

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Bosnia and Herzegovina

Post: Sarajevo

BIH Pet Food Market Overview

Report Categories:

Product Brief

Approved By:

Christine Sloop

Prepared By:

Sanela Stanojic

Report Highlights:

Bosnia and Herzegovina imports 90 percent of the pet food consumed and these imports reached \$7.5 million in 2013. Imports grew an average of 12 percent over a five-year period. Although the pet food market is price-sensitive, the number of pets is constantly increasing and the types of products being purchased are diversifying into higher value premium food, treats and dental hygiene products.

General Information:

Pet Food Sector Overview

Bosnia and Herzegovina imports 90 percent of the pet food consumed and these imports reached \$7.5 million in 2013. Imports grew an average of 12 percent over a five-year period. There are two companies that produce dehydrated pet food locally, Bosnet Hadzici & Gold MG and Donji Zabar. The pet food market for dogs and cats is growing steadily every year as pets increasingly are being recognized as members of the family, especially in urban areas. In rural areas, many owners still consider dogs to be working animals that are fed leftover food.

The largest pet food market is for dogs and cats, with a ratio of 80:20 percent in favor of dogs. BiH's population is approximately 3.8 million and an estimated one out of every ten families possess a pet (usually a dog or cat, but also birds, fish and small rodents).

The average purchasing power in BiH is approximately 17 percent below the European Union average, thus customers are price-sensitive. There are generally two types of customers, those who do not care about the price and the bulk of the customers who are forced to purchase the lower priced option for economic reasons. However, despite this price sensitivity, the pet food market is growing an estimated 5-10 percent a year in response to a growing recognition of pet ownership having positive societal benefits (health benefits of walking a dog, companionship, and means of teaching children how to be more responsible).

Best Product Prospects

BiH pet food market offers premium and economy-priced pet food. Premium pet food products are mostly marketed through specialty shops (e.g. ZooCenter, and Svijet ljubimaca), while mid-priced products are available both in specialty shops and in supermarkets. Leading brands in the category premium pet food are Royal Canine, Taste of the Wild, Eucanuba, Proplan Purina, and Hills. Leading brands in the supermarkets are Whiskas, Pedigree, KiteKat, Chappi, Sheba, Cesar produced by Mars and Dog Chow, Friskies, and Darling produced by Nestle. Approximately 20 percent of pet food sales is captured by private labels (Mercator and Konzum chains).

The sales ratio is currently 70:30 in favor of lower-priced and generally lower-quality products. This ratio is expected to change to 50:50, as incomes increase and people become more familiar with the health advantages for their pets of the higher-end products.

The market also is increasing for treats and products intended to improve the animal's dental hygiene, as owners begin to understand that it is cheaper to prevent dental problems than to cure them when their pets are affected. However, sales of these products have been hampered by their short shelf-life which has caused sellers to be wary about offering these products.

Trade in Pet Food

In 2013, BiH's pet food imports reached \$7.5 million and the leading suppliers were Hungary, Italy, Serbia and Poland. The average growth rate for 2008- 2013 was 12 percent.

Table 1: Import of Pet Food to BiH 2008 -2013

YEAR	2008	2009	2010	2011	2012	2013
IMPORT (1000 KM)	6,305	7,822	8,798	8,715	9,553	10,845
EXPORT (1000 KM)	21	2	0.3	0.6	4	10.4

\$1.00 = KM 1.5 (BiH currency is KM or Convertible Mark)

Import Requirements

An APHIS certificate is needed for canned pet food, processed pet food other than canned pet food, and for dog chews from the United States. Also, the production facilities must be register with the SVO the first time they export to BiH.

State Veterinary Office (SVO)

Radiceva 8/II

7100 Sarajevo

Bosnia and Herzegovina

Contact person: Ms. Elna Kolasinac

Tel. +387 33 565 706

Fax +387 33 565 725

E-mail: info@vet.gov.ba, elna.kolasinac@vet.gov.ba

<http://www.vet.gov.ba/>

Contact information for the Foreign Agricultural Service office, U.S. Embassy Sarajevo

FAS/USDA

U.S. Embassy to BiH

71000 Sarajevo

Bosnia and Herzegovina

Tel.: +387 33 704 305

Fax: +387 33 704 425

Contact person: Sanela Stanojcic

E-mail: Sanela.Stanojcic@fas.usda.gov

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

