MARKET NEWS

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Mérieux NutriSciences

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CONTENTS

Focus on China

Beijing court handles large amount of consumer rights cases

Disputes concerning food safety have become more frequently seen in a Beijing court when it began hearing cases involving consumer rights protection over the past decade.

The Beijing No 1 Intermediate People's Court released on Wednesday that it has solved 2,271 lawsuits regarding the protection of consumer rights since 2013, 494 of which were caused by food safety, making up 22 percent of the total.

"We applied punitive damages while dealing with the consumption disputes relating to food safety so as to regulate the operation of business people through stringent punishment and strongly safeguard consumers' legitimate rights and interests," Zhang Jun, a judge from the court, said on Wednesday, which was also the World Consumer Rights Day.

"In a case, for example, we eventually supported the plaintiff's request of giving punitive damages to the defendant, as we found the food producer on package label was different from the actual producer, and the label shelf-life was longer that the actual time," he said.

In addition to food-related cases, he added that the court also solved a number of disputes involving online consumption, such as those caused by purchases and services in cyberspace in the past 10 years.

Market regulator issues first license since reform

The Shanghai Municipal Administration for Market Regulation on Tuesday issued the first license following its reform.

The license pertains to supplementary inspection methodologies for the production of food-related products.

"The reform fills a blank in the inspection methodologies for the migration of specific risk substances in accordance with the national food safety standard. It is a new innovative trial made by the administration," said Wang Yiyang, deputy director of the Shanghai Municipal Administration for Market Regulation, during an interview with media on Tuesday.

Large companies would benefit from the change as they stand to gain more market share, while small- and micro-sized enterprises can reduce costs and increase profits, Wang added.

Beverage packaging manufacturer Shanghai Zijiang Plastic Bottle Manufacture Co Ltd's Xinzhuang blanch, a subsidiary of the Shanghai Zijiang Enterprise Group Co Ltd, was the first recipient of the production license on Tuesday.

"This change has not only saved us more than 100,000 yuan in costs for scientific verification of product safety, but also allowed us to quickly start production and obtain a bigger market share," said Wang Yubo, general manager of Shanghai Zijiang Enterprise Group's container packaging division for East China.

Wang expects the license to broaden the company's customer scope and

increase sales by 50 million yuan in the coming three to five years.

There are currently more than 500 food-related product companies in Shanghai, and the innovative reform is aimed at benefiting the majority of these enterprises, said Zheng Wanjun, an official from the Shanghai Municipal Administration for Market Regulation.

International News

FDA Issues Draft Guidance on Dietary Guidance Statements on Food Labels

The U.S. Food and Drug Administration today issued draft guidance to provide industry with the agency's current thinking on how and when to use Dietary Guidance Statements in food labeling, and to ensure that Dietary Guidance Statements promote good nutrition and nutritious dietary practices. Dietary Guidance Statements are used on food labels to provide consumers with information about foods or food groups that can contribute to a nutritious dietary pattern to help consumers make healthier choices more easily.

The draft guidance provides the agency's best thinking about the use of statements, such as "make half your grains whole grains," and "eat a variety of vegetables." The draft guidance recommends that foods with Dietary Guidance Statements contain a meaningful amount of the food or category of foods that is the subject of the statement and that they also not exceed certain amounts of saturated fat, sodium, and added sugars. The recommendations in the guidance can enhance consistency in the use of such statements and consumer understanding.

Eating patterns in the U.S. do not align with dietary recommendations. Most people in the U.S. do not eat enough fruits, vegetables, dairy or whole grains, and they consume too much saturated fat, sodium and added sugars. Poor nutrition plays a key role in chronic and preventable diseases, such as cardiovascular disease, diabetes and obesity. Labeling statements, such as Dietary Guidance Statements, act as quick signals on food packages to help consumers better understand nutrition information and make healthier food choices. Current dietary recommendations focus on the entirety of the diet and how food and beverage choices affect health. This guidance is one way to help support the use of more nutrition-related labeling statements that focus on foods and food groups in relation to nutritious eating patterns.

