special mention. On 13th October 2022, one of the first initiatives of the new Legislature saw the Hon. Michela Vittoria Brambilla presenting a bill to reduce VAT on pet food, along with a request for veterinary services to be made exempt from VAT.

Dog and cat food, along with veterinary services, are essential to ensure animal well-being but subject to a high rate of VAT, on a par with luxury goods and services. It is hoped that these goods and services - which during the pandemic were deemed essential and non-deferrable - will be switched from the ordinary VAT rate of 22% to the reduced rate of 10%.

This change would reduce the disparity compared to other member countries, such as Germany, which applies 7% VAT to dog and cat food in view of its everyday use. Italian households thus pay three times the amount of VAT on the same products, a huge difference considering that Italians view their pets as genuine family members.

Animal rights associations are also working on this.

As early as 2018 the LAV (Anti-Vivisection League)<sup>20</sup> launched the campaign #PiùTassati (#TaxedMore), demanding a more animal-friendly tax system. They called for subsidized VAT on pet food and veterinary services, VAT exemption for services aimed at decreasing the number of stray animals and communicable diseases (identification and registration of dogs and cats in the pet registry, sterilization of dogs and cats, and vaccinations), and an increase in tax deductions on veterinary expenses and medications. The appeal to lower the rate of tax on food and veterinary services and increase tax deductions on vet expenses has been taken up again, prior to the tax reform the Ministry of Economy and Finance is working on.

Likewise, the LNDC (the National Dog Defence League) launched its own campaign, #Amarenonèunlusso (#Loveisnotaluxury), to demand financial measures to help pet-owning households. They are requesting the immediate introduction of financial measures aimed at supporting pet owners, encouraging adoptions from shelters, combatting abandonment and tackling the stray animal phenomenon.

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<sup>19</sup><https://leidaa.info/>

<sup>20</sup>[www.lav.it](http://www.lav.it)

## Further campaigns by animal rights associations

The animal rights world is being extremely proactive with its initiatives and projects, complementing the work of politicians and, in some cases, seeking alternative solutions to common problems. By way of example, in addition to the aforementioned projects by LEIDAA and LAV, we would like to mention two further initiatives aimed at protecting companion animals.

Last autumn saw the presentation of the “Pet Check-up Bank”<sup>21</sup>, designed to enable people to donate veterinary services to those unable to pay for their pets’ care. The project is backed by ENPA (the National Animal Protection Agency).

Another important initiative is LNDC's “Io soffro, sento, amo”<sup>22</sup>, (I feel, I suffer, I love), a petition to have animals recognized as sentient beings in Italy. The association is calling for animals to be recognized as sentient beings in the Civil Code, with guarantees to protect fundamental rights such as life, health and the right to live a life in accordance with their nature and ethological characteristics. Their objective is to amend the law in order that animals are no longer regarded as property, but sentient beings with rights of their own, such as the right to life, which would not be called into question except in cases of actual necessity.

The call for animals  
to be acknowledged  
as sentient beings in  
the Civil Code

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<sup>21</sup>[www.bancadellevisite.it](http://www.bancadellevisite.it)

<sup>22</sup><https://lndcanimalprotection.org/petizione/iosoffrosentoamo/>

## THE IMPORTANCE OF PET CARE

Thanks to the advances in pet care and the wide variety of products available to pet owners, accessories have become increasingly popular, enhancing life with a pet in the home.

Treats and snacks can be used to reward positive behaviours and strengthen the bond between owner and pet. Some snacks also have functional features, such as supporting oral hygiene: chewing on hard snacks can help reduce the build-up of plaque and freshen breath.

Pet hygiene products, such as shampoos and wipes, along with parasite control products, make for a cleaner home. Then there are eye and ear cleaning products to help prevent infection and keep earwax from building up. Due to their physical characteristics, some species or breeds require more specific care - for instance dog breeds with long ears: these products help owners take care of their pets' needs.

Litter products are another key category, essential for keeping the home clean and hygienic, not only for cat owners but also for those who own small mammals and birds. There are different materials on offer, from clay to corn, which must be chosen carefully in accordance with the needs of both pet and owner. Absorbency is certainly a key consideration, and the market also offers products with additional characteristics, such as biodegradable, dust-free and/or scented litters.

