

Our world-class services
ensure FOOD SAFETY AND QUALITY



Over 100 laboratories in 22 countries



September 2018

MARKET NEWS



Hotline: 400-627-8088

Email: sales.china@mxns.com

www.merieuxnutrisciences.com

www.merieuxnutrisciences.com/cn



CONTENTS

ABOUT SINO SILLIKER	1
<i>The Notice of Sino Silliker sample reception arrangement for National Holiday 2018</i>	1
FOCUS ON CHINA	1
<i>The 83 Food Related Standards Implemented in September</i>	1
<i>Relevant Concerns of FSMP Registration Proposal</i>	1
<i>New case of African swine fever detected</i>	3
INTERNATIONAL NEWS	4
<i>FDA Opening VQIP Application Portal October 1</i>	4
<i>Salmonella Outbreak Linked To Kosher Chicken Kills 1, CDC Says</i>	4
<i>Trans fat ban comes into force, transition period begins</i>	5
<i>New packaging law applies starting 01.01.2019</i>	6
<i>Statement from FDA on an updated approach for including added sugar information on the Nutrition Fa</i>	6
<i>Bioengineered Food Rule Moves to Next Step: White House Review</i>	8
SAFETY ALERTS	8
ENTERPRISE NEWS	9
<i>Coca-Cola is buying Costa Coffee for \$5 billion</i>	9
<i>Kraft Heinz Anticipating Higher Organic Sales Growth In Second Half</i>	10
<i>Nestlé and Starbucks agree \$7.15 billion global packaged goods and foodservice deal</i>	11
<i>Keeping ahead of infant nutrition regulation: Cargill's US\$17.5m investment in "world-class" vegetable</i>	12
MARKET NEWS - REPLY	12

About Sino Silliker

The Notice of Sino Silliker sample reception arrangement for National Holiday 2018

Dearest customers:

It comes the autumn and golden week in 2 weeks. We would like to send you the best wishes in this nice season!

To better serve our customers, from this year, our labs in 4 locations will keep running according to your needs during the golden week, the corresponding report period will be as follows:

- ✧ The report period will be calculated by working days before and after the holiday, take a 5-day testing services as example: if the sample can arrive the lab before 26th Sep. the report will be issued before 1st Oct.; for those samples arrive after 26th Sep., the report period will be calculated by adding working days before and after holiday. For example: if the sample arrives the lab on 28th Sep., the report period will be 3 working days before holiday (28th, 29th, 30th of Sep.) and 2 working days after holiday (8th, 9th Oct.), other testing items period will be calculated in the same way mentioned above.
- ✧ If there is large batch of sample arriving at the lab during the holiday, please notify the sales one week in advance, which is before 25th Sep., to ensure the lab can arrange enough personnel to handle the samples.
- ✧ If you would like to receive reports during holiday, we will issue report according to your specific requirement and charge you some extra fee.

For more details, please call **400-627-8088** or contact your sales representatives. And thanks again for your attention and support all the time.

Sino Silliker Testing Services Co. Ltd.



Focus on China

The 83 Food Related Standards Implemented in September

According to statistics from us, there are 83 food related standards were implemented in September 2018, of which 47 national standards and 27 industry standards were implemented on September 1, and 9 Jiangxi local standards is planning to begin to implement on September 20.

Among the industry standards are six light industry standards, one packaging industry standard and 20 agricultural industry standards. It is worth noting that the agricultural industry standards include 14 green food standards.

Relevant Concerns of FSMP Registration Proposal

In order to communicate the issues related to the registration and management of FSMP, the National Nutrition and Health Food Association and the European Union Chamber of Commerce in China held a FSMP issue seminar in Beijing on August 27th. The seminar discussed the registration management recommendations for the same formula, different flavors, different dosage forms and different specifications for FSMP. After the meeting, the association sorted out relevant issues and suggestions and submit them to the National Chinese Medicine Variety Protection Review Committee.

