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## MARKET NEWS



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## Focus on China



### Shandong to implement "double certificate system" for chives from November



Recently, the Shandong Ministry of Agriculture and the Shandong Food and Drug Administration jointly announced the decision that chives and leeks in the entire province have to obtain two certificates: a certificate of conformity and a market sales certificate. All chives and leeks production sites (with a production area of over 0.5 mu) are documented, and are expected to implement this system. When their products enter the market, they need to have these two certificates. This measure aims to

improve the traceability of these products.

### Announcement of China Food and Drug Administration about further strengthening supervision of quality safety of wheat flour

On November 2nd, 2017, China Food and Drug Administration issued "Announcement about further strengthening supervision of quality safety of wheat flour" which explicitly stipulated requirements of raw & auxiliary materials, additives and labeling for production process of enterprises.

### China Food and Drug Administration issued "Measures for supervision and administration of food safety of network catering service"

On November 10th, China Food and Drug Administration issued "Measures for supervision and administration of food safety of network catering service" which should be implemented on January 1st, 2018. The purpose of this measure was to strengthen supervision and administration of food safety of network catering service, regulate management behavior of network catering service, guarantee food safety of catering service and public health.

### China: Trump visit results in trade worth 253 billion USD

On the morning of 10 November, the American president left Beijing by plane after completing his first trip to China since the inauguration. During the visit, Chinese and American enterprises signed trade orders for a total value of 253.5 billion USD and a total of 34 cooperation agreements. To quote Zhong Shan, a Minister at the Trade Department, this was miraculous. A new record in the cooperation between China and the US, that establishes a new stage in the history of world trade.

## International News

### Global food import prices set to increase by 6%, boost in tropical fruit exports likely

According to the FAO's latest Food Outlook report, the cost of importing food is set to rise in 2017 to \$1.413 trillion - a 6% increase from the previous year and the second highest tally on record - driven by increased demand for international demand for most foodstuffs as well as higher freight rates.

Of particular concern are the economic and social implications of the double-digit increases in the food import bills for Least-Developed Countries (LDCs) and Low-Income Food-Deficit Countries (LIFDCS).

"Higher bills do not necessarily translate into more food being bought by them as the cost of importing has greatly escalated," said FAO economist Adam Prakash.

The higher import costs come at a time when inventories are robust, harvest forecasts are strong and food commodity markets remain well supplied.

### Opportunities loom for tropical fruits

Tropical fruits are, increasingly, the stars of global trade, with export volumes of mango, pineapple, avocado and papayas on course to achieve a total combined value of \$10bn this year, according to the Food Outlook.



Their popularity is promising for poverty relief and rural development as almost all production takes place in developing countries, usually through smallholder farmers with fewer than five hectares.

The FAO estimates that total production of the four fruits could reach 92 million tonnes this year, compared to 69 million tonnes in 2008. Currently, 95% of that output is consumed locally, but rising incomes and changing consumer preferences will likely boost export volumes, especially if freer trade and better market access stimulate further technological gains in distribution.

Major producers of tropical fruits include India, home to around 40% of global mango production, Costa Rica, which supplies a large share of the world's pineapples, China and Brazil - plus Mexico, which is the largest exporter.

### Japan signs \$6 billion worth of investment deals with the Philippines

President Rodrigo Duterte witnessed the signing of 25 agreements between the Philippines and Japanese firms that will potentially yield \$6 billion worth of investments for the country, said Trade Secretary Ramon Lopez on Monday.

"President Rodrigo Duterte met several Japanese companies and witnessed several B-B MOUs (business-to-business memoranda of understanding) and letters of intent on Investment plans, joint ventures, and expansion of operations in the Philippines," Trade Secretary Ramon Lopez said in a statement.

The Trade official said the deals include investments in agribusiness, manufacturing, shipbuilding, and many more.

In a speech he delivered before Japanese Prime Minister Shinzo Abe, Duterte said the Philippines was grateful for Japan's commitment to pour in more investments to the country.

"In trade and investments, both sides agreed to ramp up further their economic activities. We welcome the increasing investments from Japan in the Philippines," Duterte said.

"We are ready to work with responsible companies, which we consider as our new partners for growth," he added.

Meanwhile, Lopez said he was able to hold a bilateral dialogue with his Japanese counterpart, Trade Minister Hiroshige Seko, from which they discussed several issues.

Lopez said they discussed the Philippine products' improving access to Japan, as well as the lowering of tariff for the Philippines' agri-products such as banana, pineapple, and mango.

