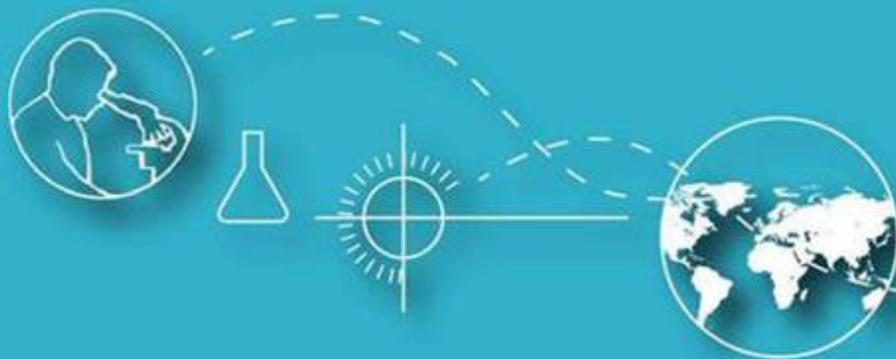


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CONTENTS

FOCUS ON CHINA	1
<i>Announcement of State Administration for Market Regulation and China Drug Administration about doing a good job in food and drug supervision during the period of institutional reform</i>	1
<i>Vice Premier Hu Chunhua Attends the Inauguration Ceremony of the Ministry of Agriculture and Rural Affairs</i>	1
INTERNATIONAL NEWS	2
<i>Food safety in the United Kingdom may take a hit with Brexit</i>	2
<i>Cattlemen ask judge to impose mandatory COOL for beef, pork</i>	3
<i>EFSA: Re - evaluation of propane - 1,2 - diol (E 1520) as a food additive</i>	5
<i>COMMISSION IMPLEMENTING REGULATION (EU) 2018/549</i>	5
<i>ACCC to focus on franchising in 2018</i>	6
SAFETY ALERTS	7
ENTERPRISE NEWS	9
<i>Nestle uses sugar reduction technology in chocolate bar</i>	9
<i>ACCC approves Saputo acquisition of Murray Goulburn</i>	9
MARKET NEWS - REPLY	10



Focus on China

Announcement of State Administration for Market Regulation and China Drug Administration about doing a good job in food and drug supervision during the period of institutional reform

On April 10th, 2018, State Administration for Market Regulation and China Drug Administration issued an announcement about food and drug supervision during the period of institutional reform, and the main contents were as follows: Before the announcement of the “three fixed” program of State Administration for Market Regulation and China Drug Administration, issues of review and approval, supervision and inspection, inspection and detection, inspection of law enforcement, complaints report and information disclosure regarding food, drug, medical apparatus and instruments, cosmetic, health food, infant formula milk powder and foods for special medical purpose undertaken by the original China Food and Drug Administration should be managed based on already existing provisions; Various reply, certificate and office-copy should follow the original format tentatively, and business seal, text format and handling procedures remain unchanged. After the institutional reform is in place, relevant matters will be informed separately.

Vice Premier Hu Chunhua Attends the Inauguration Ceremony of the Ministry of Agriculture and Rural Affairs

On April 3, Chinese Vice Premier Hu Chunhua, also member of the Political Bureau of the Communist Party of China (CPC) Central Committee, attended the inauguration ceremony of the Ministry of Agriculture and Rural Affairs and presided over a

symposium. During the symposium, he emphasized that the ministry should study and implement Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the instructions of the 19th National Congress of the CPC, the second and third plenary sessions of the 19th CPC Central Committee and the “Two Sessions”. According to decisions and arrangements made by the CPC Central Committee and the State Council, the ministry should take the implementation of the rural revitalization strategy as a major task, push forward institutional reform in a solid and orderly manner, carry out agricultural and rural work of the new era in an all-round way, and strive to break new ground for the development of agriculture, rural areas, and rural residents.

The Vice Premier stressed that General Secretary Xi Jinping’s thought on agriculture, rural areas, and rural residents is a scientific theoretical system proven correct in practice, as well as a significant part of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. It is also a powerful theoretical tool and essential rule for implementing the rural revitalization strategy and carrying out work on agriculture, rural areas, and rural residents in the new era.

The ministry should unswervingly implement it and fully understand its main ideas and rich implications. According to requirements of each important instruction, the ministry should lay down work, improve thoughts and goals, clarify measures and tasks, and ensure their implementation so that new progress will be made in promoting agricultural and rural work.