Toys not only entertain companion animals, but also help them satisfy their natural instincts, and are therefore essential for pet health and happiness. They help strengthen the pet-owner bond and keep pets stimulated and happy by fostering positive, fun interactions. As well as dog and cat toys designed for mental stimulation or to satisfy the hunting instinct, there are also numerous toys for other pets. For parrots, puzzles, swings, and gyms are great for mental and physical stimulation, while rodents such as hamsters, ferrets, and guinea pigs love tunnels, balls, and suspension bridges. Fish also have specific needs when it comes to their living space: the right aquarium ornaments should enhance the environment and offer hiding places for when fish feel threatened or need to rest.

Pet carriers can help keep pets safe while travelling, protecting them from possible impacts due to sudden movements. Kennels provide comfort and can protect pets from rough surfaces and extreme temperatures. Harnesses keep pets safe and close to hand when out and about.

Often viewed as frivolous, pet clothing (especially for dogs) is actually designed to address specific needs of the pet and/or owner. Clothing can protect pets from the elements, including the cold, rain and snow: many small breeds, short-haired or older dogs may require an extra layer in bad weather. The use of a waterproof garment, on the other hand, means dogs do not need to be washed after rainy walks (especially long-haired breeds). Clothing items may also be purchased to satisfy an owner's penchant for designer/fashion products, with the understanding that pet well-being must always come first.

## Technological products

The increase in the number of companion animals is redefining the technology we use and our way of life in the home. To get more insight into these developments, Samsung conducted a study<sup>23</sup> of 6,500 pet owners in Europe at the end of 2022.

The key concept was the importance of the human-pet bond: **two-thirds of respondents (63%) stated that they view pets as part of the family**, while 47% have a social media account dedicated to their pet.

Though being forced to cut corners due to the cost-of-living crisis, Europeans are unwilling to compromise when it comes to their pets.

**A very high percentage of respondents (59%) said they had no intention to cut their overall spending on their pets, while the majority (61%) said they would cut back on other things before considering reducing the amount they spend on their pets.** The pet owners involved in the survey would be willing to cut back on everything from basic necessities such as utilities (27%) and outings with friends (40%) before skimping on spending for their animal companions. Italy has been particularly hard hit by the cost-of-living crisis, but more than a quarter of respondents (26%) still said they would not be looking to save money on pet purchases.

The presence of pets is changing people's homes and habits: respondents stated that their pets influenced their choice of home (58%), furniture (48%) and appliances (32%).

56% of those interviewed believe that technology can enhance pet well-being - this figure goes up to 62% for Italian respondents. More than half of owners resort to gadgets not specifically designed for pets. Technological devices can keep pets more active according to 56% of respondents, and more than half believe that technology can improve pet health and reduce separation anxiety. When people went back to their offices after the pandemic, many owners worried about leaving their pets at home alone for long periods of time. Nearly half (46%) of respondents said they were worried their pets would feel lonely, and this figure was higher among young people, with half of owners aged 18-34 admitting to worrying about it. People were actually more concerned about pets being lonely and bored than about affording the cost of caring for them or repairing any damage they might cause. Many owners therefore look to technology for help, with about **half of respondents (48%) stating that they used technological devices to ensure their pets were not lonely.**

More than half of respondents believe that in the homes of the future, technology should be pet-friendly by default. For the Italian respondents this figure was 59%. According to the survey, technology-loving pet owners would like to use technology to vacuum after their four-legged friends (53%), feed them – using automatic dispensers (49%) – and track their movements, with GPS systems (48%). Those who say they already use technology to care for their pets listed these main reasons: ensuring pets' safety (36%), for their own peace of mind (36%) and convenience (33%). About half of respondents wanted more technological devices for pets to be developed in the future.

Owners are optimistic about the benefits technology can bring to the lives of pets, so long as pets are protected in the digital world, as is the case for devices for human use. The study showed pet-owners' interest in ongoing technological innovation.

