

Why owning a dog or cat in Canada has become so expensive

From private equity overtaking veterinary clinics to a longstanding shortage of veterinarians, a complex web of factors is making it ever more expensive for Canadians who own a pet

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Shellie Suter and Roger, her Nova Scotia Duck Tolling Retriever, at home on Nov. 13, 2023.

In the depths of the pandemic, veterinary practices became [unlikely targets](#) of a deal-making frenzy fuelled by low borrowing costs. Sean Walter said he saw groups backed by private equity snap up veterinary practices at valuations of up to 30 times the clinics' annual earnings.

"If you talk to someone outside the veterinary industry," the [Ottawa](#) veterinarian and business consultant said of his conversations with others in the private-equity world, "and you tell them what some of these clinics have sold for ... their jaws drop."

Today, with higher [interest rates](#), the multinational chains that led that takeover spree are facing a debt hangover – and pressure to raise prices to recoup the cash.

That's part of a complex web of factors that are making it ever more expensive to own a cat or a dog in Canada. A boom in pandemic pet adoptions, a long-standing shortage of veterinarians and manufacturing issues that have driven up the costs of drugs and food are also turning up the financial pressure on the more than half of Canadian households with pets.

In recent months, the Toronto Humane Society has described an "unprecedented crisis" as affordability challenges and high pet care costs force growing numbers of owners to surrender their animals.

Many in the industry are looking for solutions. Veterinarians are promoting pet insurance as a way to manage the cost of medical emergencies. Provinces are trying to train more professionals to fix the long-term workforce problems. And there are calls for Canada to follow the lead of competition authorities in Britain and the U.S., who are cracking down on the worst behaviours of corporate clinics.

The stakes, for anyone who loves pets, are high. As Anna-Lee Fitzsimmons, director of public relations at the Calgary Humane Society, recently put it: "Companion animal ownership is really trending towards being something that only the wealthy can afford."

[Stress Test podcast: Can you really afford that pet?](#)

Medical bills are where many pet owners are feeling the biggest squeeze. On a recent afternoon, Shellie Suter flipped through veterinary bills in her [Toronto](#) living room. Roger, her young Nova Scotia Duck Tolling Retriever watched her attentively, his pointy orange muzzle resting on the carpet.

Last year, Roger suffered from stubborn ear infections. Ms. Suter pulled out the invoices showing the hundreds of dollars she spent on ear drops, even without any dispensing fees from her veterinarian. Eventually, a specialist solved the issue by having Ms. Suter squirt the medication straight into Roger's ear canal with a syringe. That in-person visit cost \$300 and a 15-minute follow-up phone consultation another \$200.

Napping in the basement of her home – safely beyond Roger's reach – was Jeffery, the family's 15-year-old orange tabby, who was diagnosed with diabetes more than a year and a half ago. For him, Ms. Suter is now paying \$155 per insulin vial, up 20 per cent from \$129 when he began treatment. Meanwhile,

needles for the insulin injections cost almost \$37 a box, up by more than 30 per cent from \$28 in May of 2022.



Shellie Suter shows her stock of new and used insulin syringes for Jeffery, her fifteen year old orange tabby cat that has diabetes. FRED LUM/THE GLOBE AND MAIL

“I need a box of needles almost every month and almost every time there’s been a price increase,” she said.

Among the many factors fuelling price increases is a long-term trend of rising costs as veterinary medicine – just like its human equivalent – becomes ever more sophisticated, with more tests, techniques and equipment required to deliver the highest quality of care.

At VCA Canada, which operates more than 160 veterinary practices across Canada, some of its biggest animal hospitals are now equipped with CT-scan or MRI machines, which can each cost more than a million dollars. “That all increases costs, and that has to be passed on, unfortunately, to the clients,” said Daniel Joffe, VCA Canada’s vice-president of medical operations.

But multinational corporations are doing more than just upgrading equipment. Their growing presence in the sector is driving up prices in other ways. Nearly all practices in Canada were independently owned 15 years ago. But then groups backed by private equity began to buy them up, a process referred to as “rolling up” an industry.

