FDA U.S. FOOD & DRUG ADMINISTRATION

Office of the Commissioner
Office of Policy, Legislation, and International Affairs
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Proposal to Revoke 23 Standards of Identity for Foods

Docket No. FDA 2025 N-1307

Preliminary Regulatory Impact Analysis
Initial Regulatory Flexibility Analysis
Unfunded Mandates Reform Act Analysis

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I. Introduction and Summary

A. Introduction

We have examined the impacts of the proposed rule under Executive Order 12866, Executive Order 13563, Executive Order 14192, the Regulatory Flexibility Act (5 U.S.C. 601-612), and the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4).

Executive Orders 12866 and 13563 direct us to assess all benefits and costs of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits. Rules are economically significant under Executive Order 12866 if they have an annual effect on the economy of $100 million or more; or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. The Office of Information and Regulatory Affairs (OIRA) has determined that this proposed rule is not a significant regulatory action under Executive Order 12866.

Executive Order 14192 requires that any new incremental costs associated with significant new regulations "shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior regulations." This proposed rule, if finalized as proposed, is expected to be deregulatory under Executive Order 14192.

The Regulatory Flexibility Act requires us to analyze regulatory options that would minimize any significant impact of a rule on small entities. Because we do not estimate this rule would have any costs to businesses, we propose to certify that the proposed rule will not have a significant economic impact on a substantial number of small entities.

The Unfunded Mandates Reform Act of 1995 (Section 202(a)) requires us to prepare a written statement, which includes estimates of anticipated impacts, before proposing "any rule that includes any Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of $100,000,000 or more (adjusted annually for inflation) in any 1 year." The current threshold after adjustment for inflation is $187 million, using the most current (2024) Implicit Price Deflator for the Gross Domestic Product. This proposed rule would not result in an expenditure in any year that meets or exceeds this amount.

B. Overview of Benefits, Costs, and Transfers

This proposed rule would revoke 23 food standards that are no longer necessary to promote honesty and fair dealing in the interest of consumers. We anticipate benefits from some revoked food standards in the form of producer and consumer surplus generated by increased flexibility. We anticipate cost savings from revoking these food

standards in the form of eliminating the need for companies to read and understand food standards during product development. We do not anticipate any costs to consumers as these food standards are no longer necessary to promote honesty and fair dealing in the interest of consumers. We discuss these impacts qualitatively and summarize the impacts in Table 1.

Table 1. Summary of the Benefits, Costs, and Distributional Effects of the Proposed Rule (millions of 2024 dollars)

Category		Primary Estimate	Low Estimate	High Estimate	Units			Notes
					Year Dollars	Discount Rate	Period Covered	
Benefits	Annualized Monetized ($m/year)	$0	$0	$0	2024	7%		
		$0	$0	$0	2024	3%		
	Annualized Quantified					7%		
						3%		
	Qualitative	Revoking these food standards may lead to increases in producer and consumer surplus generated by increased flexibility.						
Costs	Annualized Monetized ($m/year)	$0	$0	$0	2024	7%		
		$0	$0	$0	2024	3%		
	Annualized Quantified					7%		
						3%		
	Qualitative	Revoking these food standards may lead to cost savings in product development from removing the need for companies to read and understand the food standards.						
Transfers	Federal Annualized Monetized ($m/year)					7%		
						3%		
		From:			To:			
	Other Annualized Monetized ($m/year)					7%		
						3%		
		From:			To:			
Effects	State, Local, or Tribal Government: None Small Business: None Wages: None Growth: None							

Note: Benefits encompass positive and negative benefits. Costs encompass costs and cost savings.

In line with Executive Order 14192, in Table 2 we estimate present and annualized values of costs, cost savings, and net costs over a perpetual time horizon.

Table 2. E.O. 14192 Summary Table (in millions of 2024 dollars, discounted over an infinite time horizon at a 7 percent discount rate)

	Primary Estimate	Low Estimate	High Estimate
Present Value of Costs	$0		
Present Value of Cost Savings	$0		
Present Value of Net Costs	$0		
Annualized Costs	$0		
Annualized Cost Savings	$0		
Annualized Net Costs	$0		

Note: Values in parentheses denote net negative costs (i.e. net cost savings).