National Chinese Medicine Variety Protection Review Committee:

The China Nutritional Health Food Association (hereinafter referred to as the “Association”) attaches great importance to issues related to the registration of special medical foods with different characteristics, different food forms and different specifications. According to the recommendations of the commission, the association and the European Union Chamber of Commerce in China convened nine domestic and foreign special medical food enterprises, and held a meeting on August 27 to discuss relevant issues. After the meeting, the association will sort out relevant issues and suggestions, and hereby for your reference. The details are as follows:

I. Differences of FSMP with the same product characteristics

FSMP produced by the same manufacturer with the same product characteristics may include different flavors, different food forms, different packaging specifications, different packaging materials, etc. Different conditions may correspond to different raw material sources, production processes, product shelf life, and food consumption. Mode, clinical use, etc.

II. The main considerations to whether to give the same registration approval number

- (1) Whether the product safety, nutritional adequacy and clinical effect are consistent;
- (2) the difference in clinical use of the product;
- (3) considerations regarding consumer selection and use;
- (4) streamlining the number of approved products and saving regulatory resources;
- (5) International practices.

III, different flavor products with the same product characteristics

For the same company, the products with the same product characteristics have the same clinical effect, and the clinician or clinical dietitian will guide the use of these

products according to the patient's specific conditions. Different flavors of products have different formulation differences, as follows:

- (1) The difference in product taste comes from the essence.
- (2) The difference in taste of products comes from natural raw materials such as fruit and vegetable powder.

IV, The same product with different packaging specifications

only the same product with different packaging specifications will not affect the safety, nutritional adequacy and clinical effects of the product, and will not affect the characteristics of the product.

It is recommended that for different specifications of products, the same registration approval number is given as the same product; the determination of the shelf life of the product is the responsibility of the enterprise, and it is not necessary to provide stability studies under different specifications.

V, The same product of different packaging materials

The use of different packaging materials for the same product will not affect the safety, nutritional adequacy and clinical effects of the product, and will not affect the product characteristics; it may have a certain impact on the stability of the product, and at the same time, different materials may be different. Migration parameters.

It is recommended to give the same registration approval number for the same product of different packaging materials, and also require the company to submit the arguments and explanatory materials related to the differences caused by different packaging materials.

VI. Food products with the same characteristics but different forms

The food form of special medical foods is usually powdery and liquid. In the case of the same nutrient composition table, the production process is different, the production line is different, the applicable population may be different, the raw materials are obviously different, and the formula dosage table is different. It is a big difference. Consumers also have different considerations when purchasing.

It is recommended to give different registration approval number for this kind of situation and manage according to different products.

New case of African swine fever detected

A new outbreak of African swine fever was detected in the Inner Mongolia autonomous region on Saturday, the Ministry of Agriculture and Rural Affairs said on Monday.

Fourteen hogs were found to be infected by the disease, eight of which died in Zhenglan Banner, Xilin Gol League, according to the announcement, citing a report from the China Animal Disease Control Center.

The latest case was the second in the region. Inner Mongolia and six other provinces have reported a total of 18 cases since Aug 1.

The ministry said local authorities have initiated an emergency response to block, cull and disinfect the affected pigs.

African swine fever is a highly contagious, viral disease that affects hogs. It cannot be transmitted to humans or other species of animals, according to experts from the ministry.

China reported its first case of the swine fever in early August in Liaoning province. Later outbreaks were reported in other provinces.

Among the reported cases, eight occurred in East China's Anhui province, putting the

local authorities on high alert.

The provincial government has launched its highest emergency response for outbreaks, according to local media on Monday.

Pig farmers said they have taken many measures to prevent the disease, not only for their own interest but as a response to government requirements.

"We have banned all vehicles that are not owned by our company from entering our farms, and all of our own vehicles have to be disinfected before entering the area," said Zhou Pei, an executive with Xiandai Fine Breed Cultivation Co, based in Anqing, Anhui province.

Her company now has more than 20,000 black pigs, which are believed to be more resistant to the disease.

Vehicles used to transport feed to various farms are barred from Zhou's farm. Other interactions,

including visitors, ceased in August.

Although Zhou's farms are safe from the disease, the company has been hurt by it, as pork prices have been

declining over worries from consumers, she said.



International News

FDA Opening VQIP Application Portal October 1

The U.S. Food and Drug Administration (FDA) will be opening the Voluntary Qualified Importer Program (VQIP) application portal on October 1, 2018. This is three months earlier than originally scheduled to allow importers to submit their Notice of Intent to Participate and their completed VQIP applications early for the Fiscal Year 2020 benefit period.