Share of of corporate-owned veterinary practices

● Total corporate practices ● Total non-corporate-owned practices



THE GLOBE AND MAIL, SOURCE: DARREN OSBORNE, ONTARIO VETERINARY MEDICAL ASSOCIATION

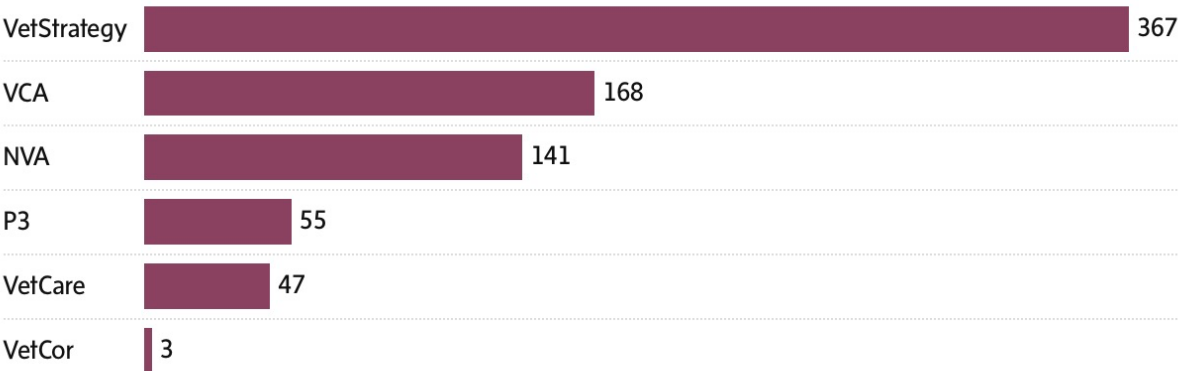
An analysis published in May in the Canadian Veterinary Journal suggested about 20 per cent of all veterinary clinics, and more than half of specialty or emergency hospitals, are owned by large corporations. And because corporations tend to buy large clinics, they represent about 40 per cent of the entire workforce.

The top corporate owners are VetStrategy, National Veterinary Associates (NVA), and VCA, the only one of the three that explicitly brands the clinics and hospitals it acquires. More commonly, practices retain their old branding after a sale, so patients may not know ownership changed hands.

Corporations were able to buy up practices by offering large payouts to veterinarians who were retiring or who were tired of running their own businesses. At the peak of the pandemic, some clinics were sold for up to 30 times their annual earnings before interest, taxes, depreciation and amortization.

Number of corporate-owned veterinary practices in Canada

Number of hospitals owned



THE GLOBE AND MAIL, SOURCE: DARREN OSBORNE, ONTARIO VETERINARY MEDICAL ASSOCIATION

In the past year, the number and value of sales have decelerated, due in part to higher interest rates. But the earlier buying spree has left a substantial financial impact. In most cases, the departing veterinarian is contracted to stay on for a few years, with some of the payout depending on the clinic’s post-sale revenue.

“That’s creating additional pressure on them to increase the fees and do more billing and things like that, in order to really recoup the purchase price fully,” said Jeff Pang, a lawyer at Borden Ladner Gervais LLP who has worked with veterinarians.

Corporations are now trying to pay down debt and strengthen their bottom lines. At least one of Canada's three major chains – NVA, which is owned by German private-equity firm JAB Holding Company – is preparing for an initial public offering, which the company announced in March would happen “in the next two or three years.” (NVA did not respond to requests for comment.)

VetStrategy, the largest corporate owner, was bought by European vet chain IVC Evidensia in 2021. That same year, Reuters reported the company was exploring an IPO, but had called it off in the short term after renewed financing from its private-equity backers.

A spokesperson for IVC declined to comment on the potential IPO or on whether the chain had raised prices, but said in a statement that prices may vary between practices depending on differing expenses or services provided.



A cat receives treatment at an animal hospital in Digby, N.S. Veterinarians in Canada say they are experiencing extreme burnout due to staff shortages, a booming number of animal patients and the round-the-clock stress of the job.