II. Preliminary Economic Analysis of Impacts

A. Background

1. Deregulation Considerations

Executive Order 14192, Unleashing Prosperity Through Deregulation (90 FR 9065, February 6, 2025) directs agencies to eliminate unnecessary and burdensome regulations. Revoking these 23 food standards that are no longer necessary is consistent with these directives. It is also consistent with section 6 of Executive Order 13563, "Improving Regulation and Regulatory Review" (76 FR 3821, January 21, 2011), which requires agencies to periodically conduct retrospective analyses of existing regulations to identify those "that might be outmoded, ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them" accordingly.

2. Evaluating Food Standards

FDA began establishing food standards under section 401 of the Federal Food, Drug, and Cosmetic Act (FD&C Act) in 1939 to help address economic adulteration that was occurring in the marketplace. FDA intended for these food standards to ensure that the characteristics of specific foods are consistent with consumer expectations. For example, the food standard for fruit preserves and jams requires that products represented as preserves or jam contain a minimum amount of fruit.

Today, economic adulteration is no longer a prominent issue for certain foods, and changes in food regulations to require labeling of nutrition information, ingredient lists, and certain food allergens give consumers more information about the foods they buy.

We discuss the scenarios in which food standards are economically appropriate in the following section.

In addition, changes in consumer preferences have eliminated some standardized foods from the market entirely. For example, “milk macaroni products,” as described in the standard, use a specific milk product as the sole moistening ingredient in preparing the dough. FDA identified historical advertisements suggesting that firms marketed “milk macaroni” and “milk spaghetti” in the 1920s. However, commercially available macaroni products (now known colloquially as “pasta”) primarily use water or eggs as moistening ingredients, and “milk macaroni products” are no longer available.

We note that revoking a food standard does not mandate that a standardized food be removed from the market. Should anyone wish to manufacture and distribute one of the products covered by a standard proposed for revocation in the United States in the future, it is possible that they could do so under the provisions of the Food, Drug, and Cosmetic (FD&C) Act and implementing regulations that apply to nonstandardized foods or foods in general.

B. Economic Framework for Food Standards

Like most regulation, food standards create some compliance burden for firms. However, food standards also create the ability for firms to credibly differentiate products. Market differentiation provides some market power for firms as a result of their products’ uniqueness[1]. Credible product differentiations increase consumer and producer welfare, increasing net demand by providing consumers access to a broader set of products[2]. Food standards are appropriate in cases where the social welfare gain provided by the product differentiation to producers and/or consumers outweighs the compliance burden for firms, in the form of limits on flexibility.

To understand whether a food standard is economically appropriate, we consider goods on the two ends of the continuum of consumers ability to identify attributes:

- Credence goods are products for which consumers cannot easily assess quality or attributes, even after consumption. Some examples of credence goods are dietary supplements and organic food.
- Search goods are products for which consumers can readily evaluate quality and attributes before purchase. Some examples of search goods are clothing and furniture.

[1] Mas-Colell, A.M., Whinston, M.D, & Green, J.R., (1995) Microeconomic Theory. Oxford University Press, New York. Chapter 12.C.
[2] Chen, J., Wang, X., & Chu, Z. (2020). Capacity sharing, product differentiation and welfare. Economic Research-Ekonomska Istraživanja, 33(1), 107–123. https://doi.org/10.1080/1331677X.2019.1710234

Economic theory suggests that food standards may generally improve utility for credence goods but not for search goods, due to the differences in how consumers evaluate these goods and how producers compete in these markets.

For credence goods, consumers must rely on standards because they cannot verify products' quality or attributes on their own. A food standard serves as a credible signal of authenticity, allowing consumers to make informed purchasing choices. Therefore, a food standard increases consumer surplus by allowing consumers to accurately choose products with their preferred attributes. Food standards for credence goods also allow producers to credibly differentiate their products and charge premium prices, increasing their producer surplus. Consequently, without food standards, consumers would be unable to distinguish between quality and inferior products, reducing consumer surplus and the surplus of producers of high-quality foods.

Alternatively, food standards may not improve welfare for search goods. For search goods, consumers can directly inspect or easily compare product quality and attributes. Therefore, differentiation is already evident at the point of sale, even in the absence of food standards. Food standards may also constrain innovation due to the lack of flexibility producers face to align with standards, preventing them from creating product variation that consumers value under the name of the standardized product. Therefore, food standards may reduce consumer and producer surplus by making it harder for producers to provide the full array of goods that consumers would prefer.