As Hu pointed out, under the leadership of the CPC Central Committee with Comrade Xi Jinping at the core, progress has been achieved in



agriculture and rural areas since the 18th National Congress of the CPC. We have realized a steady growth in grain output and overall agricultural production capacity, a rapid increase of rural residents' income, continuing optimization of agricultural structure, and continuous deepening of agricultural reform, in which departments of agriculture and rural affairs have played an active role. In order to advance the overall cause of the CPC and our country, the CPC Central Committee has decided to establish the Ministry of Agriculture and Rural Affairs. Its aim is to enhance the CPC's centralized and unified leadership over agriculture, rural areas, and rural residents, prioritize the development of agriculture and rural areas, implement the rural revitalization strategy in a coordinated way, promote all-round upgrading of agriculture, progress in rural areas, and development of rural residents, and accelerate the modernization of agriculture and rural areas. The ministry should take the responsibility of coordinating the research and implementation of strategies, plans and policies on agriculture, rural areas, and rural residents, enhance functions and institutions of rural affairs, promote the revitalization of rural industries, talents, culture, ecological environment and organizations, and promote rural revitalization in a healthy and orderly manner. Meanwhile, the ministry should strengthen grain productivity, push forward supply-side structural reform of agriculture, and implement the three-year action plan for improving rural living environment so as to ensure a good beginning in implementing the rural revitalization strategy.

International News

Food safety in the United Kingdom may take a hit with Brexit

Some experts worry that weakening already overstretched institutions responsible for ensuring food safety in Great Britain will lead to unsafe food as the country prepares to finalize its exit from the European Union.

Brexit means the UK will need a stronger Food Safety Agency, they say, because the country will no longer be able to rely upon on the European Food Safety Authority, according to a report in The Conversation. The UK is scheduled to depart the European Union on March 29, 2019.

The UK's food safety regime is not working properly and is failing to ensure an acceptably safe food supply, The Conversation says. Confirmed cases of Campylobacter bacteria infections, for example, increased by about 46 percent from 2008 to 2012, according to a government report.

Campylobacter infection, or campylobacteriosis, is an infectious disease caused by Campylobacter bacteria and a common cause of diarrheal illness, sometimes leading to hospitalization. Many cases go undiagnosed and unreported, according to the U.S. Centers for Disease Control and Prevention.

People with Campylobacter infection usually have diarrhea (often bloody), fever and abdominal cramps. The diarrhea may be accompanied by nausea and vomiting. These symptoms usually start within two to five days after exposure

and last about a week. Some infected people do not have any symptoms. In people with weakened immune systems

Campylobacter infection can spread to the bloodstream and cause a



life-threatening infection.

Since 2014, the UK's Food Standards Agency (FSA) has said poultry retailers with high levels of the pathogen. That means consumers have a much higher risk of spreading the bacteria to household appliances, hard surfaces such as countertops and cooking utensils. Meanwhile, consumer trust is understandably low, and the food industry is focused on the uncertainties arising from Brexit.

According to Mintel.com, the level of trust consumers have in the food and drink industry is low, with few believing either retailers or manufacturers have complete information on their supply chains. Consumer faith in the role of the state, or official bodies, in guaranteeing the safety of food and drink in the UK is also low. In addition, "best-before" and "use-by" dates are misunderstood and ignored.

The FSA says it wants to improve the way it delivers regulatory controls for food and create a modern, risk-based, proportionate, robust and resilient system.



The current system of regulation has been in place for more than 30 years and has not kept pace with technological change in the food industry, the FSA said in a report this past summer. Further, it said, the FSA is not flexible enough to adapt to the changing environment.

For the UK to continue to be a strong, credible player in the global food economy, the regulatory regime needs to keep pace with rapid changes in that

economy. Leaving the EU will change patterns of food production, trade and consumption, emphasizing the need for a flexible and responsive regulatory system, FSA officials have said.

The agency has developed a blueprint and is testing it, involving everyone working in food – from consumer groups to private assurance scheme owners, local authorities to food businesses of all sizes, food regulators in other countries to non-food regulators in the UK. Further, it said, it has done feasibility studies to test ideas and approaches, and learned from them.

