# MARKET NEWS





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## **Focus on China**

#### Standards for improving business environment



The State Administration for Market Regulation issued a document for enforcing market regulation laws on Oct 8, which sets clear, detailed standards for various levels of market regulation bureaus in their law enforcement activities.

For businesses, the market regulation bureau is perhaps one of the most frequent go-to departments.



A good example is the case in Yulin city, Northwest China's Shaanxi province, where a trader was fined 66,000 yuan (\$9,167) after 2.5 kilograms of vegetables he was selling failed to meet relevant standards. The fine was legal, yet it triggered fierce discussions in society, with some feeling the fine was "too heavy" for a "minor wrong".

A nice way to solve the problem and avoid such controversies in the future is to draft detailed standards for law enforcement agencies, so that the law enforcement can withstand tests of public opinion.

Once standards are set, it will ensure that the penalties are commensurate with the wrongs committed by law-breakers, neither too light nor too heavy.

For example, the Administrative Law, newly amended in 2021, makes it a point that those who lightly break the law and make amends in time without grave results can be exempted from penalties.

There are many illegal activities that fall in this category, such as eateries claiming that their food tastes the best; this is an illegal act, but not really harmful.

However, market regulatory departments often desist from taking action, fearing they will be accused of failing in their duty of correcting illegal deeds.

The State Administration for Market Regulation makes it clear that such situations can be exempted from penalty. The regulatory departments can thus function without fear and this will help improve the business environment.

Chongqing noodles ride the wave of booming ready-made food market



CHONGQING -- With the burgeoning growth of China's "prefabricated food" industry, Chongqing xiaomian (spicy noodles), popular street food in southwest China's Chongqing municipality, is tapping the novel business model to expand its market.

Chongqing's Dadukou district established an industrial park in August 2021, particularly aimed at cultivating a larger market for its signature xiaomian.

"In total, Chongqing has about 84,000 xiaomian eateries, selling 13 million bowls 400-645-8088 www.merieuxnutrisciences.com ww



of the spicy noodles a day and garnering an annual sale of nearly 40 billion yuan," said Li Xiaodan, deputy director of the district commission of economy and informatization.

The strong vitality of Chongqing xiaomian is not just limited to offline stores and it is highly likely that it will capture the hearts of consumers in the ready-to-eat food market as well, Li added.

Business figures have in a way validated Li's optimism. From January to July this year, the industrial park produced prefabricated xiaomian with an output value of 147 million yuan.

As a local company that began to sell ready-made xiaomian seven years ago ahead of other competitors in the fledging market, Chongqing Kings Noodle Management Co Ltd has rolled out 17 kinds of the delicious noodles under its brand "Kings Noodle."

"In the first seven months of 2022, we sold nearly 30 million yuan of xiaomian, of which approximately one-fifth were exported to more than 10 countries," said Li Junxi, the manager of the company.

"To our surprise, most of the overseas clients reached out to us initially because they believed the ready-to-eat xiaomian could allow foreign consumers to taste authentic Chinese food in a more economical way," Li added.

Although "xiaomian" means "small noodles" in Chinese, this does not imply that the ingredients and production process of this delicacy are simple.

There are three to four components in a serving of ready-made xiaomian, including noodles, toppings and sauces, but more than 30 types of seasonings are required to create a flavor that is more palatable to the masses.

"We even invested millions of yuan to do research in collaboration with colleges and universities, merely to make sure the noodles are chewy enough or can be preserved for more than four months," said Fu Yong, chairman of Chongqing Jingguyuan Food Technology Co Ltd, which joined the ready-made xiaomian fray last year.

Fu added that starting in 2021, the company has spent 13 months on product research. Although the ready-to-eat xiaomian products have been on the market for just two months from June to August, the offline sales already exceeded 1 million yuan.

China's current prefabricated food market size has the potential to reach 1 trillion yuan in the next six to seven years, according to a report released by Shenzhen-based research firm AskCI Consulting.

Dadukou district has also set a sales target of 10 billion yuan for the ready-made food market with xiaomian taking the lead.

"The spicy xiaomian has a history of over 400 years in Chongqing. With the advent of new technologies, we have the confidence to turn this street delicacy into a chain brand and let the entire world savor its flavor," Li Xiaodan said.