There is a continuum between credence and search goods for which food standards become increasingly less welfare improving. For example, experience goods are goods for which consumers can identify the quality and attributes after consuming the good. For experience goods, food standards may help consumers make informed decisions when first choosing a new product. However, after they experience that product, they will have the information needed to inform future choices and no longer gain value from a standard.

We consider this framework for consumer and producer welfare generated by food standards as we discuss the benefits and costs of revoking the food standards described in this proposed rule.

C. Need for Federal Regulatory Action

FDA intends for food standards to promote honesty and fair dealing in the interest of consumers by protecting consumers' expectations about food and preventing economic adulteration. Food standards establish specifications related to the composition and production of certain food products so that consumers know that a food is what it purports to be. However, as discussed in Section II.B, food standards only improve welfare in cases where consumers cannot readily distinguish quality or attributes. Revoking food standards can improve producer and consumer welfare and promote regulatory flexibility if food standards no longer improve welfare.

FDA has tentatively concluded that the 23 food standards we propose to revoke in this rule are no longer necessary to promote honesty and fair dealing in the interest of consumers.

D. Baseline Conditions

1. Market Analysis of Food Standards

We conducted a market analysis to assess the markets for the 23 standardized foods in this proposed rule. We rely on point-of-sale data from Circana to determine the count and sales of these products at multi-outlet and convenience retailers from 2019 through 2024.[3] Circana defines multi-outlet and convenience retailers as brick-and-mortar food, drug, mass-market (including Walmart), club (excluding Costco), dollar, military, and convenience stores. We obtained annual data on dollar sales and unit sales from relevant products at the Universal Product Code (UPC) level.

To identify standardized food products, we used the following methods:

1. We identified the standards of identity for each food based on the text of the food standard.
2. We manually reviewed the Circana data to identify descriptive variables that determine whether a product is subject to the food standard.
3. We developed search terms for each food standard to systematically identify relevant products.
4. We reviewed the search results for accuracy and quality control.

We also searched Mintel Global New Products Database (GNPD), a commercial database of retail food products, to evaluate if the identified food standards are currently on the market.[4] We used the advanced search tool to limit results with the following parameters: product name, food product category, and region where sold (U.S.). If necessary for the product, we also narrowed the search by food ingredients, food characteristics, and year.

The Circana and Mintel data do not cover all distribution channels for food products. Notably, the data does not include online sales and sales from specialty retailers. To supplement our analysis of the Circana and Mintel data, we also conducted an internet search to identify products for sale online or sold exclusively in specialty stores. We summarize the results of our market analysis in Table 3.

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[3] Food and Drug Administration custom research definitions based on Circana, LLC (fka Information Resources Inc.) data 2019 to 2024, dollar sales, unit sales, product name, and descriptive label variables, Total Multi Outlet with Convenience.

[4] See Mintel Global New Products Database (GNPD), http://www.mintel.com/global-new-products-database, downloaded on May 2025.

Table 3. Market Analysis of Food Standards

Location in 21 CFR	Description	Number of UPCs	Total Sales in 2024 ($m)
136.130	Milk bread, rolls, and buns	4	$0.4
139.117	Enriched macaroni products with fortified protein	0	$0.0
139.120	Milk macaroni products	0	$0.0
139.121	Nonfat milk macaroni products	0	$0.0
130.122	Enriched nonfat milk macaroni products	0	$0.0
139.140	Wheat and soy macaroni products	0	$0.0
139.160	Vegetable noodle products	16	$0.1
139.165	Enriched vegetable noodle products	0	$0.0
139.180	Wheat and soy noodle products	0	$0.0
146.121	Frozen concentrate for artificially sweetened lemonade	1	$1.3
146.126	Frozen concentrate for colored lemonade	61	$29.0
146.137	Frozen orange juice	0	$0.0
146.148	Reduced acid frozen concentrated orange juice	0	$0.0
146.150	Canned concentrated orange juice	0	$0.0
161.176	Frozen raw lightly breaded shrimp	2	$0.3
169.180	Vanilla-vanillin extract[a]	0	$0.0
169.181	Vanilla-vanillin flavoring[a]	0	$0.0
169.182	Vanilla-vanillin powder	0	$0.0

[a] While we identified no products meeting these standards in Circana, our internet search suggests some products may exist in distributional channels not covered by Circana.