FSA promised to recognize businesses doing the right thing for consumers and take action against those that do not.

The Conversation report said the FSA plans to change who conducts food safety inspections in the UK and transfer responsibility for many food safety inspections and audits from the public sector to private commercial assurance providers, which, it says, will not primarily serve the public interest but rather will focus on their food industry clients' interests, creating conflicts of interests between commercial inspectors and the consuming public.

Just when the public needs a stronger body to ensure that standards are not weakened in future trade deals, the FSA and local authorities' enforcement services are being undermined, it says.

And, it says there are no plans to increase the FSA budget to meet its new responsibilities.

Cattlemen ask judge to impose mandatory COOL for beef, pork

Opponents who could not see the issue more differently have nonetheless put the decision in the hands of a federal judge who heard the arguments last month,

and she has not yet decided. At issue is whether USDA was wrong to remove mandatory Country of Origin Labeling (COOL) requirements after it was instructed by Congressional amendment to do. Congress first enacted COOL in 2002.

An amendment in 2016 eliminated the mandatory requirements for beef and pork.

Congress backed off after the World Trade Organization (WTO) found the mandatory labeling to be in conflict with trade agreements. Canada and Mexico could have imposed more than \$1 billion in retaliatory tariffs on U.S. exporters had Congress not taken the action.

The Ranchers-Cattlemen Action Legal Fund (R-CALF) and Cattle Producers of Washington State sued Secretary of Agriculture Sonny Perdue last June, seeking to reinstate mandatory COOL for beef and pork. Led by attorney David S. Muraskin from Public Justice, the rancher organizations asked for a summary judgment in their favor last November.

Department of Justice (DOJ) trial attorney Cesar A. Lopez-Morales in February asked for a summary judgment upholding USDA's action. Federal Judge Rosanna Malouf-Peterson heard oral arguments from Muraskin and Lopez-Morales for one hour and five minutes on March 13.

Malouf-Peterson, a former assistant law professor at Gonzaga University in Spokane, WA, has not yet ruled on the case. She was appointed to the U.S. District Court for Eastern Washington by President Barack Obama in 2009.

The ranch groups allege that USDA is knowingly violating U.S. law by not requiring meatpackers to carry forward the country-of-origin labels that are on the packages and containers when meat is imported, so that origin information

is passed along to consumers rather than stripped off the products. The plaintiffs allege that this allows multinational meatpackers to reclassify foreign meat as a domestic product even if all the meatpackers do is unwrap and rewrap the imported product.

Muraskin argued that the court should undo this unlawful labeling regime by compelling the USDA to comply with Congress's plain directive that USDA should enforce the import labeling laws — the same laws that apply to all other products— on beef and pork. This will have the effect of allowing cattle producers to receive increased compensation for their cattle when they can market their product exclusively as being a product of the U.S.A.

DOJ's Lopez-Morales could not see it more differently. He questions whether the cattlemen even have the standing to bring the lawsuit. USDA acted with “clear congressional directive” and he says if anyone has a problem with that they should take it up with Congress.

“Even if this evidence was sufficient to establish standing at the summary judgment stage, plaintiffs' members cannot show that their alleged financial injuries are fairly traceable to USDA,” Lopez-Morales writes.

“ Plaintiffs' members alleged financial harm is not attributable to USDA, but rather to Congress's enactment of the 2016 (congressional appropriation) which amended the AMA to remove COOL for beef and pork.”

The DOJ attorney says the cattlemen's argument based on the Tariff Act is



flawed because “Congress expressly directed the removal of mandatory COOL requirements for beef and pork products” with the 2016 appropriations act.

“The only action that USDA took that could have caused plaintiffs’ purported injury would be the agency’s issuance of the 2016 Final Rule, which directly implemented Congress’s directive,” Lopez-Morales wrote.

The cattlemen want the judge to rule USDA’s “failure to require the country-of-origin labels mandated by the Tariff Act unlawful and enjoin USDA be from deeming imported beef and pork in compliance with the FMIA (Federal Meat Inspection Act) unless it bears the labels required by the Tariff Act.

