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April 2017

MARKET NEWS



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Focus on China



Notice of Certification and Accreditation Administration of the People's Republic of China about simplifying the change process of related inspection and test standard

The CNCA has made decision after research that: the institutions that have obtained the inspection and test capability of the original standard shall adopt the recommended standard after the transformation from the date of the transformation of 1077 standards in Announcement 7 in 2017 issued by the Standardization Administration of China and conduct related procedures in the follow-up qualification confirmation application.

General Office of the China Food and Drug Administration issued the notice about implementing of the strict production license work of detailed rules for review of production license of supplementary food for infants and young children

The China Food and Drug Administration issued the notice about implementing the “Detailed rules for review of production license of supplementary food for infants and young children” and strengthening production license work of supplementary food for infants and young children. The notice specified that the enterprises obtained the food production license as can, fine dried noodles, biscuit, infant and young children cereal and other formula cereal and enterprises not obtained the food production license for supplementary food for infants and young children shall not produce the supplementary food for infants

and young children. The supplementary foods for infants and young children produced before June 30, 2018 which comply with national food safety standard can be sold within the shelf life.

National Health and Family Planning Commission of the People's Republic of China issued 2 national food safety standards as “National food safety standard Maximum level of mycotoxin in food”

National Health and Family Planning Commission of the People's Republic of China issued two national food safety standards as “National food safety standard Maximum level of mycotoxin in food” (GB 2761-2017) and “National food safety standard Maximum level of contaminants in food” (GB 2762-2017), and this two standard will take into effect on September 17, 2017.

International News

Statement by Commissioner Andriukaitis on the Adoption of the Regulation on Official Controls

Today the European Parliament has adopted the new Regulation on Official Controls, proposed by the European Commission, to increase Member States' ability to prevent, eliminate or reduce health risks to humans, animals and plants. The Regulation provides a package of measures that will strengthen the enforcement of health and safety standards for the whole agri-food chain.

The new rules aim at modernising and simplifying the European control system to ensure that food in the European Union is safe along the entire agri-food chain.

The regulation is part of the body of EU legislation covering the food chain package that cuts down almost 70 pieces of EU legislation to 5 reduces the red-tape on processes and procedures for farmers, breeders and food business operators (producers, processors and distributors) to make it easier for them to carry out their profession.

EU citizens will benefit from safer products and a more effective and more transparent system of controls along the chain. The package also provides simpler, science and risk-based rules, allowing more efficient processes for business. Finally, the national controllers are given the powers and tools to deliver their tasks more effectively.

This new piece of legislation reaffirms the EU' leading position world-wide in the area of food safety. It also paves the way to establishment of the long-awaited reference centres for animal welfare.

I want to thank the successive Presidencies of the Council and the Rapporteurs of the European Parliament, Mr Pirillo, under the previous term, and Ms Kadenbach under the current one, for reaching an agreement in the political negotiations, as well as the various Shadow Rapporteurs from the other political groups.

We will now start to prepare the more specific rules which stem from the Regulation to ensure it can apply in practice.

We also very much look forward to a constructive dialogue with the Member States, the Parliament and stakeholders in order to achieve a uniform approach on implementation.

FDA, Federal Partners Issue New Food Safety Analytics Strategic Plan



The U.S. Food and Drug Administration (FDA), Centers for Disease Control and Prevention (CDC), and the U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) have issued a new Strategic Plan for 2017-2021 as part of the Interagency Food Safety Analytics Collaboration (IFSAC).

IFSAC was created in 2011 to improve coordination of federal food safety analytic efforts and address cross-cutting priorities for food safety data collection, analysis, and use. Its projects and studies aim to identify foods that are important sources of human illness. IFSAC focuses analytic efforts on four priority pathogens: Salmonella, Escherichia coli (E. coli) O157:H7, Listeria monocytogenes (Lm), and Campylobacter. CDC estimates that together, these four pathogens cause 1.9 million cases of foodborne illness in the United States each year.

Under the new strategic plan, IFSAC will focus on continuing to improve estimates of the sources of foodborne illnesses and developing methods to estimate how these sources change over time. The three goals of the new strategic plan are to improve the use and quality of new and existing data sources; improve analytic methods and models; and enhance communication about IFSAC progress.

The strategic plan outlines key objectives to achieve those goals, including:

- Enhance the collection and quality of relevant source data;
- Enhance the use of existing regulatory and foodborne illness surveillance data;
- Incorporate genomic data and other novel data sources;
- Explore ways to address key gaps in data quality, methods and models;
- Develop new analytic approaches and models to maximize use of existing data;
- Expand the availability of technical and scientific expertise through collaboration with internal and external partners;
- Enhance relationships and engagement with internal and external groups; and
- Improve the synthesis, interpretation and dissemination of analytical findings for multiple audiences.