Four food standards in this proposed rule are for products sold “for further manufacturing:”

1. Orange juice for manufacturing,
2. Orange juice with preservative,
3. Concentrated orange juice for further manufacturing, and
4. Concentrated orange juice with preservative.

Such products are likely exclusively available through wholesalers, a distribution channel not covered by Circana. Our internet search found few products meeting these food standards. FDA tentatively concludes that there is little to no market for these foods. We request comment on this conclusion.

Finally, we lack data to characterize the market for “Olympia oysters”. Our market data covers fixed-weight (i.e. packaged) foods, but not random-weight (i.e. fresh) food, like fresh produce, meat, and seafood. Because commercial retailers likely sell Olympia oysters as random-weight foods, we do not have information on the number of UPCs or annual sales for such products. We request comment on the size of the market for “Olympia oysters.”

2. Criteria for Revoking Food Standards

For this rulemaking, FDA has identified 23 standards that are no longer needed. First, given our market analysis in Table 3, FDA identified 20 food standards with little to no market presence. We list these food standards, as found in 21 CFR, in Table 4.

Table 4. List of Food Standards with Little to No Market Presence

Location in 21 CFR	Description
136.130	Milk bread, rolls, and buns
139.117	Enriched macaroni products with fortified protein
139.120	Milk macaroni products
139.121	Nonfat milk macaroni products
139.122	Enriched nonfat milk macaroni products
139.140	Wheat and soy macaroni products
139.160	Vegetable noodle products
139.165	Enriched vegetable noodle products
139.180	Wheat and soy noodle products
146.121	Frozen concentrate for artificially sweetened lemonade
146.137	Frozen orange juice
146.148	Reduced acid frozen concentrated orange juice
146.150	Canned concentrated orange juice
146.151	Orange juice for manufacturing
146.152	Orange juice with preservative
146.153	Concentrated orange juice for further manufacturing
146.154	Concentrated orange juice with preservative
169.180	Vanilla-vanillin extract
169.181	Vanilla-vanillin flavoring
169.182	Vanilla-vanillin powder

Furthermore, FDA has identified three redundant food standards. We list these food standards, as found in 21 CFR, in Table 5.

Table 5. List of Redundant Food Standards

Location in 21 CFR	Description
146.126	Frozen concentrate for colored lemonade
161.136	Olympia oysters
161.176	Frozen raw lightly breaded shrimp

The standardized food “frozen concentrate for colored lemonade” is similar to the standardized food “frozen concentrate for lemonade” except for the addition of certain ingredients and minor modifications to reflect the addition of these ingredients. FDA

believes that, after revocation, the nonstandardized food (frozen concentrate for colored lemonade) may have a name that includes the common or usual name of the standardized food (frozen concentrate for lemonade), along with any additions that may be needed to the name to reflect the new ingredient(s) (see 21 CFR 101.3). As a result, this food standard is redundant.

The standards for "Olympia oysters" and "frozen raw lightly breaded shrimp" are for specific foods that also fit within the description of a broader standard for that category or type of food. FDA believes that firms may market the food covered by the more specific standard under the broader standard with any appropriate adjustment to the labeling. As a result, these standards are redundant.

E. Benefits of the Proposed Rule

First, we consider the benefits for the products with little to no market presence listed in Table 4. Considering the framework laid out in Section I.B, there is not likely to be an advantage to firms from product differentiation, since there is little to no market for these products. However, low market presence suggests that there could be gains in utility from increased flexibility and the opportunity to introduce new products previously covered under these 20 food standards. If a firm were to widely market these products again, there could be benefits in terms of additional flexibility and possible innovation, leading to changes in consumer and producer surplus. However, we do not have sufficient information to predict if firms would choose to increase marketing of these products in response to the proposed rule. Additionally, for these products with little to no market presence, we expect that revoking these food standards would not have a negative impact on consumers (i.e. negative benefits). Therefore, we anticipate few positive or negative benefits from revoking these 20 food standards.

Next, removing the redundant standards listed in Table 5 does not have impacts on consumers. Because other food standards, as well as labeling requirements, would still cover these products, it is unlikely that revoking the redundant standards would impact consumer or producer surplus.

We request comment on any positive or negative benefits of this proposed rule.

