

## Commodity Prices Return to Normal

Ample supplies of everything from wheat to tomatoes have the pizza industry breathing a sigh of relief.

BY MONICA GELINAS & DENNIS COLLINS

recently in both the frozen (+7.9%) and refrigerated (+3.0%) departments. For its part, New Boston, Mich.-based Champion Foods (www.championfoods.com) recently rolled out a line of refrigerated Artisan Thin Crust Pizzas in trendy flavors like Chorizo & Sriracha, Sweet Chili Chicken and Cheeseburger, reports national marketing and brand strategy manager Peter Smith. "We've seen a big migration to thin or flatbread crusts, which are a good platform for our new flavor profiles," he adds.

There's an old adage in the commodities markets that the cure for high prices is... high prices. That's because high prices increase supply and subdue demand.

At this time last year, cheese, pork and beef prices were on their way to record highs — and wheat (flour) prices were about a third higher. But record-high dairy prices spurred production to the point that global dairy prices are now at multi-year lows. Increased production was facilitated by favorable weather patterns that led to abundant and cheaper feed for dairy herds as well as ample wheat stocks.

Surprisingly, tomato paste and sauce prices have remained relatively stable despite the California drought. In fact, following a record crop last year, California tomato producers are scaling back on plantings — but not because of the drought. Instead, the strong U.S. dollar has producers concerned about being able to sell products on the global markets. Looking forward, prices are expected to remain around current levels.

The return to normalcy means the pizza industry is breathing a sigh of relief. High prices and favorable global weather have been the antidotes to last year's price crunch. ■

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While unique toppings always grab headlines, the big four — cheese, pepperoni, meat and supreme — still represent about two-thirds of total sales. As a result, many manufacturers are offering the same toppings on new and different crusts. For example, Schwans's new Red Baron Brick Oven collection, featuring "a golden brown crust with a unique, crispy, bubbly texture," comes in Pepperoni, Cheese Trio, Meat Trio and Sausage Supreme, says McAdams. Other manufacturers are offering "enhanced" versions of consumers' favorite varieties. Often referred to as "pub-style," these hearty, "taste-forward" pizzas are heaped with up to 8 ounces of cheese and loads of pepperoni, sausage and other meats. Palermo's rolled out its entry earlier this year, says Pytinski. Offered under the P'mos Pub Pizza Co. label, it features a proprietary thin crust developed specifically to highlight the toppings. Available flavors include Cheese, Pepperoni, Supreme, Sausage and Combo (Pepperoni and Sausage).

At the other end of the fat and calorie spectrum, manufacturers also report growth in the better-for-you segment. The newest entry comes from Champion Foods, which was chosen by Lisa Lillian of Hungry Girl fame to produce the first pizza offered under her brand. "There are a lot of better-for-you frozen pizzas," she explains. "But I don't know of any refrigerated," which helped cement her decision to go the fresh route. At 260 to 280 calories apiece, she adds, the single-serve pizzas are diet-friendly. But the on-trend sprouted grain crust delivers 7 grams of fiber, so it's good-for-you, too. Offered in two-count packages, the ready-to-bake pizza is offered in both Turkey Pepperoni and Italian Five Cheese varieties.

### GLUTEN-FREE SOARS

Although the gluten-free category as a whole continues to grow between 10% and 15% each year, gluten-free frozen pizza is growing at a much faster pace: 73.8% in conventional supermarkets during the 52 weeks ended Feb. 22, according to Schaumburg, Ill.-based SPINS. While gluten-free bread and cookies have been readily available for some time now, the gluten-free frozen pizza category is much less

Schwans debuts Red Baron Brick Oven Pizza in four classic flavors.

