

# MARKET NEWS

June 2022



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MERIEUX NUTRISCIENCES(CHINA)

BETTER FOOD. BETTER HEALTH. BETTER WORLD.

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## Focus on China

### JD's appetite for ready meals biz grows



Chinese e-commerce giant JD Inc is betting big on the fast-growing ready-to-cook, ready-to-heat and ready-to-eat meals segment, which has gained popularity among younger Chinese consumers since the outbreak of the COVID-19 pandemic.

JD said in the next three years, it will support 20 semi-cooked food brands, whose sales revenue is expected to surpass 100 million yuan (\$15 million), and five premade cuisine brands that are likely to see their turnover exceed 500 million yuan. JD's support will be extended in areas like data flow, retail channels, marketing and cold chain logistics.

JD Super, the online supermarket arm of JD, has released the prefabricated dish standard of Fotiaoqiang, a traditional thick soup made of varieties of seafood and meat, in collaboration with the China Premade Cuisine Industry Alliance.

The standard specifies strict requirements for the hygiene and safety of semi-cooked dishes, including food additives, heavy metals, health and microorganisms.

JD will source materials only from qualified suppliers, and offer presale and after-sales services to ensure the safety of precooked products. It will also roll out related standards for low-temperature luncheon meats, roast sausages and meatballs in the future.

Wang Minghui, who is in charge of ready-to-cook dinners at JD's fresh food unit, said the transaction volume of precooked dishes surged about 200 percent between May 23 and June 1, the presale period of the June 18 shopping carnival. The festival, which was just a one-day event when it started but now spans more days, kicked off at 8 pm on May 23.

There are about 5,000 varieties of ready-to-cook products at JD Super, with the transaction volume jumping 156 percent year-on-year in 2021. The company now

owns 18 cold chain warehouses covering 600,000 square meters in 30 provincial-level regions across the nation.

"The semi-cooked food industry is still nascent," Wang said, adding JD will deepen its cooperation with the production bases of food ingredients, launch innovative pre-prepared dishes with well-known catering brands on the basis of the consumer-to-manufacturer or C2M model, and upgrade its cold chain and logistics services.

The C2M model refers to leveraging online retailers' big data and customer analysis capabilities to customize products that meet the demands of consumers.

Wang said the precooked food gift packages have gained popularity among consumers during some traditional Chinese festivals in recent years, such as the Chinese Lunar New Year and the Mid-Autumn Festival. In addition, the growing popularity of small home appliances has boosted sales of premade dishes.

Data from market consultancy iiMedia Research showed China's premade cuisine saw sales of 345.9 billion yuan last year. The figure is projected to rise at a compound annual growth rate of 20 percent to 516.5 billion yuan by 2023. Experts said the younger generation among Chinese consumers shows an increasing appetite for precooked cuisine.

"At present, the industrial chain of pre-prepared meals is long and fragmented, and the competition in the segment of low-end products is fierce. Meanwhile, the overall technological research and development capacity is insufficient," said

Xin Yuan, general secretary of the China Premade Cuisine Industry Alliance.

Such factors have hindered the high-quality development of the premade food industry, Xin said.

Other e-commerce grocery platforms such as Freshippo, Missfresh and Meituan have also invested heavily in the semi-cooked products sector. Missfresh said sales of premade food increased over 300 percent year-on-year last year.

#### Four kinds of alternative proteins have potential



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It is estimated that by 2050, the global population will reach 9 billion and the demand for food protein is to hit 265 million metric tons.

The market for alternative proteins is set to be worth at least \$290 billion by 2035, according to a report released by Boston Consulting Group in March.

Consumers have increasing demands for plant, microorganism and animal-cell-based alternatives, with markets respectively accounting for 69 percent, 22 percent and 9 percent, the report said.

The market for alternative meat, eggs, dairy and seafood products will grow from the current 13 million tons a year to 97 million tons by 2035, it added.

So far, four kinds of alternative proteins have the potential to meet demand in the future.

