

## How Tariffs are Affecting the Veterinary Industry

When talking about tariffs, most people immediately think of agriculture, manufacturing, or major global trade disputes. However, one area that is feeling the pressure but is often overlooked is veterinary medicine. Many supplies that are used in vet clinics come from China. Since most clinics order from large domestic distributors, they often don't realize where those products originate from. As new tariffs are implemented, these distributors may quietly raise their prices, and vet clinic owners may not even realize that international trade policy is the cause. Now is the time for veterinary clinic owners to pay attention and act, before rising costs start affecting both their operations and their clients.

Veterinary clinics usually rely on large US-based distributors for their supplies, but many of those products are sourced from China – including syringes, needles, IV sets, surgical gloves, lab equipment, diagnostic devices, and raw ingredients for drugs. In fact, about 40-50% of active drug ingredients, 15-20% of finished veterinary drugs, 30-40% of medical supplies, and 10-25% of diagnostic equipment originates from China. Although these items often arrive in American-branded packaging, they are still subject to tariffs as imported goods. While finished veterinary drugs were carved out of most tariff lists to avoid hurting patients, the raw components used to make them, and the vaccine vials are still included. All these supplies being tariffed will cause price increases at the distributors, which get passed down the chain — to clinics, and then to clients. Since many US vet distributors cannot afford to absorb such a large cost increase and clinics do not want to lose profit, the burden will be passed on. If nothing is done, tariffs could cause the price of medical supplies and diagnostic equipment to go up by approximately 10%, raising the price of veterinary care. In anticipation of these price increases, some clinics may

choose to stock up on supplies, which could lead to backorders and shortages for clinics that don't and compromise the safety of both staff and patients.

Tariffs will cause price increases of 10% in routine vet visits, pet medications, and emergency care. Routine veterinary visits will rise from \$73 to about \$80, medications will rise from \$20 to \$22, and emergency care will rise from \$150 to \$170. While these numbers may seem small at first, veterinary care is already expensive, and these price increases can cause further problems for pets. For example, pet owners may delay vet visits, leading to unaddressed health issues and worsening outcomes. Owners may also decline necessary treatments like vaccines or medications, which could cause disease outbreaks. For instance, if flea/tick medications become too costly, some owners may skip treatment or turn to unverified alternatives. They may even abandon their pets, which could overwhelm shelters. Shortages in critical pet medications could jeopardize treatment because there is no easy alternative. Overall, there has already been a decline in pet care due to normal inflation and it has caused worsening health in pets. With tariffs and even higher costs, there will likely be even more pets not getting proper care.

Veterinary clinics don't have to wait until prices skyrocket to act. There are several smart, proactive steps they can take right now to keep costs manageable and protect both their margins and their clients. First, clinics should ask their distributors for transparency about where products are sourced. If key items are coming from China, they should ask whether alternatives are available — many larger distributors offer substitute products or rebates that can avoid tariff-related price spikes. If alternatives aren't offered, clinics can consider joining a Group Purchasing Organization (GPO), which negotiates bulk pricing by combining the purchasing power of thousands of clinics. GPOs are low-cost (some are even free) and can offer better

pricing than post-tariff imports. Clinics should also look into buying essential supplies with long shelf lives in bulk, investing in reusables when safe (like surgical drapes and instruments), and even considering refurbished diagnostic machines from the US, Germany, or Japan — these often offer higher quality than new Chinese equipment at a similar price. For everyday medical items like syringes, surgical gloves, IV sets, and glass labware, India and Mexico offer competitive alternatives in both cost and quality. India is especially strong in pharmaceuticals, Mexico in medical supplies, and the US in diagnostics and equipment. To reduce vulnerability, clinics should avoid relying on one-size-fits-all suppliers. Instead, they should diversify sourcing to match price and quality by category.

If prices still increase slightly, it's important to communicate clearly with clients so they feel valued. Offering bundled wellness packages or multi-vaccine discounts can help spread out costs. In appropriate cases, switching to generic medications can also help keep treatment affordable. Most importantly, keeping prices reasonable helps prevent clients from delaying or skipping essential treatments, which can harm the animals. By taking these steps now, veterinary clinics can stay resilient — even with rising global trade tensions.

Tariffs may seem like a distant policy issue, but they are already impacting the cost of veterinary care across the country. From medical supplies and diagnostic equipment to drug ingredients, international trade policies are raising prices in ways that many clinics haven't even realized. If clinics don't act now, they risk rising costs, tighter margins, supply shortages, and pricing their clients out of care, leading to declining animal health. The good news is, with the right strategies, the impact can be minimized. They should be proactive, flexible and informed to stay ahead of the problem. To make the transition smoother, clinics can follow a 3-month phased action plan. In the first two weeks, they should review the inventory and meet with distributors.

In the third and fourth weeks they should establish new supplier relationships and assess the quality. In the second month, they should plan financially and adjust client pricing models if needed. In the last month, they will communicate, monitor, and adjust for the full rollout. Tariffs may be out of a clinic's control, but how they respond to them is not.