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December 16, 2013

Mr. Alfred V. Almanza
Administrator
Food Safety and Inspection Service
U.S. Department of Agriculture
Room 331-E Jamie Whitten Building
Washington, DC 20250

Re: Petition Number 13-07; Petition to Amend Regulations for the Definition and Standard of Identity for "Roaster" or "Roasting Chicken"; Supporting Information

Dear Administrator Almanza:

Please accept this letter from the National Chicken Council (NCC) as supplemental information to support our earlier Petition to Amend Regulations for the Definition and Standard of Identity for "Roaster" or "Roasting Chicken," submitted on November 18, 2013, and assigned Petition Number 13-07 by the Food Safety and Inspection Service (FSIS). In that petition, NCC requested that FSIS amend the definition of "roaster" or "roasting chicken" that is slated to take effect at 9 C.F.R. 381.170 on January 1, 2014, to define the product as "a young chicken (less than 12 weeks of age) of either sex, with a ready-to-cook carcass weight of 5.5 pounds or more, that is tender-meated with soft, pliable, smooth-textured skin and breastbone cartilage that may be somewhat less flexible than that of a 'broiler', or 'fryer'," and, as necessary, to postpone the effective date or enforcement of this provision until our petition can be fully considered.

This amendment is necessary because, with modern breeding and poultry management techniques, chickens achieve the market characteristics consumers associate with "roasters" in less time than would be required by the new definition's minimum age of 8 weeks. As a result, a substantial percentage of the chickens currently marketed as "roasters" would no longer be eligible to be marketed under the definition of "roaster," forcing companies to either artificially prolong the grow-out period at substantial cost or to cease marketing these products as "roasters," resulting in the near-total-disappearance a product preferred by many consumers. Either result would substantially undermine the market for "roasters," ultimately to the harm of consumers. NCC therefore believes it is vital to the orderly marketing of chicken products that FSIS amend its definition for "roasters." We are providing this supplement to our petition to outline additional support for our request.

Production and Distribution of Roasters

Roaster chickens make up a significant percentage of the whole chickens sold in the U.S. According to the U.S. Department of Agriculture's Agricultural Marketing Service (AMS), at least 31 different brands of roasters are marketed to consumers across the country:¹

Acme	Gold'n Plump	Sanderson Farms
Allen's	Hannaford	Sentry
America's Choice	Homestyle	Shurfine
Amick Farms	Market Basket	Spartan
Big Y	Miller Amish (ABF)	Stop & Shop
Fieldale Farms	Mountaire	Tops
Food City	Own Brand	Tyson
Foster Farms	Perdue	Wegman's
Gerber (ABF)	Pilgrim's	Winn-Dixie
Giant	Price Chopper	
Giant Eagle	Safeway	

Data on regional advertising provided by the U.S. Department of Agriculture's Agricultural Marketing Service (AMS) indicates that roasters are most prevalent in the Northeast, followed by the Southeast, Midwest, Southern California, the Southwest, and the Northwest, in that order.² This distribution reflects NCC's experience with roaster chicken distribution. Roasters, therefore, enjoy an uneven distribution across the nation: they are especially popular in the Northeast and, to a somewhat lesser extent, the Southeast, with significantly lower rates of market penetration through the rest of the country. This eastern-skewed market distribution points to two important roles for the labeling of a "roaster": consumers in the Northeast and Southeast, who are more familiar with roasters, have certain set expectations as to size, texture, and the appropriate use of a roaster and look for chickens labeled "roaster" when their situation calls for a bird with those characteristics. Many consumers in the rest of the country, who are likely to have less experience with "roaster" chickens, rely on the labeling to inform them that a particular bird in the supermarket is different than the broilers or fryers they are used to preparing.

Roaster Production and Improving Genetics

With improving genetics through breeding and improved animal raising practices, chickens reach the desired market rate and characteristics more quickly than ever, and continued improvements

¹ Email from Michael Sheats, AMS, to William Roenigk, NCC (Nov. 19, 2013) (Attachment 1).

Specialty or boutique brands are not reflected in this list.

