

MARKET August 2024 NEWS



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MERIEUX NUTRISCIENCES(CHINA)

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Focus on China

Authorities impose penalties on vegetable oil transporters

Chinese authorities have imposed heavy penalties on companies and individuals involved in a scandal where edible vegetable oil was transported in tanks that were previously used to haul nonfood substances.

The scandal emerged in early July when media reports revealed that some truck drivers were transporting edible oil, coal oil and other inedible substances in the same tanks without proper cleaning between usage.

The central government quickly dispatched an investigation team to four regions — Tianjin, Hebei province, Shaanxi province and the Inner Mongolia autonomous region — after the reports sparked public outrage.

According to the latest update from the investigation team released on Sunday night, a driver surnamed Yao, whose truck is registered in Xingtai, Hebei, unloaded coal oil in Shijiazhuang and then transported edible oil from Tianjin to Shaanxi province without properly cleaning the tank. The truck's owner, surnamed Gao, collaborated with others to produce fake cleaning service invoices in early July.

Another driver, surnamed Zhang, transported edible oil from Hebei to Inner Mongolia shortly after unloading coal oil from the same tank.

Zhang claimed the tank was cleaned before loading edible oil, but public security officials found no qualified cleaning service providers near where Zhang's truck had unloaded coal oil.

The investigation revealed that Yao's truck transported 35.91 metric tons of contaminated edible oil, with 11 tons used to produce feed and the remaining 24.91 tons sealed.

Zhang's truck transported 31.86 tons of contaminated edible oil, with 2.48 tons sealed and 7.78 tons of packaged contaminated oil recovered. The remaining 21.6 tons were used in Ordos, Inner Mongolia.

Penalties were imposed on several companies, including Hebei Xingtai Zhuoran United Transport Fleet and Hebei Xingtai Haoyuan Logistics Co, which were fined and had their business licenses revoked. Other companies, including Hebei Xingtai Jingu Cang Logistics Co, Shaanxi Mianxian Xinli Oil Co, Inner Mongolia Ordos Baishenglong Grain and Oil Co, Sinograin Oils (Tianjin) Co, and Hebei Sanhe Huifu Grain and Oil Group Refined Vegetable Oil Co were either fined or issued warnings.

The investigation team said that tanks or equipment used to store and transport food must be safe, clean and free from toxic or harmful substances to prevent contamination.

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"These companies and individuals acted against common sense, trampled on ethics and violated laws, committing criminal acts," the team said.

Yao and Zhang, along with the owners of the trucks they used, have been detained, and authorities are investigating whether they should be held criminally responsible.

Both trucks involved in the oil safety case were from Xingtai, where local officials are now under investigation for lax oversight of tank use.

The central government has pledged to continue investigating edible oil transportation and cracking down on illegal activities with "zero tolerance" to ensure food safety. Authorities are encouraging the media and the public to report any food safety concerns.

Tampering with food product labels to be punished by law

The Supreme People's Court said on Wednesday that those who are found to be tampering with labels of food products will be brought before the law.

The top court issued an interpretational document on the application of law in trials involving punitive damages disputes related to food and drug cases. It will take effect on Thursday. It specifies that failure to label, deliberate mislabeling and significant mislabeling do not qualify as mere flaws in labeling or instructions.

Wu Jingli, the deputy chief judge of the First Civil Division of the Supreme People's Court, said that the regulations on deliberate mislabeling are primarily aimed at curbing the production and sale of counterfeit and substandard food products.

Wu emphasized that deliberate mislabeling of the required content on food labels and instructions reflects a significant level of subjective fault, warranting accountability.

According to China's Food Safety Law, if there are flaws in the labeling or instructions of food products, producers or operators are generally not liable for punitive damages.

The interpretation stipulates that for flaws in labels or instructions to be considered as such, they must meet two conditions simultaneously: they must not affect food safety and must not mislead consumers.

