

# MARKET NEWS

August 2022



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MERIEUX NUTRISCIENCES(CHINA)

BETTER FOOD. BETTER HEALTH. BETTER WORLD.

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## Focus on China

### Premade cuisine seen expanding by 20%



Chinese consumers have shown an increasing appetite for ready-to-cook dishes as the stay-at-home economy has not only changed people's consumption and eating habits, but also propelled e-commerce grocery platforms to accelerate their push into the burgeoning precooked foods segment, said industry experts.

E-commerce platforms and catering enterprises should ramp up efforts to build

complete and highly efficient supply chain systems to ensure freshness and quality, as well as improve on-time deliveries of semi-cooked dishes, they said.

Freshippo, a fresh food chain under Alibaba Group Holding Ltd, is upping the ante in the fast-growing ready-to-cook meals sector, with stock keeping units of premade dishes rising to 25 this year. The company said sales of frozen semi-cooked foods skyrocketed 559 percent year-on-year in May.

It has partnered with premium fresh produce suppliers and established supply chain centers in Wuhan, Hubei province, and Chengdu, Sichuan province, which have been put into operation recently.

"Chinese consumers seem to spend less time cooking, but have a strong demand for finely prepared cuisine," said Zhang Qian, merchandising director at Freshippo's 3R department, which represents providing "ready-to-cook, ready-to-heat and ready-to-eat" meals to consumers. Zhang said semi-cooked dishes require minimum preparation and simple microwave heating, therefore saving people the trouble of cooking.

Market consultancy iiMedia Research said the country's prepared meals saw sales of 345.9 billion yuan (\$50.9 billion) last year. The figure is expected to rise at a compound annual growth rate of 20 percent to 516.5 billion yuan in 2023.

Chinese e-commerce giant JD said it will support 20 semi-cooked food brands, each of whose sales revenues is expected to surpass 100 million yuan, as well as five prepared cuisine brands that are likely to see their turnover exceed 500 million yuan, over the next three years.

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Turnover of precooked dishes on JD's online marketplaces surged 203 percent during the June 18 shopping carnival, which was just a one-day event when it started but now spans more than three weeks.

Wang Minghui, who is in charge of ready-to-cook dishes at JD's fresh food unit, said the company will deepen its cooperation with production bases of food ingredients, roll out more innovative prepared dishes by working with well-known catering brands, and upgrade its cold chain and logistics services.

In June, JD Super, the online supermarket arm of JD, released standards for prepared portions of fotiaoqiang, a traditional thick soup made of seafood and meat, in collaboration with the China Premade Cuisine Industry Alliance.

"Currently, competition in the low-end premade cuisine segment is fierce, and there is a lack of unified standards related to semi-cooked foods," said Xin Yuan, secretary-general of the China Premade Cuisine Industry Alliance, adding that it is vital to ensure the safety and hygiene of such dishes.

"Most of the ready-to-cook dishes need cold chain transportation and low-temperature storage, which places higher requirements on logistics and cold chain technology. Enterprises should further improve supply chains to ensure the freshness of products and fulfill timely deliveries," said Chai Zhenzhen, an analyst from the JD Research Institute.



### **Chinese mainland suspends entry of certain fruits, fish products from Taiwan**

Customs authorities on the Chinese mainland will suspend the entry of citrus fruits and two types of fish products from the Taiwan region beginning Wednesday.

The entry of citrus fruits, including grapefruits, lemons and oranges, as well as chilled white hairtail and frozen horse mackerel from the region, will be suspended in accordance with the mainland's relevant regulations and food safety requirements, the General Administration of Customs shared in an online statement.

All customs branches will halt accepting good declarations of these agricultural and aquatic products beginning Wednesday and notify relevant companies in their jurisdictions in a timely manner, said the statement.

### **International News**

#### **FDA Issues 2022 Voluntary National Retail Food Regulatory Program Standards**

Today, the U.S. Food and Drug Administration issued the 2022 edition of the Voluntary National Retail Food Regulatory Program Standards (Retail Program Standards) to detail the key elements of an effective retail food regulatory program for state, local, tribal and territorial regulatory agencies.