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<sup>23</sup> 2022 Pet Living Study

## Not just accessories - the world of pet insurance

One rapidly growing service which might become part of the pet shop chains' portfolio of services in the future, is **pet insurance**. According to a recent report published by Fortune Business Insight<sup>24</sup>, the global pet insurance market can expect to see considerable growth in the next 3 years. The total value of pet insurance is forecast to reach \$11.25 billion by the end of 2026 (up 8% per year). An impressive increase when compared to the \$6.05 billion of 2018.

Due to changes in lifestyle and changes within families, pet adoption rates are increasing significantly in many parts of the world, and insurance policies are also on the rise as a result.

According to the data presented in the report, Europe will dominate the Pet Insurance market in the coming years, partly driven by the growing number of start-ups in the region, initiatives by various governments to promote animal welfare and health, and the increase in pet ownership in the continent.

Further confirming the growth of insurance for dogs and cats is the report released by the insurance comparison website Facile.it: in January 2023 the number of online searches for these products rose by 23% compared to the same month in 2022.

Taking into account the number of dogs and cats in Italian households and the cost of a dedicated policy, one estimate puts the value of public liability coverage alone at more than 1.3 billion euros.

A survey of around 99,000 price quotes made on the comparison website reveals that the most frequently insured cat breed is the Maine Coon, followed by Siberian, European, British Shorthair and Persian. When it comes to dogs, Labrador Retrievers are in the top spot, followed by Golden Retrievers, Bulldogs, Amstaffs and Maltese dogs.

Bergamo is the Italian province with the highest number of dogs insured in relation to the number of inhabitants, followed by Brescia, Padua, Bologna and Milan. For cat insurance, Bologna is in first place, followed by Brescia, Milan, Padua and Rome.

Policies covering public liability alone start at about 6 euros per month, while if veterinary coverage is added, prices start at an average of 12 euros per month. Some products provide additional protection, providing all-around assistance for pets and their owners, such as a veterinary helpline, delivery of medications and pet food, as well as sending a dog sitter if the owner cannot care for a pet for health reasons. There are also specific products for animals during travel.

Some companies choose not to insure certain breeds, or apply different conditions to them, or apply age limits, that is, they only insure animals older than 2 months and younger than 10 years old, with slight variations from product to product. For an insurance policy to be valid, the animal must be microchipped (or tattooed), have a health record and be regularly vaccinated.

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<sup>24</sup> <https://www.fortunebusinessinsights.com/industry-reports/pet-insurance-market-101956>

## HEALTH AREA

## PET FOOD SAFETY ACROSS THE SUPPLY CHAIN

The proper functioning of the pet food industry is evidenced by the largely satisfactory outcome of the checks that are carried out to ensure that products are safe and wholesome.

Manufacturers carry out numerous daily checks throughout the production process, in addition to regular inspections by the authorities, carried out by the specialized veterinarians of the National Health Service.

The Ministry of Health draws up its PNAA (National Animal Nutrition Plan) to ensure official controls on livestock feed and pet food and the protection of human, animal and environmental health.

The PNAA is implemented by means of inspections, with samples taken and analyzed from throughout the supply chain, from the production of the raw material to distribution.

The Plan is based on a periodic risk analysis formulated according to data from the checks performed in previous years, in compliance with the latest EU regulations. The plan for the three-year period 2021 - 2023 is currently in force.

The implementation of the PNAA involves various bodies with different roles and competencies working together. The Ministry of Health coordinates the supervision and control activities on a national level, and sends out the PNAA to regional authorities and the Autonomous Provinces. Through their health departments the latter then formulate a regional plan, instructing local health authorities to ensure the national guidelines are correctly applied. Checks on animal feed from Third Countries or of EU origin are carried out by Border Control Posts and the UVAC (EU Veterinary Compliance Offices), respectively.

### The implementation of the PNAA

The samples collected are analyzed by the Animal Disease Prevention bodies, whose technical and scientific work is coordinated by the National Health Institute, which also carries out follow-up checks. Where required, the regional authorities, Autonomous Provinces and local health authorities work with supervisory and control bodies from other State departments (NAS, ICQRF, Guardia di Finanza, Police, etc.).