The deliberately mislabeled content typically involves information that has a major impact on consumers' health or their ability to assert their rights, such as the name of the producer, address, ingredients or composition, production date and shelf life. The intention behind such mislabeling is to mislead consumers. Therefore, those responsible should be held liable for punitive damages, Wu said.

The document also addresses how to handle claims involving consecutive purchases of food products that do not meet safety standards, purchases by professional agents engaged in procuring

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food and drugs that fail to meet safety standards, as well as cases where buyers intentionally create false impressions of producers or operators engaging in illegal production and operations to make fraudulent claims.

China lays out plan to further standardize TCM

BEIJING -- The National Administration of Traditional Chinese Medicine (NATCM) on Wednesday released a three-year plan for further standardizing TCM.

The document laid out key tasks in six areas, including increasing the standardized supply of TCM to major fields and enhancing the integration between TCM standards and sci-tech innovation.

According to the plan, 180 items of domestic standards and 30 items of international standards for TCM should be formulated by the end of 2026.

The plan aims to deepen the integration of standardization and development of TCM and provide strong support for the modernization, industrialization and high-quality development of the TCM industry.

An official with the NATCM said that standardizing TCM helps with innovation while carrying forward the best practices of TCM.



China currently has over 3,000 items of standards for TCM, with the system of TCM standards having taken shape, according to a press conference of the administration on Wednesday.

Heat treat: Fill your ice cups, sip leisurely, cool!

Amid a sweltering summer, China is witnessing a surge in people craving icy beverages, and along with that, a new trend — ice cups.

Simply put, an ice cup is a combination of edible ice cubes and a plastic cup into which consumers pour their favorite beverages and customize their own icy concoctions — a trend that has taken the country by storm.

In fact, a growing number of beverage makers such as Nongfu Spring and Pu Coffee are offering self-branded versions of these cups.

Priced between 3 yuan (\$0.41) and 6 yuan depending on the cup's capacity, these frozen treats are attracting young consumers seeking a refreshing drink to beat the heat.

These icy delights are easily found in the frozen food and beverage section of convenience stores such as 7-11, Lawson and FamilyMart, as well as Chinese grocery chain Freshippo.

"The decision to opt for ice cups became clear when I did the math," said Miao Yunlei, a 29-year-old who works for an internet company in Beijing.

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A trip to the convenience store can provide him with a can of cola and an ice cup for just 7 yuan. In contrast, a single cup of iced cola at a popular fast-food chain like McDonald's would cost 10 yuan, Miao said, explaining why ice cups are a cost-effective alternative.

Bilita, an edible ice manufacturer located in Guangzhou, Guangdong province, has experienced a significant surge in annual sales of ice cups, with the sales volume skyrocketing from 1 to 2 million cups before 2022 to 50 million cups in 2023.

The allure of ice cups goes beyond their pocket-friendly prices.

As living standards continue to improve, demand for beverages has transcended thirst-quenching to evolve into a quest for diverse and personalized taste experiences.

The popularity of ice cups aligns closely with this evolving consumer demand, offering a refreshing and customizable option that caters to individual preferences, said Jiang Han, a senior researcher at the Beijing-based think tank Pangoal Institution.

According to a report compiled by consultancy Oliver Wyman and e-commerce platform Meituan in April last year, over 40 percent of consumers in the country expressed a strong desire to be served alcoholic beverages, soft drinks or dairy products in a chilled state.

By 2026, the retail sales volume of frozen treats is expected to experience a fourfold increase, with the market size potentially surpassing 63 billion yuan.

As consumers seek more diverse and exciting beverage experiences, retailers and supermarkets are responding by offering an array of innovative flavors and presentations of ice cups. A range of new options, including lemon juice, grape juice, passion fruit juice and coffee, are served in small ice ball-shaped cups.

As competition intensifies, ice cup products are constantly evolving, in not only exquisite and unique formats but also in a wide range of functionalities. Moreover, the role of social media in driving this trend cannot be overlooked, said Bai Wenxi, chief economist at IPG China.