Microbial protein is a cytoplasmic mass composed of a mixture of proteins, fats, carbohydrates and vitamins by artificially cultivating microbial cells from industrial, agricultural and petroleum waste, according to China Food News.

The alternative is recognized globally because microorganisms grow and reproduce fast, and agricultural wastes can be used as raw materials for production. But it is not accepted by mainstream groups at present.

Insect protein is extracted from insects at various growth stages. It has a large amount of sources, which reproduce rapidly and contains high protein, low fat, and less meat fiber. It is also easy to absorb by the human body.

Consumer interest in edible insects has been rising locally in recent years.

However, the mainstream population has a low preference of insects for food and the large-scale production technology is not yet mature.

Cell protein is cultivated from animal stem cells with tissue culture technology. The muscle tissue formed during cultivation is similar to animal muscle and has the same protein characteristics.

But the financial cost of cell-based meat is high and scientists are facing technical barriers. As a result, it has not been widely introduced to the market. Singapore became the first country to give market approval for cell-based meat in 2020.

Since China launched a national research and development project of cell-based meat this year, the country will accelerate theoretical exploration for this alternative protein.

Plant protein has the largest proportion in the market of alternative proteins. It is easily digested and absorbed by the human body, and has a variety of nutritious functions.

It is derived from beans, cereals, potatoes and nuts, among which soybean contains 40 percent of protein. Plant proteins are now in widespread use because of their low cost, safety, easy digestion, and have little adverse effects on animals and the environment.

## International News

### UK sets up network to address food safety issues

A food safety network has been created in the United Kingdom to try and reduce the burden of food poisoning.

The Food Standards Agency (FSA) and Biotechnology and Biological Sciences Research Council (BBSRC) have invested £1.6 million (\$2 million) in the platform, which will be hosted by the Quadram Institute.

UK estimates show there are 2.4 million cases of foodborne illness a year with an annual cost of £9 billion (\$11.1 billion), including £6 billion (\$7.4 billion) from unknown causes.

Campylobacter and Salmonella cause the greatest economic impact but Listeria has the highest mortality rate.

The UK Food Safety Research Network will connect industry, food and health policymakers and academia on shared research priorities to protect the UK from foodborne hazards. It will coordinate and fund cross-sectoral work and training that address current and emerging challenges.

Matt Gilmour, Quadram Institute group leader and network lead, said the safety of food is threatened by both enduring and emerging threats.

“This threat is exemplified by microbes that spread between the environment, animals and humans with foodborne exposures being a means for the

transmission of pathogens and novel antimicrobial resistance genes from agriculture,” he said.

“The challenge is to take an integrated and unified approach to these problems right through from agriculture and the environment to food production and human health, in what’s termed a One Health approach. To do that we need to collaborate with food and other associated industries to share research and innovation and deliver training activities.”

### Help tackle foodborne disease

Network members will identify areas of research that will have meaningful impacts on UK food safety and share knowledge generated within the network to food safety stakeholders

“Foodborne disease is a major cause of illness in the UK population and imposes a significant burden on both infected individuals and the economy,” said Robin May, FSA’s chief scientific adviser.

“The network will ensure that the FSA is well-placed to tackle the challenges of foodborne illnesses by bringing together experts from government, industry and academia to address current and emerging issues of food safety in the UK.”

Melanie Welham, BBSRC executive chair, said food poisoning has a major impact on the health of people and the economy.

“The new UK Food Safety Research Network presents a tangible and exciting opportunity for collaborations to form between a range of experts to improve our understanding of foodborne disease and identify new ways in which to

effectively predict, prevent, respond and recover from such illnesses in the future.”

### One dead in 38-state backyard poultry outbreak

An outbreak of Salmonella infections traced to backyard poultry flocks has sickened 219 people, resulting in 27 hospitalizations and one death, according to an update from the CDC.

Of those sick, one-fourth are children younger than 5 years old. Epidemiologic data show that contact with backyard poultry is making people sick, according to the Centers for Disease Control and Prevention.