On July 26, 2018, the FDA held a public meeting where the agency sought input on its approach to claims and nutrition-related statements on food labels. The comments received during the public meeting and to the docket demonstrated there is a clear interest in labeling claims, statements, symbols and vignettes that will help consumers determine how foods can contribute to nutritious dietary patterns.

This guidance is part of the FDA's overall effort to improve dietary patterns in the United States, help reduce the burden of nutrition-related chronic diseases, and advance health equity. It is part of the National Strategy presented at the White House Conference on Hunger, Nutrition, and Health held on September 28,

2022. At the conference, the FDA announced it issued a proposed rule to update the definition of "healthy" on food labels, to help consumers more easily identify healthy food choices. Also part of the National Strategy is the FDA's final guidance for the food industry, issued in October 2021, that provides voluntary, short-term sodium reduction targets for a broad range of processed, packaged and prepared foods to help reduce the amount of sodium in the U.S. food supply.

To Submit Comments:

Comments on the draft guidance should be submitted within 90 days after publication in the Federal Register. You may submit electronic comments to Regulations.gov. All written comments should be identified with the docket number FDA-2023-D-1027 and with the title of the guidance document.

FDA To Propose to Permit Salt Substitutes to Reduce Sodium in Standardized Foods

The U.S. Food and Drug Administration (FDA) will soon propose to amend the standards of identity (SOIs) to permit the use of salt substitutes in foods for which salt is a required or optional ingredient. The proposed rule would provide manufacturers with flexibility and facilitate industry innovation to reduce sodium in standardized foods. The FDA is making available the pre-publication text of the Federal Register notice.

The upcoming proposed rule is part of the Biden-Harris Administration's National Strategy on Hunger, Nutrition, and Health. The National Strategy provides a roadmap of actions the federal government will take to end hunger and reduce diet-related diseases by 2030 – all while reducing disparities. The National Strategy was released in conjunction with the first White House Conference on Hunger, Nutrition, and Health in over 50 years, hosted by President Biden on September 28, 2022. The upcoming proposed rule also complements the goals of the FDA's voluntary sodium reduction targets for processed, packaged and prepared foods.

SOIs typically describe what ingredients a food must contain and what is optional. They may describe the amount or proportion of ingredients or components. Some SOIs also prescribe a method of production or formulation. There are more than 250 SOIs, and they include products like milk, milk chocolate, various breads, various cheeses and ketchup. Foods with SOIs are often referred to as standardized foods.

Salt substitutes are currently used in many non-standardized foods in the U.S., but most FDA SOIs do not permit the use of salt substitutes. The proposed rule would use a "horizontal" approach for SOIs, under which a single rule would apply to multiple SOIs across several categories of standardized foods. Specifically, the proposed rule would amend the 80 SOIs that specify salt as a required or an optional ingredient. Because these 80 SOIs are referenced in other SOIs, 140 of the 250 SOIs currently established for a wide variety of foods could be affected. The proposed rule does not list permitted salt substitutes but defines them as safe and suitable ingredients used to replace some or all of the added sodium chloride and that serve the functions of salt in food. The extent

to which salt can be replaced depends on the ability of a salt substitute to replace the functions of salt in food without compromising food safety and the characteristics of the food.

The FDA is requesting comments on potential salt substitutes that may be used as a result of the new flexibility provided in this proposed rule.

Most people in the U.S. consume too much sodium. Reducing sodium may help reduce the risk of high blood pressure, a leading cause of heart disease and stroke. The majority of sodium comes from processed, packaged and prepared foods, not from table salt added to food when cooking or eating. In October 2021, the FDA issued guidance for industry that finalized short-term voluntary sodium reduction targets in over 160 categories of packaged and restaurant prepared food. If finalized, the proposed rule issued today may help manufacturers to meet these voluntary targets because a number of foods for which targets were established are covered by SOIs.

