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December 2018

## MARKET NEWS



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## About Sino Silliker

### The Notification of Bank Account Change of Sino Silliker

To Whom it may concerned:

The bank account of the company has been change because of business development, the new account will take effect from 1<sup>st</sup> Jan. 2019. Please refer to the new account information as follows:

**Account name: Sino Silliker Testing Services(Shanghai)Co.,LTD**

**Bank: Bank of China Shanghai Branch**

**Bank account No. : 440376154357**

**Account name: Sino Silliker Testing Services(Qingdao)Co.,LTD**

**Bank: Bank of China Shanghai Branch**

**Bank account No. : 436476185497**

**Account name: Sino Silliker Testing Services(Ningbo)Co.,LTD**

**Bank: Bank of China Shanghai Branch**

**Bank account No. : 441676191754**

From 1<sup>st</sup> Jan. 2019, the payment will be done through the changed account, original account will be kept until 31<sup>st</sup> Mar., then the payment will be returned by the bank. To reduce the impact, please pay to the new account from 1st Jan. 2019.

During the bank account changing period, the invoice information may be different from payment account information, we will issue stamped official letter as certificate. We are really sorry for any inconvenience caused.

Sino Silliker Testing Services Co. Ltd.

### Happy 2019 New Year

**Sending our warmest Thoughts and best Wishes for a Wonderful Holiday Season and a Successful and Glorious Happy New Year!**





## Focus on China

### National Food Safety Standards that will be executed in December, 2018

According to the data summarised by Global Foodmate, 29 National food safety standards (GB) will be executed in December, 2018.

On 21 December, 2018, 28 standards will become effective, including 8 national standards of method of residue determination (e.g., “GB 23200.110-2018 Determination of Forchlorfenuron residues in plant-derived foods Liquid chromatography-mass spectrometry”), 11 national standards of food nutritional fortification substance (e.g., “GB 1903.41-2018 Food nutritional fortification substance Potassium gluconate”), 5 national standards of food additive (e.g., “GB 1886.301-2018 Food additive Galactomannan”). In addition, 4 national standards, namely “GB 2763.1-2018 National food safety standard Maximum residue limit of 43 pesticides including Paraquat in food”, “GB 31645-2018 National food safety standard Collagen peptide”, “GB 25595-2018 Lactose”, “GB 2716-2018 National food safety standard Vegetable oil” will also become effective on 21 December.

On 23 December, 2018, one standard, “GB 8954-2016 National food safety standard Hygienic specifications for production of table vinegar” will be executed.

### GB28050 Explained-Nutritional Composition Table Requirements

Enterprises shall determine the value of the label by considering the raw material calculation or product test results, combined with the nutritional content of the product, and considering the allowable error of the components. When determining the

accuracy of the label value of the nutrition label, it should be based on the method ( calculation method or detection method) for the company to determine the label value.

### Labeling of Nutrient Content

In the judgment, in addition to the allowable error range of the energy and nutrient content specified in the standard, it should also be noted that the label value on the nutrition label first requires “true and objective”, which is specified in the basic requirements of the standard. Enterprises should determine the label value on the basis of real and objective, taking into account various factors that may affect the fluctuation of the nutrient content of the product, and cannot “fabricate” or “reform” the value in order to accommodate the tolerance. If the standard specifies that the measured value of fat should be  $\leq 120\%$ , but there is no lower limit, the fat content of a product fluctuates around 2g/100g, in order to ensure that its content range is within the allowable error of the indicated value, a company marks For 5 grams / 100 grams, this violates the basic requirements of the standard "real and objective".

In addition, it is not possible to directly determine whether the product is qualified by the labeling value and tolerance of the nutrition label. If the nutrient content is required in the standards of the corresponding product, it should meet the requirements of the product standard and the allowable error range specified by the nutrition labeling standard. For example, the National Food Safety Standard Sterilized Milk (GB25190-2010) stipulates that the protein content in milk should be  $\geq 2.9\text{g}/100\text{g}$ . If the protein labeling value of the product is 3.0g/100g, the determination point is whether the product meets the statement. The standard statement requires the product should have the actual protein content is  $\geq 2.9\text{g}/100\text{g}$ .

### Nutritional Composition Table Format

The nutrient composition table should be presented in the form of a “box” (except in special cases), which can be of any size and perpendicular to the baseline of the package. The nutrient composition table consists of five basic elements: the head (ie “nutrient composition table”), the name of the nutrient, the content (including the values and units of expression), the NRV%, the box (ie in the form or the corresponding form). Table 1 lists the names and sequences of mandatory and optionally labeled nutrients in the nutrient composition table, expression units, rounding intervals, and “0” threshold values. When labeling the nutrient composition table, Meet the requirements of Table 1.

In addition, in order to standardize food nutrition labeling and facilitate consumer memory and comparison, six basic formats are recommended in Appendix B of this standard for reference. On the basis of ensuring compliance with the basic format requirements and ensuring that it is not misleading to consumers, the company may make appropriate adjustments during layout design, including but not limited to: adjustment of text format due to aesthetic requirements or for consumption observation (left-aligned, medium-sized) ), background and table color or increase the inner frame line, etc.

### **Optional Labeling Content**

The content of the optional labeling specified in the standard consists of three parts.

The first is that in addition to the mandatory labeling content, the other components in Table 1 can be selected in the nutrient composition table.

The second is the nutritional claim, that is, the content claim of a certain nutrient component or The comparison claims that the claim should be made to ensure that the content label value meets the corresponding requirements in Appendix C of the standard;

The third is the nutrient function claim, that is, one or more nutrient function claims in the standard appendix D. It is claimed that the claim should also be ensured that the content labeling value meets the requirements and conditions of the content claim or the comparative claim, and that any form of falsification, addition and merging of the functional claim term should not be taken.

### **FDA Signs MOU with China to Outline Certification Process for Certain Exports**

The FDA is reminding U.S. establishments that are currently listed on the dairy, seafood, and infant formula exports lists for China that the Certification and Accreditation Administration of the People’s Republic of China (CNCA) requires them to obtain third-party certification of compliance with the relevant standards, laws, and regulations of China by June 15, 2019 if they wish to maintain continued access to the Chinese market. In order to remain on the lists, establishments need to submit evidence of third-party certification via the Export Listing Module (ELM) before the June 15 deadline.