ANDREW TOLSON/THE CANADIAN PRESS

But some in the industry say all these factors have led to corporate-owned locations raising their prices faster. “At the end of the day, the private equity fund, their M.O. is quickest, highest return on capital, and what that means is that prices are going to be raised to the end consumer,” said Emma Harris, vice-president of market management at telemedicine platform Vetster, who has looked at the issue as part of her ongoing doctoral research.

Karoline Bourdeau shares that suspicion. It was shortly after VCA Canada bought her vet's clinic in Toronto that she said she was charged more than \$500 for a wellness exam, tick- and heart-worm-prevention medication as well as a few vaccines last year. In the past, she said, similar seasonal visits cost no more than \$400.

Ms. Bourdeau, who is blind, has seen both medical and pet supply costs escalate for her guide dog, a 7-year-old female black Labrador named Raven. While many guide-dog owners receive help with vet bills from the schools that trained their animals, Ms. Bourdeau said her school, which is smaller, isn't able to offer that support.

The veterinary bills were "making things very, very tight," said Ms. Bourdeau, who is a technology coach for blind and low-vision students in Toronto.

She said that while she loved her old vet, she has now moved to an independent practice in a different part of the city which, she said, charges about half of the VCA-owned clinic's prices.

Dr. Joffe acknowledged prices can go up after a practice is acquired by VCA, but said it is necessary to fund upgraded equipment and services. He said he believed some practices struggled preacquisition because they were undercharging. "Prices go up because the quality of care, the quality of everything we offer to them, goes up as well," he said.

But independently-owned clinics are also raising their prices. The increases are on display in the suggested-fee guides that provincial associations produce every year – although pet owners can't see them. In human medicine, these guides are publicly released, but that is not the case for veterinary medicine.

The Globe and Mail obtained a copy of the 2022 and 2023 suggested fee guides from an [Ontario](#) veterinarian, who The Globe is not identifying because they could face professional repercussions.

The guides show the recommended fees for several procedures increased by around 10 per cent in a year. For example, the recommended charge for an examination was \$139.30 for 2023, up nearly 12 per cent from the \$124.90 suggested in 2022.

Providers say they have had to raise their prices because their own expenses keep going up.



A staff member greets a dog that is up for adoption at the Humane Society of Greater Miami. Higher costs for medical care – coupled with soaring living costs – can help explain why the volume of animal surrenders is rapidly rising after dropping during the pandemic. JOE RAEDLE/GETTY IMAGES

The biggest cost increases are in staff. Veterinarians and veterinary technicians – the doctors and nurses of the animal world – had faced a relatively tight labour market before the pandemic. But COVID-19 made it much worse. Between 2020 and 2022, Canada’s dog population increased by around 200,000 and that of cats by 400,000 – representing increases of 2.6 per cent and 5 per cent, respectively – according to the Canadian Animal Health Institute. And as more people bought pets and spent more time with them, demand for vet services correspondingly skyrocketed. Professionals burnt out, then many retired or quit.

According to Statistics Canada data, in the fourth quarter of 2019 there were 365 job vacancies for veterinarians and 490 for technicians. By the fourth quarter of 2022, those numbers had risen to 950 and 1,120. The Canadian Veterinary Medical Association estimated in a 2020 study that only about 350 new doctors of veterinary medicine graduate each year in Canada – and slightly more than that retire.

Gregory Varney, a veterinarian and owner of the Aylmer Veterinary Clinic near Gatineau, Que., saw his six-vet practice go down to two vets, including him, in the depths of the pandemic.

He said it put an enormous strain on him and his associate to keep up with his clients’ needs as they see an average of 10,000 patients a year. “It took a lot of resilience, a lot of positive thoughts to hang on to, knowing that better days would come,” he said.

When he finally was able to recruit two more vets this year, he felt like he “won the lottery.”

Clinics have had to compete for staff by offering higher salaries, which can add up. Natasha Sapra, executive director of the Veterinary Emergency Clinic in downtown Toronto, said the wages for their emergency-room veterinarians are up 56 per cent since the pandemic started – and it’s still a struggle to fill every shift. “You’re battling to try to make sure you can cover your hospital, cover your patients,” she said.