Comments can be submitted until 120 days after the date of publication in the Federal Register. Electronic comments can be sent to Regulations.gov. Submit written comments to Dockets Management Staff (HFA-305), Food and Drug Administration, 5630 Fishers Lane, rm. 1061, Rockville, MD 20852.

National Primary Drinking Water Standards for Per- and Polyfluoroalkyl Substances (PFAS) proposed by EPA

The U.S. Environmental Protection Agency is out with a National Primary Drinking Water Regulation (NPDWR) for six PFAS including perfluorooctanoic acid (PFOA), perfluorooctane sulfonic acid (PFOS), perfluorononanoic acid (PFNA), hexafluoropropylene oxide dimer acid (HFPO-DA, commonly known as GenX Chemicals), perfluorohexane sulfonic acid (PFHxS), and perfluorobutane sulfonic acid (PFBS).

The proposed PFAS regulation does not require any action until it is finalized. The EPA anticipates finalizing the regulation by the end of 2023. EPA expects that, if fully implemented, the rule will prevent thousands of deaths and reduce tens of thousands of serious PFAS-attributable illnesses.

The EPA is requesting public comment on the proposed regulation. The public comment period will open following the proposed rule publishing in the *Federal Register*. Public comments can be provided at that time at www.regulations.gov under Docket ID: EPA-HQ-OW-2022-0114. Information on submitting comments to EPA dockets can be found here.

The EPA has scheduled two informational webinars about the proposed PFAS regulation on March 16 and March 29. The webinars will be similar, with each intended for specific audiences. Registration is required to attend. The webinar recordings and presentation materials will be made available following the webinars on the website. For questions related to the public webinars, contact PFASNPDWR@epa.gov.

- March 16, 2023 (2:00-3:00 pm Eastern Time) Webinar Registration: General Overview of Proposed PFAS NPDWR
- March 29, 2023 (2:00-3:00 pm Eastern Time) Webinar

Registration: Technical Overview of Proposed PFAS NPDWR

EPA has also scheduled a public hearing on May 4 where members of the public can register to attend and provide verbal comments to EPA on the rule proposal. Registration is required to attend and the last day to register to speak at the hearing is April 28. For questions related to the public hearing, contact PFASNPDWR@epa.gov.

- May 4, 2023, Proposed PFAS NPDWR Public Hearing Registration

Summary

The EPA is proposing a National Primary Drinking Water Regulation (NPDWR) to establish legally enforceable levels, called Maximum Contaminant Levels (MCLs), for six PFAS in drinking water. PFOA and PFOS as individual contaminants, and PFHxS, PFNA, PFBS, and HFPO-DA (commonly referred to as GenX Chemicals) as a PFAS mixture. EPA is also proposing health-based, non-enforceable Maximum Contaminant Level Goals (MCLGs) for these six PFAS.

Compound	**Proposed MCLG**	**Proposed MCL (enforceable levels)**
PFOA	Zero	4.0 parts per trillion (also expressed as ng/L)
PFOS	Zero	4.0 ppt
PFNA	1.0 (unitless)Hazard Index	1.0 (unitless)Hazard Index
PFHxS		
PFBS		
HFPO-DA (commonly referred to as GenX Chemicals)		

The proposed rule would also require public water systems to:

- Monitor for these PFAS
- Notify the public of the levels of these PFAS
- Reduce the levels of these PFAS in drinking water if they exceed the proposed standards.

FDA Launches New Directory of Ingredients Used in Products Marketed as Dietary Supplements

Today, the U.S. Food and Drug Administration (FDA) is unveiling its new Dietary Supplement Ingredient Directory, a webpage where the public can look up ingredients used in products marketed as dietary supplements and quickly find

what the FDA has said about that ingredient and whether the agency has taken any action with regard to the ingredient. The directory is in list form and includes links to the agency's actions and communications for each ingredient on the list. If there is a separate FDA webpage for the ingredient, the directory links to that page. The directory is intended to be a one stop shop of ingredient information that was previously found on different FDA webpages. This directory is intended to help manufacturers, retailers, and consumers stay informed about ingredients that may be found in products marketed as dietary supplements and quickly locate information about such ingredients on the FDA's website.