VQIP is a voluntary fee-based program established by the FDA Food Safety Modernization Act (FSMA) that provides expedited review and importation of human and animal foods into the United States for approved applicants who achieve and maintain a high level of control over the safety and security of their supply chains.

To participate, importers will meet certain eligibility requirements, which include ensuring that the facilities of their foreign supplier are certified under the Accredited Third-Party Certification Program. Under this program, also established by FSMA, FDA recognizes accreditation bodies that are responsible for accrediting third-party certification bodies, also known as third-party auditors.

Certification bodies will conduct food safety audits of foreign facilities and farms, and issue the certifications that importers need to participate in VQIP. Thus far, one certification body has been accredited by a recognized accreditation body.

For importers interested in participating in VQIP, FDA will hold a webinar on September 20, 2018 from 1:00-1:45 pm Eastern. There are limited spots available.

To register for the webinar, please visit the meeting page. If you are unable to register, a recording will be posted following the webinar.

Importers can learn more about this program on the VQIP webpage, and can submit questions about the program to the VQIP Importer's Help Desk via phone at 1-301-796-8745 or email at FSMAVQIP@fda.hhs.gov.

Salmonella Outbreak Linked To Kosher Chicken Kills 1, CDC Says



A salmonella outbreak stretching across four states sickening 17 people and resulting in one death has been linked to a popular brand of kosher chicken, according to the Centers for Disease Control and Prevention.

Since last September, cases have been reported in Maryland, Pennsylvania, Virginia and New York — where the death occurred.

The CDC said that several of the people who got sick reported eating Empire Kosher brand chicken, and the strain also was identified in raw chicken collected from a facility that processes for the brand.

No recall has been issued.

"We are not advising people to avoid eating kosher chicken or Empire Kosher brand chicken because there are steps that can be taken to make the product safe to eat," CDC spokesman Benjamin Haynes told NPR. "People can certainly make individual decisions on what type of chicken to eat based on the outbreak information that has been shared."

Proper precautions include cooking the meat to an internal temperature of 165 degrees Fahrenheit, washing hands with warm soapy, water for 20 seconds after handling, and thoroughly washing any surface or item that comes into contact with the raw meat.

The CDC also advises people not to wash raw chicken, which can cause the juices to splash and spread germs. (Here is a handy chart for safely cooking meats.)

Despite the simple steps, the CDC estimates that salmonella still sickens more than one million in the U.S. every year.

Americans, who eat more chicken than any other meat, should assume that all of it could be harboring salmonella before it is cooked, Haynes said.

Salmonella, a type of bacteria that lives in the intestines of animals and humans, is shed in feces. When an animal is butchered the feces may get onto the meat.

Trans fat ban comes into force, transition period begins



This week marks the beginning of a ban on Canada's partially hydrogenated oils (PHOs), the largest source of industrially produced trans fat in foods. It is now illegal for

manufacturers to add PHOs to foods sold in Canada. This includes Canadian and imported foods, as well as those prepared in all food service establishments.

One of the key reasons behind the ban is to help reduce the risk of heart disease in the country and the ban comes from an earlier mandate to eliminate trans fat in a bid to cut heart disease.

Trans fats raise "bad" cholesterol levels (low-density lipoprotein) in the blood, which is a risk factor for heart disease; they also reduce the blood levels of "good" cholesterol (high-density lipoprotein), which protects against heart disease. Replacing PHOs in foods with unsaturated fatty acids, such as canola oil, decreases the risk of heart disease.

The ban was announced last year to give industry to time to adapt and came into effect on September 17 with the addition of PHOs to Part 1 of Health Canada's List of Contaminants and Other Adulterating Substances in Foods.

The Canadian Food Inspection Agency (CFIA) enforcement strategy for the new requirement includes a two-year phase-in period during which products containing PHOs can continue to be sold, as long as they were manufactured before September 17, 2018. It comes just three months after a similar ban took effect in the US (June 18, 2018), as the transition period in the country expired.

The CFIA will verify that the food manufacturing industry has implemented appropriate measures to meet regulatory requirements through oversight activities such as inspections, audits and sampling.

PHO elimination around the world

Eliminating PHOs from the Canadian food supply is an important part of Canada's Healthy Eating Strategy and the enforcement follows PHO restrictions in the US.

