

# German Pet Industry

Key figures and findings about the economics of the German pet industry. 2022.

## Introduction

“Investors believe Germany has the potential to become the biggest and best market in Europe due to consumer purchasing power and the size of the animal population.” - Hofman (2016).

There are approximately **15 million cats** and **10 million dogs** (19% of households) in Germany. Of the dog-owning households, 81% have only one dog, 16% have two dogs, only 3% have three or more. When it comes to cat households, 58% have one cat, 33% have two cats, and the remainder have three or more. Comparing the population to pet ratio of Germany to other European countries, there are an average number of cats and a low density of dogs. **Cat owners are on average younger than dog owners**, and 32% of pet dogs and 37% of pet cats are sourced from animal shelters.

**Pet ownership in Germany** generates annual sales turnover of over **10.7 billion euro**, sustaining approx. 210,000 jobs (full-time equivalent).

Approximately **37% of this turnover** is generated by **pet health**, **services** and **breeding** combined. Of this spending, **87% is generated by dog and cat owners**.

- **Pet health**: approx. €3.8 billion (a **23% increase within 5 years**)
- **Pet breeding**: approx. €590 million (87% due to dogs and a **5% increase in 5 years**)
- **Providing services for pets**: approx. €700 million

## Perspectives of the economic significance of pet ownership in Germany

- Considering the demographic developments in Germany, the number of pets will probably not continue to rise in the foreseeable future. Also, there seems to be a downward trend in ornamental birds, whereas the demand for exotic animals is still increasing.
- There is a growing acceptance of cost-intensive treatments (intensive care), which follows the same trends in human medicine. Related to this, surgery insurance is also on the rise.
- In the future, the demand for dog owner liability insurance could increase, as this type of insurance may become mandatory in even more German states (*Bundesländer*).
- The number of commercial pet funerals, in particular cremations, will continue to rise.
- There is clearly a decrease in the ownership of pedigree dogs bred in Germany. Pedigree dogs are being imported at a growing rate, but frequently also mixed breeds from other countries that have been kept in poor conditions.
- The need for dog obedience schools will not diminish - also in view of various dog regulations along with the requirement for a certificate of handling competence.
- Dogs are more often taken along on vacations.
- The significance that pets have on the health of humans is increasingly being recognized and applied in various therapies.

## Purebred vs. Mixed Dogs

- 2012: In Germany, approx. **69% of dogs are purebred and approx. 31% are mixes**, according to the VDH . Of the more than 4.1 million dogs registered at Tasso, about 77.6 % were identified by their owners as purebreds and 22.4% as mixed breeds.
- 2018: AGILA states that 35.3% of its insured dogs are recorded as mixed breeds. Updated figures from Tasso paint a similar picture with **60.4% and 39.6% of dogs recorded as purebred and mixed respectively**.
- The trend of increasing mixed breed ownership can be attributed to two factors:
  - Willingness of younger dog owners to adopt from shelters overseas
  - A lack of regard for registries and pedigree purebreds; an uptick in backyard and puppy mill breeding.

## Health

- There are **10,888 vet practices** with 47,600 staff members (77% of which are employees) in Germany, generating a turnover of **±€ 3.789 billion** (incl. VAT).
  - An average of just **± €270,000** (excl. VAT) is generated per veterinary practice.
  - Approximately 65% of turnover is spent on personnel costs, expenditures for procured goods and services, plus other business expenses and investments; **net proceeds account for approx. 35%**.
  - There is a relatively wide spectrum in earnings between the different veterinary practices:

- 15 % generate an annual turnover of just approx. €33,000.
- 18 % have an average annual turnover of €74,000.
- 11 % show an annual turnover of more than €500,000.

A study by AGILA showed that annual vet turnover could be segmented as follows:

- Dogs: 46% = > €1.130 billion
- Cats: 41% = ± €1.010 billion
- Other: 13% = ±€320 million

“Insgesamt gab es in Deutschland 2013 etwas über 11.900 niedergelassene Tierärzte. Aber nur 9.500 waren umsatzsteuerpflichtig und erzielten einen Gesamtumsatz von etwa 2,6 Milliarden Euro. Das bedeutet, dass schon mal rund 2.400 Praktiker (20 Prozent!) weniger als 17.500 Euro pro Jahr umsetzen, denn das ist Umsatzsteuerfreigrenze... gut 45 Prozent(!) der deutschen Tierarztpraxen kann man nicht als Vollerwerbspraxen bezeichnen, denn vom Umsatz müssen die Kosten (Personal, Waren und Dienstleistungen sowie sonstigen betriebliche Aufwendungen und Investitionen) abgezogen und der dann verbleibende Unternehmerlohn noch versteuert werden und es fallen Sozialabgaben an.