F. Costs of the Proposed Rule

1. Costs

We do not anticipate any costs from revoking the 20 food products listed in Table 4. As laid out in the framework in Section I.B, food standards can increase producer surplus to manufactures by allowing for product differentiation in cases where consumers can not readily identify quality or attributes on their own. However, for products with little to no market presence, there are no utility gains to producers from differentiation because consumers already have few choices due to the limited market.

We do not anticipate any costs associated with revoking the redundant standards in Table 5. “Olympia oysters” and “frozen raw lightly breaded shrimp” also fit within the description of a broader standard for that category or type of food. Additionally, while “frozen concentrate for colored lemonade” would not be covered by a food standard under the proposed rule, manufacturers could continue using the common or usual name for a different food standard (i.e. “frozen concentrate for lemonade”) with the additions that reflect ingredients not included in that food standard (i.e. the ingredients the manufacturer uses to color the “frozen concentrate for lemonade”). Thus, manufacturers of these three foods would still have the opportunity to differentiate to maintain market power.

We request comment on any additional costs of this proposed rule.

2. Cost Savings

For the 20 food products listed in Table 4, firms may experience cost savings derived from no longer having to read the food standards to understand the definition of these food products when considering developing new products.

For the three redundant food standards listed in Table 5, removing redundant standards may alleviate confusion for manufacturers, generating cost savings. Reduced regulatory confusion can lead to efficiency gains during product development.

We request comment on any additional cost savings of this proposed rule.

G. Analysis of Regulatory Alternatives to the Proposed Rule

1. Exclude Food Standards for Further Manufacturing

The proposed rule includes four standards for foods used in manufacturing. While we found few products meeting these food standards in our internet search, it is possible that wholesalers selling such products do not market their products online. As a regulatory alternative, we could exclude these four standards from this proposed rule pending additional information about their market presence.

However, if our tentative conclusions regarding the market presence of these standardized foods are correct, consumers and producers would miss out on any potential benefits and cost savings associated with revoking these standards.

2. Develop 23 Rulemakings to Revoke these 23 Food Standards

Another alternative to this single action would be to develop rulemakings to revoke each of these 23 food standard regulations individually. These 23 individual actions would create government inefficiencies in the form of additional paperwork and staff time to write and review the 23 rulemakings but would have the same end result for producers and consumers. Additionally, FDA will review any comments received on individual food

standards as we work to finalize this rule. This approach allows us to streamline the regulatory process while maintaining flexibility to consider the revocation of each food standard individually. Therefore, we choose to revoke these 23 food regulations in a single action.

H. International Effects

We do not anticipate any international effects from this proposed rule. We request comment on any possible international effects of this proposed rule.

III. Initial Small Entity Analysis

The Regulatory Flexibility Act requires Agencies to analyze regulatory options that would minimize any significant impact of a rule on small entities. Because we do not expect this rule would have any costs to businesses, we propose to certify that the proposed rule will not have a significant economic impact on a substantial number of small entities. This analysis, as well as other sections in this document and the Preamble of the proposed rule, serves as the Initial Regulatory Flexibility Analysis, as required under the Regulatory Flexibility Act.

A. Description and Number of Affected Small Entities

In Table 6, we present the industries covered by this proposed rule, as well as the Small Business Administration's size standards[5] for these industries, based on the number of employees. We note that most of the products covered by this proposed rule have little to no market presence and subsequently we do not anticipate that this rule would have impacts on every firm in each industry.

Table 6. Size Standards for Covered Industries

NAICS Code	Industry	Size Standard (Number of Employees)
311811	Retail Bakeries	500
311812	Commercial Bakeries	1,000
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour	850
311411	Frozen Fruit, Juice and Vegetable Manufacturing	1,100
311710	Seafood Product Preparation and Packaging	750
311942	Spice and Extract Manufacturing	500

[5] https://www.sba.gov/document/support-table-size-standards

In Table 7, we present the number, share, and total annual revenues for firms in the "Retail Bakeries" industry, by number of employees, based on 2022 data from U.S. Census Bureau's Statistics of U.S. Businesses.[6] We report total annual revenues in nominal dollars for 2022 in Table 7 through Table 12.

Table 7. Characterizing Small Entities: Retail Bakeries

Number of Employees	Number of Firms	Percent of Firms	Total Annual Revenues ($m)
< 5	4,233	49.1%	$1,052.2
5 to 9	1,859	21.5%	$1,038.8
10 to 19	1,359	15.8%	$1,338.7
20 to 99	1,068	12.4%	$2,712.0
100 to 499	77	0.9%	$1,405.7
Total	8,628	100.0%	$11,725.4

In Table 8, we present the 2022 number, share, and total annual revenues for firms in the "Commercial Bakeries" industry, by number of employees.