In addition, the FDA has updated Guidance for Industry: Establishing and Maintaining a List of U.S. Milk and Milk Product, Seafood, Infant Formula and Formula for Young Children Manufacturers/Processors with Interest in Exporting to China to further explain how establishments should apply to be included on FDA’s lists of exporters to China using the new ELM, how FDA intends to determine whether the establishment should be recommended for inclusion for specific products, and how FDA intends to update this information.

## International News

### USDA Outlines First-Ever Rule for GMO Labeling, Sees Implementation in 2020



The U.S. Department of Agriculture on Thursday laid out its first-ever requirements for labeling of genetically engineered, or GMO, foods as early as 2020, a rule met with praise from some farmers and criticism from consumer groups.

Consumers have been pushing for years for greater transparency over what is in their food, fighting pushback from farmers who fear the labeling would curb demand for genetically engineered ingredients and food companies which said the label changes would be costly and confusing.

The long-awaited details released on Thursday by the USDA came more than two

years after lawmakers agreed on the requirements. The agency has been reviewing feedback from farmers, food companies and consumers who filed comments earlier this year.

“This ensures clear information and labeling consistency for consumers about the ingredients in their food,” Agriculture Secretary Sonny Perdue said in a statement. “The standard also avoids a patchwork state-by-state system that could be confusing to consumers.”

GMO crops have had their genes altered using biotechnology.

The new requirements will provide some consistency and a clear plan for food companies that now need to overhaul their labels.

But consumer groups criticized the USDA for saying companies need to use the term “bioengineered” rather than the more commonly used terms “genetically engineered” or “GMO.”

“The USDA has betrayed the public trust by denying Americans the right to know how their food is produced,” said Andrew Kimbrell, executive director at the Center for Food Safety.

The USDA also excluded some highly processed ingredients like sugar from beet and soybean oil from mandatory labeling. That is a win for farmers of some crops, including sugar beet, who feared being labeled as GMO would reduce consumer demand for their products.

“We believe that it allows transparency for consumers while following the intent of Congress that only food that contains modified genetic material be required to be labeled bioengineered under the law, with food companies having the option of providing additional information if they choose,” said Davie

Stephens, a soybean grower from Kentucky and president of the American Soybean Association.

### ISO Issues Revisions to Food Microbiology Standards and Guidelines

Recently, the International Organization for Standardization (ISO) issued a revised version of EN ISO 11133:2014, which is a mandatory standard adopted by the accredited laboratories for microbiological detection of food, animal feed and water quality. The methods published by ISO would be periodically reviewed by industry and government experts. This ensures the relevance of standard scope, key definitions and content. The relevant revisions are as follows:

- I. ISO 11133 revisions: Microbial Problems in Food, Animal Feed and Water Quality - Prefabrication, Production, Storage, Implementation of Culture Medium Detection
- II. ISO 11133:2014 revisions 2. Next Audit Plan
- III. ISO 16649 Overview of Audit and the Actual Situation: Microorganisms in the Food Chain--Level Counting Method of Glucanase Positive Escherichia coli
- IV. Colony Count of ISO 16649-1:2018 Using Cell Membrane and 5-bromo-4-chloro-3-indolyl beta-D-glucuronide at 44°C

### EU reassessment of the safety of fatty acid propylene glycol esters as food additives

According to the European Food Safety Agency (EFSA), the Group of Experts on Food Additives and Nutrition Sources (ANS) of the European Food Safety Agency reassessed the safety of propane 1,2 diol esters of fatty acids (E477) as food additives.

Through the evaluation, the EU experts group concluded that there was no safety problem in the current authorized use level of fatty acid propylene glycol ester, and recommended that the maximum daily intake (ADI) as a food additive was 80 mg/kg bw.

Some of the original reports are as follows:

The EFSA Panel on Food Additives and Flavourings (FAF) provides a scientific opinion re - evaluating the safety of propane - 1,2 - diol esters of fatty acids (E 477) when used as a food additive. The Scientific Committee on Food (SCF) in 1978 endorsed the acceptable daily intake (ADI) of 25 mg/kg body weight (bw) per day, expressed as propane - 1,2 - diol, established by the Joint FAO/WHO Expert Committee on Food Additives (JECFA) in 1974. No adverse effects were observed in short - term studies in rats and dogs at the highest doses tested. The Panel considered that E 477 did not raise a concern for genotoxicity. No chronic toxicity, carcinogenicity, reproductive and developmental toxicity studies with propane - 1,2 - diol esters of fatty acids were available to the Panel. The Panel considered that any potential adverse effect of propane - 1,2 - diol ester of fatty acids would be due to propane - 1,2



- diol, previously re-evaluated as a food additive and for which an ADI of 25 mg/kg bw per day was established. Considering the overall metabolic and toxicity database, the Panel confirmed the previously established ADI for propane-1,2-diol esters of fatty acids (E 477) of 25 mg/kg bw per day expressed as propane-1,2-diol. This corresponds to an ADI for E 477 of 80 mg/kg bw per day, based on the concentration of free and bound propane-1,2-diol amounting to a maximum of 31% as laid down in the EU specification. The Panel concluded that there would not be a safety concern at the reported use levels for E 477 because exposure estimates from the refined non-brand loyal scenario did not exceed the ADI for E 477 in any of the population groups. However, the Panel aims to explore the feasibility of establishing a group ADI for those food additives that result in an exposure to propane-1,2-diol, such as E 477, E 1520 and E 405. Additionally, the Panel will also consider performing a combined exposure assessment to propane-1,2-diol resulting from the use of these food additives. The Panel also recommended some modifications of the EU specifications for E 477.

### FSIS Publishes Import Residue Sampling Inspection Types

According to USDA, the Food Partnership Network issued the Import Residue Sampling Inspection Types on December 17, 2018 by the Food Safety Inspection Bureau of USDA. The Directive issued instructions on the Residue Sampling Inspection Types (TOIs) in the Public Health Information System (PHI) to the Inspection Project Personnel (IPP).