In 2021 (the last year for which results are available), 322 samples of pet food were taken, and **almost 100% of the products sampled by the authorities were compliant:** a result that demonstrates that the pet food supply chain was operating correctly.

### The results of the checks carried out in 2021



## THE VETERINARY SECTOR<sup>25</sup>

### A scenario of growth and inflation

After the two-year pandemic, the last twelve months (March 2022- March 2023) have seen the economic and financial repercussions of the conflict in Ukraine, the energy crisis and inflationary pressure, resulting in higher consumer prices. The prospect of a general recovery, which appeared evident after the pandemic, now looks less certain.

The veterinarians dealing with companion animals are affected by this new scenario, and the National Association of Italian Veterinary Surgeons (ANMVI) has analyzed its impact. The Association polled its members regarding the period March 2022-March 2023, with a survey entitled “Inflation and price increases: how are veterinarians and pet owners reacting?” ([www.anmvi.it](http://www.anmvi.it)), to find out whether and to what extent the veterinarians are facing a reduction in demand for their services and/or seeing lower spending on pet care in general.

The results of the survey showed that in the veterinary care sector the balance between growth and decline is still positive. The forecasts paint a short-term picture of the consolidation of the veterinary sector (pet care) from an economic and social point of view and in terms of values. But in the medium to long term, there are unknown factors. Over the past twelve months vet facilities have improved their performance, confirming a growth curve and an increase in profits on the whole. Those who have invested have mainly focussed on upgrading equipment and machinery, as well as ongoing education.

The effects of the war and the energy crisis have also affected veterinary facilities, with energy prices (for electricity and heating) up by an average of 60%. It is worth remembering that electricity and gas serve inpatient animals and clinical, surgical, and laboratory activities, and that the price increases are also reflected in the use of and investment in specialized, high-level health technologies. And while the increased costs borne by veterinary facilities have generally not been transferred to pet owners in the form of increases in fees, the Italian National Association of Veterinarians has nonetheless highlighted policy-makers' lack of response to the profession's calls to ease the burden of the energy price hikes.

The increase in costs  
due to energy price  
hikes were not  
passed on to clients

Over the past three years, the veterinary sector has experienced steady growth:

- An increase in the number of pets
- An increase in business for vets
- An increase in spending on vet care

On the other hand, pet owners are dealing with a steady rise in the consumer price index. The NIC (National Index) is also of interest to the veterinary sector as it pertains to consumer prices as a whole for Italian households. The NIC index calculated by ISTAT on a yearly basis went from +1% (March 2019) to +7.7% (March 2023): the difference between the pre-pandemic period and 2023, after a year of war, in the midst of the climate/energy crisis, is evident (Source: ISTAT).

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<sup>25</sup>Text by ANMVI. Where not indicated otherwise, the data is from ANMVI.

The Italian National Association of Veterinarians (ANMVI) is an association of veterinary societies, based in Cremona, Italy. It represents 12,500 veterinarians, mainly self-employed (95%) in the small animal sector (65%), as well as livestock and non-livestock animals. ANMVI is a member of Confprofessioni, the association of self-employed professionals, and the UEVP (the Union of European Veterinary Practitioners), where it represents the Italian veterinary profession. Founded in Cremona in 1999, ANMVI is run by EV Soc Cons arl, the nation's largest producer of veterinary events and publications. Its statutory aims include furthering the professional development of veterinarians and safeguarding their interests, and it offers assistance and ongoing education for professional practice. The current chairman of ANMVI is Dr Marco Melosi, a freelance specialist in small animal practice. [www.anmvi.it](http://www.anmvi.it)

Despite the cost-of-living crisis, more than a quarter of Italian pet owners (26%) report that they have not reduced their overall spending on their pets, while the majority (61%) state that they prefer to consider other ways to cut back before scrimping on purchases for pets (Source: Samsung, January 2023). Significantly, the pet carrier was included in the Istat basket in 2022.