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The Retail Program Standards provide recommendations for designing and managing retail food regulatory programs and help regulatory jurisdictions (or other responsible organizations) facilitate more effective inspections, implement foodborne illness prevention strategies, and identify program areas in need of improvement.

The FDA developed these standards with input from federal, state, and local regulatory officials, as well as industry, trade associations, academia, and consumers.

The 2022 edition of the Retail Program Standards incorporates changes based on recommendations made during the Conference for Food Protection 2020 Biennial Meeting [External Link Disclaimer](#). Some of these key changes include reformatted curriculum forms and worksheets and the inclusion of alternative sampling methods.

To see the complete list of changes, you can view and download a copy of the Summary of Changes. The 2022 edition of the Retail Program Standards is also available to view and download online.

The FDA encourages jurisdictions to participate in the Retail Program Standards. If a jurisdiction enrolls, they can also apply for federal funding to support their efforts, but they do not have to be enrolled to use the worksheets and materials. Enrollment information can be downloaded on [FDA.gov](#) or by contacting an FDA Retail Food Specialist directly using the Directory of FDA Retail Food Specialists.

A complete list of jurisdictions enrolled in the Retail Program Standards is available. For questions about FDA's Retail Program Standards, please contact [RetailFoodPolicyTeam@fda.hhs.gov](mailto:RetailFoodPolicyTeam@fda.hhs.gov).

### **FDA Issues Final Guidance for Shell Egg Producers who Provide Laying Hens with Access to Areas Outside the Poultry House**

The U.S. Food and Drug Administration (FDA) today issued final guidance for shell egg producers on how to comply with certain provisions in the final rule titled, "Prevention of Salmonella Enteritidis in Shell Eggs During Production, Storage, and Transportation" (egg rule).

The final guidance, "Prevention of Salmonella Enteritidis in Shell Eggs During Production, Storage, and Transportation (Layers with Access to Areas Outside the Poultry House): Questions and Answers Regarding the Final Rule," is the FDA's fourth guidance to help industry comply with the egg rule. This guidance provides recommendations on how egg producers who allow hens access to areas outside the poultry house can meet requirements to prevent Salmonella Enteritidis (SE) from contaminating shell eggs on the farm. A significant change from the draft guidance issued in July 2013 is that the FDA is designating a porch as an area outside the poultry house rather than part of the poultry house. The FDA made this change, in part, in response to comments submitted to the draft guidance.

The FDA believes that egg producers can provide laying hens with access to areas outside the poultry house, which includes porches, outdoor runs and

pastures, and still comply with the egg rule. In order to be compliant, egg producers must take steps to ensure there is no introduction or transfer of SE into or among poultry houses. They can achieve this by taking practical steps to control for SE in the areas outside the poultry house, to help ensure that SE will not be introduced into the poultry house. The guidance describes the most common types of egg production operations for laying hens with access to areas outside the poultry house, and explains how egg producers can take SE prevention measures such as monitoring for rodents and flies in areas outside the poultry house to help prevent SE in shell eggs.

The egg rule, which was finalized in 2009 and took effect in 2010, is designed to prevent SE from contaminating shell eggs on the farm and to prevent SE growth during storage and transportation. SE is the most common cause of foodborne illness outbreaks tied to consumption of shell eggs. The egg rule requires that virtually all egg producers with 3,000 or more laying hens adopt measures designed to prevent SE.

### **FDA Releases FY 2020 Pesticide Residue Monitoring Report**

Today, the U.S. Food and Drug Administration (FDA) made available its annual Pesticide Residue Monitoring Program Report for Fiscal Year 2020 (FY 2020), summarizing findings from the program's monitoring of human and animal foods in FY 2020.

From October 1, 2019, through September 30, 2020, the FDA tested for approximately 750 different pesticides and selected industrial compounds on

2,078 human food samples (316 domestic and 1,762 import samples) in its regulatory monitoring program. Agency staff collected domestic human food samples from 35 states and imported human food samples from 79 countries/economies. The findings show that the levels of pesticide residues measured by the FDA in the U.S. food supply are generally in compliance with U.S. Environmental Protection Agency's (EPA) pesticide tolerances.