## **International News**



#### FDA Issues Final Guidance on Refusal of Inspection by a Foreign Food Establishment or Foreign Government

Today, the U.S. Food and Drug Administration (FDA) issued guidance that describes the actions, behaviors, and statements by a foreign food establishment or foreign government that the FDA considers to be a refusal of an FDA inspection.

Food for importation into the United States comes from all over the world. One way that the FDA protects the U.S. food supply is by conducting inspections of foreign food facilities to identify potential food safety concerns.

The FDA Food Safety Modernization Act (FSMA) gives the FDA authority to refuse entry of food offered for importation into the United States if the foreign food establishment or foreign government has refused to permit the FDA to inspect the foreign establishment that produced the food. The guidance issued today provides examples of situations that FDA may consider as constituting refusal.

#### For More Information

- Guidance for Industry: Refusal of Inspection by a Foreign Food
  Establishment or Foreign Government
- Federal Register Notice

#### Foodborne disease costs Australia nearly \$2.5 billion per year

Foodborne illness costs Australia almost AUD \$2.5 billion annually, according to updated estimates.

Figures show the scale of the problem is \$2.44 billion (U.S. \$1.58 billion) each year. The largest component is lost productivity because of non-fatal illnesses, followed by premature mortality and direct costs including hospitalizations and other healthcare use.

The study details the cost of foodborne illness in the country using data from 2019 when available. It includes Campylobacter, Listeria monocytogenes, norovirus, Salmonella, Salmonella Typhi, Shiga toxin-producing E. coli (STEC), other pathogenic E. coli, Shigella, Toxoplasma gondii and Yersinia enterocolitica.

Food Standards Australia New Zealand (FSANZ) commissioned the Australian National University to do the work. Prior estimates published in 2006 on the burden of foodborne disease put the figure at \$1.25 billion (U.S. \$810,000) per year.

#### Cost and factors by pathogen

Campylobacter has the highest cost at \$365 million (U.S. \$236 million), while norovirus, other pathogenic E. coli, and Salmonella are all estimated to cost more than \$100 million (U.S. \$65 million) each year.

"This report demonstrates that foodborne illness results in a substantial cost to Australia and that interventions to improve food safety across industry, retail, and consumers are needed to improve public health. Estimates provide evidence 400-645-8088 www.merieuxnutrisciences.



to support foodborne disease control efforts, while pathogen-specific costs also provide one piece of evidence to inform the prioritization of interventions toward those causing the greatest burden to society," said researchers.

Premature mortality is the largest cost for pathogens that typically cause more severe illness, such as Listeria monocytogenes, Shiga toxin-producing E. coli, and Salmonella. Because of a lack of long-term data on ongoing illness following listeriosis or toxoplasmosis, costs because of ill health or disability from these illnesses are not included.

The team estimated there were 4.67 million cases of foodborne gastroenteritis from all causes, with an associated 47,900 hospitalizations and 38 deaths each year.

The cost of salmonellosis and related illness was estimated at \$140 million (U.S. \$91 million) per year. The largest costs in children under 5 years old were because of lost productivity in caregivers, followed by premature mortality and willingness to pay to avoid illness.

Norovirus was estimated to cost \$128 million (U.S. \$83 million) and the figure was \$78.4 million (U.S. \$50.8 million) for listeriosis.

The cost of STEC and hemolytic uremic syndrome (HUS) was estimated to be \$11.7 million (U.S. \$7.6 million). The amount was \$3.41 million (U.S. \$2.2 million) for Shigella infection.

The annual cost of toxoplasmosis was \$13.1 million (U.S. \$8.5 million) and \$133 million (U.S. \$86 million) for other pathogenic E. coli.

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The cost of yersiniosis and reactive arthritis following illness was estimated to be \$10.4 million (U.S. \$6.7 million). The most was from lost productivity and premature mortality, followed by a willingness to pay to avoid pain and suffering.

#### **Examples of outbreak costs**

Researchers also assessed the costs of surveillance for gastrointestinal and foodborne infections and for data on outbreaks.