However, this is not just a government-imposed as consumer preferences are

shifting on an international scale and the broader picture shows that people are turning away from their anyway.

In June, the long-awaited US regulation came into force concerning the complete removal of trans fats (PHOs) which dictates that manufacturers must ensure that their products no longer contain partially hydrogenated oils for uses that have not been otherwise authorized by the US Food & Drug Administration (FDA).

Health Canada's ban is consistent with global efforts to eliminate industrial trans fats in foods. Banning the use of PHOs in foods will effectively reduce trans fats in the Canadian food supply to the lowest level possible, and help achieve the World Health Organization's public health recommendation to reduce the intake of trans fats by the majority of the population to less than 1 percent of total energy intake, according to the Canadian government.

“Health Canada's ban on partially hydrogenated oils in the food supply is part of the Government of Canada's action to help protect Canadians from diet-related chronic disease,” says Minister of Health, Ginette Petitpas Taylor.

“Heart and Stroke (Foundation of Canada) is thrilled to see the implementation of the ban on trans fats take effect. This important and final step will eliminate these heart-clogging fats from our food supply, benefiting the health of all people in Canada by reducing the number of heart attacks and saving lives. This measure is a critical component of the federal Healthy Eating Strategy,” adds Yves Savoie, CEO, Heart and Stroke Foundation of Canada.

The ban applies only to PHOs. The ban does not apply to naturally occurring trans fats, which can be found in some animal-based foods, such as milk, cheese, beef and lamb.

New packaging law applies starting 01.01.2019

The new Packaging Act was already passed more than a year ago and will replace the Packaging Ordinance starting on 01.01.2019. The Packaging Act brings with it a number of changes, one of which is to increase the incentives for particularly sustainable packaging solutions and, on the other hand, to increase transparency in the packaging cycle. For this purpose, a central office, the Foundation Central Packaging Register Office (ZSVR), was founded, which is to centrally supervise the processing via the dual systems.

As before, manufacturers of packaging that typically end up with private consumers (packagings requiring packaging) are required to participate in at least one dual system with their products. This ensures that packaging is collected and recycled. Re-packaging products also will be subject to participation in the dual system in the future if they are ultimately end up with the consumer. For packaging that is not typically for the consumer but for transport, separate returns arrangements still apply.

On the other hand, the obligation from 01.01.2019 onwards is that manufacturers of packaging subject to the new system must register their packaging at ZSVR, otherwise the packaging may no longer be used in Germany after 01.01.2019. The ZSVR has already started operations and registration has been possible since the end of August 2018.

Statement from FDA on an updated approach for including added sugar information on the Nutrition Fa

Advancing better nutrition is one of my top priorities and implementing the update to the iconic Nutrition Facts label — the first overhaul in 20 years — is a key part of that commitment.

We're already seeing the new label on many products. This updated label is empowering consumers with accurate and science-based information to help them make more informed, healthier choices. As part of our updates to the Nutrition Facts label, we've leveraged the latest information we have on nutritional science with the intent to help reduce the burden of chronic diseases like diabetes, obesity, and heart disease.

Toward these goals, the final rule to update the Nutrition Facts label includes a listing of "added sugars." The old label simply listed the total grams of sugar without distinguishing between sugars that are naturally occurring, such as in fruits and vegetables, and sugars that align with the definition of added sugars established by the Dietary Guidelines for Americans. These guidelines for what constitutes added sugars, which inform the development of federal nutrition policies, define added sugars as caloric sweeteners that include, not only sugar, but also honey and maple syrup as well as other sweeteners.

While added sugars can be part of a healthy dietary pattern, the science underlying the 2015-2020 Dietary Guidelines for Americans demonstrates that meeting nutrient needs while staying within calorie limits is difficult when added sugars contribute more than 10 percent of a person's total daily calories. There's strong and consistent evidence that healthy dietary patterns characterized, in part, by lower intakes of sweetened foods and beverages, are associated with a reduced risk of cardiovascular disease.

We've made it our goal to increase consumer awareness of the quantity of added sugars in food products consistent with recent dietary guideline recommendations. The updated Nutrition Facts Label is an important part of this effort. The new label also contains the new daily value for added sugars, so consumers can better understand how foods with added sugars can fit into a

healthy dietary pattern.