Agriculture Secretary Emmanuel Piñol earlier said the Philippines would ask the Japanese government to impose zero tariffs on the country's fruit exports, particularly in bananas, pineapples, and mangoes.

To date, Japan imposes a 2.5 percent tariff for Philippine bananas during the off-season and increases to up to 18 percent during the fruiting season.

The two Trade officials also tackled the industrial cooperation and the improvement of the supply chain for Japanese companies to benefit small and medium enterprises in the Philippines.

Lopez said they also talked about Japan's support to reach a Regional Comprehensive Economic Partnership, a proposed free trade deal between Southeast Asian nations and Australia, China, India, Japan, South Korea, and New Zealand.

### **Dutch role in global apple trade ever smaller**

The global trade in apples has grown by almost 1.5 million tonnes in ten years, but is now stagnating at a level of around nine million tonnes. The FAO estimates that production of apples is around 85 million tonnes. Of that, about ten per cent is traded internationally. It's noticeable that (estimated) production has grown considerably in China, while the situation has been stable in all other countries combined for a long time. By now, nearly as many apples are produced in China (40 million tonnes) as there are in the rest of the world.

### **Most traded by EU countries, primarily mutually**

In the international trade of apples, EU countries are dominant. Last year, EU countries were good for 45 per cent of international trade. In ten years, the EU share hasn't changed much. The largest share of EU trade is mutually among the partners. That has always been the case, but while total export increased, internal trade in the EU remained at practically the same level. The export increase of EU countries was therefore realised outside the EU. Of the total global trade, 25 per cent of trade nowadays is among EU countries themselves (33 per cent ten years ago). In recent years (despite the boycott) many apples were exported to Russia through former Soviet Republics. In the past year, that stream amounted to 14 per cent of total global trade. In absolute quantities, it amounted to more than 700,000 tonnes in 2016. The sales flow will dry up once Russia starts paying stricter attention to the country of origin. It won't be easy to find new markets for similar amounts. Figures from early 2017, however, show more Polish apples went to Belarus again, compared to early 2016, but it's uncertain how long this can be kept up.

### **Italy finds different sales markets**

In 2016 and early in 2017, EU countries, and Italy in particular, managed to sell large amounts (2016: 310,000 tonnes) in Africa (mostly Egypt). Additionally, 180,000 tonnes of Italian and French apples were sold in the Gulf states last year. Besides, 155,000 tonnes of mostly Polish and Italian apples were sold in various other European countries.

Regions in which the EU countries sold smaller quantities in 2016, were: Western Asia (85,000 tonnes), Latin America (81,000 tonnes) and South and East Asia (73,000 tonnes). Italy is the most important EU supplier to these regions, followed by France and then Spain, Greece, Poland and Belgium. From or through the Netherlands, hardly any apples are sent to destinations further

away. At the start of this year, many more apples than previously were shipped to India. Much was imported by India especially from China: in the first quarter of 2017 almost 80,000 tonnes. Other important suppliers were the US (25,000 tonnes), Italy (9,000), Belgium (3,800) and Poland (2,600).

### **The Netherlands losing importance**

The Netherlands is dropping ever more as (re)exporter of apples. In ten years, the export of Dutch apples nearly halved: from 118,000 tonnes in 2005 to only 64,000 tonnes in 2016. Even more dramatic is the role of the Netherlands as re-export country of apples. Ten years ago, about 300,000 tonnes of apples were exported to other countries via the Netherlands. Now it's no more than about 130,000 tonnes.

On the list of export countries of apples, the Netherlands is the country showing the largest absolute decline of (re)export compared to ten years ago. That development has continued in recent years.

### **Number of countries Southern Hemisphere also losing ground**

It's also noticeable that Belgium is exporting less and less. Other countries exporting fewer apples are: Argentina, Chile and South Africa. The Southern Hemisphere exporters traditionally sell their product in Europe mostly via the Netherlands and Belgium, and that flow has decreased in importance considerably. For now, these southern countries are struggling to find alternative sales markets. New Zealand has succeeded in this, because the apple export of this country continues to grow. Italy and Poland are the most important exporters globally. The export of these two countries has grown significantly, but Poland is in trouble after the (partial) loss of the Russian market. The export of number three, China, is stagnating.

### **Increase export apples from New Zealand**

That Belarus and Lithuania are major growth markets regarding the export of apples is entirely due to the re-export to Russia. Other growers are, as said before, Italy and Poland, but Serbia, Turkey, Greece and New Zealand have also done well in recent years.