At the vet's, the cost-of-living crisis has not yet had a marked effect, although pet owners may think twice before accepting advanced services, such as diagnostics and specialized surgery, or may even decide to forgo treatment altogether. In the last 12 months there has been an increase in requests to pay by installments, making vets aware that they need to offer solutions to support vet expenses. The forms of financial relief offered to clients include payment in installments, followed by discounts on fees and the occasional freebie. Veterinary care insurance policies are cited by the majority of vets as the approach to develop.

The cost-of-living crisis is not being felt in this area, but vets are offering services to support fee payment

## Pets

In the past three years, the increase in business for vets and spending on vet expenses has been underpinned by a progressive increase in the number of “companion animals”. The definition of “companion animals” used here is that of the EU Regulation 2016/429 (the European law on transmissible animal diseases) and implemented in Italy by Legislative Decrees no. 134, no. 135 and no. 132 of 5th August 2022: “animals kept for purely private purposes, including ornamental aquatic animals kept in private homes and non-commercial ornamental aquariums, whether indoors or outdoors.” The following are classed as companion animals: dogs, cats, ferrets, invertebrates, ornamental aquatic animals; amphibians; reptiles; birds and mammals such as rodents and rabbits other than those intended for food production.

It is interesting to observe the rise in popularity of purebred dogs. Statistics from ENCI (the Italian National Canine Body) count as many as 198,172 new dogs registered in the studbook in 2021: this is the highest figure of the last ten years, compared to 158,125 in 2019 (+40,047 registered). The total number of dogs registered in the regional registries is officially 13,932,258 million (registered to owners or kept in shelters). Dogs are the only species registration is mandatory for. Lombardy is the only region that has introduced mandatory identification and registration for cats (as of 2020), but with upcoming national legislation, identification and registration is set to be extended to all companion animals, offering a more accurate picture of pet demographics. A National Pet Register, something that the Assalco Zoomark Report has always endorsed, is in the process of being set up.

It will be known as SINAC (the National System of Identification for Companion Animals). With the new digital pet information system, the Ministry of Health will be able to monitor the phenomenon of stray animals, which, while decreasing, still remains a major problem. In 2020 76,192 animals - both dogs and cats - were admitted to shelters, while in 2021 the figure fell to 72,115. Encouraging pet adoptions with tax breaks for pet expenses would have both health and public spending benefits. (Source: salute.gov, 2022)

A national computerized registry of all companion animals is currently being set up

The popularity of companion animals in Italy (third in Europe after Germany and France) is linked to the benefits that the human-animal bond has on people's quality of life. 57% of pet owners state that they are in good or excellent health, while only 48% of those who do not have a pet say the same (Censis, 2022). Data on the health of the over-65s is a case in point: 30% of pet owners report excellent or good health and only 18% are in poor or very poor physical shape. It is also significant that a high proportion of single people possess a pet (54%) (Censis, 2022). Pet owners firmly believe that their quality of life has improved as a result. 85% of dog owners and 91% of cat owners agreed with the statement “I feel less lonely thanks to my pet”. 80% of children reported feeling happier and more relaxed in the company of a cat or dog (Altroconsumo, 2021).

In terms of the factors for preventive health and well-being for our pets, vets pinpoint: proper feeding/nutrition, followed by the use of hygiene and cleaning products and an active lifestyle, with walks and the use of open space and/or dedicated pet areas. Vets agree that prepackaged industrial pet foods guarantee food safety and nutritional value, to a greater extent than other alternative nutrition plans (raw food diet, vegan diet) or homemade solutions such as sharing family meals/leftovers. Vets strongly agree that packaged pet food offers formulations developed to prevent and address health conditions or illnesses.

The main factors of pet well-being include proper nutrition, hygiene and an active lifestyle

## Turnover and profits

The latest available VAT returns submitted by vets - presented in 2022 for the 2021 tax year - show a turnover of 1,021,504,630 euros (source: ENPAV). This is higher than the previous two-year period (2019-2020) with a growth trend corroborated by the latest three-year statistical period published by the Ministry of Finance in relation to the ISA models (Synthetic Indices of Tax Reliability). In the three-year period 2018/2020, the average figure per individual vet required to present the ISA form saw a growth in both revenue/fees and profits.