While added sugars declared on the updated Nutrition Facts label include sweeteners added to processed foods, they also include foods that are "packaged as such" including a bag of table sugar, jar of honey or container of maple syrup. We recognized that this new labeling information on "packaged as such" products may inadvertently lead consumers to think their pure products, such as a jar of honey or maple syrup, may actually contain added table sugar or corn syrup because there are "added sugars" listed on the label.

That's why in February 2018, we issued a draft guidance for industry open for public comment that would help clarify the added sugars declaration on the label of pure, single-ingredient "packaged as such" products like maple syrup and honey. This draft guidance was the FDA's initial thinking about ways we can work to help ensure that the updated Nutrition Facts label is helpful to consumers. The guidance advised food manufacturers about our intent to allow the use of an obelisk symbol, "‡,"

immediately after the added sugars percent daily value information on containers of pure maple syrup or pure honey. This would direct consumers to language that provides information about what "added sugars" actually mean for these



specific products. As with any draft guidance, we carefully consider comments submitted to the public docket and feedback from stakeholder meetings and interactions to inform us in issuing our final guidance. In this case, the more than

3,000 comments we received on the draft guidance indicate that there are further opportunities to update our proposed approach. We're grateful for this feedback. It has helped us identify a solution that we think will more adequately address concerns and provide needed clarity to consumers.

We're currently drafting our final guidance, which we anticipate issuing by early next year, well in advance of the January 2020 compliance date for larger firms for the updated Nutrition Facts label. This guidance will provide a path forward for pure, single-ingredient "packaged as such" products that does not involve the standard "added sugars" declaration on the Nutrition Facts label. We are not considering changes to the required percent daily value for these products, including for products like pure honey and maple syrup. We believe that such a solution strikes the balance of addressing producer concerns that their products could be perceived as being economically adulterated while still informing consumers on how these products contribute to their daily added sugar intake.

Although we're continuing to work on a revised approach, I believe that an updated approach will both clarify requirements to successfully implement the Nutrition Facts label and achieve the goal of empowering consumers to use the new label to make informed and healthy dietary choices. Through engaged dialogue and open public comment on our nutritional strategies, I'm committed to finding ways to advance our work in nutrition to improve the lives of all Americans by reducing the burden of preventable illness.

Bioengineered Food Rule Moves to Next Step: White House Review

The U.S. Department of Agriculture (USDA) sent the proposed National Bioengineered Food Disclosure Standard to the White House for review late last month. The move represents the penultimate step in finalizing the standard,

which will introduce mandatory labeling rules for bioengineered (BE) foods or foods with BE ingredients.

The White House Office of Management and Budget (OMB) will manage the inter-agency review process and evaluate the standard's compliance with President Trump's regulatory reform agenda. OMB is tasked with completing its review within 90 days, but often applies for extensions, which could lead to further delays.

After the review is complete, the administration will publish the final rule in the Federal Register, mostly likely later this year.

Safety Alerts

Date	Brand Name	Product Description	Reason/ Problem	Company
09/13/2018	Bellona	Milk Chocolate Flavored Coated Wafer with Hazelnut Crème Filling and White Chocolate Flavor	Undeclared Wheat	Lidl US
09/12/2018	Sarap Asian Fusion	Asian fusion cookies	undeclared allergens of wheat, milk and soy	Sarap Asian Fusion
09/11/2018	Meijer	Taco Seasoning Mix 4.5 OZ Bottle	unlabeled milk allergen	McCormick & Company, Inc
09/10/2018	Gourmet Take Away	Sesame Noodle Salad	Undeclared egg	Market of Choice

09/08/2018	Gravel Ridge Farms	Cage Free Eggs	Salmonella	Gravel Ridge Farms
09/04/2018	H&C Food Inc	Frozen Fish Balls & Fuzhou Fish Balls	Undeclared Wheat, Pork, Egg and Crustacean	H&C Food Inc
08/27/2018	Allied Import Inc.	Lily Bulb	Undeclared Sulfites	Allied Imports Inc.

Enterprise News

Coca-Cola is buying Costa Coffee for \$5 billion



The company has agreed to buy coffee chain Costa Coffee from UK drinks and hotels group Whitbread for £3.9 billion (\$5.1 billion).

