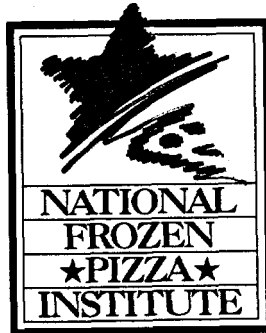


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April 15, 2002

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

01-018P  
01-018P-34  
Robert L. Garfield

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

The National Frozen Pizza Institute (NFPI) respectfully submits these supplemental comments in **strong support of** the Food Safety and Inspection Service's (FSIS) proposal to eliminate the standard of identity for pizza products containing meat (currently codified at 9 C.F.R. § 319.600). We are supplementing **our** comments to respond to the comments already filed in the Docket for **this** matter.

NFPI is the national trade association representing the major manufacturers of frozen pizza. **Our** members produce meat-topped pizza and have been restricted by the FSIS pizza standard in developing innovative products. For **this** reason, **NFPI** petitioned for rescission of the standard. Accordingly, NFPI 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.

### **Elimination of the Pizza Standard is Sound Public Policy**

We wish to **reaffirm our** position that elimination of the antiquated pizza 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 general, NFPI endorses elimination or revision of standards when affected industry and consumers will benefit from that change in policy that has outlived its usefulness. Specifically, the NFPI petition meets criteria that should be the basis for agency future actions; that is, the current standard restricts the industry in a market dominated by companies with no such restrictions, the industry directly affected by the standard agrees that the action should be taken, and consumers will benefit from the agency's endeavor.

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." Comment at 5.

### **Elimination of the Pizza Standard is Supported by the Pizza Industry and Consumers**

The comments submitted to date show the uniform support the proposed elimination has received from those most directly affected by the standard -- the inspected pizza manufacturers and the consumers.

From the time the NFPI petition was written, our members have 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.

We are 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. 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.

### **Unprecedented Percentage Labeling is Not Necessary**

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 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.

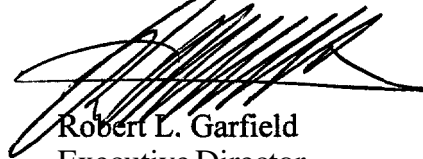
Importantly, NFPI has not found **this** product in the marketplace, nor does there seem to be a strong desire by NFPI members to market such a product. Clearly, value and price are predominant market drivers, not meat. Although rescission of the standard has other significant benefits, as regards flexibility 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.

## **Conclusion**

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. For those and comments NFPI previously provided, we respectfully request that FSIS proceed expeditiously and eliminate the current pizza standard of identity.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert L. Garfield", written over a horizontal line.

Robert L. Garfield  
Executive Director