A 2016 Salmonella typhimurium outbreak linked to a bakery that affected 203 people was predicted to have cost \$215,000 (U.S. \$139,000) with the largest amount from lost productivity, followed by hospitalizations.

A 2018 Listeria outbreak from rockmelon, or cantaloupe, caused 22 illnesses, seven deaths, and one miscarriage. The estimated cost was \$40.8 million (U.S. \$26.4 million), with the most because of premature death.

A Salmonella enteritidis outbreak from eggs in 2018 to 2019 sickened 235 people with one death. This incident cost \$5.7 million (U.S. \$3.7 million) with the majority because of premature death.

In 2019 and 2020, 83 people fell sick in a Salmonella Weltevreden outbreak from frozen microwave meals. Costs were put at \$289,000 (U.S. \$187,000) and the largest component was from lost productivity.



#### FDA and CDC Partner to Reduce Foodborne Illness in Retail and Foodservice Establishments

The U.S. Food and Drug Administration and the Centers for Disease Control and Prevention (CDC) have entered into a Memorandum of Understanding (MOU) to strengthen food safety in retail environments. The goal of the renewed partnership between the FDA and the CDC is to help reduce the occurrence of foodborne illness in retail and foodservice establishments.

This MOU will help increase the consistency and capacity of retail food protection programs across the country, promote a general culture of food safety, and facilitate continued communication between the FDA and CDC in order to assist state, local, tribal, territorial, and industry partners.

Keeping our nation's food supply safe requires resources and knowledge from both agencies. The FDA's collaboration with CDC has helped inform the FDA's work on the Food Code, which serves as a model for safeguarding public health and ensuring food is unadulterated for consumers. The Food Code, which will celebrate its 30th anniversary next year, provides uniform standards to better ensure compliance; establishes a standardized approach for inspections; and helps protect consumers and industry from potentially devastating health consequences and financial losses.

The FDA has also historically worked with CDC to help control the foodborne illness risk factors for foodborne illness outbreaks in retail settings. This MOU will ensure enhanced continued collaboration on this important work.

By leveraging the collective strengths of both the FDA and CDC through the MOU signed September 21, 2022, the agencies remain committed to reducing the occurrence of foodborne illness in retail and foodservice establishments across the country.

#### FDA Reminds Human and Animal Food Facilities to Register or Renew Registration between October 1 and December 31, 2022

Owners, operators, or agents in charge of a domestic or foreign facility engaged in manufacturing/processing, packing, or holding food for consumption by humans or animals in the U.S., are required to register the facility with the FDA. The registration and renewal period is open between October 1 and December 31, 2022.

The FDA will consider the registration of a food facility to be expired if a facility's registration is not renewed by December 31, 2022. There is no fee associated with registration or renewal. Owners, operators, or agents in charge of food facilities must submit their renewal information electronically through their FDA Industry Systems account, unless they have received a waiver that allows for paper submission.

All facilities must include a unique facility identifier (UFI) recognized as acceptable to the FDA with the registration submission. The UFI is used to verify that the facility-specific address associated with the UFI is the same address associated with the facility's registration. Currently, the FDA recognizes the Data Universal Numbering System (DUNS) number as an acceptable UFI. The DUNS



number is assigned and managed by Dun & Bradstreet (D&B) and can be obtained or verified by visiting D&B's website at

#### https://www.dnb.com/duns-number/get-a-duns.html.

Food facility registration is critical to helping the FDA identify the location and possible source of a foodborne illness outbreak or potential bioterrorism incident. Food facility registration requirements were initiated with the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 and amended by the FDA Food Safety Modernization Act (FSMA) in 2011. FSMA requires facilities to submit additional information to the FDA and to renew their registrations every other year.