It is important to note that the directory is not intended to be a comprehensive list of all ingredients used in products marketed as dietary supplements and may not include all actions the agency has taken with respect to a particular ingredient. For example, all actions may not be listed if the agency has taken many similar actions and some older actions may not be listed, especially if they do not reflect the agency's current position. The FDA will update the directory periodically to reflect new developments.

As the agency is instituting the Ingredient Directory, we are also retiring the FDA Dietary Supplement Ingredient Advisory List, which was a rapid-response tool meant to quickly alert the public when the agency identified ingredients that did not appear to be lawfully marketed in dietary supplements. Anyone who signed up for the Dietary Supplement Ingredient Advisory listserv will automatically receive updates to the Ingredient Directory as they become available.

The FDA welcomes additional feedback and information regarding these ingredients. You may submit such information to the FDA's Office of Dietary Supplement Programs.

FDA Calls for Enhanced Safety Measures in Letter to Powdered Infant Formula Industry

Today, the U.S. Food and Drug Administration sent a letter to manufacturers, packers, distributors, exporters, importers, and retailers involved in the manufacturing and distribution of powdered infant formula to share current safety information and call on the industry to take prompt action to improve processes and programs for the protection of our most vulnerable population.

Last year, safety concerns at one of the largest infant formula manufacturing facilities in the country led to a nationwide recall and temporary pause in production, which has had ripple effects across the infant formula supply chain. Since that time, the FDA has taken many steps to improve the resiliency of the infant formula supply, including by issuing multiple guidance documents intended to help facilitate the availability of safe and nutritionally adequate infant formula products in the U.S. marketplace through the exercise of enforcement discretion. The agency has also taken steps to enhance the safety of powdered infant formula through the development of a *cronobacter* prevention strategy, enhanced inspectional activities, increased engagement with the infant formula industry, and by pursuing regulatory action when appropriate.

The FDA has also reviewed food safety and operating conditions during ongoing

inspections of powdered infant formula manufacturers. In addition, over the past two months, food safety staff have been meeting regularly with the powdered infant formula manufacturers to further develop the prevention strategy to help prevent *Cronobacter* illness associated with consumption of powdered infant formula. These meetings have allowed for a meaningful dialogue with manufacturers about their current food safety practices, including practices the FDA has observed during inspections, and opportunities for improvements. The letter sent today reflects the information we gained through these interactions and the latest available science we are sharing to assist industry in improving the microbiological safety of powdered infant formula.

The FDA is calling on all members of the infant formula industry to use the information in the letter to take prompt action to improve processes and programs for the protection of infants. The FDA will continue conducting inspections and working with industry to advance research and regulatory activities included in the prevention strategy to ensure the safety of all infant formula in the U.S. market. In addition to this call to action, Congress recently added new requirements for manufacturers aimed at mitigating supply chain disruptions through mandatory shortage notifications and risk management plans. The agency appreciates the continued collaboration with industry members for improvements made thus far and everyone's continued efforts to ensure the safety and resiliency of the infant formula supply in the United States.

EU to lower arsenic levels in some food products

The European Commission has tightened the rules on the presence of arsenic in food products.

The allowed concentration of inorganic arsenic in white rice is lowered, while there are new limits for arsenic in some rice-based food items, infant formula, baby foods, fruit juices, and salt.

Arsenic is present at low concentrations in rocks, soil, and natural groundwater, with food and drinking water being the principal routes of human exposure. The inorganic forms of arsenic are more toxic than organic arsenic.

Children under the age of 3 are the most exposed to inorganic arsenic, especially infants who eat rice-based formula. Developmental problems in children have been documented.

High consumers of rice, such as certain ethnic groups, and people who eat a lot of algae-based products are the main groups subjected to inorganic arsenic exposure.