These higher costs for medical care – coupled with soaring living costs – help explain why humane societies and other non-profit organizations are struggling. In Toronto, THS has seen demand for its vet clinic shoot up. And across Canada, the volume of animal surrenders is rapidly rising after dropping during the pandemic. At the same time, fewer people are adopting pets, particularly ones with high medical needs, said Barbara Cartwright, CEO at Humane Canada. This is leaving “a glut” of pets in the care of shelters and rescues.



Rising prices are forcing some pet owners to trade down on pet food or turn to humane societies and rescues for help.JP MOCZULSKI/REUTERS

What Ms. Boudreau pays for Raven’s pet food has also been going up. A bag of dry kibble of the brand her lab likes best now goes for as much as \$110, an increase of around 15 per cent in recent months. Statistics Canada data show prices jumped nearly 18 per cent in the past two years, outpacing increases in human food.

Rising prices are forcing some pet owners to trade down on pet food or turn to humane societies and rescues for help.

When the Toronto Humane Society advertised an initiative to distribute free food and pet supplies last year, the lineup stretched around the building and down another block, said interim CEO Phil Nichols.

For pet food, price increases partly come from spikes in the cost of key ingredients such as meat and cereal, said Michael von Massow, a food economics professor at the University of Guelph. And then there's increased demand: There are simply many more feline and canine mouths to feed compared to before the pandemic.

Supply chain issues have also been a serious concern for pharmaceuticals. Few drugs are actually made in Canada, leaving domestic pet owners and veterinarians vulnerable to global disruption.

For example, about three-quarters of Canada's supply of Pentobarbital, a common euthanasia drug, comes from a facility in Taiwan. When that factory had a fire in 2020, Health Canada warned of an impending shortage. "It was a little scary for a while there," said Adrian Walton, a veterinarian in Maple Ridge, B.C.

There are also more lasting problems in Canada's pet-drugs supply. Data from the Canadian Animal Health Institute indicate the number of licensed veterinary medicines available in this country has dropped 40 per cent in the last five years. CAHI president Catherine Filejski said companies are not finding it cost-efficient to bring products to Canada because of the relatively small size of the Canadian market, especially given each product must go through a lengthy licensing process with Health Canada.

As in veterinary care, ownership in pet food and pharmaceuticals has also become more concentrated.

The pet food mass market, which makes up about 40 per cent of the overall market, is dominated by large corporations, according to John Owen, associate director of food and retail at Mintel Group, a market research firm. They include food giants Mars, which owns VCA, Nestlé, J. M. Smucker Co., Post Holdings, and General Mills. The top producers have also been expanding into the specialty food market by acquiring smaller suppliers, Mr. Owen added.

That the vast majority of dog food is made by a handful of companies is likely a factor in pet-food inflation, said Michael Zdinak, economics director at S&P

Global Market Intelligence. “The rising prices we see are part of that – the ability to pass those rising input costs on to consumers,” he said.



Shellie Suter has spent hundreds of dollars on ear drops for her dog Roger's ear infection, even without any dispensing fees from her veterinarian. FRED LUM/THE GLOBE AND MAIL

For individual pet owners, one way to control costs is to shop around.

Veterinary charges can vary widely even within the same city. When The Globe and Mail called 16 general practice veterinary clinics in Toronto asking for the estimated cost of an annual check-up, a specific set of vaccinations, and a routine fecal analysis for a fictitious four-year-old female, spayed black lab, it received quotes ranging from \$245 to \$488.

Another way to keep expenses in check is buying pet insurance. Veterinarians, who widely advocate for it, say coverage spares owners and medical professionals heart-wrenching decisions about whether to euthanize pets in cases where treatment, though expensive, is available.

Pet owners in North America so far haven't been receptive. Coverage rates remain below three per cent on both sides of the border, far lower than in European countries like Sweden, where roughly 60 per cent of owners have insurance, according to data from pet insurer Trupanion.

In North America, pet insurance has acquired a bad rap for charging high premiums for coverage that's limited by many exclusions and out-of-pocket costs that often increase as pets age. Many people reckon they're better off saving up for veterinary emergencies on their own.

