



Home Run Inn Frozen Foods

RECEIVED  
FSIS DOCKET ROOM  
02 APR 15 AM 5:12

30

April 15, 2002

FSIS Docket Clerk  
Docket #01-018P  
Room 102  
Cotton Annex  
300 C Street, S.W.  
Washington, D.C. 20250-3700

01-018P  
01-018P-30  
Joe Perrino

Re: **Docket No. 01-018P; Definitions and Standards of Identity or Consumption: Elimination of the Pizza Standard; Proposed Rule: 66FR 55601**

Home Run Inn Frozen Foods is a manufacturer of frozen pizza. We produce meat-topped pizza and have been restricted by the FSIS pizza standard in developing innovative products. For this reason, Home Run Inn Pizza is in favor of the rescission of the standard. Accordingly, Home Run Inn Pizza is very interested in this proceeding and urges FSIS to act expeditiously to remove the current standard for the reasons previously submitted and those discussed below.

We wish to reaffirm our position that elimination of the antiquated standard represents a sound policy decision. Pizza is one of the most dynamic products in the market today. Unfortunately, consumers who desire more variety have not been able to enjoy the same variety with inspected meat-topped pizzas that they have enjoyed with cheese pizzas and retail pizzas. Elimination of the standard will remove this restriction and enhance consumer choice.

In this regard, we are not alone in our conclusion. As the Mercatus Center of George Mason University, an independent academic studies program under the direction of Wendy Gramm, has already commented in this rulemaking: "USDA wisely eliminates an ill-conceived regulation that has obstructed producers' ability to create a more healthful pizza in response to changing consumer tastes."

From the time the NFPI petition was written, Home Run Inn Pizza has unanimously supported the elimination of the pizza standard because it: (1) permits innovation in pizza styles; (2) permits the formulation of nutritious, lower fat products; and (3) creates a level playing field for all pizzas.

Home Run Inn Pizza is gratified that the three consumer organizations that have commented have all supported elimination of the standards for the same basic reasons -- enabling consumers a



wider variety of products, including those with lower fat, and consistency in treatment of all pizzas. **Elimination of the Pizza Standard Will Not Result in Economic Deception**

There has been some concern expressed that elimination of the standard **will** result in economic deception. We respectfully disagree with this assertion; it is based on **an** antiquated view of the **pizza** market. When the **standard** of identity was **first** established, frozen pizzas were almost a commodity. They all had the four basic components, the most expensive being the meat component. However, pizzas are hardly a commodity item now, there is a great variation in the types sold (especially in the retail arena which is not restricted by the standard) and in the prices paid.

In this regard, we are attaching **an** article from Consumer Reports, which appeared in the January 2002 issue. Twelve pepperoni pizzas were examined. Since these all **are** inspected pizzas, they all contained the mandatory 10% **pepperoni**. However, the prices of the 12 pizzas varied from **\$0.64** to \$1.62 per five-ounce portion. If the amount of pepperoni was the principal characterizing ingredient in terms of **price** or **consumer** acceptance, it would be hard to explain the over **250%** price difference between the least and most expensive pizza when all contain basically the same amount of meat. Indeed, from a statistical perspective, the amount of pepperoni **has** absolutely no predictive value **as** to the price. Interestingly, when compared to the prices for the cheese pizzas reviewed by Consumer Reports, the cheese pizzas, on average, actually were a few cents more per five ounce serving than the pepperoni pizzas.

Beyond the foregoing, pizza is quite different **than** many other inspected products in terms of the ability of the consumer to determine at a glance the amount of meat on the product. Should a manufacturer wish to reduce **the** amount of the **meat** topping, it would be **apparent** to **the** consumer, even **from** the vignette. **The** consumer would then be able to decide whether the price of the product was fair in terms of **the** value received. If the consumer determines value was not provided, he/she will simply not purchase the pizza **again**. In other words, market forces will ensure that the amount of meat topping bears a reasonable relationship to the price of the product. In addition, **as** noted in the Consumer Reports article above, **frozen pizza** manufacturers are striving to improve quality. Cheapening the product simply is contrary to this trend.

Finally, we agree with the agency's tentative determination that existing label information, including descriptive names, ingredient statements (which **list** in descending order of predominance), and nutritional information will provide consumers with adequate information **as** to product formulation. In light of **all** information being provided to the consumer at time of sale and the consumer's ability to determine whether the product met **his/her** expectation, economic deception is simply not a realistic concern for pizza.

FSIS does not require inspected products to bear a **disclosure** of the meat percentage on the products. Ingredient declaration in descending order of predominance **has** sufficed. The only exception to this general rule is for products which resemble standardized products but which **fail**



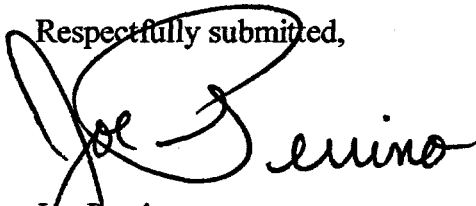
Home Run Inn Frozen Foods

to contain the minimum meat content. See Policy Memo 069, "Labeling of Substitute Products." Under the current standard, a pizza manufacturer may reduce the meat component to below the minimum meat requirement simply by percentage labeling. Importantly, NFPI has not found this product in the marketplace, nor does there seem to be a **strong** desire by NFPI members to market such a product. Clearly, value and price **are** predominant market drivers, not meat. Although rescission of the standard has other significant benefits, **as** regards flexibility in meat content, nothing would change if the standard is eliminated and the manufacturer **has** to declare the percentage of meat. It would be as if the standard were still in place.

Percent meat labeling would magnify the unfair and disparate treatment between **the** regulation of supermarket frozen meat pizzas and non-regulated restaurant and home delivery meat pizzas (which constitute approximately **85%** of the total pizza market). Requiring percentage labeling for just one class of pizzas does not provide consumers with information to differentiate among all pizzas, thus penalizes manufacturers without any benefit to the consumers in terms of useable information.

As discussed above, **the** amount of **meat** topping bears absolutely no relationship to price or consumer acceptance. As regards appearance, **a** quick glance at a pizza will reveal the amount of meat topping to the consumer. Home Run Inn **Pizza** respectfully request that FSIS proceed expeditiously and eliminate the current pizza standard of identity.

Respectfully submitted,



Joe Ferrino  
President  
Home Run Inn Pizza