EFSA: Re - evaluation of propane - 1,2 - diol (E 1520) as a food additive

The EFSA Panel on Food Additives and Nutrient Sources added to Food (ANS) provides a scientific opinion re - evaluating the safety of propane - 1,2 - diol (E 1520) when used as a food additive. In 1996, the Scientific Committee on Food (SCF) established an acceptable daily intake (ADI) of 25 mg/kg body weight (bw) per day for propane - 1,2 - diol. Propane - 1,2 - diol is readily absorbed from the gastrointestinal and is expected to be widely distributed to organs and tissues. The major route of metabolism is oxidation to lactic acid and pyruvic acid. At high concentrations, free propane - 1,2 - diol is excreted in the urine. No treatment - related effects were observed in subchronic toxicity studies. The available data did not raise concern with respect to genotoxicity. Haematological changes suggestive of an increased red blood cell destruction with a compensatory increased rate of haematopoiesis were observed at the highest dose level (5,000 mg/kg bw per day) in a 2 - year study in dogs. No adverse effects were reported in a 2 - year chronic study in rats with propane - 1,2 - diol (up to 2,500 mg/kg bw per day). The SCF used this study to derive

the ADI. No adverse effects were observed in the available reproductive and developmental toxicity studies. Propane - 1,2 - diol (E 1520) is authorised according to Annex III in some food additives, food flavourings, enzymes and nutrients and it is then carried over to the final food. Dietary exposure to E 1520 was assessed based on the use levels and analytical data. The Panel considered that for the food categories for which information was available, the exposure was likely to be overestimated. Considering the toxicity database, the Panel concluded that there was no reason to revise the current ADI of 25 mg/kg bw per day. The Panel also concluded that the mean and the high exposure levels (P95) of the brand - loyal refined exposure scenario did not exceed the ADI in any of the population groups from the use of propane - 1,2 - diol (E 1520) at the reported use levels and analytical results.

COMMISSION IMPLEMENTING REGULATION (EU) 2018/549

COMMISSION IMPLEMENTING REGULATION (EU) 2018/549 of 6 April 2018 amending Annex I to Council Regulation (EEC) No 2658/87 on the tariff and statistical nomenclature and on the Common Customs Tariff

THE EUROPEAN COMMISSION, Having regard to the Treaty on the Functioning of the European Union, Having regard to Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (1), and in particular Article 9 (1) (e) thereof, Whereas:

(1) Regulation (EEC) No 2658/87 established a nomenclature of goods (hereinafter referred to as the 'Combined Nomenclature' or 'CN '), which is set out in Annex I to that Regulation.

(2) Additional note 6 to Chapter 17 of the Combined Nomenclature defines

'inulin syrup' for the purposes of CN subheadings 1702 60 80 and 1702 90 80. It is an immediate product obtained by hydrolysis of inulin or oligofructoses, containing in the dry state a definite amount of fructose in free form or as sucrose.

(3) On the Commission's initiative, on the basis of Article 12 (3) of Regulation (EEC) No 2658/87 and Article 7 (a) (ii) of Regulation (EU) No 1294/2013 of the European Parliament and of the Council (2), the 'Proficiency Test on Sugars and Sugar Containing Products 2016' (3) has been performed in the framework of Action 2 (4) of the Customs Laboratories European Network. It revealed that customs laboratories in the Union interpret the phrase 'fructose in free form or as sucrose' mentioned in Additional note 6 to Chapter 17 differently.

(4) The text of that Additional note should therefore be clarified. The quantity of present sugars — expressed on the dry matter — should be determined by the High Performance Liquid Chromatography method which is the most precise method available.

(5) In the interest of maintaining legal certainty, it is necessary to amend that Additional note by adding a new paragraph to the existing text.

(6) In order to ensure uniform interpretation of the Combined Nomenclature throughout the Union with regard to the definition of inulin syrup covered by CN subheadings 1702 60 80 and 1702 90 80, Additional note 6 to Chapter 17 of the Combined Nomenclature should be amended.

(7) Annex I to Regulation (EEC) No 2658/87 should therefore be amended accordingly.

(8) The measures provided for in this Regulation are in accordance with the opinion of the Customs Code Committee,

HAS ADOPTED THIS REGULATION:

Article 1

In Additional note 6 to Chapter 17 of Part Two of the Combined Nomenclature set out in Annex I to Regulation (EEC) No 2658/87, the following paragraph is added: 'The quantity of “fructose in free form or as sucrose” shall be determined using the formula $F + 0,5 S/0,95$ calculated on the dry matter, where “F” is the fructose content and “S” is the sucrose content, as determined by the High Performance Liquid Chromatography method.'