Social media platforms including Xiaohongshu are flooded with posts showing ice cup discoveries and innovative flavor combinations. Consumers, particularly the younger demographic, share their unique creations, ranging from classic soda mixes to daring fruit-infused fusions.

The ice cup industry has taken off in recent times, attracting the attention of an increasing number of businesses eager to grab a share of the market. With the entry of prominent players like Nongfu Spring, existing ice cup brands are set to face fiercer competition, experts said.

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A search volume for keywords related to edible ice manufacturing plants reached 4,168 on database query platform TianYanCha.com as of mid-July.

Some 490 new companies have been established in this sector in the past three years, with an astonishing 144 of these being less than a year old.

Ice cup prices are trending downward as competition in the market heats up. Last year, the factory price for Bilita's products stood at 3 yuan per cup, said Si Dajin, general manager of the company.

However, this year, the prices have been slashed by almost half, with the current lowest price reaching 1.5 yuan per cup. With more companies entering the market, the factory prices of ice cups may further decrease to 1 yuan per cup, Si added.

International News

New Consumer Reports study examines perchlorate levels in food and drinking water

[Perchlorate](#) (CLO₄⁻) is a non-volatile anion with a molecular weight of 99.45. It consists of one chlorine atom surrounded by four oxygen atoms.

Consumer Reports is out with tests confirming that the chemical perchlorate is widespread in food. The consumer group says

regulators have known of these risks for decades but haven't done much about them.

As a component of rocket fuel that has been linked to serious health issues, Consumer Reports says perchlorate should not be in drinking water or food.

Yet new tests by Consumer Reports have found that the chemical perchlorate — which is used in rocket fuel, missiles, explosives, airbags, and certain types of plastic — is in a wide variety of fast foods and grocery items. The highest perchlorate levels found by CR were in foods popular with babies and children.

The new findings come decades after perchlorate was first identified as a contaminant in water and food. Yet the problem remains largely neglected by the federal regulators tasked with keeping our food and water supply safe, according to one of the nation's oldest consumer groups

The Consumer Reports new study says perchlorate can get into food via water polluted by improper perchlorate disposal, plastics made with the chemical and then used to store food, and bleach — which can break down into perchlorate — at food processing plants and water utilities. Experts think that food is the primary source of exposure.



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Of course, people don't want a rocket fuel component in their fried chicken, rice bowl, or side salad. But it's not just troubling in theory: Research suggests that people who are exposed to high levels of perchlorate may develop thyroid issues, including changes in hormone production. In adults, this may affect metabolism, potentially increasing the risk for metabolic disorders like type 2 diabetes.

Consumer Reports says it can have an even greater impact on fetuses and young children because thyroid hormone levels can affect brain and nervous system development.

While none of the foods CR tested had acutely dangerous levels of perchlorate, some did have enough that several servings of food could add up to potentially hazardous levels. Plus, perchlorate in so many foods means that exposure over time is enough to cause concern, especially for kids.

Environmental health scientists and advocates have implored regulators to set stricter limits on perchlorate in water and food for years. So far, action has been limited and hamstrung by multiple setbacks.

In 2019, the Food and Drug Administration [denied a petition](#) from several environmental advocacy and health groups asking the agency to ban perchlorate in food packaging.

In 2020, the Environmental Protection Agency [walked back already delayed plans](#) to set limits on perchlorate in drinking water. The

Natural Resources Defense Council (NRDC) sued the agency, and just this past year, a U.S. Court of Appeals panel ruled that such a reversal was not allowed. The Court ordered the EPA to set limits on perchlorate; the agency now says it will [propose](#) those limits by Nov. 21, 2025. Experts say the ongoing lack of intervention from regulators is especially frustrating because there's little consumers can do on their own to lower their exposure to chemicals that are so widely found in food and water.

Here's what CR's new study found and what it means.

The new tests by Consumer Reports were in part prompted by the ongoing lack of action from regulatory agencies, which has led to a gap in our understanding of just how pervasive perchlorate currently is in our food, says Tunde Akinleye, the organization's chemist who oversaw the perchlorate testing.