The plan also highlights accomplishments from IFSAC's first five years, and the group's intent to continue engaging with stakeholders on future work..

States need \$100M more for Food Safety Modernization Act

President Trump may have proposed a “skinny budget” for most domestic spending, including food and agricultural program for the next fiscal year, but

nobody is taking it seriously. Congress always reacts to presidential budgets with the same three words: “Dead on Arrival.”

For more serious guide posts, it's always better to look at what the serious organizations —the ones involved with federal spending — are up to. For food and agricultural programs, including food safety, the National Association of State Departments of Agriculture (NASDA) stays in the thick of the federal budget.

NASDA, a bipartisan organization built around the appointed and elected state agricultural directors and commissioners, is out with a letter to congressional budget leadership that lays down some markers on spending needs when the next federal fiscal year begins Oct. 1.

In the letter, NASDA says state governments need an annual additional \$100 million a year for “sufficient funding” for Food Safety Modernization Act (FSMA) implementation.

“While FDA is charged with writing the rules, significant implementation and enforcement activities under FSMA are the primary responsibilities of state agencies,” NASDA's letter to budget writers says.

“It is crucial that Congress provide



Who will pay for FSMA?

sufficient resources so as to avoid unfunded mandates on the states and to ensure farmers have the tools and education necessary to comply with these new federal requirements.”

NASDA also says it “continues to insist that FDA get the rules right. The combination of problematic elements of these regulations coupled with inadequate funding for their implementation will ultimately subject producers to inconsistent and arbitrary enforcement, putting their farms in economic jeopardy while doing little, if anything to enhance food safety. Funding to ensure parity between imported and domestic food is also necessary.”

State agricultural directors and commissioners see the additional \$100 million annually as necessary to “ensure the systematic and timely implementation of the elements of FSMA for which state have primary responsibility.”

“To date, funding for states has focused on implementing the Produce Safety Rule, but funding is also necessary for the development and operation of programs associated with the Preventive Controls: Human Food and Preventive Controls: Animal Food rules.”

NASDA estimates the following funding levels for state programs are necessary:

- Produce Safety \$40 million annually for state programs
- Preventive Controls for animal food \$20 million annually for state programs
- Preventive Controls for human food \$40 million annually for state programs

In another food safety area, NASDA wants the budget prohibitions on USDA horse meat inspections removed and \$63 million for state Food Safety and Inspection restored. The letter says the funding is “critical for states that provide state meat inspections under a variety of programs regulated by USDA’s Food

Safety and Inspection Service (FSIS).”

On horse meat, they want an end to the use of on again, off again budget provision to prevent USDA from equine inspections. The letter points to a 2011 GAO study that found removal of USDA from horse meat inspections resulted in widespread starvation, abandonment of horses and unnecessary suffering of horses and horses becoming unwanted and being shipped to farther processing plants in Canada and Mexico.

No horse meat slaughter or processing remains in the United States, and during the last period when USDA could have provided inspections, a handful of proposals for such facilities fell through for a variety of reasons.

The Trump proposal cuts USDA by about \$4.7 billion as part of about \$54 billion the president wants to shift from domestic to defense programs without raising taxes. Many of those domestic cuts, however, would come out of international programs. USDA, for example, is being asked to “zero out” the bipartisan McGovern-Dole program for funding international school lunch programs.

REGULATION (EU) 2017/625 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, amending Regulations (EC) No 999/2001, (EC) No 396/2005, (EC) No 1069/2009, (EC) No 1107/2009, (EU) No 1151/2012, (EU) No 652/2014, (EU) 2016/429 and (EU) 2016/2031 of the European Parliament and of the Council, Council Regulations (EC) No 1/2005 and (EC) No 1099/2009 and Council Directives 98/58/EC, 1999/74/EC, 2007/43/EC, 2008/119/EC and

2008/120/EC, and repealing Regulations (EC) No 854/2004 and (EC) No 882/2004 of the European Parliament and of the Council, Council Directives 89/608/EEC, 89/662/EEC, 90/425/EEC, 91/496/EEC, 96/23/EC, 96/93/EC and 97/78/EC and Council Decision 92/438/EEC (Official Controls Regulation)Text with EEA relevance.

Leaders call for a comprehensive sustainable EU food policy



In a debate with the EU's Commissioner for Health and Food Safety, Vytenis Andriukaitis, members of the European Committee of the Regions (CoR) declared their support for an EU policy on sustainable food.

A common and long-term vision is essential says the commissioner, as the EU is the world's largest exporter of agricultural products and must ensure viable production whilst safeguarding the sustainable management of natural resources and balanced territorial development of EU rural areas and their communities.