Costa has nearly 4,000 stores across 32 countries. It will give Coca-Cola (KO) "a strong coffee platform across parts of Europe, Asia Pacific, the Middle East and Africa, with the opportunity for additional expansion," Coca-Cola said in a statement.

Besides its thousands of retail stores, Costa Coffee also has smaller on-the-go outlets called Costa Express, a roastery and for-home coffee products.

Whitbread, which acquired Costa in 1995, said it will use proceeds from the sale of the coffee business to expand its other big brand, Premier Inn hotels.

The deal still needs to get approval from shareholders and regulators, and is expected to be completed in the first half of 2019, the companies said.

Buying Costa puts Coke in direct competition with Starbucks (SBUX) and several other global coffee brands.

Earlier this year, Nestle (NSRGF) and Starbucks agreed a \$7.2 billion global coffee alliance, which will see Nestle market, sell and distribute Starbucks products outside its stores worldwide. JAB, the Luxembourg-based holding company that owns brands like Krispy Kreme and Peet's Coffee, bought UK sandwich and coffee chain Pret A Manger in May.

Another of JAB's coffee brands, Keurig, merged its business with one of Coca-Cola's domestic competitors — Dr Pepper Snapple — in January.

"Hot beverages is one of the few segments of the total beverage landscape where Coca-Cola does not have a global brand," Coca-Cola CEO James Quincey said Friday. "Costa gives us access to this market with a strong coffee platform."

Competition is heating up in other areas, too. Coca-Cola's chief rival Pepsi (PEP) announced earlier this month that it would buy Israeli DIY seltzer company

SodaStream for \$3.2 billion.

Kraft Heinz Anticipating Higher Organic Sales Growth In Second Half



Kraft Heinz Co topped quarterly profit and revenue estimates as the ketchup giant raised product prices and posted higher-than-expected sales from the United States.

Many packaged food

companies have been forced to nudge prices up in recent months to combat surging commodities and transportation costs. Prices had long been suppressed by fierce competition between retailers and changing consumer eating habits.

Kraft Heinz said it had raised prices everywhere but Europe, the Middle East and Africa.

The Chicago-based company said it still expects second-half organic sales to be higher than in the first half of the year, but warned that earnings would now be evenly split across both halves due to higher input costs and spending on commercial investments.

Longer Than Expected

Chief Financial Officer David Knopf said higher costs had persisted for longer than expected.

"Mainly at freight and transportation, packaging, both resins and cardboard as well as tariff risk currently impacting foil and aluminum costs in the U.S. and certain products we sell in Canada," Knopf told analysts on a post-earnings call.

Last month, Canada struck back at the Trump administration over U.S. steel and aluminum tariffs, imposing taxes on C\$16.6 billion of U.S.-made products. The retaliatory measures included a 10 percent surtax on soup, ketchup, mayonnaise, strawberry jams and several other products that Kraft Heinz makes.

"That said, we do expect our constant currency adjusted EBITDA trend to improve by year-end," Knopf said, adding that core earnings would gain momentum into 2019.

Second-quarter sales from the United States, the company's biggest market, fell 1.9 percent to \$4.51 billion, but topped the average analyst estimate of \$4.43 billion. It was the company's first better-than-expected U.S. sales performance in at least five quarters.

Excluding items, the company earned \$1 per share in the three months ended June 30, beating analysts' estimate of 92 cents, according to Thomson Reuters I/B/E/S. The company said net sales rose 0.7 percent to \$6.69 billion, topping the average estimate of \$6.59 billion.

Stronger Than Expectations

"Our results through the first half were stronger than the expectations we put forward as recently as three months ago, and we have been even more encouraged by our recent performance in the marketplace," said Kraft Heinz CEO Bernardo Hees.

"We believe we are now in a position to drive sustainable top-line growth from

a strong pipeline of new product, marketing and whitespace initiatives that are backed by investments in capabilities for brand and category advantage."

Hees added that while cost inflation has been holding back the company's bottom line, "we expect our profitability to improve by year-end, with further momentum into 2019."

Nestlé and Starbucks agree \$7.15 billion global packaged goods and foodservice deal

Food giant Nestlé has finalised a deal with Starbucks to market its consumer-packaged goods and foodservice products outside the retailer's coffee shops.