The FDA last evaluated perchlorate levels in food more than a decade ago.

Consumer Reports examined 196 samples of 63 supermarket products and 10 fast food items, choosing them because previous scientific research suggests they may contain perchlorate. It also analyzed the packaging in which each food came.

About 67 percent of the samples had measurable levels of perchlorate, at levels ranging from just over 2 parts per billion to 79 ppb. In general, baby and childrens' food, fast food, and fresh fruits

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and vegetables had the highest levels, with children's foods averaging the highest average level, 19.4 ppb.

When looking at packaging types, foods in plastic containers had the highest levels (averaging nearly 54 ppb), followed by foods in plastic wrap and paperboard.

The Consumer Reports study says that In 2005, the EPA established an "official reference dose," essentially a safe exposure level, for perchlorate of 0.7 micrograms per kilogram of body weight per day. But many food safety experts think this level is not adequately protective and should be significantly lower, Akinleye says.

The European Food Safety Authority (EFSA) has set a tolerable daily intake of less than half that amount: 0.3 micrograms per kilogram of body weight per day.

None of the foods Consumer Reports tested had perchlorate levels high enough for one serving to exceed the EFSA or EPA's suggested daily limits. But everyone eats more than a few servings of food per day, and children — because of their lower body weight — may be particularly at risk.

Consumer Reports found the highest perchlorate levels in certain fast foods and produce items, but concerningly, the category with the highest average level of perchlorate was baby and children's foods. Some of the baby and child foods the group tested that had the

highest levels of perchlorate could quickly add up to a concerning amount.

For a child between 1 and 2 years old, one serving of the boxed mac and cheese Consumer Reports tested would hit nearly 50 percent of the EFSA limit, and servings of the baby rice cereal, baby multigrain cereal, and organic yogurt the group tested would each hit about a quarter of that limit. That means that with one serving of each of the above foods over a single day a child would exceed the EFSA's safe daily limit.

A serving — usually about three-quarters of a cup — of cucumbers, baby carrots, and collard greens would each exceed 50 percent of the EFSA daily limit for children between ages 1 and 2 as well, making it easy for young children to get relatively high levels of perchlorate each day, even from healthy food.

While Consumer Reports testing cannot reveal exactly why some foods had higher levels than others, some packaged goods like baby and children's foods may have higher levels because of anti-static plastic (which sometimes contains perchlorate). In contrast, fresh produce may contain perchlorate if it was irrigated with contaminated water.

Consumer Reports contacted several of the companies behind foods with high perchlorate levels in our tests and some other major baby and children's food manufacturers to ask if they were aware of

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perchlorate contamination and taking steps to minimize it in their products. None provided comments by publication time.

“Regulators should do more to protect the public from contaminants like perchlorate, but at the same time, parents shouldn’t panic about what we found,” says James E. Rogers, PhD, director of product safety testing at Consumer Reports.

While the perchlorate levels Consumer Reports detected could potentially be of concern for sensitive populations, the levels were not high enough to be immediately or acutely harmful.

“Feeding your children a wide variety of healthy foods is the best way to ensure they get the nutrients they need and to minimize the potentially harmful effects of contaminants in food and water,” Rogers says.

Potential European fraud alerts continued to fall in June

The latest report on possible frauds and other non-compliances raised by EU member states features horses, ethylene oxide, and products skipping border controls.

The number of food and other fraud suspicions discussed by European countries declined again in June. The 265 alerts are down from 281 in May, 341 in April, 345 in March, and 318 in February, but are similar to the 277 in January.

The issues identified are potential frauds. Listed non-compliances may prompt investigations by authorities in EU member states. Details come from a monthly report published by the European Commission.

Data includes suspected cross-border fraud topics shared between members of the Alert and Cooperation Network (ACN) and retrieved from the Rapid Alert System for Food and Feed (RASFF), Administrative Assistance and Cooperation Network (AAC) and the Agri-Food Fraud Network (FFN).