The outbreak has been detected in 38 states and the CDC’s investigation is ongoing. Illnesses started on dates ranging from Feb. 15 to May 19, 2022.

number reported, and the outbreak may not be limited to the states with known illnesses. This is because many people recover without medical care and are not tested for Salmonella. In addition, recent illnesses may not yet be reported as it usually takes 2 to 4 weeks to determine if a sick person is part of an outbreak,” according to the CDC.

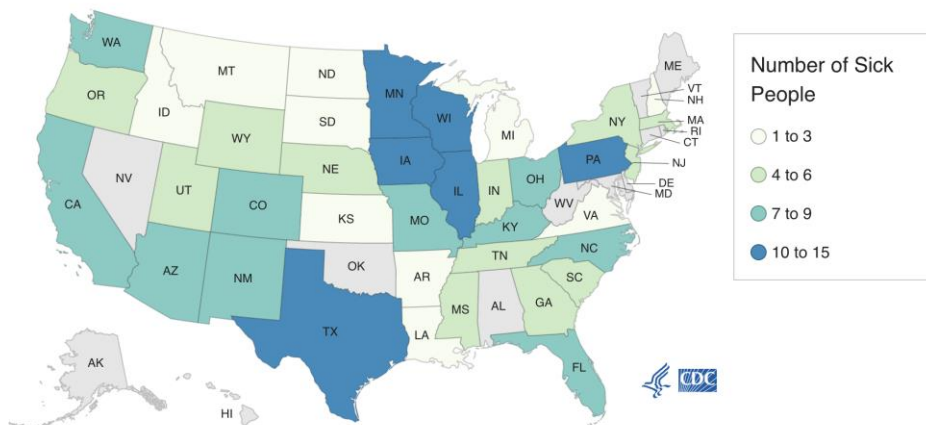
Quick facts:

- Backyard poultry can carry Salmonella germs even if they look healthy and clean. These germs can easily spread in areas where the poultry live and roam.
- These outbreaks occur annually and coincide with the increase in baby poultry purchases, beginning in the spring. In 2021, a total of 1,135 people got sick from contact with backyard poultry.
- These Salmonella outbreaks are not related to recent cases of H5N1 bird flu viruses detected in U.S. wild birds and poultry. However, backyard poultry owners should be aware that the steps needed to stay healthy around their flocks are similar for both diseases.

### Steps to enjoy your birds while staying healthy:

Always wash your hands for 20 seconds after touching birds, their supplies or collecting eggs.

Use a pair of dedicated shoes or boots for your coop and don’t wear them inside your house.



“The true number of sick people in an outbreak is likely much higher than the

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Keep birds and supplies outside the house to prevent spreading germs into your house.

Don't let children younger than 5 years touch the birds (including chicks and ducklings) or anything in the area where the birds live and roam. This helps protect young children from getting sick, as their immune systems are still developing, are more likely to put items in their mouths or not wash hands fully.

### **Nine baby deaths reported to FDA during Abbott Nutrition investigation**

Between December 1, 2021, and March 3, 2022, the US Food and Drug Administration (FDA) received nine (9) reports of infant deaths among babies who were fed powdered infant formula manufactured by Abbott Nutrition in Sturgis, Michigan.

The infant death reports were included in a list of 128 consumer complaints supplied to eFoodAlert by the FDA in response to a Freedom of Information Act (FOIA) request. (see: Abbott Nutrition consumer complaints file from the FDA.)

Two of the deaths were numbered among the four confirmed outbreak cases of *Cronobacter sakazakii* identified by the US Centers for Disease Control and Prevention (CDC).

The other seven deaths were reported to the FDA via the agency's consumer complaint system. Two of those reports mentioned *Salmonella* in the complaint description.

In addition to the nine deaths, consumers described twenty-five (25) incidents categorized as "Life Threatening Illness/Injury" and eighty (80) instances of "Non-Life Threatening Illness/Injury."