Growers often use pesticides to protect their crops from insects, weeds, fungi, and other pests. Through this program, the agency ensures that FDA-regulated foods within U.S. commerce comply with the pesticide tolerances, or maximum residue levels, set by EPA to protect public health. The EPA establishes pesticide tolerances on the amount of a pesticide residue a food can contain, and the FDA is responsible for enforcing those tolerances for domestic foods shipped in interstate commerce and foods imported into the United States.

### **Overall Findings**

In FY 2020, the FDA found that 96.8% of domestic and 88.4% of import human foods were compliant with federal standards, that is, the pesticide tolerances set by EPA. No pesticide residues were found in 40.8% of the domestic samples and 48.4% of the import samples. In the human food commodity groups, the violation rate in each group was higher for import samples. The higher violation rate affirms the validity of the sampling design in targeting import commodities more likely to contain violative pesticide residues.

The FDA also analyzed 102 animal food samples (40 domestic and 62 import samples) for pesticides. The agency found that 100% of domestic and 96.8% of

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import animal food samples were compliant with federal standards. No pesticide residues were found in 30.0% of the domestic and 48.4% of the import animal food samples.

The results from FY 2020 were similar to those from past years. However, the Covid-19 pandemic impacted the FDA's sample collection and analysis for the FY 2020 report in the following ways:

Approximately 50% fewer human food samples and 70% fewer animal food samples were collected in FY 2020 compared with FY 2019.

More import samples were collected in FY 2020 relative to domestic samples than in previous years.

Domestic samples were not collected for the "Domestically Produced Animal Derived Foods" assignment (EU audit assignment).

Despite this impact, the results from samples collected and analyzed in FY 2020 demonstrated a rate of compliance similar to what has been shown in previous years.

### **Enforcement Strategy**

The FDA employs a three-fold strategy to enforce the EPA's pesticide tolerances in human and animal foods that includes continuous monitoring of domestic and import commodities for residues, conducting sampling surveys for specific commodities or pesticides, and analyzing collected samples for pesticides. In its regulatory pesticide residue monitoring program, the FDA selectively monitors a



broad range of domestic and import commodities for residues of approximately 750 different pesticides and selected industrial compounds. The number of compounds (pesticides and industrial chemicals) in the analytical scope decreased slightly compared to FY 2019, as some pesticides and industrial chemicals that are obsolete or detected rarely were removed from the scope as part of FDA's continuing modernization process.

The FDA may also carry out focused sampling surveys for specific commodities or selected pesticides of special interest. In addition, FDA monitors the levels of pesticide chemical residues in foods prepared for consumption in its Total Diet Study (TDS), an ongoing program that monitors contaminants and nutrients in the average U.S. diet.

Since 1987, the FDA has prepared annual pesticide reports to summarize the results of the agency's pesticide residue monitoring program. They can be accessed on the FDA website.

### **FDA Releases Final Guidance on Enforcement Discretion for Certain NAC Products**

The FDA is announcing the availability of a [final guidance on FDA's policy regarding products labeled as dietary supplements that contain N-acetyl-L-cysteine](#) (NAC). This guidance explains our intent to exercise enforcement discretion with respect to the sale and distribution of certain NAC-containing products that are labeled as dietary supplements. This enforcement discretion policy applies to products that would be lawfully

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marketed dietary supplements if NAC were not excluded from the definition of “dietary supplement” and are not otherwise in violation of the Federal Food, Drug, and Cosmetic Act (FD&C Act). This finalizes the draft guidance on this policy from April 2022. Please see the Federal Register Notice for additional information.

## Enterprise News

### Lyons Magnus expands recall of Oatly, Stumptown and other beverages over microbial contamination



Lyons Magnus has announced that following continued collaboration and

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consultation with the U.S. Food and Drug Administration, the Company is expanding its July 28, 2022, recall of nutritional and beverage products because of potential microbial contamination, including from the organisms Cronobacter sakazakii and Clostridium botulinum.

Root cause analysis indicates that the products did not meet commercial sterility specifications.