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 6 April 2018.

ACCC to focus on franchising in 2018

The ACCC has warned it will be focusing on franchising issues involving large or national franchisors in 2018.

The warning comes with the Australian Competition and Consumer Commission (ACCC) releasing its Small Business 2017 snapshot that gives an overview of its activities within the small business sector in 2017.

Across 2017, the ACCC took out seven small business related enforcement actions, including five for alleged breaches of the Franchising Code.

MARKET NEWS

The ACCC also did 29 compliance checks in 2017 to ensure adherence with the franchising, horticulture, and food and grocery industry codes.

ACCC Deputy Chair, Dr Michael Schaper, said throughout 2018, the ACCC will have a particular focus on Franchising Code of Conduct issues involving large or national franchisors.

“The majority of small businesses that contact us are micro sized with less than four staff,” Dr Schaper said.

“We want small businesses to have a level playing field and every chance to succeed, so it's our job to ensure everyone plays by the rules.”

The ACCC warning also comes as the Australian Federal Parliament prepares to conduct an inquiry into franchising in Australia. The inquiry was initiated after a series of reported issues with franchising within Australia.

Safety Alerts

Date	Brand Name	Product Description	Reason/ Problem	Company
04/23/2018	Budget şaver	Ice pops	Listeria monocytogenes	Ziegenfelder Company
04/23/2018	Various: Pain Out, Nirvanio, Cali	various kratom dietary supplements	potential for contamination with Salmonella	NutriZone, LLC
04/21/2018	Happy Harvest	Canned leaf spinach	potential presence of peanuts/product mislabeling	McCall Farms, Inc
04/19/2018	Eataly	Artichoke Spread	Undeclared tree nut (walnut)	Eataly USA

04/18/2018	NXTGEN	Kratom dietary supplement	potential to be contaminated with Salmonella	NGB Corp
04/18/2018	Simply Superior, Morey's	Smoked Salmon Spreads	Listeria monocytogenes	Superior Foods Company
04/17/2018	Various: Raw Form Organics, Molecule, Chameleon, Naturally, Lifted, Live Well, Third Eye	Powdered kratom products	MANDATORY RECALL ordered for all food products containing powdered kratom manufactured, processed, packed, or held by Triangle Pharamnaturals LLC	Triangle Pharamnaturals LLC
04/17/2018	Formagerie de la Brie brand	l'Explorateur soft ripened cheese	potential to be contaminated with Listeria monocytogenes	World's Best Cheeses
04/17/2018	Herbal-Salvation	Kratom containing powder products	potential to be contaminated with Salmonella	Viable Solutions
04/17/2018	TRUDOG	Pet food-freezed dried raw beef topper	potential to be contaminated with Salmonella	TruPet, LLC
04/16/2018	Euphoric	Marketed as dietary supplement-capsules	tainted with undeclared sildenafil and tadalafil	Epic Products, LLC

MARKET NEWS

04/16/2018	Vital Essentials®	Dog/pet food Freeze-Dried Beef Toppers and Frozen Beef Chub	potential to be contaminated with Salmonella	Carnivore Meat Company			butter & jelly, and apple cinnamon cricket protein bars		
04/16/2018	Publix, Sunups, more	Shell eggs	Salmonella	Cal-Maine Foods, Inc.	04/05/2018	Club 13	Kratom Maeng Da Red	Salmonella	Club 13
04/14/2018	Sunseed Vita Prima	Sugar Glider Formula	It has the potential to be contaminated with Salmonella	Vitakraft Sun Seed Inc	04/05/2018	Back to Health and Healthy Home Center Inc.	pre-workout dietary supplements	Undeclared milk	Independent Nutrition Inc. dba Back to Health
04/13/2018	Country Daybreak, Food Lion and more	Shell eggs	Salmonella Braenderup	Rose Acre Farms	04/04/2018	Buenas	Grated coconut	Salmonella	Global Commodities Corporation
04/13/2018	Formagere de la Brie	Cheese	Listeria monocytogenes	Seacrest Foods International, Inc.	04/03/2018	Raw Form Organics	Powdered kratom products	MANDATORY RECALL ordered for all food products containing powdered kratom manufactured, processed, packed, or held by Triangle Pharmanaturals LLC	Triangle Pharmanaturals LLC
04/13/2018	K9 Natural	Pet food	Listeria monocytogenes	K9 Natural Ltd	03/29/2018	Healthy Nut Factory	Organic Coconut Smiles	May contain Salmonella	The Health Nuts
04/12/2018	La Marinera	Dried Yellow Potatoes	Undeclared sulfites	Guixens Food Group, Inc.	03/27/2018	Wegmans	Yogurt Raisins	May contain undeclared peanuts	First Source, LLC
04/12/2018	AMA Wholesale Inc.	Rhino 69 Extreme 5000 capsules	Unapproved New Drug (Presence of Tadalafil)	AMA Wholesale Inc.	03/26/2018	eBars	Energy Bars	May contain undeclared peanut and/or almond allergens	eBars LLC
04/09/2018	Stewart's	Ice Cream	Undeclared peanut	Stewart's Shops Corp					
04/05/2018	EXO	Blueberry vanilla, peanut	Undeclared sulfites	Aspire Food Group					