Fourteen consumers contacted the FDA to obtain information or clarifications on the Abbott recall.

The complaints were lodged with FDA District Offices across the continental USA.

*Salmonella* was present in two of the dead babies, and was mentioned in seventeen other illness complaints.

One of the surviving infants was infected with both *Salmonella* and *E. coli*.

The symptoms suffered by the infants were mostly consistent with a gastrointestinal infection: fever (31 babies), vomiting (42 babies), diarrhea (47 babies), and blood in stool (6). Most babies suffered from multiple symptoms.

Other reported symptoms included loss of appetite, rash (either localized or spread over entire body), lethargy, dehydration, irritability, weight loss, and difficulty breathing.

Some of the infants suffered from multiple infections:

- *Cronobacter sakazakii* and *Proteus mirabilis*
- Covid-19 and *Salmonella*
- CDIFF (*Clostridioides difficile*) and *Salmonella*



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- *Salmonella* and *Shigella*
- *Salmonella*, astrovirus, and “shigelloides”

The FDA did not respond to eFoodAlert’s request for comment on what was done to follow up on the seven infant death reports that did not involve *Cronobacter sakazakii*, or on the non-fatal illnesses not involving *Cronobacter*.

According to an agency spokesperson, the FDA, along with the CDC and state and local partners, investigated consumer complaints and/or reports, received from September 20, 2021 to February 24, 2022, of infant illness.

The spokesperson did not address any of the more than thirty complaints—including three reported deaths—received by FDA district offices between February 25, 2022 and March 3, 2022.

Two of those three reported deaths referred to *Salmonella*.

The FDA investigation uncovered multiple instances of *Cronobacter sakazakii* in the environment of Abbott’s manufacturing facility.

None of the cultures retrieved from environmental samples were a genetic match for the strain that infected the two babies for which the CDC received cultures. The CDC did not receive cultures from the other two infected babies for genetic analysis.

Although there is no direct evidence in the form of genome sequencing to link any of the illnesses unequivocally to Abbott’s infant formulas, all of the



complaints have one element in common.

***Every one of the sick babies was fed an Abbott powdered formula.***

The FDA has established an Incident Management Group (IMG) under Frank Yiannas, FDA Deputy Commissioner for Food Policy and Response.

The IMG is tasked with managing the ongoing investigation and monitoring the infant formula supply chain, and will remain in place at least until the current supply shortage is over, according to the FDA spokesperson.

With production now having resumed—under close supervision—at the Abbott Nutrition plant in Sturgis, the time has come to acknowledge the lives that were lost.

We know very little about the nine infants who died. For privacy reasons, their names, ages, genders, where they lived, and when they died have been withheld. They are identified only by their unique Complaint ID numbers.

In Memoriam

**Complaint ID #171222, reported December 1, 2021.** Infant arrived to the ER in cardiac arrest. *Cronobacter sakazakii* and *Proteus mirabilis*. Infant had consumed Similac Pro-Total Comfort (Powder) infant formula, Lot #23495K80.

**Complaint ID #172435, reported February 22, 2022.** Vomiting, swollen organs, trouble breathing. Infant had consumed Similac Advance, Lot #34875K80.

**Complaint ID #172477, reported February 22, 2022.** Screaming. Infant had

consumed Similac Total Comfort Easy-to-Digest Gentle Protein & Prebiotics, et al, infant formula powder, Lot #34869K80.

**Complaint ID #172479, reported February 23, 2022.** Fever, diarrhea, loss of appetite, vomiting. Infant had consumed Similac Advanced infant formula. Lot number not available.

**Complaint ID #172541, reported February 24, 2022.** Tested positive for *Cronobacter sakazakii*. Infant had consumed Similac PM 60/40, Lot #27032K800.

**Complaint ID #172585, reported February 24, 2022.** No details available. Infant had consumed EleCare infant formula, Lot number not available.