Some of the original reports are as follows:

A. PHIS will assign residue sampling TOIs as listed in Table 1. IPP are to refer to this table for information on specific residue TOIs, including the applicable

sample source and sample size requirements, applicable species, and designated FSIS laboratories at which the analyses are performed.

B. IPP are to refer to FSIS Directive 9900.6, Laboratory Sampling Program for imported Meat, Poultry and Egg Products, and FSIS Directive 14,100.1, Speciation, Residue, and Salmonella Testing of Fish of the Order Siluriformes at Official Import Inspection Establishments, for instructions on collecting and submitting TOI residue samples and actions to take based on the test results.

1. IPP at an Official Import Inspection Establishment with a Grant of Inspection (GOI) for egg products are to request sample collection supplies from the FSIS Western Laboratory (WL), in advance, so that sampling supplies will be available to IPP when an egg product residue TOI is assigned.

2. IPP are to request supplies from the WL through PHIS or via Outlook (FSIS - Sampling Supplies - Western Lab). IPP are to use "Egg Products Sampling Supplies" in the subject heading of the email when requesting supplies via Outlook. In the email, IPP are to include the establishment name and number, the project code (IMPRESSEGG), and the IPP's contact name and telephone number.

3. IPP are to refer to FSIS Directive 9900.6 for instructions regarding the election, collection and submission of eligible product samples. IPP are to use the instructions provided for microbiological sampling of egg products when collecting these products for residue testing until further notice.

4. IPP are to collect egg product samples from shipments that can be sampled in a clean environment so that the egg products will not become contaminated.

## Top 10 food safety stories of 2018

### 1. U.S. romaine repeatedly infected consumers with potentially deadly E. coli

In three consecutive outbreaks, romaine lettuce was named in 2018 as the source of nearly 300 infections that had sent 128 people to hospitals as of Friday. Six people have died. The U.S. and Canada food safety experts blame romaine for the E. coli O157:H7 outbreaks. Some romaine was removed from store shelves two days before Thanksgiving Day, even though there weren't any official recalls issued in relation to any of the three outbreaks at that time.

In the first outbreak, declared over in the United States on Jan. 25, 2018, Canada identified romaine as the problem while U.S. officials weren't sure enough to say it was "leafy greens."

In the second outbreak, declared over on June 28, 2018, the Food and Drug Administration warned the public about romaine from the Yuma, AZ, growing region. Weeks later the FDA cited contaminated water in an open-air irrigation canal as a likely source of the outbreak strain of the E. coli O157:H7. This romaine crisis was the most serious threat experienced by the fresh produce industry since the deadly 2006 outbreak of E. coli O157:H7 traced to fresh bagged spinach.

At year-end, the third outbreak was winding down with some progress in the investigation by FDA and the federal Centers for Disease Control and Prevention. They were able to name Adam Brothers Farm in Santa Maria, CA, as a possible source of the third outbreak. The outbreak strain of E. coli O157:H7 was found in the sediment of an irrigation reservoir on the family-owned farm in Santa Barbara County, CA.

### 2. Tiger Brands polony named as source of largest listeriosis outbreak in history

Popping champagne corks probably isn't the way to mark the end of the world's worst listeriosis outbreak on record. However when South Africa declared that event over on Sept. 3, 2018, the World Health Organization (WHO) sent its congratulations.

According to the National Institute for Communicable Diseases, the outbreak ended with 1,060 cases and 216 deaths between Jan. 1, 2017, and July 17, 2018. The outbreak was linked to ready-to-eat processed meat produced by Tiger Brands in its Enterprise Foods production facility in Polokwane, South Africa.

The outbreak strain of *Listeria monocytogenes*, known as ST6, was contained in South Africa. Enterprise Foods exports to 15 other African countries. Tiger Brands facilities in Polokwane and Germiston that closed because of the outbreak, reopened this month. Meanwhile, attorneys for the victims and Tiger Brands moved forward with a class action lawsuit that will sort of liability and damages in South Africa's court as early as next March.

### 3. JBS USA spreads Salmonella across 28 states; posts first multi-million-pound beef recall in years

With foreign shareholders who are crooks, and plans to spin-off JBS USA from its Brazilian parent company through an initial public offering as early as 2019, the last thing JBS needed was a recall of more than 12 million



pounds of beef from its Tolleson, AZ, facility. The related Salmonella outbreak has revived consumer calls in the United States for declaring as adulterants the more dangerous strains of Salmonella.

Among those who have not stepped forward with an opinion in the adulterant debate is Al Almanza, who headed USDA's Food Safety and Inspection Service for a decade before being named as leader of worldwide food safety for JBS.

Meanwhile, the multistate Salmonella Newport outbreak has put 91 people in the hospital out of 333 confirmed cases to date.

#### **4. McDonald's, Del Monte among brands discovering parasite problems in U.S. produce**

In July, McDonald's was forced to pull salads from 3,000 restaurants in the United States out of fear they were infected with Cyclospora parasites. More than 100 customers were infected with cyclosporiasis from eating McDonald's salads.

While that 14-state outbreak was being investigated, FDA and CDC were also busy with parasites being found in a Del Monte brand pre-cut vegetable and dip tray product.

The CDC declared the cyclosporiasis outbreak associated with the Del Monte product over on Sept. 5, 2018, reporting that 250 people had been infected across four states. Eight of the patients had to be admitted to hospitals. The FDA reported 2018 marked the first time the Cyclospora parasite had been found in produce grown in the United States.

#### **5. FDA announces plans to release retail recall lists**

Telling consumers the names of retailers where recalled food was sold might

seem like a no-brainer. The USDA's Food Safety and Inspection Service (FSIS) has been doing it for years. But only this past September did FDA publish draft guidance saying it too would be publicly disclosing retail locations that may have sold or distributed recalled human or animal food where there is a "reasonable probability" of causing serious adverse health consequences of death.

The FDA has long held that a clause in federal law that protects confidential corporate information (CCI) has blocked the agency from releasing such information.

In announcing the policy change, FDA Commissioner Scott Gottlieb said most recalls involve enough information for the consumer to identify and avoid the recalled product. But, he also said, some do not have any specific information, such as UPC numbers or barcodes, to help consumers.