Belarus and Lithuania are the countries showing the largest growth regarding import because of re-export to Russia. Other growers are Egypt, Myanmar and Romania. Because of the boycott, import dropped sharply in Russia, and the Netherlands is also importing fewer and fewer apples.

### **China big in pears**

Globally, the export of pears has also increased, from 2.35 million tonnes ten years ago to 2.75 million tonnes now, although the growth stagnated a bit in the past three years. About ten per cent of the pear production is traded internationally as well. For pears, China is also producing more and more, while production is stable in the rest of the world. China alone produces 18 million tonnes, which is considerably more than the rest of the world (8 million tonnes).

### **Most trade in pears by EU countries**

The pattern of trade flows shows many similarities with those of apples. The EU countries combined are good for about 45 per cent of international trade. The



mutual trade of pears is even more important than that of apples. A third of global trade occurs within the EU. Internal trade among countries in South and East Asia is the other important flow, with a share of 14 per cent of global trade. This is followed by internal trade among countries in Latin America. Only then does a flow to another region follow, from EU countries to Russia.

The export of Dutch pears fluctuates, but is fairly stable at a level around 200,000 tonnes. The import, and therefore also re-export, reached a record around 2010, which then started gradually declining. In 2016, the Netherlands only imported 130,000 tonnes of pears, while they imported about 185,000 tonnes around the peak in 2008 and 2009.

#### Recovery of exports in China

China is the most important pear export globally, although it started decreasing. In the past year, however, export showed a considerable recovery. In the past year, China managed to export 450,000 tonnes of pears, mostly to countries in the region. During the first quarter of 2017, Chinese export of pears was going well again, and with 125,000 tonnes, they exported almost 20 per cent more than the year before. The majority of the pears is shipped to countries in the region.

#### Belgium is second export country globally in 2016

Until 2014, Argentina was the most important export country globally, but export dropped significantly, from about 450,000 tonnes to 310,000 tonnes in 2016. In the past year, Belgium was the number two pear exporter. In the past three years, Belgium managed to export more than 300,000 tonnes of pears each year. Except for a (small) share of re-export, it concerns Belgian pears. The import of pears in Belgium is not very large, between 50 and 60,000 tonnes. The

pear export from South Africa is going well, and that of Chile is stable.

#### Russia still the largest

Despite the boycott, Russia also remained the most important pear importer in the past year, although they imported considerably less than in previous years. Brazil is second, with imports from mostly Argentina, although import from Portugal and Spain is also worth mentioning. Germany and the UK are also important, stable import countries. During the first half of this year, a recovery of pear import in Russia from Argentina, South Africa and Chile can be seen.

#### US: Supply and demand of peppers up this season



Supplies of North American peppers look good heading into the holidays.

“Our pepper supply is good out of California and Mexico,” says Katy Johnson of Prime Time International in Coachella, Ca. “We’ve seen growth this year in pepper production, especially in the hot house and sweet mini pepper

categories.” Prime Time’s production is hailing from Southern California and Mexico. “And we’ll increase volume on green peppers out of Mexico beginning December 1st,” adds Johnson.

Over at Fresno, Ca.-based Baloian Farms, peppers are also plentiful. “At the moment demand exceeds supply on both green, red, and mini peppers,” says says Richard Cowden of Baloian. “California has about the same acreage this year as last year. Supplies will finish in the Coachella Valley in the next two weeks on green peppers while Mexico is currently increasing production on green peppers.”

Cowden also notes there is a hangover effect from the hurricanes that hit earlier in the season. “The hurricanes affected the normal planting schedules and this has shifted the normal levels of supply and demand for the holiday pull,” he says.

### Heavy demand

Meanwhile Cowden says demand for peppers has increased from the East. “Demand is strong from all areas, particularly the Western States and Texas,” he says. “And there is increased interest in the East. But currently, freight challenges are complicating the shipping scene and reducing the potential for additional customers to come to the West for product.”

### Holiday happenings

Meanwhile Cowden is looking ahead at the upcoming Thanksgiving holiday. “Demand will decrease slightly after Thanksgiving and then supplies will improve in Nogales, McAllen (Texas) and Florida,” he says.

That’s making for stronger pricing this season. “There’ve been many challenges

on the growing side, and labor issues continue to influence the potential to harvest crops,” Cowden says.