But the rainy-day fund approach is coming up against the surging costs of veterinary care. Owners are also unlikely to be able to save enough for major vet bills if medical emergencies strike early on in the lives of their pets.

That's an issue Jodi Spitzer knows well, and fortunately she did have insurance. Her golden retriever, Cleo, a rescue she adopted from Cairo in 2019, is just six years old but has undergone two hip replacement surgeries, in 2021 and earlier last year, for hip dysplasia, a loosening of the hip joint that can cause pain and lameness. The tally so far for Ms. Spitzer is around \$27,000. Her insurance, Fetch, covered around \$21,000 of it.

"I know so many people who have said to me, 'I put money away every month in the event that something happens.' And I think to myself, 'would somebody have put away \$30,000 over three years to pay for this expense?'"

Still, while coverage may provide peace of mind to pet owners who can afford it, it isn't a solution to the root causes of rapidly rising costs.

Because of high veterinary inflation, for example, Trupanion was in the process of increasing its monthly rates by an average of 20 per cent for existing policy holders, Laura Bainbridge, the company's senior vice-president of corporate communications, said in November.

Coverage rates in North America are far too low for insurers to be able to negotiate rates with veterinarians, she said, "nor do we think that that's ultimately the driver of cost of care."

To address those root causes, regulators in some countries are stepping in.

Britain's Competition and Markets Authority (CMA) launched a review of the veterinary-services sector in September, arguing that prices were rising faster than the rate of [inflation](#). The authority noted concern with increasing corporate ownership, which has risen to 55 per cent of practices in 2021, up from 11 per cent in 2013.

"We're kind of playing catch-up here, trying to fix the problems created by consolidation in the market," said Andrew Taylor, a consultant at Aldwych Partners and former CMA investigator.

In the U.S., Federal Trade Commission chair Lina Khan told an audience at an American Veterinary Medical Association conference in October that enforcers have been too hands-off in recent decades.

“But we’re really doubling down again because we think there have been harms to people at the level of higher prices, but also worse quality,” she said.

Canada’s Competition Bureau has not announced any major actions in the pet industry, and generally does not comment on any investigations that are not already public.

But it has made two small actions related to pharmaceuticals. In 2020, the bureau reviewed Elanco Animal Health Incorporated’s US\$7.6-billion purchase of Bayer Animal Health, a unit of Bayer AG, and required Elanco to divest three products because of competition concerns.

And this summer the agency made a submission to the Ontario government’s review of the Veterinarians Act, arguing that the province should open up sales for animal drugs.

In human medicine, doctors generally prescribe drugs and pharmacists dispense them. For pets, veterinarians often both prescribe and dispense, with pharmaceutical sales generally making up about a sixth of their practice’s revenue.

Pharmacies are legally allowed to sell animal drugs, but they don’t have access to them. The limited number of distributors – most of which are co-ops owned by veterinarians – have signed deals with drugmakers to only sell their products to veterinarians, so the manufacturers can better track sales.

Wendy Chui, an Ontario pharmacist who runs [PetsDrugMart.ca](https://www.petsdrugmart.ca), has advocated for allowing more pharmacies to stock pet medication and says a lack of competition has kept prices high. “When you’re a single source, no one is going to compare prices,” she said.

The Competition Bureau agreed. “The benefits of competition for pet medication could include more affordable prices and convenience for pet owners,” the agency wrote in its submission.

Even if pet medication is not available at pharmacies for now, many drugs have human equivalents that pharmacies do stock. Pet owners just need to ask their

veterinarians for such a prescription, and in most jurisdictions in Canada, the veterinarians are obliged to provide it.



Registered Veterinary Technician Claire Pethick attends to an ear infection at the Coxwell Animal Clinic in Toronto. CHRISTOPHER KATSAROV/THE GLOBE AND MAIL

One of the root causes that industry associations are focused on fixing are the workforce challenges.

For veterinary technicians, who are most often educated at college programs, there may be no way to get around the need for higher pay. A 2023 study commissioned by the technician associations of Alberta, Saskatchewan and Manitoba found the average wage for new graduates was only \$19.57 an hour, which is at or lower than the living wages in major cities in those provinces.