² See AMS, Feature Pricing of Whole Roasters/Roasting Chickens vs. Fresh Fryers by Supermarkets (Attachment 2). This chart, prepared by AMS, reflects the frequency with which roasters and broilers are advertised in supermarket advertisements by region. It is reasonable to assume that distribution of advertising reflects overall product distribution. A review of the chart shows that sale prices per pound for roasters and broilers converge in the Northeast and gradually diverge as roasters become less prevalent. This reflects aggressive marketing of roasters in parts of the country. As explained below, taking into account overall retail prices, not just advertised sale prices, roasters command a premium over broilers.

in time-to-market are expected. Decreasing the time it takes to raise a chicken benefits consumers, chicken companies, and chicken growers. Raising chickens to harvest weight more quickly decreases the amount of feed required to raise chickens, which decreases the cost of producing a chicken. Consumers benefit from these reduced production costs in the form of lower prices. The family farmers who raise chickens benefit by being able to raise more flocks in the same period of time. In short, all incentives align to drive increasingly shorter production periods.

NCC has reviewed data on the average age at slaughter of birds falling into various age ranges prepared by an outside benchmarking analytics firm. We are attaching a spreadsheet showing the average age at slaughter for each month from January 2005 through August 2013 for birds falling into various weight ranges for establishments across the country: 3.6-4.4 pounds; 4.4-5.2 pounds; 5.2-6.0 pounds; 6.0-6.8 pounds; and greater than 7.5 pounds.³ In August 2013, the last month for which data was reported, birds weighing 5.2-6.0 pounds were slaughtered at an average age of 45.59 days. Birds in the 6.0-6.8 pound range were slaughtered at an average age of 49.12 days, and birds in the 6.8-7.5 pound range were an average of 53.00 days old (birds in the 4.4-5.2 pound range, some of which could be roasters, were slaughtered at an average age of 40.76 days). All of these birds would satisfy the Agency's new weight criteria for a "roaster" (at least 5 pounds), but all of them would fail to meet the new age minimum of 8 weeks (56 days). All of these birds would be ineligible to be marketed as "roasters" merely because of advances in grow-out practices.

Additionally, NCC maintains historical data on the aggregate average age and average live weight at slaughter for all chickens processed annually in the U.S.⁴ According to this dataset, in 2012, the average commercially processed chicken reached a live weight at slaughter of 5.95 pounds in 47 days, translating into a growth rate of only 7.9 days per pound. This data shows the remarkable growth rate of the modern commercially raised chicken. In recent years, chickens held for the same time period are reaching increasingly greater market weights. The average number of days it takes a chicken to put on a pound of weight continues to steadily decrease. These data reflect the average age and weight for all chickens, not just roasters. Roasters are grown larger and for longer than are broilers, and the improvements in days-per-pound result in even greater improvements in time-to-market for roasters than for the commercially raised chicken population as a whole. Between just 2009 and 2012, average days-per-pound decreased by 0.5. At this rate, a 6 pound roaster would have reached market weight in 2012 three days sooner than it would have even in 2009.

As this data indicates, advances in chicken production have achieved remarkable grow-out times, outstripping the age ranges the Agency considered when promulgating the new definitions that

³ Spreadsheet Showing Average Slaughter Age for Chickens (Attachment 3). NCC has obtained what it considers to be very reliable data from a major data and analytics company that has analyzed the poultry industry for decades. Note that the spreadsheet groups all birds under the generic term "broiler" because, according to the outside analytics firm that prepared the data, roasters and broilers are often produced in the same establishment and the firm lacked data identifying how the birds were marketed. Regardless of terminology, the chart demonstrates that birds achieve the market characteristics of a "roaster" well before the 8 weeks contemplated in the Agency's new definition.

⁴ NCC, U.S. Young Chicken Performance, 1925 to Present (July 1, 2013) (Attachment 4).

will take effect in January. Chickens reach the market weight for roasters on average a week-and-a-half to two weeks earlier than contemplated in the new definition. Unless the definition is revised, these chickens would have to be held for an unnecessarily long period before slaughter or diverted to other, less optimal, uses. Accordingly, NCC's petition requests the Agency remove the lower end of the age range for "roasters" and instead focus on the weight and physical qualities that are of importance to consumers.

