

For Release: 11 September 2025

Pet food boom: Feeding the four-legged family member

Pet food has become a premium global category – no longer just a commodity. Australia’s pet food industry is booming, with spending now surpassing household outlays on seafood, cheese and lamb.

ANZ’s Food for Thought – Spring 2025 report explores this growth, which, driven by trends in health, convenience and sustainability, has seen Australia’s pet food industry evolve from a commodity into a premium lifestyle product.

Michael Whitehead, Executive Director, Food, Beverage and Agribusiness Insights at ANZ, said: “Over the past two decades, pet food has evolved from a bulk commodity into a sophisticated consumer product – now competing with human food for shelf space, packaging design, and brand loyalty.

“In Australia, pet food is now a \$4.6 billion category – putting it ahead of national household spending on seafood, cheese or lamb. When including veterinary services, insurance, grooming, accessories and supplements, total annual household pet spending exceeds \$10 billion. This is higher than total household expenditure on public transport.

“From DNA-personalised meals to insect protein snacks, today’s offerings mirror human food trends – and consumers are willing to pay for it. Pet food growth is driven by human-style trends: health, convenience and sustainability, as retailers and investors expand into food, vet care and personalised pet services.

“While some consumers have shifted to mid-range products or supermarket brands, overall spending remains strong. Pet food often remains one of the last items people are willing to cut – particularly for older animals or those with dietary needs.

“Dog and cat food account for around 95% of Australia’s pet food market, but the ecosystem stretches much further. Across the country, many households care for birds, rabbits, guinea pigs, turtles, reptiles and aquarium fish. That demand supports everything from seed mixes and frozen krill blocks to freeze-dried mealworms and nutrient gels for exotic reptiles.

“There are more pet fish in Australia than dogs. Many apartment dwellers and renters are also choosing birds or rabbits as low-space companions. Some premium stores now offer tailored lines for parrots, axolotls or bearded dragons – a big shift from the days when a generic seed mix was expected to feed everything from a budgie to a rabbit.

“Today’s pet food shelves include chilled beef and broccoli medallions, goat milk probiotic toppers and air-dried salmon bites. Consumers are applying their own dietary preferences – from grain-free to flexitarian – to their pets. In response, manufacturers are leaning into clean labels, high-protein ingredients and “natural” claims. Premium and super-premium products now make up over half of the pet food market by value.

“Innovation is also expanding rapidly. Australian brands are adding insect protein, algae, flaxseed, chickpeas and even kangaroo to premium blends. Subscription players deliver cooked-to-order meals packed based on the pet’s profile. These services invest in refrigerated warehousing, biodegradable packaging and systems that customise orders meal by meal.

“The sector’s momentum comes with growing challenges. Sustainability demands are rising – from packaging and sourcing to emissions data. Fresh and frozen products require better cold chains and risk management. If temperature control fails, so does the brand.

“Consumers are changing quickly. Many younger households expect food to reflect their values – from sustainability and nutrition to ethical sourcing. Some want vegetarian options for their dogs. Others are asking for personalised gut-health formulas for their cats.

“What used to be a side aisle in the supermarket, or a way to get rid of trimmings. Today, pet food is where brand strategies are built, margins grow, and consumers make emotional decisions. Behind every 1kg bag of dry food is a supply chain linking Australian meat processors to Asian e-commerce sites and eco-labelling platforms. Pet food is no longer about leftovers – it’s about lifestyles.

“For investors, retailers and agribusinesses, this is a bowl with bite – and it’s not slowing down,” concluded Mr Whitehead.

Further insights can be found in the Spring 2025 edition of ANZ’s *Food for Thought* report.

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