The following resources are available to assist in the registration and renewal process:

- <u>Registration of Food Facilities</u>
- Food Facility Registration User Guide: Step-by-Step Instructions | FDA
- Food Facility Biennial Registration Renewal Fact Sheet
- <u>Webinar on Food Facility Registration (FFR), Biennial Renewal, and</u> <u>Unique Facility Identifiers (UFI)</u>
- Small Entity Compliance Guide: Registration of Food Facilities
- <u>Questions and Answers Regarding Food Facility Registration (Seventh</u> Edition)

- Guidance for Industry: Determination of Status as a Qualified Facility |
  FDA
- Guidance for Industry: Compliance with Providing an Acceptable Unique
  Facility Identifier for the Foreign Supplier Verification Programs for Food
  Importers Regulation | FDA

Food facilities with questions can contact the FURLS Helpdesk: by phone 1-800-216-7331; or by email at <u>FURLS@fda.gov</u>

#### FDA Proposes to Update Definition for "Healthy" Claim on Food Labels

The U.S. Food and Drug Administration today issued a **proposed rule** to update the definition of the nutrient content claim "healthy." The <u>"healthy" claim</u> can act as a quick signal on food package labels to help empower consumers, including those with lower nutrition knowledge, with information to identify foods that will help them build healthy eating patterns. Today's action is just one part of the agency's ongoing commitment to reduce diet-related chronic diseases and advance health equity. In addition to the proposed rule, the FDA joined today's White House Conference on Hunger, Nutrition, and Health, highlighting the agency's support of the national strategy to improve nutrition and health and empower all consumers to make and have access to healthy choices.

Diet-related chronic diseases in the U.S. are the leading causes of death and disability. Healthy eating patterns, which include fruits, vegetables, lower-fat dairy and whole grains, are associated with improved health, such as reduced



risk of cardiovascular disease, type 2 diabetes, certain types of cancers, and being overweight or obese. Providing informative and accessible food labeling empowers consumers and may help foster a healthier food supply for all if some manufacturers include more fruits, vegetables, dairy and whole grains and limit saturated fat, sodium, and added sugars in their products, to qualify to use the updated claim.

The proposed changes to the definition of "healthy" are aligned with current nutrition science, the Dietary Guidelines for Americans, 2020-2025 and the updated Nutrition Facts label. The FDA's approach focuses on ensuring that nutrient-dense foods that help consumers to build a diet consistent with current dietary recommendations can qualify to bear the claim.

As an example, to include the "healthy" claim on the package, a cereal would need to contain a certain amount of whole grains and adhere to limits for saturated fat, sodium, and added sugars. Nuts and seeds, higher fat fish, such as salmon, certain oils, and water are examples of foods that cannot currently be labeled as "healthy" but are part of a healthy dietary pattern and recommended by the Dietary Guidelines and would qualify to bear the "healthy" claim under the proposed definition announced today.

On a separate but related track, the FDA is also researching a symbol that manufacturers could use on the front of the pack to show that their product meets the definition of the "healthy" claim. Having a standardized graphic to show that a food qualifies for the "healthy" claim would further support the FDA's goal of helping consumers more easily identify packaged food products

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that help them build healthy eating patterns.

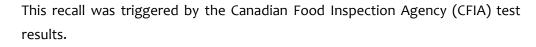
Comments on the proposed rule should be submitted within 90 days after publication in the Federal Register. Submit electronic comments to http://www.regulations.gov. Submit written comments to the Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852. All comments should be identified with the docket number FDA-2016-D-2335.

## **Enterprise News**

#### Enoki Mushrooms recalled in Canada after testing finds Listeria



Goldenway Import and Export is recalling Enoki Mushrooms because of possible Listeria monocytogenes contamination.



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

**Recalled products:** 

Brand	Product	Size	UPC	Codes
None	Enoki Mushroom	200 g	6 950319 388815	YH220817130132022.10.31

As of the posting of this recall, there have been no reported illnesses associated with the consumption of this product.

Consumers should check to see if you have recalled products. They should not consume, serve, use, sell or distribute recalled products. Recalled products should be thrown out or returned to the location where they were purchased.

#### Fruit and cheese snacks recalled because of Listeria concerns

Cut Fruit Express of Inver Grove Heights, MN is recalling Caribou Coffee Fruit and Cheese Plate 6.20z because of potential contamination with Listeria Monocytogenes.

Caribou Coffee Fruit and Cheese Plate, item #3818, was distributed from Caribou Stores at the MSP Airport Caribou locations in the MSP Airport, Minnesota, www.merieuxnutrisciences.com www.merieuxnutrisciences.com.cn

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according to the company recall notice posted by the Food and Drug Administration. The recall notice did not state how the contamination was discovered.

