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Division of Dockets Management
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Food and Drug Administration
5630 Fishers Lane
Room 1061
Rockville, MD 20852

Comments: Docket No. 2000P-1491

Arthur Schuman, Inc. ("Arthur Schuman") is grateful for the opportunity to comment on the citizen petition submitted by Kraft Foods on August 28, 2000 with respect to amending the current standard of identity for Parmesan and Reggiano cheese (hereinafter "Parmesan cheese") (70 Fed. Reg. 56409, 56416 (September 27, 2005)). Arthur Schuman believes that amending the current standard as proposed is not in the interest of consumers, will not promote honesty and fair dealing in the interest of consumers, and will, over time, result in the proliferation of a lower and less desirable standard parmesan cheese.

For over 60 years, Arthur Schuman has been a leading importer and producer of Italian and Italian-style cheese. We are today, the largest hard cheese company in the United States. The company, which is a privately-owned, third generation family business, specializes in hard cheeses and, in addition to producing these cheeses, has historically provided technical support for their production in emerging dairy rich countries, including Argentina, Uruguay, Poland and Lithuania. The company has about 13 plants producing cheese to meet the demand of its sales. Arthur Schuman has its headquarters in Fairfield, New Jersey, where it also operates a factory that grates, shreds and cuts cheeses. About 200 people work for Arthur Schuman.

Background.

Kraft's proposed change to the standard of identity for Parmesan cheese (21 CFR 133.165) involves the use of a proprietary technology that accelerates product curing. The current cure/aging period established in the standard is "not less than 10 months". This standard has been in effect for well over thirty-five years. The Kraft petition is designed for the efficient production of cheese which primarily will be used for dehydrated product, i.e. shelf-stable cheese that does not require refrigeration. Kraft's shorter cure was designed and intended to facilitate Kraft's production capabilities. The testing regimen, research and data that we understand was submitted by Kraft is not meaningful for comparing dehydrated "dry" cheese vs. "fresh" Parmesan cheese prepared consistent with the standard. As a result, such research does not provide a basis to compare or evaluate the quality and acceptability of cheese produced under the proposed

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six-month standard with cheese produced based on the existing 10-month standard. Arthur Schuman believes strongly that without more relevant research, no meaningful assessment of flavor suitability or acceptability can be conducted. In fact, Arthur Schuman's long experience in cheese production suggests that shortening the cure/aging period is likely to be detrimental to a product flavor and acceptability.

Section 133.148.

There already exists a standard appropriate to the Kraft shorter cure. This standard is "Hard Grating Cheese". This standard is consistent with a 6-month cure and a cheese that has less than 34% moisture, with not less than 32% fat. We believe that the FDA should have instructed Kraft to use the existing Standard of Identity for Hard Grating cheese, rather than allow it to change the existing Standard of Identity for Parmesan cheese. We believe, although Section 133.148 was available to Kraft, it chose to take an alternative route because the company knows that Parmesan carries a greater cache in the marketplace than hard grating cheese. However, a standard currently exists that is appropriate for a six month cheese that has essentially the same Parmesan characteristic and make procedure.

Consumer Expectations.

The Parmesan standard of identity sets a cure period of not less than 10 months because this time period is required to achieve a specific flavor profile. Kraft was granted approval for a shorter cure based on a stated proprietary technology using accelerated curing techniques, special cultures and/or enzymes. Even if one were to grant that Kraft achieves an adequate Parmesan profile—and as previously stated we do not—once the standard is dropped, others have no reason at all to employ techniques similar to those used by Kraft. Consequently, many others will sell a six-month cured "Parmesan" which never achieves, or even comes close to achieving, anything resembling a developed Parmesan flavor. Consumers will be forced to accept inferior Parmesan under this rule change.

Currently, there is a growing, expectant market for the current Parmesan cheese, a cheese that consumers have come to increasingly appreciate. Fresh Parmesan is demonstrably the growth segment of the Parmesan market. Kraft states that it has submitted research and studies to prove that the flavor profile it developed with the quick cure is accepted by consumers. However, research on dehydrated (dry/shelf stable) cheese is not comparable to research on "fresh cheese", i.e. wedges or shredded, grated, shaved products made from fresh Parmesan wheels. Apparently no research for fresh Parmesan was presented. This is a critical area when assessing flavor suitability. Based on our company's long experience producing cheese, unless more appropriate and specific research is conducted, consumer expectations may well be threatened by the possibility of an inferior product resulting from the desired cheese, i.e. a "Parmesan" cheese that is less flavorful and lacking the organoleptic qualities of a cheese not aged 10 months. Shortening the cure, therefore, would be detrimental to consumers. We believe that any consideration regarding a shorter cure for Parmesan should separate fresh from dehydrated cheese before the proposal is considered further.