The lower maximum levels are part of Europe's Beating Cancer Plan to limit or remove the carcinogenic risk associated with chemicals in food.

Reducing the risk

The decision is based on a 2021 scientific report from the European Food Safety Authority (EFSA) and comes after member states were told to monitor the presence of arsenic in foods.

EU rules will follow the Codex Alimentarius maximum level of 0.5 mg/kg for total arsenic in salt. Other products covered are cereals and cereal-based products,

non-parboiled milled rice, parboiled and husked rice, rice flour, rice cakes and crackers, and non-alcoholic rice-based drinks. Maximum levels differ depending on the product.

Stella Kyriakides, the commissioner for health and food safety, said: "We are taking additional measures to further reduce the exposure risk of a carcinogenic contaminant from our food chain. Our citizens want the reassurance that the food they eat is safe, and these new rules are yet another proof that food safety standards in the EU remain the highest in the world."

Safe Food Advocacy Europe said it welcomed any measure that avoids or reduces the exposure of European consumers to harmful substances in food.

Existing maximum levels for arsenic in food products were established in 2015 based on an EFSA opinion that found inorganic arsenic may cause cancer of the skin, bladder, and lungs.

Due to problems related to the analysis of inorganic arsenic in a number of foods, maximum levels for arsenic were initially only set for rice and rice-based products.

As certain foods covered by the regulation have a long shelf life, items that were lawfully placed on the market before the new rules apply will be allowed to remain on sale.

EU data shows a decline in drug residues in food

Residues of veterinary drugs and other substances found in animals and animal products have fallen in the European Union, according to recently published statistics.

Data from the annual report for 2021, published by the European Food Safety Authority (EFSA), includes pigs, sheep, poultry, milk, eggs, game meat, and honey.

Notable findings were fipronil in eggs, clenbuterol in bovines, amitraz in honey, and phenylbutazone (bute) in horses.

More than 621,000 samples were reported to the European Commission by the 27 EU member states, Iceland, Norway, and Northern Ireland. They consisted of mainly targeted tests and sampling as part of national controls but also suspect samples and those collected at import.

Overall, the percentage of non-compliant samples in 2021 was lower than in past years.

Examples of violations

The level of non-compliance in targeted samples, which are taken to detect illegal uses or check maximum compliance against permitted levels, also decreased. In 2021, 4,562 suspect samples were reported of which 119 were non-compliant, compared to 200 in 2020.

The report covers hormones, antibacterials, environmental contaminants, prohibited substances, and other veterinary drugs. The presence of unauthorized substances, residues of veterinary medicinal products, or chemical contaminants in food may pose a risk to public health.

Fipronil in eggs was found in one sample from Slovenia while amitraz was detected in three of 17 honey samples from Cyprus. Non-compliant results for phenylbutazone came from Ireland and Germany. In targeted sampling, clenbuterol was found in one bovine sample from Germany and two suspect samples from Portugal.

In 2021, the frequency of non-compliant results was down for antithyroid agents, while for steroids and resorcylic acid lactones, it was higher than in 2020. For prohibited substances, the level of non-compliance in 2021 was up from the year before. Decreases compared to previous years were noted for environmental contaminants and chemical elements including metals and dyes.

For mycotoxins, non-compliant targeted samples were reported for bovines, milk, and pigs due to zearalenone and aflatoxin M1. For dyes, non-compliant samples were recorded for aquaculture. Substances found were the sum of crystal violet and leucocristal violet and the sum of malachite green and leucomalachite green.

Animal welfare work

EFSA has also published two scientific opinions with advice on space, the density of animals, lighting, dust, noise, litter, and structures such as elevated platforms for farmed broiler chickens and laying hens.

Scientists recommend avoiding the practice of mutilation, feed restriction, and the use of cages to improve poultry welfare. Revision of the EU's animal welfare legislation is ongoing.

EFSA is organizing an online event to present findings from its two opinions on broiler chickens and laying hens on March 28. A second event on the upcoming opinions on calves, dairy cows, ducks, geese, and quail will be held on May 23.

