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Chairman’s Welcome

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

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

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

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

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

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

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

Peter Kersh
World Feeds
Introduction

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

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

Involvement

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

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

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

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

European market worth
€15bn

UK market worth
£3bn

Key Issues

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

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

(source WRAP reports)

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

Animal welfare
The pet food sector is in a unique position when it comes to animal welfare. We are not only keen to ensure the highest welfare of our pets, through providing the best possible nutrition, we also support livestock having the best possible life as well as end of life. Maintaining high levels of farm animal welfare post-Brexit is critical. This is a cost to farmers that must not be undermined by importing products from markets which operate under lower welfare standards.
Resolution to the question of overseas vets remaining in the UK is urgent. Approximately 85% of official state vets carrying out official controls in approved meat establishments are from other EU countries and up to 30% of all vets come from the EU. Without their continued presence, the safety and welfare standards, which underpin our industry, are under serious threat.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2016

Winner!

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

Educational Material

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

Companion Animal Nutrition Conference

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

London Vet Show Seminar

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

8% membership increase

(From 70 to 76 members in March 2017)

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

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

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

2017

European Society of Veterinary Comparative Nutrition Annual Conference

The 21st ESVCN Congress will be held in Cirencester, UK, from 20-23 September. The event will showcase the latest research in animal nutrition with delegates participating from across the nutrition discipline. PFMA will be running a seminar and networking session with the title of Pet Food Exposed; Behind the Scenes of Pet Food Industry on the 23rd looking at the hottest topics in pet food.

More info: www.rau.ac.uk/esvcn2017

Raw Guidelines to be launched

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

Pets & Aquatics Trade Show

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

A brand-new office for PFMA

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

We look forward to working with you in 2017.

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

**Information Resource**

- 85% are members because PFMA is a valuable information resource
- annual pet food market report
- newly launched Brexit Newsletter
- 35 working group meetings
- 400+ member queries answered
- 49 editions of pet themed 'Your News' for members
- dedicated online portal for members
- annual pet population report
- online shop for all PFMA educational leaflets and factsheets

**Credibility**

- 79% are members because PFMA gives credibility to the industry
- 190 PFMA branded media mentions
- 19 pet food articles produced for trade and hobby press
- dedicates Brexit task force
- news media
- 39 meetings with government bodies
- MP lunch

**Networking**

- 76% value PFMA for networking opportunities
- 190 PFMA branded media mentions
- 19 pet food articles produced for trade and hobby press
- dedicates Brexit task force
- news media
- 39 meetings with government bodies
- MP lunch

**Lobbying**

- 74% look to PFMA for lobbying influence
- attendance at international science symposium
- 5 training sessions and workshops
- (LVS, BVNA Congress, Glasgow University Pet Food Seminar, Moulton College, PATS)
- dedicated working groups & committees
- 10 new pet food factsheets
- media training workshops
- 10 dedicated working groups & committees
- online shop for all PFMA educational leaflets and factsheets
- member of All Parliamentary Group for Animal Welfare
- member of the Canine Feline Sector Group
- member of FEDIAF (the European pet food federation)
PFMA Secretariat

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

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

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

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

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

PFMA Secretariat

Education

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

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

In order to promote good pet nutrition, PFMA has organized events or presence at numerous conferences and seminars including:
• Moulton College, June 2016
• PATS, September 2016
• BVNA Congress, October 2016
• LVS, November 2016
• Glasgow University Pet Food Seminar

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

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

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

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

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

**PET FOOD POPULATION DATA**

- 15-20 million fish kept in tanks
- 15-20 million fish kept in ponds
- 8.5 million dogs
- 8 million cats
- 900,000 rabbits
- 700,000 caged birds
- 700,000 reptiles
- 600,000 domestic fowl
- 500,000 Guinea Pigs
- 300,000 hamsters
- 300,000 horses as pets

**TOTAL**

12 million households have pets
54 million total pet population

**PET FOOD MARKET DATA**

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

**PERCENTAGE OF OVERWEIGHT PETS ACCORDING TO VETS**

- 49% of dogs
- 44% of cats
- 32% of small mammals
- 11% of birds

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

**Veterinary Professional Research**

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

- **89%** agree that commercially prepared pet food provides optimum nutrition when fed correctly.
- **97%** agree that pets are living healthier lives and advanced nutrition played a key role.
- **79%** think vet students would benefit from more pet nutrition teaching.

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

PFMA aims to create a credible and responsible industry by placing pets at the centre of everything we do. While striving to achieve a balanced regulatory environment for the production of nutritious and safe food, PFMA also encourages responsible pet ownership, working in partnership with relevant pet bodies. It aims to be the main resource for its members, the public and others, as well as playing a lead role in forming opinions in Europe through the European Pet Food Federation (FEDIAF).

PFMA Members

Alba Protein
Alltech
Arden Grange Pet Foods
Beaphar
Benyfit natural pet food
Billy and Marge
Bob Martin
Burgess Pet Care
Burns Pet Nutrition
Butcher’s Pet Care
C&D Foods
Caledonian
Cambrian Pet Foods
Cotswold Raw
Countyside Products
Crown Pet Foods
Dovesish Nutrition
Dietex International
Dodson and Horrell
DSM
DuPont N&H
Durham Animal Feeds
Eden Holistic Pet Foods
Feedwell Animal Foods
Fish4Dogs
Fold Hill Foods (inc Pointer)
GA Pet Food Partners
Gal Systems
Gladwell & Sons
Grove Pet Foods
Happy Pet Products
Henry Bell and Co
Hill’s Pet Nutrition
Honey’s Real Dog Food
Inspired Pet Nutrition
Interpet
John Pointon & Sons
Johnsons Vet Prods
Johnston & Jeff
Lily’s Kitchen
Marches Natural
Marriage’s Specialist Foods
Mars Petcare
Millies Weltheart
MFM Products
Natural Instinct
Natural Vetcare
Natures Menu
Nestle Purina PetCare
Nutritem
Oscar Pet Foods
Pacific Proteins
Pedigree Wholesale
Pet Food UK
Pets Choice
Premier Pet Nutrition
Pro-pet
Provimi
Reif C Hagen
Regency Feeds
Rettenmaier LRSJ
Roger Skinner
RSPB Trading
Sarval
Spectrum Brands
Suffolk Group
Supreme Pet Foods
Thompson and Capper
Town & Country Petfoods
TPMS Animal Feeds
Trouw Nutrition GB
United Fish Industries
Wafcol
Westland Horticulture
Wolf Tucker
World Feeds

Representing 90% of UK Pet Food Market