**Complaint ID #172607, reported February 28, 2022.** Cause of death and opinion pending further studies (Congenital). Infant had consumed Similac Elecare powdered infant formula, Lot #34771Z21 1306305

**Complaint ID #172632, reported March 2, 2022.** *Salmonella* meningitis, ventriculitis, vomit, diarrhea, seizures, bradycardia. Infant had consumed Similac Pro Advance infant formula, Lot #25598SHO 0557 015 SIMESPWD.

**Complaint ID #172636, reported March 2, 2022.** *Salmonella*. Infant had consumed Similac Total Comfort, Lot #26834K80.

May they rest in peace.

### FDA Launches New Dietary Supplement Education Initiative

The U.S. Food and Drug Administration (FDA) is launching a new education initiative titled *Supplement Your Knowledge*, to broaden public understanding of dietary supplements.

Using fact sheets, videos, and curriculum, the initiative is designed to:

- Help consumers learn more about dietary supplements, including how they are regulated and their potential benefits and risks.
- Help educators equip high school students with the knowledge to evaluate the accuracy and credibility of information they see and hear about dietary supplements. Teens are particularly vulnerable targets for misunderstanding what dietary supplements are and the potential benefits and adverse effects they can have on their bodies.
- Help physicians and other healthcare professionals expand their knowledge about dietary supplements through a continuing medical education (CME) program developed in collaboration with the American Medical Association. The CME program was developed to help physicians understand how dietary supplements are regulated, provide information to patients on their use, and recognize and report adverse events to the FDA.

The use of dietary supplements, such as vitamins, minerals, and herbs, has become a routine part of many U.S. consumers' lives. The FDA wants consumers to have access to safe, well-manufactured, and appropriately labeled products,

as well as the knowledge to make informed decisions about taking dietary supplements.

## Enterprise News

### Ferrero gets go-ahead to restart Belgian plant



The Belgian food safety agency has given the green light for Ferrero to resume production at the factory behind a large, International Salmonella outbreak.

The Federal Agency for the Safety of the Food Chain (FASFC) decided to allow conditional approval for the plant in Arlon, Belgium.

FASFC, also known as AFSCA and FAVV, suspended operations at the factory in April, which led to the recall of all products in the Kinder product line that were

made there. This action was taken as authorities said the company was not able to provide guarantees around management of the contamination or the safety of its products.

Ferrero acknowledged there were “internal inefficiencies,” creating delays in getting and sharing information, which impacted the speed and effectiveness of investigations.

In May, Ferrero applied to FASFC to be permitted to produce again. The Arlon plant makes about 7 percent of the total Kinder products manufactured globally per year.

#### Conditional approval granted

The monophasic Salmonella Typhimurium outbreak linked to Kinder chocolate has sickened almost 450 people including 122 in the United Kingdom, 118 in France as well as four in Canada and one in the United States.

The two outbreak strains were identified in 10 of 81 Salmonella positive samples taken in the Arlon plant in Belgium between December 2021 and January 2022. Sampling of products and the processing environment was increased but batches of chocolate were released to market after negative Salmonella testing.

Ferrero said the decision means the site will begin the reopening process and progressive restart of production lines during the next few weeks.

Conditional approval has been granted for three months. During this period, the raw materials and each batch of foodstuffs will be analyzed. They will only be

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released to market if results are compliant.

The decision comes after FASFC carried out several onsite checks of internal procedures put in place by Ferrero and the infrastructure of the factory. The agency judged that Ferrero now offers the necessary guarantees to comply with food safety requirements.

However, FASFC said the approval was conditional as it was necessary to verify how the internal procedures worked once the factory had resumed production. If inspection results at the end of the three month period are satisfactory, a full authorization should be issued.

An investigation into the incident by the Luxembourg Public Prosecutor's Office is also ongoing.

### Planning for restart

About 1,000 Ferrero employees and independent specialists have been working on the restart.

More than 1,800 quality tests have been completed and 10,000 parts have been dismantled and cleaned. Investments include replacing multiple pieces of equipment and installing 300 meters of new pipeline. The company has also updated product safety protocols, training and sampling.