Table 8. Characterizing Small Entities: Commercial Bakeries

Number of Employees	Number of Firms	Percent of Firms	Estimated Annual Revenues ($m)
< 5	853	34.9%	$288.5
5 to 9	440	18.0%	$324.0
10 to 19	424	17.3%	$712.8
20 to 99	505	20.6%	$2,656.0
100 to 499	143	5.8%	$6,416.6
500 +	82	3.4%	$24,473.0
Total	2,447	100.0%	$34,870.9

In Table 9, we present the 2022 number, share, and total annual revenues for firms in the "Dry Pasta, Dough, and Flour Mixed Manufacturing from Purchased Flour" industry, by number of employees.

Table 9. Characterizing Small Entities: Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour

Number of Employees	Number of Firms	Percent of Firms	Estimated Annual Revenues ($m)
< 5	86	26.2%	$46.2
5 to 9	53	16.2%	$81.6
10 to 19	39	11.9%	$130.7
20 to 99	83	25.3%	$1,148.3
100 to 499	32	9.8%	$3,285.0
500 +	35	10.7%	$11,289.9
Total	328	100.0%	$15,981.7

[6] https://www.census.gov/data/tables/2022/econ/susb/2022-susb-annual.html

In Table 10, we present the 2022 number, share, and total annual revenues for firms in the "Frozen Fruit, Juice and Vegetable Manufacturing" industry, by number of employees.

Table 10. Characterizing Small Entities: Frozen Fruit, Juice and Vegetable Manufacturing

Number of Employees	Number of Firms	Percent of Firms	Estimated Annual Revenues ($m)
< 5	26	18.7%	$27.9
5 to 9	22	15.8%	$45.1
10 to 19	20	14.4%	$159.4
20 to 99	26	18.7%	$769.3
100 to 499	25	18.0%	$3,057.7
500 +	20	14.4%	$13,733.3
Total	139	100.0%	$17,792.7

In Table 11, we present the 2022 number, share, and total annual revenues for firms in the "Seafood Product Preparation and Packaging" industry, by number of employees.

Table 11. Characterizing Small Entities: Seafood Product Preparation and Packaging

Number of Employees	Number of Firms	Percent of Firms	Estimated Annual Revenues ($m)
< 5	141	32.4%	$201.2
5 to 9	65	14.9%	$210.1
10 to 19	45	10.3%	$292.0
20 to 99	114	26.2%	$2,312.1
100 to 499	48	11.0%	$4,434.9
500 +	22	5.1%	$7,089.0
Total	435	100.0%	$14,539.2

In Table 12, we present the 2022 number, share, and total annual revenues for firms in the "Spice and Extract Manufacturing" industry, by number of employees.

Table 12. Characterizing Small Entities: Spice and Extract Manufacturing

Number of Employees	Number of Firms	Percent of Firms	Estimated Annual Revenues ($m)
< 5	145	35.4%	$108.7
5 to 9	53	12.9%	$94.4
10 to 19	48	11.7%	$261.2
20 to 99	74	18.0%	$1,401.2
100 to 499	49	12.0%	$2,985.7
500 +	41	10.0%	$9,089.4
Total	410	100.0%	$13,940.5

We request comment on any additional industries with small entities affected by this proposed rule.

B. Description of the Potential Impacts of the Rule on Small Entities

The food standards covered by this rule are not welfare improving because they are either redundant or do not increase firms' ability to meaningfully differentiate their product (see Section II.B for a complete discussion). Therefore, revoking the covered food standards have several potential welfare improving impacts on businesses, including small businesses.

The impacts to businesses are discussed above in the Benefits and Costs of the Proposed Rule sections, Sections II.E and II.F. Firms that produce products with little to no market presence, listed in Table 4, gain additional flexibility. This flexibility may allow firms to produce new, innovative products and therefore increase their producer surplus. We also expect firms producing covered products would experience cost savings associated with no longer needing to read and understand these food standards.

C. Alternatives to Minimize the Burden on Small Entities

We expect that this proposed rule would create compliance cost savings or gains in producer surplus to small businesses. Therefore, this proposed rule minimizes burden to small entities.