Consumer Research Shows Consumers Differentiate Between Roasters and Broilers

Consumer research conducted by Perdue Farms, Inc., a member company of NCC, confirms that consumers view roasters as distinct from broilers or fryers and demonstrates that consumers value roasters over broilers for specific uses.⁵ As noted, roasters are the most popular in the Northeast region of the country, but even nationally—including areas with lower sales of roasters—consumers demonstrated a 22 percent awareness level of Perdue Farms' Oven Stuffer® Roaster product. Awareness of roasters overall—not just Perdue's product—is likely higher. In the Northeast and Southeast, where roasters are especially prevalent, consumer awareness would be expected to be even greater. This research therefore demonstrates that at least nearly a quarter of consumers (and likely a higher percentage in the Northeast) are familiar with the attributes of a roaster, which by implication means these consumers use this awareness when deciding which product to purchase at the supermarket.

Moreover, Perdue's research indicates that "heavy" users of roasters notice the difference between a roaster and a broiler. If roasters were reclassified as broilers under the new definition starting January 1 (see discussion below), these "heavy" users would be confused when presented with chickens that appear to be the "roasters" with which they were familiar but were in fact labeled something else. Similarly, this research suggests that "light" and "medium" users of roaster chickens, who cannot necessarily notice the difference between roasters and broilers without cues, would likewise be confused at the supermarket because they rely on the product labels to help them identify a roaster instead of a broiler.

Finally, according to this research, many consumers perceive roasters as a better value than broilers. Specifically, consumers rate roasters better on texture, which is the key driver of a consumer's overall liking of a chicken product. They also prefer the larger size and appearance of roasters. Overall, roasters deliver on consumers' expectations for overall likability and taste better than do broilers.

Market Data Reflects a Higher Valuation for Roasters

Market data demonstrates that consumers place different values on roasters than they do broilers. According to data compiled for NCC by a major data collection/analysis firm that specializes in the food sector, over the 52-week period ending September 28, 2013, roasters sold for an average

⁵ See Letter from Gail McWilliam, Vice President Marketing – Perdue® Brand, Perdue Farms, Inc., to Bill Roenigk, Sr. Vice President, NCC (Nov. 11, 2013) (Attachment 5). The detailed results of the research are considered proprietary and confidential business information by Perdue Farms, Inc. We have, however, attached a letter summarizing in relevant part the results of the research and conclusions related to NCC's petition.

national retail price of \$1.29 per pound, compared to \$1.16 per pound for broilers.⁶ In other words, consumers are willing to pay about 11 percent more per pound for a roaster chicken over a broiler chicken, a significant difference. Importantly, these prices are average prices per pound, so not only are consumers willing to pay more simply because they are buying a heavier bird, but also specifically because they are buying a roaster instead of a broiler. This aggregate retail price data provides objective economic affirmation of the consumer perception information identified by Perdue Farms: consumers value roasters more highly on a pound-for-pound basis than they do broilers, as demonstrated by their choices and actions at the supermarket. If the Agency’s new definition were to take effect, chicken companies would lose their ability to communicate this very important and highly valued information—namely that the product is a “roaster”—to consumers.

Manufacturers Would Be Forced to Divert Roasters to Less Desirable Uses

If the new definition were to take effect, most birds currently being marketed as “roasters” would have to be diverted to other uses simply because they were ready for harvest a week-and-a-half too early. Holding the birds at their market-ready weights for a week and a half to meet the minimum age would likely prove too costly as doing so would require companies to bear feed and housing costs with no additional return. Nor would companies be likely to continue to grow the chickens, which would result in massive birds that most consumers would find unacceptable. Chicken processors would therefore have two basic choices: market the products as large “broilers” or divert them to deboning operations. Either result represents a less-than-optimal use of the products.

Products currently marketed as “roasters” could be marketed simply as “broilers,” as the new definition of a broiler or fryer will be a bird less than 10 weeks, with no eight requirements (assuming the birds also meet the physical characteristics of the definition⁷). Doing so, however, would risk confusing consumers who expect broilers to be smaller birds. Those consumers who are “heavy” users of roasters or otherwise familiar with the characteristics of a roaster may be especially confused because they have become accustomed to looking for roasters *instead of* broilers when they want a larger bird with a roaster’s characteristics. Moreover, many consumers do not want or do not know how to prepare a larger bird and would be uninterested in purchasing a larger-than-usual “broiler.” Expanding “broilers” to include products historically marketed as roasters would also dilute the meaning of “broilers,” such that it may come to signify only that the product is a whole chicken.