The \$7.15 billion deal covers Starbucks' range of roast and ground coffee, whole beans and instant and portioned coffee.

The agreement was said to strengthen significantly Nestlé's coffee portfolio in the North American premium roast and ground and portioned coffee business. It also created a platform for the global expansion in grocery and foodservice for the Starbucks brand, using the global reach of Nestlé.

Nestlé CEO Mark Schneider said: "This partnership demonstrates our growth agenda in action, giving Nestlé an unparalleled position in the coffee business with a full suite of innovative brands. With Starbucks, Nescafé and Nespresso we bring together the world's most iconic coffee brands," said.

Significant strategic milestone

Starbucks CEO Kevin Johnson described the global coffee alliance as a significant strategic milestone. "Bringing together the world's leading coffee retailer, the

world's largest food and beverage company, and the world's largest and fast-growing installed base of at-home and single-serve coffee machines helps us amplify the Starbucks brand around the world while delivering long-term value creation for our shareholders."

About 500 Starbucks employees in the US and Europe – mainly based in Seattle and London – will join the Nestlé. Operations will continue to be located in Seattle. Under the terms of the deal, Starbucks received an up-front cash payment of \$7.15 billion for a business that generated annual sales of \$2 billion.



Generated annual sales of £2 billion

The transaction does not include the transfer of any fixed assets, which was said to facilitate a smooth and efficient integration.

Nestlé expected the business to contribute positively to its earnings per share and organic growth targets from next year. Nestlé's share-buyback programme was unaffected by the deal.

Included in the deal are Starbucks' packaged coffee and tea brands, such as Starbucks, Seattle's Best Coffee, Teavana™/MC, Starbucks VIA Instant, Torrefazione Italia coffee and Starbucks-branded K-Cup pods. Excluded from the agreement are Ready-to-Drink products and all sales of any products in Starbucks' coffee shops.

Keeping ahead of infant nutrition regulation: Cargill's US\$17.5m investment in "world-class" vegetable

Cargill's global edible vegetable oil business is keeping pace with the fast-paced evolution of the food and infant nutrition market with a US\$17.5 million upgrade of its Izegem, Belgium, edible vegetable oil refinery. The company says that ramping up investment to the "world-class" facility will advance food safety and infant nutrition, keeping Cargill ahead of market demands and the European legislation that is driving significant change in the business.

The investment allows Cargill's global edible vegetable oils business to increase production capacity and provide a safe and reliable supply of high-quality food and infant nutrition oil for its customers.

The new refining installation includes replacing existing equipment with modern machineries, such as a deodorizer and processing technology that will facilitate the production process and assure the supply of safe and high-quality food and infant nutrition edible oil.

EU infant nutrition regulation

Cargill's investment closely follows the recent strict standards there were set in place for chemical compounds such as 3- and 2-monochloropropanediol (MCPD) and glycidyl esters in infant food.

The upgraded installation facilitates the technical processes and allows Cargill to meet the required European safety and quality standards and address rising consumer food safety concerns.

European food safety legislation often leads the way in intensifying efforts to improve food safety, especially in the area of infant nutrition regulations, says

Cargill, and this was a driving factor of the investment in its edible vegetable oil business.

"The company is well-positioned to meet future, increasingly stringent, European regulations on food safety," says Sabine Sagaert, Managing Director for Cargill's oils and seeds business in EMEA. "With many new ingredients entering the food and infant nutrition segment, food safety is an important starting point for every product."

"Cargill's ability to safeguard the quality and integrity of food and infant nutrition ingredients is key to our customers' success."

Cargill has been active in Izegem since 1998 investing more than US\$74 million in the modernization and upgrade of its refinery and bottling activities. The recent inauguration of the upgraded refinery is a significant milestone in the site's 20-year journey, according to the company which describes the plant as one of the most complex edible oil refineries in Europe with its refining, hydrogenation, interesterification, winterization and blending technologies.

The plant is able to process 11 types of oils and fats into more than 300 product blends, each answering to specific customer demands for products such as cooking oils, salad dressings, infant nutrition and applications. It also houses a bottling capability, one of the largest of its kind in Europe and a center of expertise for packaging within Cargill.

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