A joint statement from the European Forum of Farm Animal Breeders (EFFAB); AVEC, which represents the EU poultry meat sector, and Copa-Cogeca said the opinion contains "unprecedented recommendations" which would severely impact the sector.

Of the recommendations put forward by EFSA, the most shocking is the proposal to lower the stock density for conventional broilers. If applied, this would mean the EU will request conventional poultry producers to make major on-farm investments while the number of birds in a barn will have to be decreased by 72 percent, said the groups.

Implementing such extreme proposals would result in closing small and medium enterprises in rural areas, losing competitiveness, and increasing imports, while facing an increase in the price of poultry meat for consumers, they added.

Enterprise News

A company recalls infant formula because of contamination with cronobacter

Canadian officials have posted a recall for certain infant formula.

The formula is being recalled by the company because of possible contamination

with cronobacter, which can cause serious infections and often death, especially among young babies.

The recalled product was sold nationwide in Canada. As of the posting of the recall today there had not been any illnesses confirmed in relation to the product.

There is concern that consumers may already have the product in their homes and be storing it for future use because the expiration dates reach into July 2024.

The Canadian Food Inspection Agency has initiated a food safety investigation that may lead to the recall of other products or an expansion of the current recall. The agency is monitoring the recall to ensure that all of the implicated infant formula is removed from commerce.

Anyone who had purchased the recalled formula should destroy it or return it to the place of purchase.

The formula can be identified by the following information:

Product	Size	UPC	Codes
Soothe (infant formula)	942 g	0 55000 38369 1	Batch no: 301757651Z (EXP 2024 JL 18), 301757652Z (EXP 2024 JL 18), 301857651Z (EXP 2024 JL 19)

Parfait bars sold at Walmart recalled after testing finds Listeria

Clio Snacks of Piscataway, NJ, is recalling 581 cases of its Strawberry Granola & Greek Yogurt Parfait Bar because of potential Listeria monocytogenes contamination.

The recall was the result of a routine testing program by the company which revealed that the affected Strawberry Parfait product produced by Clio's contract manufacturer may contain Listeria monocytogenes. The third-party manufacturer has ceased production and Clio has ceased distribution of the affected product while the FDA and the company continue their investigation into what caused the problem.

This potential exposure was found at a third-party manufacturer's facility where Parfait Bars are produced. The third-party manufacturer does not manufacture any other Clio products. Clio does not manufacture Parfait bars at its own facility.

Product was distributed to select Walmart stores between March 5 and March 8.

Recalled product:

- The impacted product comes in a single-serving box with UPC Code 854021008152.
- Lot Number — 048C2023
- The expiration date of 4/30/2023 is stamped on the side of the box.

As of the posting of this recall, no illnesses have been reported.

Consumers who have purchased Clio Strawberry Granola & Yogurt Parfait bar with an expiration date of April 30, 2023, should not consume the product and are urged to return it to the place of purchase for a full refund or to destroy the recalled product.

New Salmonella outbreak identified with more than 30 patients; cause not yet found

Federal officials are investigating a new outbreak of infections caused by Salmonella Hartford.

The Food and Drug Administration reports that it has begun traceback efforts but it has not revealed what foods or beverages are being traced. The agency reports that at least 31 people have been sickened in the outbreak.

FDA officials have not reported what states the patients live in or what their ages are.

The Centers for Disease Control and Prevention have not reported on the outbreak.

In another outbreak, that has caused liver infections from the hepatitis A virus, the CDC decreased the number of patients from nine to five. The FDA did not report any details about the CDC's decision to exclude the four patients and the CDC has not posted any information of its own about the outbreak.

As with the Salmonella Hartford outbreak, the FDA has not reported the age range of the hepatitis A patients of where they live.

The FDA has begun traceback efforts but has not reported what food or foods are being traced. The agency has also begun sample collection and analysis, but has not reported where the samples are being collected.

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