Deli cheeses, nuts, fresh fruits and vegetables sold individually and for animals, pet treats and rawhide chews are all examples of recalled foods where the consumer needs more information. That's where FDA's new policy to release the "retail consignee" lists will come into practice.

"Knowing where a recalled product was sold during the most dangerous food recalls can be the difference between a consumer going to the hospital or not," Gottlieb said in the announcement, which he released between 2018's spring and fall romaine outbreaks

#### **6. Under-lying threats to food safety in Britain because of Brexit**

The United Kingdom is leaving the European Union on March 29, 2019. It's the law, regardless of whether there is a transition deal with the EU or not. That's because U.K. voters decided by a 51.9 to 48.1 margin on June 23, 2016, in favor of Brexit, aka whether Britain should exit the EU. During 2018, however,



considerable attention focused on whether food safety in the U.K. will be diminished moving forward.

A so-called “hard Brexit,” without an EU-UK transition agreement would pose the greatest safety concern, according to some. For

example, the U.K. would be open to importing U.S poultry that has been subjected to the chlorine-washing. The EU banned the practice in 1997. Differences in allowable pesticide levels are another stumbling block. Likewise, U.S. pork may contain Ractopamine, but its use is banned in the E.U. Likewise, the U.S. is freer with food additives and using chlorinated water to disinfect leafy vegetables.

To be sure, the E.U. is as motivated by moves to keep the United States out of its agricultural market as it is to ensure food safety. In the House of Commons, the Environment, Food, and Rural Affairs (EFRA) Committee wants any Brexit-related trade deal to meet or exceed British standards for production, animal welfare, and the environment. If there isn’t a “hard Brexit,” it will follow the 585-page agreement reached on Nov. 14. It has no table of contents or index.

### **7. FDA Commissioner Scott Gottlieb emerges as a top newsmaker and a food guy**

The 23rd Commissioner of the Food and Drug Administration, Dr. Scott Gottlieb

finds himself in a war against overdoses led by Fentanyl and heroin that will take an estimated 72,000 lives in 2018. It would be understandable if Gottlieb did not have time for anything else.

But the physician, medical policy expert, and public health advocate who previously served as the FDA’s Deputy Commissioner for Medical and Scientific Affairs — and before that, as a senior advisor to the FDA commissioner — is turning out to be the agency’s man for all problems and issues. Since he became commissioner on May 11, 2017, Gottlieb has become one of Washington D.C.’s top experts who is frequently, almost routinely, in the news. And while his background in drugs and technology might suggest otherwise, Gottlieb is also showing plenty of interest in the nation’s food.

He’s implemented menu labeling with calorie counts for food items, called for FDA to release retail lists for recalled products in some instances, plans to add sesame to the list of major allergens that must be included on food labels, and promised to make more robust use of mandatory recall authority. Gottlieb’s deep dive against opioids has also included leading FDA’s destruction and recall of dietary supplements and other products that contain kratom. This has included forcing kratom-containing products off the market. Gottlieb says “no kratom product is safe.” A number of kratom products, from various companies, have been found to be contaminated with foodborne pathogens.

### **8. FDA recruits two of the private sector’s food safety stars**

In a reorganization of the FDA’s food and feed side, Frank M. Yiannas was named the agency’s commissioner for food policy and response, and Jim Gorny was hired as senior science adviser for produce safety.

Both left top food safety jobs in the private sector in 2018 to take their new

positions at the FDA. Yiannas and Gorny were both recognized by their colleagues in industry, government, and academia as among the best in food safety.

Yiannas, 54, was vice president for food safety over Walmart and Sam's Club stores worldwide. Gorny was vice president for food safety and technology at the Produce Marketing Association.

In recruiting Yiannas and Gorny, FDA picked up two impact players. Yiannas had just imposed "end-to-end" traceability for fruits and vegetables sold at any of the 11,718 Walmart and Sam's Club's stores in 28 countries around the world before accepting the FDA job. He's taking over for Dr. Stephen Ostroff, who retires next month.

Gorny is back at FDA just in time to manage the ongoing romaine crisis. From 2009 to 2013, Gorny was a senior advisor in FDA's Office of Food Safety. He was involved in the initial development of the Food Safety Modernization Act (FSMA) draft regulations after the law was signed into law in 2011.

#### **9. Senate didn't find time to confirm Brashears as top U.S. food safety official**

Five years and one week ago, Dr. Elisabeth Hagen left government, stepping down as Under Secretary of Agriculture Safety. Mindy Brashears, PhD, is professor and director of the International Center for Food Industry Excellence at Texas Tech University and was nominated to fill the post by President Donald J. Trump May 4, 2018.

The Senate Committee on Agriculture, Nutrition, and Forestry, after a Nov. 28 public hearing, unanimously recommended her confirmation to the full Senate on Dec. 5. But, the Senate finished out the 115th Congress without bringing her nomination to the floor for a final up or down confirmation vote.

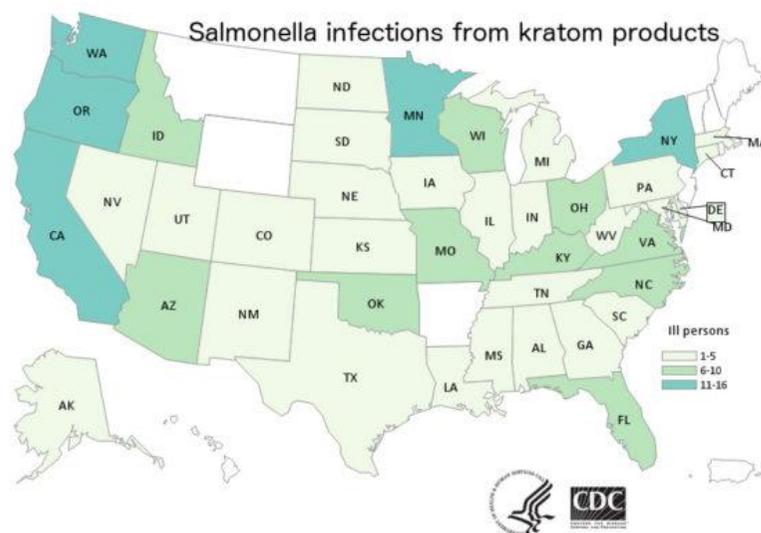
Among the reasons it did not happen is the fact the Senate's attention was elsewhere, cutting prison terms and doling out the Farm Bill goodies. Also, Brashears was just another name among several dozen others requiring confirmation for jobs the Senate does not consider that important. Under Senate rules, the minority party is powerless to stop a presidential nominee but it can demand up to 30 hours of floor time to debate even non-controversial appointees. The Senate did not have floor time for Brashears in 2018. The nation's top food safety post remains vacant.