## Safety Alerts

Date	Brand Name	Product Description	Reason/ Problem	Company
11/23/2017	Fit & Active	Chocolatey Chip Protein Meal Bars	Foreign matter: small piece of yellow plastic	Leclerc
11/22/2017	Colorado Nut Company and various other private labels	Cashew Cranberry Cherry Jubilee, Oat Bran Nutty Crunch, Honey Nutty Granola, Peanut Delight, and Frontier Trail Mix	Undeclared milk	Colorado Nut Company
11/18/2017	Goya	Adobo with cumin seasoning; adobo with pepper seasoning	Salmonella	Goya de Puerto Rico
11/17/2017	Casa Sanchez	Guacamole	Listeria monocytogene s	Casa Sanchez Foods
11/17/2017	Casa Sanchez	Guacamole	Listeria monocytogene s	Casa Sanchez Foods
11/16/2017	All Natural, Weis, generic	Dark chocolate products	Undeclared milk	Lipari Foods, LLC



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11/15/2017	Stop & Shop	Corn	Listeria monocytogenes	The Stop & Shop Supermarket Company LLC		Distributors Inc.	Cashews		Distributors Inc.
11/15/2017	Yorgo's, Trader Joe's	Hummus, tahini sauces, yogurt dips, more	Listeria monocytogenes	Yorgo's Foods, Inc.	11/01/2017	None	Chocolate covered coffee beans, cranberries, almonds, raisins, pretzel balls, ginger	Undeclared Milk	Kroger
11/15/2017	Giant	Description Corn	Listeria monocytogenes	Giant Food, LLC	11/01/2017	Blue Marble, Roundy's Select, and HyVee	Dark Chocolate Products	Undeclared milk	GKI Foods LLC
11/15/2017	GIANT/MAR TIN'S	Corn	Listeria monocytogenes	GIANT Food Stores, LLC and MARTIN'S Food Markets	10/31/2017	Toothsome Chocolate Emporium	Dark Chocolate Coffee Beans	Undeclared milk	Rucker's Makin' Batch Candies, Inc.
11/15/2017	Casa Sanchez	Guacamole	Listeria monocytogenes	Casa Sanchez Foods	10/31/2017	Uncle Buck's and Family Choice	Dark Chocolate Peanuts	Undeclared milk	Rucker's Wholesale and Service Co
11/13/2017	Dilettante Chocolates	Espresso Beans	Undeclared almonds	Seattle Gourmet Foods	10/31/2017	Woodstock, Market Basket, Lunds & Byerlys	Dark Chocolate Almonds and Cashews	Undeclared Milk	United Natural Trading LLC
11/10/2017	Yorgo Foods Inc.	varieties of Hommus and Baba Ghannouj	Listeria monocytogenes	Yorgo Foods	10/31/2017	21st Century Snack Foods	Dark Chocolate Almonds	Undeclared Milk	21st Century Snack Foods
11/10/2017	Hot Pockets	Cheese Pizza Snack Bites	Undeclared egg, milk, soy, and wheat	Nestle USA	10/31/2017	Shoreline Fruit and Cherry Bay	Dark Chocolate Covered Cherry	Undeclared milk	Shoreline Fruit LLC
11/07/2017	Germack	Dark Chocolate Almond Bark	Undeclared Milk	Germack Roasting Co					
11/01/2017	Setton Farms	Dark Chocolate Products	Undeclared Milk	Setton International Foods, Inc.					
11/01/2017	Dutch Valley Food	Dark Chocolate Almonds and	Undeclared Milk	Dutch Valley Food					

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	Orchards			
10/28/2017	Meijer	Dark Chocolate Products	Undeclared Milk	Meijer
10/27/2017	Whole Foods Market	Pumpkin Drop cookies	Undeclared tree nut allergens (walnuts)	Whole Foods Market
10/25/2017	CP Fresh	Salad kits and stir fry mixes	Listeria monocytogenes, Mann2017	Triple B Corporation
10/25/2017	Charlie's Produce, Alaska Carrot	Salad kits and stir fry mixes	Listeria monocytogenes, Mann2017	Triple B Corporation
10/24/2017	Albertsons, Safeway Vons, and Pak'N Save	Fresh vegetable trays and cups	Listeria monocytogenes	Albertsons, Safeway Vons, and Pak'N Save
10/24/2017	Newport	Tuna Loins	Salmonella	Relish Foods Inc.