Shortening the cure, and producing an inferior “Parmesan” is not good for consumers. In the last 15 years, consumer sophistication with regard to food and cheese has increased measurably. Higher incomes, travel abroad and an aging population have enabled consumers to try specialty and imported foods and cheese products. Consumers are seeking out specialty cheeses specifically because of their defined and developed flavors and “craft” production. Limiting the cure time of Parmesan is antithetical to all other consumer trends in the food industry. It works against the development of cheeses produced in the U.S. Currently, imported cheeses are limited through quotas and duties, so there is ample opportunity for quality Parmesans and other cheeses in the hard cheese category. At the very time the consumer is demanding a better, more flavorful product, lowering the cure time undermines the flavor and quality, and quite possibly could lead to a reduction in sales of this U.S. product. Right now, the industry should be seizing the opportunity to make the best possible product, not an inferior one.

Economic Argument.

Kraft has put forth an economic argument in favor of its quick cure. This should be examined carefully. The contention that the shorter cure provides an economic benefit (i.e. reducing the cure time from ten to six months) resulting in a lower price, may be disingenuous. For example, if we assume that the other components of the product (i.e. packaging, marketing, warehousing, trucking, etc.) are static, the only reduction of cost is the four months of cure time. This may be as little as 1% of the retail price of a product. It is hard to believe that 1%, assuming it is even passed along by the retailer, would make an economic difference spread across the volume of product sold. It is likely that the shorter curing time will drop either to Kraft’s bottom line or will be taken by the retailer.

Impact on Global Trade.

It is important to put this petition in a global context. Right now, the United States is/and will continue to be in dispute with the European Union over proprietary names of cheeses, called D.O.C. cheeses or “Geographical Indicators” during the recent WTO trade negotiations. The EU wants to permit only European production of a D.O.C. cheese to carry the name of that cheese, i.e. a small area of Italy is now the only area permitted to call Parmigiano-Reggiano as Parmesan. One of the major arguments mounted by the U.S. cheese industry is that it has its own long tradition of fine cheese-making for exactly the cheeses the European Union want to restrict, i.e. Parmesan, Asiago, Provolone, etc. If the U.S. mitigates its own standards of identity, it undermines that defense. How can the U.S. possibly defend a change to a six-month cured Parmesan against an 18-24 month naturally cured Parmigiano-Reggiano and maintain that the taste is parallel? It is impossible to counter the European argument when a six-month cure is based on commercial considerations and chemicals to speed up the cure and create flavor.

Cost Barriers.

The FDA has specifically requested comment on whether Kraft’s proposal “will reduce cost barriers to entry in the marketplace.” In fact, it is unlikely that this change would reduce entry into the marketplace. There are many far greater cost considerations to consider regarding entrance into this business. The reduction of the interest and warehousing expense of four months represents less than 3% of the total cost of

production. There are many other production and facilities' factors that are considerably more relevant for consideration before a company enters the Parmesan production business. However, there may be an unintended consequence if this proposed change goes into effect. Shortening the cure time may entice some producers to cut corners and market their products as comparable to those cheeses which are aged 10 months. The consequence of that would be that the current Parmesan cheese, a product increasingly valued by the consumer, may well disappear from the market. Unlike other cheeses, such as Asiago, which has exact standards and descriptions such as "*fresh/medium/aged*" for various periods of cure time, the Parmesan Standard of Identity is uniform and set at 10 months. We believe that if the Kraft petition is granted, we shall see an on-going erosion of each of the hard cheese cheeses listed in the Standards of Identity. If Parmesan is granted a six-month cure, it is likely, if not almost certain, that the requested cure time for Romano, Asiago and Hard Grating Cheese will also be shortened. This downward spiral of cure time will undermine all Standards of Identity for U.S. produced hard cheeses. Those producing cheese know that a reduction of cure time inevitably will undermine the quality of cheese produced and lead to irreparable damage to U.S. produced hard cheeses.

We request the Agency deny the petition. Alternatively, we request that if the agency deems that the Kraft proposal should be granted, any change should be to Section 133.148, not Section 133.165. Further, we suggest that the proceeding should be stayed to provide time to conduct and evaluate research for fresh Parmesan cheese. The goal of this research would be to demonstrate any impact on flavor and organoleptic properties the proposed aging change might have on fresh grated, wedged, or shredded Parmesan.

Thank you for permitting us to offer our views.

Arthur Schuman Inc.

MEMO

TO: FDA
FROM: J. Schuman DATE: _____
SUBJECT: Docket NO 2000P-1491

This comment was sent Electronically,
This is a back-up.