For what it is worth, the White House will likely resubmit Brashears nomination to the new Congress, and the Senate will assign it back to the Senate Committee on Agriculture. Thirteen top USDA jobs require Senate confirmation of a presidential appointee. Eight of those positions are currently filled with a Trump appointee who has been confirmed by the Senate. The nominations of Naomi Earp as Assistant Secretary of Agriculture for Civil Rights, and Scott Hutchins as Under Secretary of Agriculture for Research, Education, and Economics also failed to win confirmation before time ran out.

#### **10. Salmonella outbreak turns lens on kratom as an opioid**

Kratom started the year as a plant known for its stimulant effects and as an "opioid substitute." But after a 41-state outbreak of Salmonella infections linked to kratom products, the Food and Drug Administration changed its view. Kratom is also known as Thang, Kakuam, Thom, Ketom, and Biak.

"Kratom is not legally marketed in the United States as a drug or dietary supplement. Kratom is an opioid, is addictive and has been linked to severe health consequences and deaths among users," said a July 3 FDA report.



“Despite these risks, we know that kratom has grown in popularity in recent years due to unsubstantiated claims about its purported benefits,” it continued. “It

appears the salmonella problem with kratom uncovered earlier this year has probably been occurring for some time and is ongoing. We have closed our outbreak investigation, concluding that anyone consuming kratom may be placing themselves at a significant risk of being exposed to salmonella.

“As we have previously stated, there are no proven medical uses for kratom and the FDA strongly discourages the public from consuming kratom. The subsequent findings of this investigation only strengthen that public health recommendation. Kratom is an inherently addictive product that can cause harm, which is reason enough not to consume it. Now, in addition to those risks, we can conclude that there may be a high proportion of kratom and kratom-containing products contaminated with salmonella. It’s another firm reminder of why people should avoid kratom,” FDA added.

In 2018, at least 199 people in 41 states were infected with Salmonella from kratom projects with names like “Powerful Red Vein Ball” and “Super Green

Maeng Da.” The outbreak saw at least 50 people admitted to hospitals. No deaths were recorded. The kratom-linked outbreak included infections from several types of Salmonella — Salmonella I 4,[5],12:b:-, Salmonella Heidelberg, Salmonella Javiana, Salmonella Okatie, Salmonella Weltevreden, and Salmonella Thompson.

Although the kratom-linked outbreak ended in May, FDA picked up its enforcement actions, mainly by warnings to “unscrupulous vendors” making scientifically unsubstantiated claims including to “relieve opium withdrawals” and to treat a myriad of ailments including but not limited to: diarrhea, depression, diabetes, obesity, high blood pressure, stomach parasites, diverticulitis, anxiety and alcoholism.

“Simply, selling these unapproved kratom products with claims that they can treat opioid withdrawal and addiction and other serious medical conditions is a violation of federal law,” said FDA Commissioner Scott Gotlieb.

Also by year-end, a Kratom Trade Association (KTA) was up and running, calling kratom “the natural, coffee-like herb associated with better health and well being.” The KTA says it’s “dedicated to the safe and responsible use of kratom botanical products in the U.S.”

### FDA Issues Uniform Compliance Date, Technical Amendments on Nutrition and Supplement Facts Labeling Rules

The U.S. Food and Drug Administration (FDA) announced today that January 1, 2022, will be the uniform compliance date for final food labeling regulations that are issued in calendar years 2019 and 2020. All food products subject to the January 1, 2022, uniform compliance date must comply with the appropriate labeling regulations when initially introduced into interstate commerce on or

after January 1, 2022. This action does not change existing requirements for compliance dates contained in final rules published before January 1, 2019.

The FDA issues regulations that sometimes require changes in the labeling of food. Since 1996, the agency has periodically announced uniform compliance dates for new food labeling requirements to minimize the economic impact on the food industry of having to respond separately to each change.

Occasionally, the FDA will set specific compliance dates that are earlier or later than the uniform compliance date when appropriate. For example, when the FDA published two final rules regarding revisions to the Nutrition Facts and Supplement Facts Labels in May 2016, manufacturers were given more time to comply with the rules than the date prescribed by the uniform compliance date for food labeling regulations issued in calendar years 2015 and 2016. Then in May 2018, FDA extended the compliance dates for the rules from July 26, 2018, to January 1, 2020, for manufacturers with \$10 million or more in annual food sales, and to January 1, 2021, for manufacturers with less than \$10 million in annual food sales.

FDA also today issued a final rule that provides technical amendments to the two regulations concerning Nutrition Facts and Supplement Facts labeling that were published May 27, 2016. Among the revisions made, the amendments correct errors made in some sample label illustrations, restore several inadvertent deletions, correct citations to three cross-references, and remove a sentence regarding the font size and bolding requirement for the “Calories” declaration in dietary supplement labels.

For example, the technical amendments correct information about dietary fat in section 101.9(c)(2). This section, as published in the final rule on May 27, 2016,

addressed total fat, but information about saturated fat, trans fat, polyunsaturated fat, and monounsaturated fat was inadvertently deleted. Another deletion that was corrected pertains to the use of an address or telephone number where consumers can obtain nutrition information for certain products in small packages, as described in section 101.9(j)(13)(i)(A).

The rule also includes other minor revisions. For example, some sample Nutrition Facts labels included a line directly beneath “Saturated Fat” that did not extend completely to the left edge of the label, and one sample label omitted information regarding the number of servings per container as well as the serving size. A sample Supplement Facts label listed “sucrose,” rather than “sugar,” in the ingredients list. These and other errors, including a spelling error, are being corrected through the technical amendments.