It covers food, animal feed, food contact materials, animal welfare for farmed animals, plant protection products, and veterinary medicine products that end up as residues and contaminants in food and feed.

The aims are to assist national authorities in setting up risk-based controls to combat fraudulent and deceptive practices, help the food sector with vulnerability assessments, and identify emerging risks.

A total of 94 notices mentioned fruit and vegetables, with the majority being non-compliant due to pesticide residues. Dietetics, supplements, and fortified foods ranked second with 34 alerts. Herbs and spices climbed to third, while cereals and bakery products dropped to fourth.

Highlighted cases

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The majority of issues were uncovered through border inspections or market controls. Two were based on whistleblower information, and one was detected as being caused by food poisoning. 14 were found after consumer complaints and 22 after a company's internal check.

In June, 11 alerts involved the United States. They included sucralose in an energy drink, titanium dioxide in crème, tartrazine in pickled cucumbers, undeclared GMOs in corn snacks, and several instances of unauthorized ingredients in supplements.

Product tampering adulteration cases included other vegetable oils in extra virgin olive oil from Greece and the sugar content of honey from Hungary. Other examples were the water content of shrimp from Romania and of salted chicken from Brazil.

Alerts under unapproved process were sulfites in shrimp from Spain and several products from India due to ethylene oxide.

Record tampering incidents included gluten in a gluten-free food supplement, a change in the best-before date of butter from the Netherlands, and various health claims.

Other issues included changing the origin of palm oil from Ghana to avoid checks, falsifying the origin of blueberries for re-export, 65 horses from Ireland unfit for human consumption, and diversion of animal by-products to food in the Czech Republic. In another case, the transport resting period for 66 horses for slaughtering was not respected.



Several non-compliances mentioned ingredients not authorized in the EU and pesticides above the maximum residue limits (MRL). Other alerts were due to traceability concerns or products missing border controls.

FDA Announces FY2025 User Fees for VQIP and TPP

The U.S. Food and Drug Administration (FDA) is announcing the fiscal year (FY) 2025 user fee rates for importers approved to participate in the Voluntary Qualified Importer Program (VQIP) and accreditation and certification bodies interested in participating in the Accredited Third-Party Certification Program (TPP). The user fee rates are authorized by the FDA Food Safety Modernization Act (FSMA) and allow the agency to assess and collect fees to cover the FDA's cost of administering these programs.

Voluntary Qualified Importer Program (VQIP)

VQIP is a voluntary fee-based program that offers importers who achieve and maintain a high level of control over the safety and security of their supply chains expedited review and importation of human and animal foods into the United States.

The FY2025 VQIP user fee supports program benefits from October 1, 2024, through September 30, 2025. Currently, the agency is not offering an adjusted fee for small businesses. Approved VQIP

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applicants must pay the user fee before October 1, 2024, to begin receiving benefits for FY 2025.

The FY 2025 VQIP User Fees are detailed in the [Federal Register Notice announcing the FY 2025 VQIP User Fee Rates](#).

Please direct any questions regarding VQIP to the VQIP Importers Help Desk at 1-301-796-8745 or FSMAVQIP@fda.hhs.gov.

Accredited Third-Party Certification Program (TPP)

TPP is a voluntary program in which FDA recognizes “accreditation bodies” that may accredit third-party “certification bodies.” The certification bodies can conduct food safety audits and issue certifications of foreign food facilities. The FY 2025 TPP user fee rate will be effective on October 1, 2024, and will remain in effect through September 30, 2025.

Questions regarding TPP can be sent to FDAt hirdpartyprogram@fda.hhs.gov.

The FY 2025 Third-Party Certification Fees are detailed in [the Federal Register Notice announcing the FY2025 Third-Party Certification Program User Fee Rates](#).

You can also subscribe to receive updates about the U.S. Import programs policies and regulations by visiting the [FDA Email Updates page](#) and entering your email address.



Enterprise News

Salmonella outbreak linked to cheese sickens 70 in France

More than 70 people have fallen sick in France in a Salmonella outbreak linked to cheese.