The study found that the overall hourly rate of pay for all veterinary technicians was \$25.75 and there was “no clear pattern or correlation between years of practice and rates of pay.” A survey of members found 30 per cent were thinking of leaving the profession within two years.

For veterinarians, who require a Doctor of Veterinary Medicine, the issue has been the training bottleneck among the country’s five schools.

The schools have slowly started to increase seats. For example, the Ontario Veterinary College announced in May it would increase its annual class size to 120 students, up from 100, after receiving \$14.7-million in new funds from the provincial government. The University of Calgary just began construction on

new facilities that it says will allow it to increase its class size to 100 students, up from 50, by 2025.

Trevor Lawson, president of the Canadian Veterinary Medicine Association, cautions it will take some years before these new veterinarians make it into the field. “It’s good news, but don’t get too excited, because it’s going to be a while before it gets here,” he said.

In the meantime, the most immediate solution to controlling costs may be through an approach known as the spectrum of care.

This is the idea that while veterinarians may be trained and expected to offer the “gold standard” of care – which is also the most expensive – there can be a spectrum of options for pet owners that could be cheaper and still provide positive outcomes for the animals.

To illustrate the concept, Karen Ward, chief veterinary officer at THS, recalled the example of a life-saving surgery on a female dog who had pyometra, a serious infection of the uterus that can occur in dogs and cats that haven’t been spayed.

By the time the dog reached the THS clinic, her owner, an elderly woman, had already spent around \$2,000 for a physical exam at a primary care clinic, X-rays, blood work, an ultrasound and a referral to an emergency hospital for an urgent intervention. All the tests were “reasonable things to do,” Dr. Ward said. But they also drained the owner’s financial resources, meaning she couldn’t pay for the surgery itself.

“So then the emergency hospital calls me,” Dr. Ward said. The next morning THS staff performed the surgery for a below-market rate. The dog was later discharged for “a lovely happy ending,” the vet added.

But with fewer tests – or with the surgery performed at lower cost at a general practice clinic rather than at an emergency hospital – the owner might have been able to afford the procedure without having to turn to a non-profit like THS, Dr. Ward said.

Dr. Ward quoted a 2022 study in the [Journal of the American Veterinary Medical Association](#) that found equally high survival rates in dogs that had pyometra surgery performed at emergency hospitals – at a cost that can exceed

US\$4,000 – and those that underwent the same surgery at lower cost at clinics that focus on providing spay and neuter services.

As pet owners and professionals work through these unprecedented cost challenges, Dr. Walton, the B.C. veterinarian, said he hopes that both sides understand each other and see they are all motivated by their love of animals.

“There’s nobody in this industry that does it for the money,” he said. “We would have all gone into human medicine if that was the case.”

Share your stories of soaring pet prices

Have you seen the cost of vet visits, pet food, medications or other pet-related items skyrocket? The Globe wants to hear from you. Share your story in the box below.

Description (required)

Name (required)

Email (required)

The information from this form will only be used for journalistic purposes, though not all responses will necessarily be published. The Globe and Mail may contact you if someone would like to interview you for a story.

☐ By checking this box, I confirm the information I submitted is truthful and consent to its publication by The Globe and Mail.

<https://www.theglobeandmail.com/investing/personal-finance/article-pet-ownership-cost-veterinarian/>

I believe something similar has happened to dental clinics. A dentist who practiced for venture capital owners once described to me the unconscionable demands and expectations he refused to submit to. Here, in nearby Moosomin, a similar operator bought up both clinics. (This should not be allowed.) My dentist refused to submit, so the clinic has spent months—a year-plus maybe—with only the odd locum coming in to replace the mainstay dentist.



"I've called the family together to announce that, because of inflation, I'm going to have to let two of you go."

[Stress Test podcast: Can you really afford that pet?](#) along with those dumping pets at the Humane Society (for likely euthanization) makes me think of this old *New Yorker* cartoon. Why do we love our pets so? Partly, for many they serve as surrogate children, for others, surrogate companions-partners-mates. And as we get wrapped up, caught up in our worries, animals (and children till adulthood we hope) don't have future worries sap their present joy and faith in life. TJB