“We are very pleased to have received the green light from the Belgian food safety authority. We are truly sorry for what happened and would like to apologize once again to all those impacted. We have never experienced a



situation like this in our 75-year history. We have taken learnings from this unfortunate event and will do everything to ensure it does not happen again,” said Lapo Civiletti, CEO of the Ferrero Group.

### Protein bars recalled after testing finds E. coli contamination



Built Brands, LLC. of American Fork, UT, is recalling 4,196 individual bars of its “Banana Cream Pie Puffs” protein bar because of potential pathogenic E. coli contamination. The exact strain has yet to be determined.

The potential for contamination was noted after routine testing by a third-party laboratory detected the presence of E. coli.

The recalled product was distributed nationwide to 1,049 potential customers

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through mail orders and would have been received by customers after June 6, 2022.

### Recalled product:

The product comes in a 40 gram package marked with lot # D22151011 on the outside of the wrapper.

As of the posting of this recall, no illnesses have been reported in connection with this product.

Customers must not eat this product as it may pose a serious health risk.

### Norovirus outbreak investigation leads to prawn recall in Canada



Tri-Star Seafood Supply Ltd. is recalling certain Tri-Star Seafood Supply Ltd. brand Live Spot Prawns because of possible norovirus contamination.

This recall was triggered by findings by the Canadian Food Inspection Agency during its investigation into a foodborne illness outbreak.

The recalled product has been sold in British Columbia, Alberta, Manitoba, and Ontario, and may have been distributed in other provinces and territories.

### Recalled products:

Brand	Product	Size	UPC	Codes
Tri-Star Seafood Supply Ltd.	Live Spot Prawn	Variable	None	<ul style="list-style-type: none"><li>• AJ200-021</li><li>• CA001-1532</li><li>• CA001-1540</li></ul>

Consumers should not consume recalled products. Recalled products should be thrown out or returned to the location where they were purchased.

### Grower says organic strawberries linked to hepatitis A outbreak were from Mexico

Public health officials have found that fresh organic strawberries linked to hepatitis A outbreaks in the United States and Canada were imported from Mexico.



Investigators in the United States and Canada are continuing to work to find additional details about the outbreaks linked to the organic berries from Mexico-based FreshKampo. As of May 31, there were 17 confirmed illnesses — 15 in California and one each in Minnesota and North Dakota — and 12 hospitalizations in the United States, according to the Food and Drug Administration. In Canada, 10 patients have been identified with four of them requiring hospitalization.

The implicated organic strawberries are beyond their shelf life, but public health authorities are concerned that some consumers may have frozen them for future use. Freezing does not kill the hepatitis A virus.

“People who purchased FreshKampo and HEB fresh organic strawberries

between March 5, 2022, and April 25, 2022, and then froze those strawberries for later consumption should not eat them,” according to the FDA.

FreshKampo, which is based in Mexico, said in a statement Sunday that it is working with regulators to determine how the problem occurred. FreshKampo said the label on the containers of affected strawberries would have said “Product of Mexico” or “Distributed by Meridien Foods.”

Hepatitis A is a virus that can cause liver disease and, in rare cases, liver failure and death. Illness usually occurs within 15 to 50 days after eating or drinking contaminated food or water. Symptoms include fatigue, nausea, vomiting, abdominal pain and jaundice.

Consumers who ate the potentially affected berries in the last two weeks and have not been vaccinated against hepatitis A should immediately consult with a physician, the FDA said. Also, consumers who ate any of the implicated berries should monitor themselves for symptoms of hepatitis A for the coming weeks because it can take up to 50 days for symptoms to develop.

These products were sold at the following retailers, including, but not limited to:

- Aldi
- HEB
- Kroger
- Safeway

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- Sprouts Farmers Market
- Trader Joe's
- Walmart
- Weis Markets
- WinCo Foods
- Canadian Co-op



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