The final rule on technical amendments does not change the compliance dates for the final rules on the Nutrition Facts and Supplement Facts labels.

## Safety Alerts

Date	Brand Name	Product Description	Reason/ Problem	Company
12/20/2018	Funky Chunky	Nutty Choco Pop	Undeclared Almond and Cashew Tree Nut	Funky Chunky, LLC
12/18/2018	Wegmans	Fresh Cauliflower Rice, Veggie Cauliflower Rice Blend and Stir-Fry Mix with Cauliflower	it may be contaminated with E. Coli O157:H7	Wegmans Food Market Inc.

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12/17/2018	Inspired Organics	Organic almond butter	potential contamination of Listeria monocytogenes	Inspired Organics, LLC
12/15/2018	Eat Smart, Salad Shake Ups	Salads	Listeria monocytogenes	Apio, Inc.
12/11/2018	Moonstruck	Sea Salt Caramels Tumbled In Milk Chocolate	Undeclared hazelnuts	Moonstruck Chocolate Company
12/11/2018	Inspired Organics	Sunflower butter	Listeria monocytogenes	Inspired Organics, LLC
12/11/2018	Del Monte	Seasoned corn	Under processing	Del Monte Foods, Inc.
12/11/2018	Achdut, Baron's, S&F, Pepperwood and others	Tahini	Salmonella	Achdut LTD
12/07/2018	Fine Land Corp.	Meiqili Durian Candy	Undeclared Milk	Fine Land Corp.
12/06/2018	Home Fresh Foods	Suya Barbecue Seasoning	Undeclared peanuts	Accra Super Market
11/28/2018	Sprout Creek Farm	Kinhead raw cows' milk cheese	Listeria monocytogenes	Sprout Creek Farm, Inc.
11/27/2018	Kitchen Cravings	Strawberry and Mixed Berry Parfaits	May contain undeclared traces of cashews or almonds	Kwik Trip, Inc
11/27/2018	Tres Hermanos Bakery	Bread	Undeclared milk	Tres Hermanos

				Bakery
11/27/2018	Imperial Taste	Fried Red Onions and Fried Garlic	Undeclared wheat	Gemini Food Corporation

## Enterprise News

### Unilever To Buy GlaxoSmithKline's Horlicks Unit For \$3.8 Billion

Unilever is to buy GlaxoSmithKline's Indian Horlicks nutrition business for around \$3.8 billion, boosting the consumer goods group's position in a key emerging market. The deal, announced on Monday, marks a further step by drug



maker GSK to streamline its business and follows a competitive auction in which Unilever saw off rival Nestle, as well as earlier interest from Coca-Cola. The transaction covers GSK's health food and drinks portfolio in India, Bangladesh and 20 other predominantly Asian markets. The main asset being sold is GSK's 72.5 per cent stake in GlaxoSmithKline Consumer Healthcare.

Unilever said the 3.3 billion euros (\$3.75 billion) it was paying would be paid in cash and shares in its subsidiary in India, Hindustan Unilever Limited (HUL).

GSK said its net proceeds from the deal, after tax and hedging costs, were expected to be around 2.4 billion pounds (\$3.1 billion).

Following the closure of the deal, GSK will own approximately 5.7 per cent of HUL, which the British drug maker intends to sell down in tranches.

The price being paid for the GSK business, which includes the popular malt-based drinks Horlicks and Boost, is broadly in line with expectations. People familiar with the process had told Reuters it was likely to be for less than \$4 billion.

Horlicks comfortably dominates the health-drinks market in India and Unilever is expected to try and give it a fresh lease of life, following a slowdown in sales growth in recent years.

GSK's decision to sell the business follows its \$13 billion acquisition of Novartis's stake in the two groups' consumer health joint venture earlier this year. GSK said at the time that selling Horlicks could support the funding of the Novartis buyout.

Shares in HUL rose as much as 2.8 per cent to touch an intraday high of Rs. 1,802.90 apiece on the NSE, whose benchmark index Nifty was flat in afternoon.

### **Mondelēz International Expands its Global Technical Center in Wrocław, Poland**

Today, Mondelēz International announced a new investment in its Global Technical Center in Wrocław, Poland. Only 1.5 years after the center opening, the company invested a further \$5 million, in addition to the initial \$17 million investment, to expand the research and development activities beyond Chocolate and Bakery and serve Gum and Candy innovation. This state-of-the-art

facility will now serve as a R&D Hub for a wide range of the company's iconic global and local brands under one roof, in Biscuits (Oreo, belVita,) as well as Chocolate (Milka, Cadbury Dairy Milk, Toblerone) and now also in Gum and Candy (Trident, Hollywood, Stimorol and Dirol), offering a fantastic scope of creativity. This expansion is part of the company's previously announced \$65 million investment in large RDQ hubs, strategically positioned around the globe. These centers enable Mondelēz International to better recruit, retain and develop talent across a range of science and technical disciplines while accelerating the company's growth and innovation.

“The Wrocław Technical Center is unique not only for its diverse and talented scientists and engineers but also for its fluency across Chocolate, Biscuits and Gum and Candy technologies. With this new investment, we will be able to surprise and delight our consumers and shoppers with exciting new combinations of technologies, formats, fillings and much more,” said Kevin Powell, Vice President RDQ Biscuits and Gum & Candy.

“Our mission at Mondelēz International is simple – to offer consumers the right snack, for the right moment, made the right way and our global Technical Center network is crucial to support this,” said Rob

Hargrove, Executive Vice President Research, Development & Quality.

“Poland is one of our most important markets in Central Europe, with an



impressive manufacturing network, and Wroclaw is a modern city that's open to investments. Embedding one of our largest Technical Centers here clearly signals the importance of Poland and Europe within our global R&D network. It is also home to leading technical universities and top-notch specialists. Now, with the exciting extension to Gum and Candy, we are creating approximately 50 new jobs here”.

In total, the Wroclaw Center is home to over 200 experts – scientists, engineers and other specialists from around the world of 28 different nationalities. The site is equipped with a large pilot plant for Chocolate and Biscuits, a brand new dedicated pilot plant for Gum and Candy, analytical and sensory labs – in total a creative space of 12,500 m<sup>2</sup> for new ideas and experimentation. The Wroclaw center will closely collaborate on innovations with more than 40 sites in our manufacturing network across Europe.