Opening the debate, the CoR President Markku Markkula said "We need a shake-up of our food sector to reduce its environmental footprint, add to the millions already employed in the industry and sufficiently feed every citizen with healthy food well into the future. To create a truly sustainable EU food policy, we must make supply chains more innovative and digitally assisted, invest more to grow our agricultural sector locally and integrate every relevant policy area so

it supports, not burdens, the livelihood of our regions and cities".

"With a rising global population, the question of how we can sustainably supply everyone with sufficient quantities of healthy food is becoming ever more pressing. Among the 17 measurable Sustainable Development Goals aimed at ending poverty, protecting the planet and ensuring prosperity for all, adopted by the United Nations in September 2015, nine are related to agriculture. Sustainable food is organic, local and fresh."

"We need a comprehensive, sustainable EU food policy that addresses food production and nutrition in a more comprehensive manner, promoting more sustainable production and consumption patterns; establishing a link across different policies areas, including among others, food production, agriculture, environment, health, consumer policy, employment and rural development; bringing jobs and growth to Europe's regions and cities" stressed Arno Kompatscher (IT/EPP), President of the Autonomous Province of Bolzano and Regional Councillor, rapporteur of the CoRs' opinion adopted at its plenary session in Brussels.

The EU's Commissioner for Health and Food Safety , Vytenis Andriukaitis, remarks "To enable citizens to choose healthy diets they must be able to have easy and affordable access to safe and nutritious food. Regrettably, in many of our cities junk food is easier to reach or cheaper than fresh fruit or vegetables. We have to change this. I am glad to see our cities and regions making their way towards this change because they are not just places where we shop, eat or move. They are living economic and production centres and have a lot to offer and contribute to better and longer lives. I will continue following with great interest the work of the CoR as regards to the promotion of healthier lifestyles, and in particular food provision and food waste policies."

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Safety Alerts

Date	Brand Name	Product Description	Reason/ Problem	Company
04/21/2017	Hummingbird	Organic Cocoa-Dusted Chocolate Ginger	Undeclared Hazelnuts	Hummingbird Wholesale
04/21/2017	Roundy's Brand and Harris Teeter Brand	Frozen hash browns	May be contaminated with extraneous golf ball materials.	McCain Foods USA, Inc.
04/21/2017	Lays and Miss Vickie's	Jalapeno Flavored Kettle Cooked Potato Chips	Salmonella	Frito-Lay
04/20/2017	H-E-B and Hill Country Fare	Sandwich Bread	Foreign Object (rubber)	H-E-B
04/18/2017	La Granja INC	Mango Flavored Ice cream	Salmonella Enteritidis	La Granja INC
04/15/2017	N/A	Decorated (iced) cookies	Undeclared eggs	Whole Foods Market
04/14/2017	The Bakery	Peanut Butter Chocolate Chunk Cookies	Undeclared Milk	Jimmy's Cookies LLC
04/14/2017	TPF	Lemongrass Satay; and Shrimp Satay Sauces	May contain Clostridium Botulinum	TP Food Processing, Inc.

04/13/2017	7-Eleven	Caesar Salad	Undeclared milk, egg, wheat and fish (anchovies)	Choice Farms LLC
04/11/2017	Season's Choice	Sweet Peas	Listeria monocytogenes	Lakeside Foods, Inc.
04/11/2017	H.E.B	Pomegranate Infused Cranberries Covered in Dark Chocolate	Undeclared Almonds	Nassau Candy Distributors
04/10/2017	Oberlander	Chocolate Kokosh Cake	Undeclared Almonds	Orthodox Baking Co
04/10/2017	Whole Foods Market	Yogurt and Granola Parfaits	Undeclared Almonds	Whole Foods Market
04/08/2017	Marketside	Organic Spring Mix	Potential to contain bat body parts (minimal risk of potential rabies contamination)	Fresh Express
04/04/2017	Season's Choice	Frozen Peas	Listeria monocytogenes	Lakeside Foods
04/03/2017	Wegmans	Original Killer Brownies with Pecans	Undeclared Peanuts	Wegmans Food Markets, Inc.
04/02/2017	Hunt's	Chili Kit	Salmonella	Conagra Brands, Inc.
03/31/2017	Menu Del Sol	Beans & Cheese Burritos	Listeria monocytogenes	Sigma Alimentos

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				Congelados
03/28/2017	LaBri's Body Health	Dietary Supplement	Unapproved new drug	Envy Me
03/25/2017	Sunshine Bakery	Cassava cake, mixed nut mooncake	Undeclared peanut, almond, cashews, coconut, and sunflower seeds	Sunshine Bakery
03/24/2017	20/20 Life Styles	Yogurt Peanut Crunch protein bar	E. coli O157:H7	Pro Sports Club

Commission by April 10, according to the commission's website on Wednesday.