03/25/2018	Mrs. Gerry's, Open Acres, Festival, Knowlan's and Market Fresh	Egg Salads and Potato Salads	Undeclared Seafood in Salad	Mrs. Gerry's Kitchen Inc.
03/25/2018	Whole Foods Market	Decorated (iced) cookies	Undeclared Egg Allergen	Whole Foods Market

Enterprise News

Nestle uses sugar reduction technology in chocolate bar



Nestle has debuted the first chocolate bar made using its new sugar reduction technology.

In late 2016, Nestle revealed that it was

working on a way to reduce sugar in its food without changing the taste or using any sweeteners. The process developed by Nestles involves aerating sugar particples which then dissolve quicker on the tongue to create more sweetness with less sugar.

Nestle is now using the sugar reduction method for the first time commercially,

selling a version of its white chocolate Milkybar in the UK called' Milkybar Wowsomes '.

Milkybar Wowsomes come in two varieties and are said to have “30 per cent less sugar than similar chocolate products” . It has no artificial sweeteners, preservatives, colours or flavourings.

Milk is the main ingredient and a 18g bar has 95 calories.

Chief Executive Officer of Nestle UK and Ireland, Stefano Agostini, said Nestle has been working incredibly hard to make the chocolate bar a reality.

“We have a unrivalled research and development network and the experts at our Product Technology Centre in York have been instrumental in this breakthrough,” Agostini said.

Jas Scott de Martinville, Global lead for Nestle Confectionery Research and Development, called the ambition behind Milkybar Wowsomes “enormous” .

“To create a confectionery product in just 12 months which has 30 per cent less sugar than similar chocolate products and contains no artificial sweeteners is extraordinary,” Martinville said.

ACCC approves Saputo acquisition of Murray Goulburn

The Australian Competition and Consumer Commission will not oppose Saputo's acquisition of Saputo after Saputo offered to sell Murray Goulburn's Koroit dairy processing plant.

The Australian Competition and Consumer Commission (ACCC) had raised concern that if Canadian beverage giant Saputo was to acquire Murray Goulburn (MG) there would be less competition for raw milk in south-west Victoria and

south-east South Australia.

The ACCC was concerned as Saputo already owns Warrnambool Cheese and Butter and the acquisition would have given Saputo the region's two largest dairy processing plants.

Chairman of the ACCC, Rod Sims, said the offer to sell the plant has remedied the ACCC's concerns.

“The undertaking creates an opportunity for a viable competing milk processor to enter or expand in the local region,” Sims said.

“When approving a new owner of Koroit, we will focus on its ability to be a strong and effective competitor for raw milk in the region”

Sims said that the ACCC had carefully considered responses from a broad range of market participants when examining the acquisition.

“We heard from and spoke with many farmers who expressed concerns with the ACCC intervening in this transaction in the short term because they wanted certainty and stability after a bumpy ride with Murray Goulburn,” Sims said.

“I want to assure them that our aim is to put in place an outcome that works in their best interest by promoting competition in the medium to longer term while minimising short term uncertainty.”

MG has confirmed that Saputo selling Koroit will not affect the terms of MG's sale to Saputo, including the consideration MG shareholders will receive from the sale.

The sale of MG to Saputo is subject to conditions that include approval by an ordinary resolution of MG's voting shareholders and approval by the Foreign

Investment Review Board.

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