Consumers are advised not to consume any of the recalled products or any products that are beyond their best-by date.

The products are packed in various formats under many different brand names. Specific products subject to recall, lot codes and product images can be found here.

Products were distributed nationally. Products included in the recall were distributed starting in April 2021.

Brands of recalled products are:

- Lyons Barista Style
- Lyons Ready Care
- Cafe Grumpy
- Tone It Up
- Uproot
- Organic Valley



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- **Sated**
- Aloha
- **Rejuvenate**
- **Optimum Nutrition**
- **Sweetie Pie Organics**
- Intelligentsia
- **Ensure Harvest**
- **PediaSure Harvest**
- Glucerna
- Original 8 fl oz tetra carton 24 count club case (sold only at Costco, BJ's
- Wholesale
- Club, and
- Sam's Club)
- **Kate Farms**
- Pirq
- Oatly
- Premier Protein



- MRE
- Stumptown
- Imperial

Bolded items denote additional brands, products and lots introduced in the expanded recall.

The lot code and best-by date refer to the top of the carton for individual cartons or the side of the case for multi-carton cases.

The recalled products should not be consumed. Anyone who has a recalled product in his or her possession should dispose of it immediately or return it to the place of purchase for a refund.

### **Paneer cheese recalled over E. coli concerns**



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Mother Dairy is recalling Paneer Fresh Cheese because of generic E. coli contamination.

The recalled product was sold in Alberta, Canada. There is concern that consumers may still have the product in their homes.

### Recalled products:

Brand	Product	Size	UPC	Codes
Mother Dairy	Paneer Fresh Cheese	340 g	6 98708 98763 3	BB 2022/10/23

Consumers and retailers should not use, sell, serve or distribute the affected product.

### More illnesses reported in outbreak linked to Big Olaf ice cream; investigation ongoing



The patient toll continues to increase in an outbreak of *Listeria monocytogenes* infections traced to Big Olaf ice cream.

There are now 25 confirmed patients in the outbreak, according to the Centers for Disease Control and Prevention. Manufactured in Florida and originally thought to only be sold in that state, the agency is reporting that the ice cream was also sold to a location in Fredericksburg, OH.

One patient has died and a pregnant woman miscarried after eating the ice cream. Of the 25 patients, 24 have required hospitalization. Sick people have been reported in 11 different states.

Thirteen of the victims are residents of Florida and 10 reported traveling to Florida in the days before becoming ill. Illness dates range from Jan. 24, 2021, to June 24, 2022. Patients range in age from less than 1 to 92 years old. The CDC has



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Kingdom with a sampling date of June 16. Concerns were previously raised by authorities that potentially contaminated chocolate could still be on sale despite a recall in April.

The UK has the most patients with 128 followed by France with 121. Belgium has recorded 66 sick people, 49 are ill in Switzerland, 34 in Germany, 18 in Ireland and 14 in Austria. There are still four cases in Canada and one in the United States.

Sweden, Spain, Norway, Netherlands, Luxembourg, Italy, Denmark and Czech Republic all have single-figure case numbers.

Affected cases have been identified through advanced molecular typing techniques. As this method is not routinely performed in all countries, some may be undetected, said ECDC.

The first patient was reported in the UK on Jan. 7, with a sampling date of Dec. 21, 2021.

### **Factory restart**

Operations at Ferrero's Arlon factory were suspended in April, which led to the recall of products made there. Potentially implicated chocolate was distributed to at least 113 countries.

In May, Ferrero asked to be allowed to produce again and in June, the Federal Agency for the Safety of the Food Chain (FASFC) gave conditional approval for the plant in Belgium to restart.

This approval lasts for three months. Raw materials and each batch of foodstuffs will be analyzed and only released if results are compliant.

About 1,000 Ferrero employees and independent specialists worked on the restart. More than 1,800 quality tests were completed and 10,000 parts dismantled and cleaned. Investments included replacing multiple pieces of equipment and installing 300 meters of new pipeline.

Two outbreak strains were identified in 10 of 81 Salmonella positive samples taken in the Arlon plant 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.

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

## MARKET NEWS - REPLY

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