The product comes in a clear plastic package. The use by dates are 9/30/2022, 10/2/2022, 10/4/2022, 10/7/2022 and 10/9/2022.

Cut Fruit Express learned that their supplier is issuing a recall on Brie Cheese for potential contamination of Listeria Monocytogenes. Cut Fruit Express is initiating a recall on the affected product that contains the recalled Brie Cheese. The affected products were shipped between September 26th through October 5th, 2022.

Consumers should immediately destroy the product if they have it in their possession, according to the company's recall notice. Please do not share or give it to anyone to eat. Consumers who have purchased 6.2-ounce snack packages of Fruit and cheese plate may return them to the place of purchase for a full refund.

#### New E. coli outbreak traced to frozen falafel sold at Aldi stores

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State and Federal officials announced today that they are investigating a multi-state outbreak of E. coli O121:H19 infections related to Earth Grown frozen falafel sold by Aldi stores.

As of this afternoon, the Food and Drug Administration is reporting that 20 people are confirmed infected with five requiring hospitalization. No deaths have been reported. Sick people have been confirmed in Florida, Iowa, Kansas, Michigan, Ohio and Wisconsin. The most recent illness onset was Sept. 13.

The manufacturer of the falafel, Cuisine Innovations, has initiated a recall of some of its products and ceased production of them. Recalled products are



Earth Grown vegan traditional falafel and garlic & herb falafel distributed and sold exclusively by ALDI. Additional information on recalled products is available in the firm's recall notice, which was posted today by the FDA.

The FDA has not reported how the product became contaminated.

There is concern that consumers may still have unused product in their homes because of its long shelf life. The products' shelf life when frozen is 18 months.

The recalled products come in bags in boxes marked with any of the following Lot numbers: 1472, 1481, 1531, 1532, 1541, 1552, 1561, 1581, 1601, 1611, 1612, 1661, 1682, 1732, 1752, 1762, 1782, 1802, and 1812, and would have been shipped to stores after June 24, 2021. The lot number can be found in the "Best if used by" area on the outside flap of the box. There has been no further production of this product, according to the company's recall notice posted by the FDA.

Although complete distribution information is as yet unknown, it is known that the affected products were sent to 36 states and Washington D.C. The states that received the products are Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Jersey, NewYork, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia and Wisconsin.

The count of sick people is expected to increase because of the time it takes for testing, diagnosis, confirmation testing and notification of state and federal

officials.

"Based on epidemiologic information provided by CDC and interviews conducted by state and local public health officials, of 18 people interviewed, 15 reported shopping at ALDI stores. Among these 15 people who reported shopping at ALDI stores, 6 reported eating Earth Grown brand frozen falafel purchased from ALDI in the week before getting sick," according to the FDA.

#### Cider recalled in Quebec because of lead contamination

Le Verger à Ti-Paul Inc. of Saint-Elzéar, Quebec, Canada, is recalling their company's brand of Cider because of lead contamination.

The recalled products have been sold in Quebec, Canada, according to the recall notice posted by the Canadian Food Inspection Agency.

#### **Recalled products:**

Brand	Product	Size	Codes	UPC
Le Verger	"Le clandestin – cidre à l'érable –	355	F32030322	7 64283
à Ti-Paul	cidre aromatisé pétillant gazéifié"	ml		30096
Le Verger	"L'intraitable – cidre de pomme	750	F27161221	7 64283
à Ti-Paul	pétillant"	ml		30097 3

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



## Renaissance Food Group recalls products with vegetables after testing finds Listeria

Renaissance Food Group is recalling certain products containing vegetables after the firm received positive test results for Listeria monocytogenes in a finished product. All products manufactured with the same components are being recalled.

The Food and Drug Administration classification date was Oct. 6, but the recall was initiated on Sept. 12 and is ongoing.

The products were shipped to Alabama, Georgia and South Carolina.

If consumers have any of the recalled products, they should dispose of them or return them to the place of purchase.

## **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: <a href="mailto:sales.china@mxns.cn">sales.china@mxns.cn</a>