Introducing consumers to larger-than-expected “broilers” could also have food-safety implications. While all chicken is safe to eat if cooked and handled properly—and NCC member

⁶ Chart Comparing Roaster and Broiler Retail Price Data (Attachment 6). The firm compiled this data from traditional grocery stores and select mass retail and club retail chains. As such, this data does not reflect the total production of roasters and broilers (and is different than NCC’s estimate of overall roaster production), but the data is considered very reliable in capturing the retail prices consumers are willing to pay for broilers and roasters.

⁷ If the birds do not meet the physical characteristics for the “broiler” definition—if, for example, their breastbone cartilage is not sufficiently flexible—there would be no class of poultry under which the birds could be marketed.

companies and FSIS make great efforts convey this information to consumers—consumers nonetheless acquire certain habits for preparing foods. A consumer accustomed to cooking a 4 pound broiler for a certain time at a certain temperature may not fully appreciate the difference in cooking required for a 6 pound bird that had formerly been marketed as a “roaster,” creating the risk that the product would be undercooked or otherwise mishandled.

Alternatively, because consumers may not be interested in larger “broilers,” birds currently marketed as roasters might be diverted to deboning operations. Bone-in products would likely be viewed as unsatisfactory because of their large size; consumers are accustomed to bone-in wings and thighs of a certain size, for example, and would not be interested in larger versions. The extra costs associated with raising a roaster, though, would make diverting these birds to deboning operations an inefficient use of resources.

Either use—marketing roasters as larger “broilers” or diverting them to deboning operations—would result in a suboptimal and inefficient use of these birds. Consumers have demonstrated that they value roasters differently than broilers and are willing to pay a premium for them. If most roasters become larger “broilers,” consumers will not be able to differentiate between the different products, and companies will lose the premiums consumers are willing to pay for the increased cost and effort that goes into producing a roaster. Prices of broilers would also readjust to reflect the influx of new products. If most roasters are diverted to deboning operations, consumers will see fewer large chickens available for purchase overall, and the supply of deboned products will be disrupted with greater volumes of more-costly-to-produce chicken entering the market. In both cases, consumers looking for roasters would no longer find them.

Conclusion

As explained in our petition, NCC believes it is necessary for the Agency to amend the definition of “roaster” that is slated to take effect January 1, 2014, to remove the minimum age requirement to accommodate the vast majority of birds currently being marketed as “roasters.” NCC also respectfully requests that, if necessary, the Agency postpone enforcement of the new definition of “roaster” until the Agency has had an opportunity to fully consider our petition. We believe the information provided in this letter demonstrates the importance to consumers, processors, and the marketplace of ensuring the uninterrupted continued marketing of chickens as “roasters.” Please do not hesitate to contact me if NCC can provide any further information.

Thank you for consideration, and we look forward to a favorable outcome.

Sincerely,



Michael J. Brown
President

cc: Rachel Edelstein, Assistant Administrator of the Office of Policy and Program Development
Rosalyn Murphy-Jenkins, Director, Labeling and Program Delivery Division
Jeff Canavan, Deputy Director, Labeling and Program Delivery Division

Attachments:

1. Email from Michael Sheats, AMS, to William Roenigk, NCC (Nov. 19, 2013)
2. AMS, Feature Pricing of Whole Roasters/Roasting Chickens vs. Fresh Fryers by Supermarkets
3. Spreadsheet Showing Average Slaughter Age for Chickens
4. NCC, U.S. Young Chicken Performance, 1925 to Present (July 1, 2013).
5. Letter from Gail McWilliam, Vice President Marketing – Perdue® Brand, Perdue Farms, Inc., to Bill Roenigk, Sr. Vice President, NCC (Nov. 11, 2013)
6. Chart Comparing Roaster and Broiler Retail Price Data