Dass in Deutschland bessere Zahlen drin sein müssten, zeigt der Vergleich mit Großbritannien: Auch dort liegt der Gesamtumsatz bei etwa 2,5 Mrd. Euro – allerdings erzielt von nur halb soviel Praxen und mit (im Heimtierbereich) rund 7 Millionen weniger Tieren.”

The *Bundesverband für Tiergesundheit e.V. (BfT)* , *BfT Special No. 51 / October 2010* Survey that included ±500 dog owners and ±500 cat owners found that when it comes to veterinary costs:

- Average dog owner spends **±€227 per year per dog** (52% of vet turnover)
- Average cat owner spends **±€122 per year per cat** (38% of vet turnover)
- Small animals / birds / reptiles only make up 10% of vet turnover.

When it came to **unplanned veterinary expenses** within the last three years, on average dog owners spent €1063 and cat owners €591.

- Purebred dogs on average are more expensive than mixed breeds, here is an overview of the average yearly vet costs and the probability for unplanned surgery costs:
  - Purebred (registered breeding, with pedigree) €238 (43.3%)
  - Purebred (backyard bred, without pedigree) €245 (41.9%)
  - Mixed breed €209 (37.6%)
  - Average €227 (40.3%)

Non-medical practitioners (Tierheilpraktiker) and veterinary physiotherapists number 4500 professionals, but only 1500 work full-time. Numbers are sinking among non-medical practitioners as many vets now also offer alternative treatments such as acupuncture. However, physiotherapists are on the rise (many coming from human medicine backgrounds), primarily treating dogs following surgery.

Federation sources size up the **non-medical practitioner and veterinary physiotherapist** turnover from dogs, cats and other

pets as follows:

- Dogs: 65%
- Cats: 30%
- Other pets: 5%
- The pet-relevant turnover can be estimated at about **€160 million**.

## Breeding & Sales

### Dogs

- For purebred puppies from registered breeders and pedigree bloodlines can be sold in the price range of **€500 to €6000+**, depending on the breed and other factors.
- At an average price of €1,000, **the turnover from selling purebred puppies is approx €335 million**. The annual turnover from breeding and otherwise acquiring dogs can be estimated at about €300 to €600 million. This calculation includes selling (or reselling) older dogs.
- The VDH (German National Kennel Club) estimates that **about 20 percent of dogs are imported**. The numerous 'dogs in need', which animal welfare organizations bring to Germany (as puppies or adult dogs) from various south and east European countries are also included in the calculation.

### Cats

- The number of **purebred cats make up only 10% of the cat population**. More exact information is not available, as breeders of purebred cats do not have a mutual, nationwide or international umbrella organization unlike dogs, but instead are split up into several associations (CFA, TICA, FIFe, WCF).
- Prices per purebred cat vary between **€500 and €1,000+**. The annual turnover from breeding and acquiring cats can be estimated at approx. **€60 million**.
- AGILA estimates that **5.5% of cats are imported**.

### Other

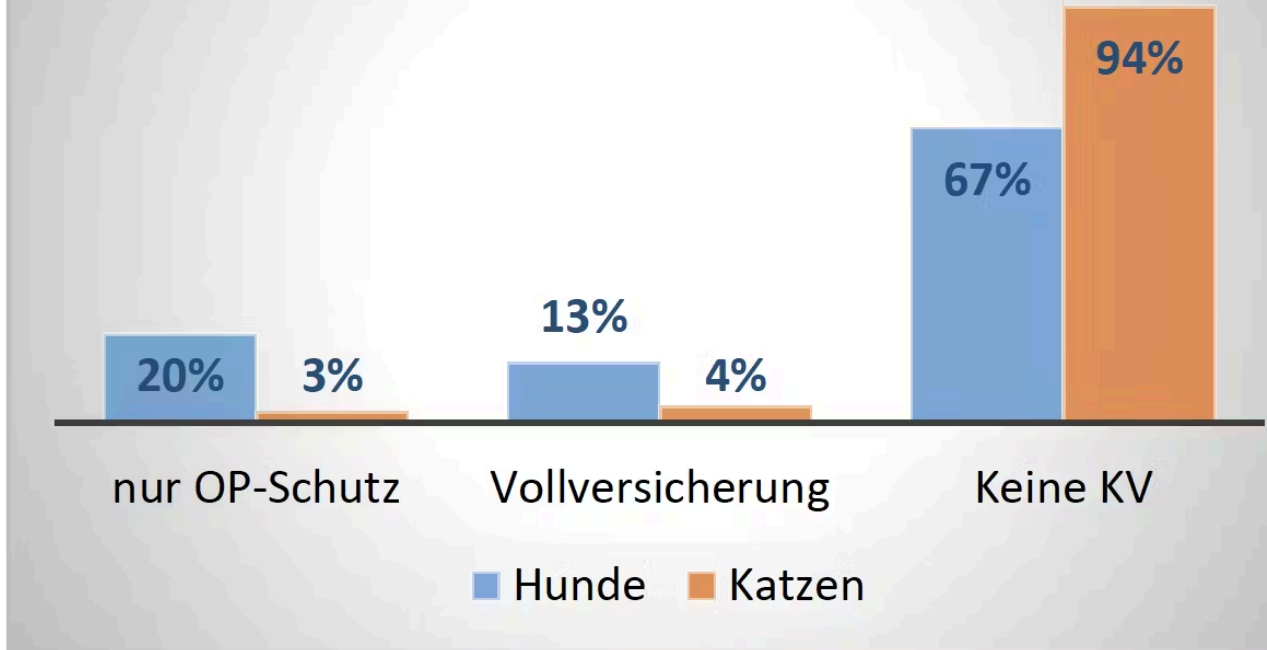
- The estimated annual turnover from **breeding / selling other types of pets is €100 to €150 million**.
- Approx. **€1.3 billion** in turnover is generated in the context of pet breeding in addition to club / association activities, whereas almost 63% is attributed to dog ownership, ±13% to cat ownership and >20% to other.

