

## **Pet Food Fee is the most optimal source for funding the WVSNP fund**

The funding source must be **consistent, dependable** and a **realistic** amount to have a successful outcome. We considered other options as noted below with little success, some even failed legislatively. But none offered the amount of money needed to make an impact on a yearly basis.

<b>Why Pet food fee over other sources?</b>	
<b>Other funding sources considered</b>	<b>Objections to their use</b>
Income tax check off	Unpredictable, not enough money
Surcharge on rabies vaccinations	Veterinarians do not support this option
Specialty auto license plates	Money goes to the DMV and not to spay/neuter
Increase dog license/registration fee	Low compliance, money supports animal control facility
Yearly appropriation from the legislature	Unreliable source during lean budget years
Grants	Competitive, sparse and unreliable

Dog and Cat food product permit registration fee is a logical and cost-effective way to raise the funding for a WV Statewide spay and neuter program. Five states have decided this too. They are Maine, Maryland, West Virginia, New Mexico and Delaware.

At the WVDA, there is already in place a mechanism that requires pet food manufacturers/companies to obtain a permit to sell their products in our state. This is done through the WV Dept. of Agriculture. An additional fee is added to this already existing permit fee for large packages and small packages of pet food only. This would not include livestock or poultry feed. This is a **consistent** stream of funding. Of importance is the fact that this is not a retail or consumer tax on WV citizens.

### **Other reasons to use the Pet Food funding model:**

Administratively, the idea is brilliant because it uses agency infrastructure already in place.

Pet food companies only take revenue from 66% of WV pet owning households.

The fees are paid from out of state, not using in state money.

The fees added are only applied to a pet benefit (spay neuter) allowing pet owners flexibility to use saved funds to apply to other pet needs that also benefit the pet industry.

Pet food companies pay higher fees in states other than WV

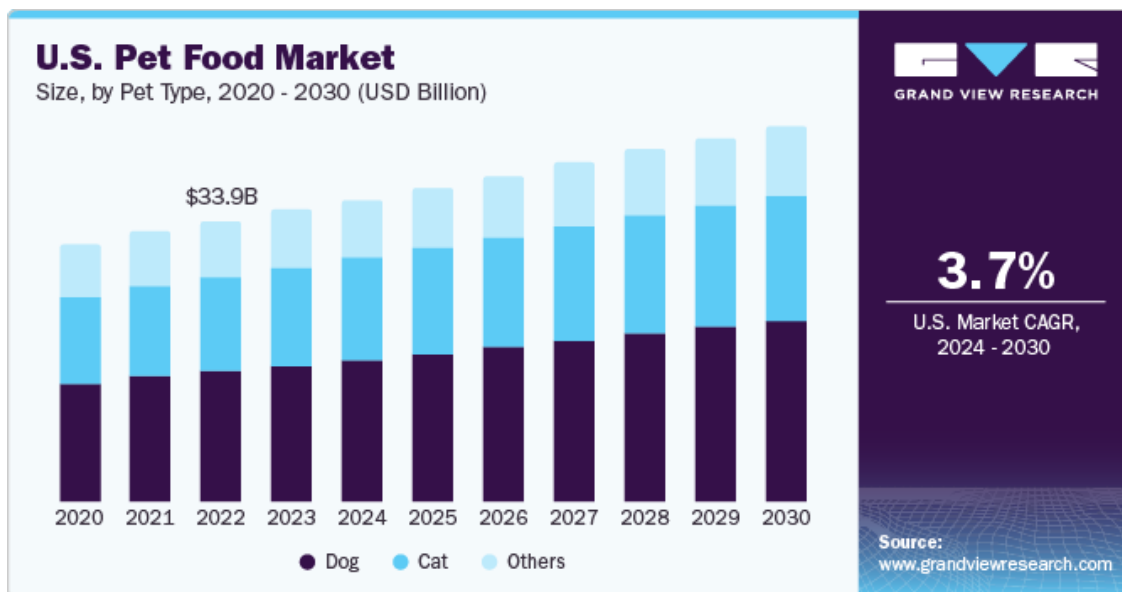
And finally, the pet food companies' contribution to WVSNP can be written off as a donation or a loss: they can claim that they are supporting the pet owners they depend upon with a grant program similar to PetSmart, PetCo, Rachel Ray, and other pet products providers, without the administrative cost to manage. (They are missing the PR boat!)

Also, the Pet Food Industry has had **lucrative sales** of pet food in WV with \$196 million in sales in 2016 to \$356 million in WV sales in 2023. With \$450,000 going to WVSNP this is only one tenth of one percent (.001%)

Based on data from the Pet Food Industry, we calculated of the total \$64.4 billion in total US Pet food sales in 2023, West Virginia had pet food sales of \$356 million which is an increase over the 2017-2018 sales of \$196 million. 3)

The pet food companies are doing just fine as shown in this chart showing the sales increases in U.S. National Pet Food Sales. Pet food is considered an inelastic commodity. Many studies show that even in a recession, people still buy pet food.

National United States Sales are substantial and continued growth increase is expected through 2030 as shown by the chart below. 1)



### Did pet food prices increase in WV?

Since the program started, we have not seen an unusual rise in pet food over what has occurred in other states and what has historically been recorded as shown on the chart in the United States.

We have no evidence in the past seven years that the PFI (Pet Food Industry) has passed the cost along. However, with 807,005 pets in West Virginia, even if the entire cost was passed on, it would be a little less than \$0.58 per pet per year. Plus, it would target the people in the state who are contributing to the *problem*, pet owners.

In Maryland with a similar program, they have seen no change in dog and cat food pricing and in 2022 renewed their program through another decade to 2032. Price increases occur normally anyway so this is hard to determine. Studies prove that pet food is an inelastic good, meaning that consumers generally continue to buy it regardless of the price or even in a recession.

### **A WV Pet Food Company offers remarks on the program:**

Jenn Dinsmore, who owns a Morgantown pet treat business called Poochie's Choice, said she has been selling pet treats in the state since 1993 and has always paid some sort of fee, but the fact that she is paying more for each item she sells in the state isn't a big deal and doesn't really bother her.

"I have to pay in every state where my product is," she said. "In New York it's \$100 a product, so five pounds or less is \$75 here and that includes what goes to the department [of agriculture]."

Dinsmore, who is also an animal advocate, said she believes the fee is "one of the best things that ever happened in West Virginia" because we have such a problem with stray dogs and cats.

"I'm more than happy to pay the fee because my heart goes out to animals and I know that this is really helping with the overpopulation," she said. "And it's not a big amount of money when you think about your return on your product." 2)

- 1) <https://www.grandviewresearch.com/industry-analysis/us-pet-food-market-report>
- 2) <https://www.dominionpost.com/2023/07/22/mug-z-moo-to-the-rescue-animal-welfare-groups-ongoing-struggle-for-funding/>

### 3) FOHO WV Calculation based on PFI data

Calculated Jan. 2025

64.4 billion Pet food sales 2023 divided by 86 million US pet owning Households (66% of US total households of 131 million = \$749 per US Household spent on petfood based on national average. Take rounded figure 64 billion divided by 86 million and get \$749 on pet food per household in the US based on national average. Then 66% of WV households (total 720,668) = 475,641 pet owning household equals \$356 million in WV pet food sales which is an increase over the 2017-2018 sales of \$196 million.

[PFI https://americanpetproducts.org/industry-trends-and-stats](https://americanpetproducts.org/industry-trends-and-stats)