In addition to Wroclaw, Mondelez International has ten other Technical Centers already in operation around the world, including East Hanover, New Jersey, in the United States; Curitiba in Brazil; Bournville and Reading, both in the UK; Thane in India; Singapore and Suzhou in China; Saclay in France; and Munich in Germany.

### Mintel's 2019 global food and drink trends at a glance

Global market intelligence agency Mintel has recognised three forward-looking trends set to lead global food and drink innovation in 2019 and beyond.

1. Evergreen Consumption: A circular view of sustainability that spans the entire product lifecycle requires action from suppliers to consumers.
2. Through the Ages: Food and drink will build on today's dialogue about

wellness and transition into more solutions for healthy ageing.

3. Elevated Convenience: To match the premium expectations of consumers in the on-demand age, convenience food and drink will get an upgrade.

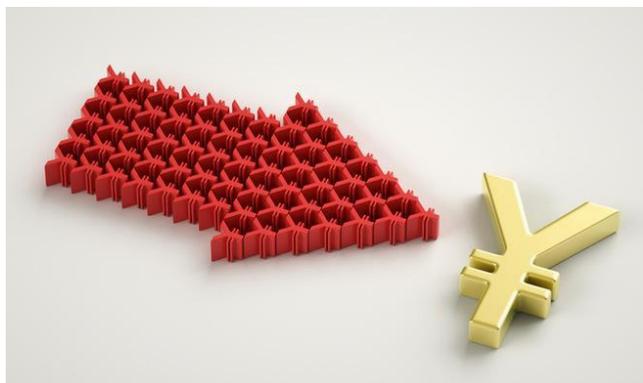
Looking ahead, Jenny Zegler, associate director, Mintel Food & Drink, discusses how issues of sustainability, health and wellness, and convenience will inspire formulation, packaging, marketing and more in the years to come:

“In 2019, support of and demand for more corporate sustainability programs will grow as consumers better understand what's required to get closer to achieving a truly circular food and drink economy. These sustainability efforts will include not only improving access to recycling but creating products with ingredients that are grown in accordance to regenerative agriculture practices.

“Expect to also see food and drink manufacturers look to the beauty and personal care industry for inspiration for healthy ageing product development. More food and drink will address longevity-related health concerns, be marketed with positive language that rejects terms like ‘anti-ageing’ for its negative connotations, and appeal across ages.

“Finally, we predict the rising segment of consumers who are often on-the-go, yet want to spend more time at home will increase demand for upscale, ‘speed scratch’ solutions and restaurant-quality, ready- to-consume products. As meal kits and foodservice-inspired beverages lead the way, there will also be more opportunities for brands to develop healthy, flavourful, customizable, and quick premium convenience products for breakfast, lunch, dinner, snacks and dessert occasions.”

### Evergreen Consumption



The definition of sustainability is extending to encompass the entire product lifecycle. From farm to retailer to fork to bin and, ideally, to rebirth as a new plant, ingredient, product or package, this 360-degree approach will

ensure resources are kept in use for as long as possible. The movement towards circularity as the new sustainability will require collaboration between suppliers, manufacturers, governments, non-profits, retailers and consumers.

A seismic shift in how consumers think about plastic is underway, with bio-based packaging materials set to be a key component to the next generation of responsible packaging. In 2019 and beyond, sustainability efforts will include not only improving access to recycling, but incentivizing consumers to recycle packaging and offering upcycled goods. At the same time, efforts to improve air pollution, support plant welfare, restore soil health and embrace regenerative agriculture will emerge as crucial elements of holistic sustainability programs that are important to companies and consumers alike.

### Through the Ages

Preparing oneself for a longer, healthier lifespan is particularly relevant as consumers prioritize health and wellness as a holistic, proactive, and ongoing pursuit. Longer lifespans present significant opportunities for food and drink manufacturers to take inspiration from the beauty industry, which has successfully established a model for healthy ageing by designing proactive

products that are marketed with positive language to people of all ages.

Specific to the world's diverse senior populations, their needs can be addressed through food and drink for medical purposes, as well as products designed for prevention, with formulations that are nutritious, flavourful, and easy to consume. Yet as humans are living longer, more food and drink can be formulated to address concerns from people of all ages about bone, joint, brain and eye health as well as other age-related health concerns.

### Elevated Convenience

From breakfast to dinner, a new generation of modern convenience food and drink is emerging as manufacturers respond to rising healthy eating priorities, quests for foodie-inspired flavours, interests in personalization and competition from speedy delivery services. Looking ahead, a new wave of shortcuts will be available, offering new conveniences such as the expansion of individual meal kits sold at retail, foodservice-inspired packaged beverages, and a new generation of prepared meals, sides, and sauces that emulate the flavours and formats of restaurant meals.

Advancements in technology also will elevate the expectations of convenient food and drink options for consumers moving forward, from planning to shopping to preparation. Interest in premium convenience will not be limited to dinnertime, creating opportunities for every meal, snack, and beverage break.

### Ten global e-grocers poised to witness growth of \$227 bn at 20% by '23

Ten leading global online grocery markets are predicted to experience combined growth of \$227 billion, at an annual rate of 20 percent, by 2023, according to new figures unveiled by IGD at Groceryshop in Las Vegas recently.

As the global leader in grocery e-commerce, China is expected to grow at a compound annual growth rate (CAGR) of 31 percent over the next five years, taking the market share from 3.8 per cent to 11.2 percent. Over the next five years, the Chinese online grocery market will grow by the same size as the entire combined market of all ten countries in 2018.

IGD also forecast extensive growth in the United States, with online set to more than double its market share, driven by the rapid expansion of pick-up points, Instacart's expansion and integration of businesses such as Shipt and Home Chef. Market share will grow to 3.5 percent, creating an additional \$37-billion opportunity for American retailers and manufacturers.

IGD's research showed that around the globe, online grocery market growth was being driven by the twin enablers of rapidly evolving shopper expectations and exciting tech innovations. Shopper expectations of price, quality, choice, convenience, speed, personalisation, health, information and empowerment are changing fast, and the online channel is well placed to deliver against these.