### STATISTICAL DATA - ISA STATEMENTS - (Annual average per taxpayer)

	2018	2019	2020
*Profit	28	34.4	39
*Revenue and fees	62.2	84.2	93
Taxpayers submitting the form	9,472	6,694	6,570

2023 Assalco - Zoomark Report Source: Mef/Inland Revenue - Figures in thousands of euros

For a breakdown of the turnover of veterinary facilities, please refer to the following section “Veterinary Facilities.”

## Veterinary expenses in figures

Veterinary expenses registered by vets on the Health Insurance Card System in 2021 totalled 693 mln euros: +45.91 mln compared to 2019, and +217.55 mln compared to 2016. This can be seen in the table below, taken from the State Accounting Office's Health Expenditure Monitor (Report No. 9/2022).

## VETERINARY EXPENSES FOR COMPANION ANIMALS

Veterinary expenses transmitted to the Health Insurance Card System for the pre-compiled 730 tax return

Senders	2016	2017	2018	2019	2020	2021	2021 compared to 2020
Vets	475.51	520.01	561.30	647.28	512.86	693.16	180.30

2023 Assalco - Zoomark Report Source: Mef/Inland Revenue - Figures in millions of euros and absolute variations

The Italian Health Insurance Card System (Tessera Sanitaria) is also used (article 3 of Legislative Decree No. 175/2014) for submitting vet expenses to the Internal Revenue Service for the purposes of the pre-compiled tax return. This system gathers information on the vet expenses incurred by private individuals for the care of companion animals. Data from the State Accounting Office show that after a temporary downturn in 2020, in 2021 veterinary spending grew once more.

Vet expenses are transmitted to the Health Insurance Card System for tax deductions

### The profession

The social trend for pet ownership is reflected in the propensity of the new generation of vets to practice in this field. In 2022 at least 50% of veterinary students (Source: Nomisma) said they were oriented towards practising companion animal medicine and considered a career in this area to be among the most in-demand and promising (32%). Yet Ministry of Health figures regarding the demand for vets highlight a growing need for professionals in the fields of public health, food safety and livestock.

82% of vets are in private practice

Independently of the sector, veterinary practice remains essentially private: 82% of vets are self-employed. The professional body counts 35,000 members (34,727 in 2021, source FNOVI), 48% of whom are women.

### Veterinary facilities

There are 8,596 private veterinary facilities in Italy, which break down as follows (excluding testing laboratories): 6,602 practices; 858 offices; 1,062 clinics; 74 veterinary hospitals. The different types of facilities are categorised by the Agreement between the Ministry of Health and the Conference of Regions of 26th November 2003, which defines the minimum structural, technological and organizational requirements to offer veterinary services, for the purposes of legal authorization.

#### PRIVATE VETERINARY FACILITIES

Total authorizations: 8,596

Practices	Offices	Clinics	Veterinary hospitals
6,602	858	1,062	74

2023 Assalco - Zoomark Report Source: ANMVI, veterinary testing laboratories are excluded

62% have a single owner and 27% are run by professional associations. Only a small number of professionals opt for a corporate form (partnership or limited company) or professional partnership (STP). 71% of veterinarians state that they are not interested in selling their facility to a company or

network. As for the presence of partners/associates, facilities with only one partner/associate prevail (59% of cases), with 28% having up to 2 at most. The remaining number have three or four partners/associates.

The different types of facility present significant differences in the organization of work, the spaces occupied and the reported turnover. Traditional facilities (office/practice) have an average size of 89 square metres and are mostly run by one owner. The average age of veterinary facility owners is 52. Only one-third of facilities are run by owners under 40 (35% of facilities), most of whom opt for the simplest kind of facility (office/practice). As for human resources in a veterinary facilities, there are on average 3.2 professionals including the owner. 73% of facility owners do not have any non-vet employees (the national average for non-vet employees is 0.5%). Emerging job roles include that of the Veterinary Technician, a qualified position covered by a collective bargaining agreement (Confindustria) and a UNI Standard. According to ANMVI, which championed the development of this professional role in Italy, in the future even single-owner facilities will come to see nursing support as a precious resource and an added service for patients/clients.