## Enterprise News

### Los Angeles and Denver Airline Catering Services Temporarily Suspended for Listeria

Catering services in Denver and Los Angeles for two airlines have been temporarily shut down because Listeria monocytogenes bacteria was found in

food preparation areas.

The Gate Gourmet catering facility at Los Angeles airport was closed temporarily because Listeria bacteria was found in food preparation areas. They provide foods, beverages and other services to American Airlines. The Association of Professional Flight Attendants sent a letter to its members on November 1, 2017, stating that there are currently no known or reported cases of listeriosis attributed to those foods.

The letter recommends that flight attendants monitor their health for the symptoms of listeriosis for the next 70 days. Those symptoms include fever, muscle aches, nausea, abdominal cramps, and diarrhea. If the infection spreads beyond the GI tract, patients can experience headache, stiff neck, loss of balance, or convulsions.

Listeria monocytogenes bacteria can be difficult to eradicate when established in a facility. The bacteria often flourishes in drains in the flood and on food surfaces.

Journey Cuisine in Denver has also suspended production after finding Listeria monocytogenes bacteria in its food preparation area. The company has issued a recall for pork and chicken burritos and wraps made for King Soopers supermarkets. That facility makes about 9,000 meals for United Airlines flights out of Denver International Airport and for local grocery stores.

Journey Cuisine's facility was



audited on October 27, 2017, when the bacteria was found. The pathogenic bacteria were found in an area where food is made for non-airline customers. Company officials said that there have not been any confirmed reports of illness received to date. The catering for the airline was suspended out of an abundance of caution.

United Airlines issued a statement and said that testing has not found Listeria bacteria in any food prepared from other catering locations. They have made arrangements for catering from other locations. Airlines officials have also initiated an internal review and are implementing changes to processes and facilities that are consistent with FDA recommendations. Normal operations may resume within the next five to ten days.

If you have eaten food on an American Airlines flight from Los Angeles, or on United Airlines out of Denver, watch yourself for the symptoms of Listeria monocytogenes food poisoning for the next 70 days. This illness can cause serious infections among the young, the elderly, anyone with a chronic illness, pregnant women, and people with compromised immune systems. If you do feel sick, see your doctor and tell him or her that you ate meals that may have been contaminated with Listeria bacteria.

### **Dole Japan recall 9,000 bunches of Philippine bananas after wire found inside**

Dole Japan said Wednesday it will recall approximately 9,000 bunches of packaged Philippine bananas due to



concerns they have been tampered with.

The company found an approximately 3cm long wire in a banana during a voluntary inspection at its facility in the city of Kawasaki on Friday.

The company reported the incident to local police, believing someone in the Philippines inserted the wire into the banana. The fruit subject to recall is being sold at supermarkets and greengrocers across Japan.

In a second instance of possible food tampering, Dole Japan received a complaint on Monday over the phone from a consumer in Aichi Prefecture who said a piece of wire was discovered when eating a banana. The customer did not suffer an injury and no other health problems have been reported.

"We sincerely apologise for causing a significant inconvenience and worry," the company said in a statement.

### **Nestle Recalls Hot Pockets Donated to Food Banks for Undeclared Allergens**

Nestle Prepared Foods Company of Kentucky is recalling about 26,400 pounds of pork and beef products because they are misbranded. The products contain the undeclared allergens eggs, milk, soy, and wheat, that are not declared on the label. Anyone who is allergic to those four ingredients could have a serious reaction if they eat these products. There have been no confirmed reports of adverse reactions received to date by the company.

The recalled products are Nestle Hot Pockets BBQ Burger Bites, Nestle Hot Pockets 3 Cheese Bacon Bites, and Nestle Hot Pockets Sausages, Egg, and Cheese Snack Bites. They were produced on September 21, 2016, January 10, 2017 and January 13, 2017.

The items were donated to a charitable organization. They distributed these products to a food bank in Missouri. The foods may have been repackaged and further distributed and sold to more food banks in Missouri. These products do not have the USDA mark of inspection and do not identify the ingredients they were made with.

The problem was discovered on October 26, 2017 by an Office of Investigations, Enforcement and Audit Compliance Officer during routine in-commerce surveillance activities.

If you have received any of these products, do not eat them. Throw them away or take them back to the place of purchase.

The symptoms of an allergic reaction range from mild to severe. You may experience tingling of the lips, tongue, mouth, and throat, or develop a rash or itching around the eyes or mouth. Serious reactions may include difficulty breathing, trouble swallowing, or swelling of the mouth, tongue, or throat.

## **MARKET NEWS - REPLY**

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