Commenting on online growth in Asia, Shirley Zhu, programme director, IGD Asia, said, "China, Japan and South Korea are the Asian markets leading the way in online grocery shopping, and we are seeing significant market share penetration in these three countries. They lead the way globally in terms of market share, and in 2023, all three will be nearing double-digit share for online grocery, with South Korea over 14 percent."

"The acceleration of online and offline integration has been accentuated by partnerships between e-commerce players and bricks and mortar retailers. Physical retailers in China, having recognised the importance of the online and digital channel, are collaborating with e-commerce and delivery partners to offer

more targeted ranges, promotions and expanding their omnichannel presence. It is for this reason that China comes out on top globally with value growth of \$145.4 billion predicted by 2023," she added.

Addressing US online growth, Stewart Samuel, North American programme director, IGD, said, "The US online grocery market has experienced a rapid pace of growth this year, driven by expanding services and new entrants. We're seeing a major focus on offering same-day delivery with many companies partnering with Instacart to scale up quickly, including Aldi. Target acquired Shipt, enabling it to move its same-day delivery plans forward by about two years."

"Meal kit companies Plated and Home Chef were acquired by Albertsons and Kroger, respectively, enabling them to offer a multi-channel solution in the category, and we're also seeing a strong pipeline of innovation including Walmart's automated picking warehouse, Alphabot, Kroger's partnership with Ocado and Albertsons' online organic and natural foods marketplace. With all the developments in the market, and the rate at which retailers are entering the channel and expanding their offers, growth for the next five years is likely to be strong," he added.

Looking at the online growth opportunity in Europe, Jon Wright, head, retail insight, EMEA, IGD, said, "We're



anticipating continued online growth opportunities across mature Western European markets. In the United Kingdom, France, Germany and Spain, we forecast above market average growth rates for online grocery retailing, all growing market share. It provides a significant growth opportunity as retailers and manufacturers in the region invest in personalisation, ease and convenience and combining online and offline to meet a range of shopper needs.”

### Kerry study, Home food delivery on the rise, with sensory demands driving innovation

The US foodservice environment is changing as more consumers adopt home delivery options into their schedules, with heavy users of delivery ordering in more than six times a month, a study led by Kerry has found. The research – based on 2,500 US consumers – sought to understand the future of food service in an era of “hyper-accessibility and convenience,” as well as shifting consumer expectations in this realm. As one young millennial interviewed in the study noted, “my time is more valuable than money.”

#### Sensory aspects



Consumers are expecting restaurant level food on their doorsteps, which is prompting the industry to step up its game in terms of ensuring the sensory aspects of food are preserved after leaving the kitchen. The most important aspect here is the temperature.

“Consumers’ expectations from visual appeal, beyond taste, texture and temperature showcases the expectation of ‘restaurant quality’ food and beverages delivered to the doorstep,” Soumya Nair, Director of Marketing Insights at Kerry, tells.

The researchers found that consumers who had had food delivered, the taste of the food exceeded expectations while the temperature fell below expectations. Even among consumers who felt that the sensory characteristics of delivered food met expectations, 28 percent mentioned that the temperature of food delivered could be improved upon.

“Delivery has made significant strides in the consumers’ lives – from pizza and Chinese to any menu item that the consumer wishes. Moreover, third-party delivery has opened up access to ‘undeliverable’ restaurants such as food trucks and local independent restaurants. Consumers are spoilt for choice and have raised their expectations from delivery,” she adds.

#### Discovery: The Adventurous Consumer

Kerry also found that while almost 80 percent of delivery orders are for typical menu items, with consumers also indicating that 20 percent of orders were new menu items they had never tried before.

This finding echoes the top trend for 2019 from Innova Market Insights: Discovery: The Adventurous Consumer, which denotes a consumer who is happy to move out of its comfort zone and discover new experiences. Restaurants are increasingly “wooing” consumers with unique and on-trend menu items, the study notes.

Delivery adoption is certainly more prevalent among the younger consumers, with more millennials, generation Z and younger generation X consumers opting

for delivery than baby boomers. The study notes that 67 percent of 18 to 21-year-old consumers ordered delivery digitally, compared to 45 percent of 54 to 64-year-olds.

“Gen Z is the most digitally-connected generation yet, and they have grown accustomed to the convenience of getting anything they need within just a click or two. As delivery technology increases, Gen Z and future generations will be early adopters and grow accustomed to solutions that add additional convenience to their lives,” Elissa Rempfer, Senior Manager of Market Research & Consumer Insights – Foodservice, Kerry, tells.

However, the study predicts that despite a lower share of total delivery orders, baby boomers are a significant opportunity, controlling 70 percent of the disposable income in the US.

### **Race against the clock**

To meet rising consumer quality demands, it must be ensured that the order is placed, prepared and delivered in under 40 minutes. This further stresses the importance of back-of-house efficiencies, supplier partnership and packaging innovation, the study notes.

Moreover, as consumers start to order more than five meals a month, their tolerance for waiting reduces. In a recent time-use study, consumers spent more time eating and drinking (71 minutes per day) and less time preparing food and cleaning up (36 minutes per day).

Packaging innovations can speed this process along, since “packaging innovations will continue to evolve as consumers expect the same ‘restaurant’ quality, if not better, delivered to their doorstep. Packaging must perform, as consumers want meals to arrive fresh, hot and safe when ordering delivery,”

Rempfer tells.

“In addition to keeping the correct temperature and crispness of the food, the packaging materials are also important. Consumers’ interest in recycling and composting continues to grow, and we expect to see innovative packaging reflect those trends,” she adds.

The study notes some crucial areas to explore for delivery in the future: Delivery only menu items, nutritional, clean label focus, hot and cold specialty beverage delivery, breaded and fried appetizers that stayed crispier and warmer for longer, delivery specials for lunch, breakfast and late night snacks.

“Delivery has opened up the opportunity for restaurants to renew consumer engagement beyond conventional occasions, into breakfast, lunch and snacking,” Nair concludes. “Our research focused on unravelling various quality perceptions and the ideal delivery menu across dayparts and occasions.”

## **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](mailto:sales.china@mxns.com)