The 72 salmonellosis cases are linked to the consumption of Le Chateau soft cheeses produced in Cantal by GAEC Deflisque between the beginning of March and the start of August.

Institut Pasteur and Santé publique France identified monophasic Salmonella typhimurium cases with similar characteristics in late July to early August.

More than half of the sick people were identified in Puy-de-Dôme, Corrèze, and Creuse; others have recently been found in the regions of Nouvelle-Aquitaine, Bourgogne-Franche-Comté, Centre-Val de Loire, Pays de la Loire, Brittany, Grand-Est, and Occitanie.

Food questionnaires among patients and traceability work conducted at places of purchase and consumption made it possible to identify the implicated products.

Official inspections in Cantal closed the cheese factory and seized cheeses on site on July 23. Sampling confirmed the contamination of cheeses with the outbreak strain on August 1.

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A recall applies to all batches of Le Chateau cheeses from GAEC Deflisque and all use-by dates sold from March 2024.

Salmonella was confirmed in 158 outbreaks in France in 2022, with 975 cases and 165 hospitalizations. Milk and dairy products were linked to nine confirmed or suspected Salmonella outbreaks.

CVS and H-E-B infant formula recalled over excess levels of Vitamin D

Perrigo Company plc is recalling 16,500 cans of store brand Premium Infant Formula with Iron Milk-Based Powder because of levels of Vitamin D above the maximum level permitted.

The issue was determined through routine testing.

The recalled product was shipped to H-E-B Grocery Company, LP in Texas and CVS in the following states: Texas, Florida, California, South Carolina, Virginia, Indiana, Tennessee, New Jersey, Michigan, Pennsylvania, Rhode Island and Missouri.

Perrigo has taken immediate action by notifying H-E-B Grocery Company, LP and CVS directly and asking them to examine their retail and warehouse inventory and isolate the product.

The Company is initiating this voluntary recall in consultation with the U.S. Food and Drug Administration (FDA).

For the vast majority of infants, short-term consumption of the affected lot codes is unlikely to cause adverse health implications. In a small subset of physiologically vulnerable infants (e.g., impaired renal function), there is the potential that consumption of the recalled product could result in health complications. Parents and caregivers who may have purchased the product should look for the lot codes below with “use by” dates, which can be found on the bottom of the package and should contact their health care provider if they have any concerns.

Recalled product:

Product shipped to CVS beginning Feb. 6, 2024, being recalled:

- T11LMYC – USE BY 11NOV2025
(Material: 975261, UPC: 050428318034)

Product shipped to H-E-B Grocery Company, LP beginning Feb. 2, 2024, being recalled:

- T11LMXC – USE BY 11NOV2025
T09LMXC – USE BY 09NOV2025
(Material: 788362, UPC: 041220164578)

As of the posting of this recall, there have been no reports of adverse events to date attributed to the elevated levels of Vitamin D in the product subject to this recall.

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If infants experience any symptoms while using the product, report them to the FDA's MedWatch Adverse Event Reporting program online at www.fda.gov/medwatch/report.htm. Additionally, please get in touch with your healthcare provider.

Aldi recalls jalapenos, green peppers and green beans over Listeria concerns

In cooperation with Wiers Farm, Inc. and R.S. Hanline Co Inc., ALDI Inc. ("ALDI") is recalling Freshire Farms jalapenos, green peppers and green beans. The affected product from Wiers Farm, Inc. and R.S. Hanline Co. Inc. is being recalled because of potential Listeria monocytogenes contamination.

The affected product was sold at select ALDI stores in Kentucky, New York, Ohio, Pennsylvania and West Virginia.

Recalled products:

Jalapeno

- Package Description – 8 oz. bag
- UPC Code – 4099100087680

Green Pepper

- Package Description – 16 oz. (3 pack) bag
- UPC Code – 4099100087598



Green Beans

- Package Description – 16 oz. bag
- UPC Code – 4099100087826

If customers have products affected by this recall, they are advised to discard it immediately or return it to their local store for a full refund.

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