In Italian veterinary facilities in general there is a propensity to invest, which was present before the pandemic, and this is reflected in the data regarding the type of services provided, but does not have a significant impact on economic returns: practices have an average turnover of 103,000 euros/year, clinics 245,000 euros/year.

It is a growing sector that has invested in technological innovation and developed specialized services: small animal practices in Italy are on the up in terms of both figures and development.

83% of Italian facilities provide specialized consultations, 63.8% advanced surgery. The growth of specialist care reflects the scientific and technological advancements in veterinary medicine, and is indicative of an increased demand for veterinary care that goes beyond basic treatments.

In general, facilities have been renewing their instrumentation and equipment, especially when it comes to diagnostics (ultrasound, radiography, electrocardiograph) and surgery (gas anaesthesia systems are increasingly being adopted, above all in clinics). The use of telemedicine was reported for the first time in 2021, activated by 13.7% of facilities (of all types). Following the limitations imposed by the pandemic, in 2020 more facilities began operating on an appointment basis, and 86.5% of Italian vets have since maintained this approach. Digital technologies are present and in use: only one in ten veterinarians does not use the internet for professional purposes. 82% of facilities are on the internet, with a website and/or a Facebook page, above all larger facilities, while Google Maps remains an important resource for smaller ones.

**Veterinary facilities  
have innovated their  
technological  
equipment and  
instrumentation**

Veterinarians now offer a wide, diversified range of services and instrumentation, but related and complementary services have seen less development. The trend for dispensing drugs within veterinary facilities continues to grow, and there is now a significant increase in the creation of “pet corner” services. One of the reasons that puts veterinarians off from dispensing drugs is the application of the maximum VAT rate of 22%. The facilities that dispense drugs are also more likely to have a pet corner service. In 86% of cases clinics provide drugs, while for offices and practices the figure is 57%. The products dispensed range from ear hygiene products to dietary supplements and foods for specific diets.

Nutritional advice remains a marginal service. Veterinarians advise pet owners directly on the prepackaged pet food to buy, and if the animal presents a health condition this figure rises to 97%. Industrially produced pet food offers verified guarantees of quality and safety: the products, whether wet or dry, are formulated according to scientific evidence and subjected to food safety controls, from the raw materials to the production process.

## Pets, the Constitution and tax measures

The Italian Penal Code safeguards human sentiment for animals, and case law has repeatedly issued sanctions for pet owners who deny veterinary care when needed, deemed a form of mistreatment. Eurispes data show that 87% of Italians have positive feelings toward animals; for 51.3% it is genuine affection, while 35.9% say they give all living species due respect. (Eurispes, 2023). These data offer insight into the historic amendment of the constitution that was finalized in 2022 with the Constitutional Law no. 1 of 11th February. Article 9 of the Italian Constitution now reads: “The law of the State governs the methods and forms of animal protection”.

The debates over the legal scope of this new addition to the constitution see some more positive and others more sceptical about it leading to a change in the approach to animal health, viewed as a public good, and not just of importance to the individual pet. Veterinarians are calling for the subsidized VAT rate (10%) to be applied to veterinary care and pet food in order to make taxation fairer, support animal welfare and help combat abandonment.

**A genuine one-health policy should reduce VAT rates**

In March, when the tax reform was announced, the Association sent four requests to the Prime Minister's Office, the Ministry of Finance and the Ministry of Health:

1. To include veterinary services in the preferential rate of VAT (like veterinary medicines) as they are deemed “essential services” for animal health and public health;
2. To consider making exempt from VAT those veterinary services that fulfil legal obligations (e.g. pet identification and registration) or regard essential care (e.g. sterilization to help reduce the stray animal population) or public health protection initiatives (e.g. vaccinations/anti-zoonosis treatments);
3. To apply the subsidized rate of VAT to pet food;
4. To safeguard the tax deductibility of veterinary expenses.

To embrace the One Health approach, ANMVI believes that fiscal rationalization is urgently needed.