## Services

- About **€115 million** turnover is estimated for animal boarding facilities (incl. pet hotels) and day-care centers, whereas over 80% is attributed to dog ownership.
- A turnover of approx. **€75 million** is estimated for funerary services, largely composed of dogs (€45-50 million) and cats (± €18 million) - **a 60% increase since 5 years ago**.
- A turnover of approx. **€80 million** can be assumed for dog obedience schools - **6% increase in the last 5 years**.
- A turnover (incl. turnover from grooming training) of approx. **€75-80 million** was calculated for groomers - **a 15% increase since 2013**.
- Other indirect turnover in connection with pet ownership (e.g. car accessories, home renovations or toys not intended for pets) adds up to approx. **€520 million**, of which about 50% is allocated to dog ownership, >35% to aquatics/ terrarium species, and the remainder to cats, small animals and birds.

## Insurance

Abb. 24: Tierkrankenversicherungen



Hunde: n = 4595; Katzen: n = 2983

- About **€630 million** (45% increase within 5 years) can be estimated for liability insurance and health insurance, whereas 95% is to be attributed to dog ownership.
- Only **13% of dog owners and 4% of cat owners have taken out pet health insurance**, and of those around 80% only have a surgery policy.
- In contrast, **95% of dog owners have liability insurance** (it is mandatory in several states, like Berlin).
- Adding up revenues from animal boarding facilities, pet funerals, dog training schools and pet groomers, results in a total turnover from services for pets of **approx. €900 million**, almost 95% of which is attributed to **dog ownership**.

## Dog Sitters

- Approximately **10% of dog owners use dog sitters regularly**, due to work or other arrangements.
- However, **80% of dog owners take their dogs on vacation** (which results in extra expenses, between €5 and €20 extra per day).

## Human Benefits

Police dogs, rescue dogs, guide dogs, assistance dogs, therapy dogs, etc. create added value that is actually much higher than what may be included in the official gross domestic product, which is at best the cost of pet ownership.

Furthermore, **€1.5 - €3 billion is saved by the German health system** as a result of pet ownership.

- Pet owners suffer less often from minor health problems.

- Pets help to relieve stress.
- Pet ownership lowers the risk of heart attack and improves cholesterol levels.
- Pet owners are less lonely than individuals without animals.
- The life-satisfaction level of pet owners is higher and they are more optimistic.
- Older pet owners cope better with radical changes in their lives than their peers without animals.
- The average activity level of seniors with a pet is noticeably higher than that of seniors without a pet.
- In nursing homes, the average daily requirement of medicines decreases when animals are integrated into the overall care.

**For dog owners in particular**, it was discovered that:

- Dog owners suffer less from colds, flu and headaches, because they build up more resistance due to their daily walks.
- Dog owners have a better chance of surviving heart attacks than those without dogs.
- Dog owners less often have issues with blood pressure.
- Older dog owners see a physician less often than peers without a dog.
- Therapy dogs can also contribute by inducing therapeutic effects, such as the normalization of blood pressure, overall improvement of personal drive, boosting of mental and motor skills, stress relief, creating a diversion from pain or also learning social behavior.
- As for children, the psychological well-being and social interactions are strengthened.

## Bibliography

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