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Labeling Confusion

Generally speaking, two main points of controversy apply to the labeling of processed meats. The first issue pertains to the distinction between artificial ingredients or chemical preservatives and natural ingredients or natural preservatives. For example, naturally occurring nitrates, including certain vegetables and sea salts, can be combined with harmless microorganisms to yield nitrite. These types of cutting-edge preservation methods, however, are not always recognized by the United States Department of Agriculture (USDA) standards for labeling. Therefore, whether a manufacturer likes it or not, the potential exists for misleading labeling, such as "not preserved," when in fact the product uses natural preservation methods. Furthermore, USDA definitions of "natural" ingredients are sometimes vague or inconsistent, which can lead to unnecessarily inefficient rules for manufacturers.

The second key labeling issue revolves around the definition of "minimally processed," similar to the way the first issue revolves around the definition of "natural." Because natural ingredients or preservatives are often slower to act than their chemical counterparts, manufacturers have modified their processing methods to maximize the effects of natural substances. The new processing methods, which include longer tumbling, mixing and heating times, are not always viewed by the USDA as fitting the criterion of "minimally processed." As a result, "minimum" may have to be reconceived as the meat-making process is modified to work optimally with natural ingredients.

At the time of this report, USDA was still in the process of finalizing its definitions for natural processed meats, with major marketers and producers offering opinions. **DB**

Source: The U.S. Market for Deli and Other Refrigerated Processed Meats, March 2008, Packaged Facts, Rockville, MD.

man Estates, IL-based FreshLook Marketing. Dollar sales totaled more than \$51.8 million during the 52-week period ending February 24, 2008, versus a little more than \$45.3 million the previous year. Annual random weight sales of all deli meats totaled about \$4 billion—an indication that natural products play a minor role in the big picture.

Jim Costas, FreshLook Marketing's director of client services for deli cheese and meat, believes the figures might be inflated because the criteria for assigning "natural" were based solely on description. "This is not an attribute I feel comfortable with. I'm told there are no specific standards as to what constitutes 'natural' as there is now for 'organic.' I'm told that some brands added 'natural' to their packaging even though there were no changes to the product."

Among producers, controversy surrounds the definition of "natural" because of its vagueness and potential for misleading labeling. According to the labeling terms used by the United States Department of Agriculture, Food Safety and Inspection Service, a product can be labeled "natural" if it does not contain artificial ingredients or added colors, synthetic ingredients or chemical preservatives, and is only minimally processed—a process that does not fundamentally alter the raw product. Both manufacturers and the public have petitioned for a better clarification of the definition.

Natural Deli Meats Gain Momentum

For some time, the appearance of natural deli meats suffered from the lack of preservatives. Advances in technology and packaging have given natural meats better freshness appeal. "These meats aren't graying as quickly as they have in the past," Goldberg says. "We've overcome this obstacle with newer technology and processes." Goldberg cites the example of Austin, MN-based Hormel, which uses high-pressure processing (HPP), a cutting-edge USDA-approved all-natural process that employs intense water pressure to protect against harmful bacteria without affecting a food product's taste, texture, appearance or nutritional value. Non-heat technologies to preserve foods, such as HPP, are propelling the category's growth.

According to Pierre Zreik, CEO of Rovagnati USA, many natural deli meat manufacturers are investing heavily in research and development. "I feel the category will explode once everyone gets their act together," Zreik says. Clifton, NJ-based Rovagnati USA, a subsidiary of Rovagnati in Biassono, Italy, imports the company's brand of natural dry-cured prosciutto di Parma PDO and speck Alto Adige PGI.

Dry-cured meats from Italy have heightened consumer awareness about natural preservation methods, such as air and smoke curing. Moreover, the European Union's Protected Designation of Origin (PDO) and

Protected Geographical Indication (PGI) quality systems ensure meats are authentically produced and/or processed and prepared according to regional methods.

The curing methods used in producing speck Alto Adige PGI originated in the Tyrolean region of Italy, where farmers needed to preserve meat for their families. These methods merge the cultures of Europe's northern Germanic states and southern Mediterranean regions.

"Speck combines the smoking methods of the north and the salting techniques of the south, and serves as a bridge between the two cultures," says Dario Chiarini, account supervisor, New York, NY-based Colangelo & Partners, which represents the Consorzio Tutela Speck Alto Adige in the United States. "Speck Alto Adige is a gourmet ham appreciated worldwide for its quality and traditional method by which it is produced."

Consumer interest in imported Italian natural deli meats is on the rise. "This segment has grown 10 to 15 percent in the last three years, similar to growth of imported cheese 20 years ago," Negroni's Zarek says.

Italy's all-natural prosciutto di Parma is considered part of the premium category, says Paolo Tramelli, marketing manager for Parma, Italy-based Consorzio del Prosciutto di Parma. "But when we point out that we are all natural, we want to be above the premium deli category," he says.

At home in the United States, Birmingham, AL-based Porchetta Primata, has replicated a 2,000-year-old porchetta recipe, creating its own niche in the natural deli meat segment. The company has overcome challenges to produce such specialized products. "We were being supplied by a call market slaughterhouse but the animals they provided were inconsistent and fatty," says Nathan Marcus, director of Porchetta Primata.

Porchetta Primata now works with Kentucky farmers who supply the type of pigs required. "We partnered with the Kentucky Proud program, which aimed to wean farmers off of tobacco crops and provide money to help them farm other crops and raise live animals for slaughter," Marcus says. "We know our farmers and work with them to make sure we are supplied with the correct animal for our program and that their farming methods are up to par."

Natural deli meats have yet to take conventional supermarkets by storm. Even in upscale delis, these products comprise an estimated 10 percent of sales. Many in the industry believe consumers are ready for them even though they cost \$2 to \$3 more per pound than traditional deli meats on sale.

Initially, speck Alto Adige piqued consumer interest because of its status as a new