The deadline was initially set for March 27 but the EC said it has extended its review as the firms have now offered concessions to address regulatory concerns.

United Fresh publishes Recall Resource Guide for industry

The United Fresh Produce Association has published the Recall Resource Guide to help the produce industry better prepare for potential recall events as part of the association's Recall Ready suite of services. The new resource provides a general overview and outline, explaining why it's critical for companies to have a recall plan; the basic components of a recall plan and response processes; how a recall plan differs from a food safety plan and traceability; and also offers additional recall-related resources. This publication, developed at the request of the United Fresh Produce Association's Fresh-Cut Processor Board, is free to download for both members and non-members of United Fresh.

"The Recall Resource Guide is a valuable tool and is an initial step-by-step checklist for the produce industry, serving as a baseline to ensure companies are taking the correct precautionary steps to be prepared for potential product recalls," said Dr. Jennifer McEntire, United Fresh Vice President of Food Safety & Technology, who designed the resource guide with Amy Philpott, Vice President, Crisis Services for Watson Green, LLC.

The United Fresh Recall Ready Program consists of exclusive education and training services. This initiative is a partnership between United Fresh and the legal and communications experts at OFW Law and Watson Green, LLC, which are among the food industry's leading crisis counseling firms. With both groups working together, program participants learn how to execute a recall to protect

Enterprise News

Hamburg Sud/Maersk offer concessions to gain EU merger approval



Maersk Line, the world's biggest container shipping firm and part of Danish conglomerate A.P. Moller-Maersk (MAERSKb.CO), has offered concessions to EU antitrust regulators in an attempt to get approval for the takeover of German rival Hamburg Sud.

A ruling on the deal, one of several in an industry seeking consolidation to offset low freight rates and oversupply, will now be given by the European

public health, comply with all government requirements, and minimize the impact on their business – all from top food safety and legal and crisis communications professionals.

To complement the new Recall Resource Guide, United Fresh has developed the Recall Ready Workshop, taking place April 10-11, 2017 in Orlando, FL. This one-and-a-half day hands-on workshop will help teach the fundamentals of a product recall and test attendees in a real-to-life crisis simulation. Hear directly from the FDA, as well as a regulatory attorney, microbiologist, and crisis communications experts on the essential elements that should be included in a recall plan and much more!

Webster Limited expands Australian walnut production with 250ha addition

One of Australia's biggest walnut producer, Webster Limited, has expanded its nut portfolio with another 250-hectare acquisition in southern NSW.

Webster, which has been beefing up its nut and broadacre irrigation operations in the Riverina for the past few years, paid \$10 million cash for the "Motspur Park" orchard, to be topped up with a share allocation to the vendors worth about \$13.1m.

Webster produces about 90 per cent of Australia's walnut crop from about 2000ha of orchards in Tasmania and NSW, with a further 900ha of young Riverina plantings set to produce their first harvest next year.

After last financial year's property expansion push and consolidation, including a writedown of about \$96.6m in asset valuations, Webster recently posted a \$4.1m after tax statutory net profit for the six months to December 31 – rebounding

from last year's \$97m loss. While sales revenue was down 6pc to \$53.2m, the company reported a \$5.4m profit from water entitlement sales.

CPGPP bankruptcy could hurt vegetable growers in Canada



The bankruptcy of Canadian Prairie Garden Puree Products means more than the loss of a dozen good jobs; the closure of CPGPP's facility has potentially devastating consequences for many of the province's vegetable growers, as well

as many related businesses and sectors, says the Vegetable Growers Association of Manitoba.

The bankruptcy could be devastating for vegetable farmers who invested in their operations to supply additional demand from Canadian Prairie Garden, VGAM says.

Jeffries Bros. Vegetable Growers, and Mayfair Farms, for example, are on the list of creditors. Canadian Prairie Garden owes \$191,000 to Jeffries Bros. Vegetable Growers and \$128,000 to Mayfair Farms.

Many of Manitoba's vegetable farmers have invested sizeable dollars in equipment, buildings and other related infrastructure to help CPGPP meet its capacity requirements. In addition to these losses, local farmers are owed a significant amount of money for the vegetables they have delivered to CPGPP in 2016.

“Our hope is that whichever company or group of investors decides to pick up what is left of CPGPP, they will leave the facility in Manitoba,” says Jeffries.

“There is still time to get the plant up and running again for this year’s crop.”

MARKET NEWS - REPLY

If you have any views or comments on the articles in the marketing news please feel free to contact us on the following email address: sales.china@mxns.com