# MARKET December 2024 NEWS



**MERIEUX NUTRISCIENCES(CHINA)** 



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### **Focus on China**

#### Supervisory bodies push for improving people's well-being

Chinese supervisory authorities have stepped up efforts to combat misconduct and corruption in areas directly affecting people's daily lives, aiming to enhance their sense of public security, happiness and fulfillment, according to a report being reviewed by national lawmakers.

The report, delivered by Liu Jinguo, head of the National Commission of Supervision, was submitted on Sunday to the ongoing session of the Standing Committee of the National People's Congress, China's top legislative body.

Data released in the report showed that supervisory departments across the country have handled 768,000 cases of misconduct and corruption closely related to people's daily lives since the 20th National Congress of the Communist Party of China in 2022, with 628,000 individuals disciplined.

In addition to constant efforts to advance the fight against misconduct and corruption, Liu noted that strong measures have particularly been taken since the beginning of this year in major fields such as health, education and rural affairs, in order to effectively curb improper practices that frequently bring public complaints.



Among the measures, supervisory organs nationwide have endeavored to fight corruption and misconduct in the medical industry, such as "red envelopes", or cash gifts from patients to doctors, given that the practice puts a financial burden on people and harms the doctor-patient relationship, he reported.

Patients have provided such payments to doctors before surgeries despite Chinese law, which prohibits medical staff members from asking for or accepting gifts, cash or other benefits from patients. Some patients worry that failing to offer the informal payment could lead to subpar treatment.

Liu emphasized the importance of cracking down on such misconduct, adding that those who have embezzled medical insurance funds have also been targeted.

According to the data, around 40,000 individuals have faced disciplinary action for medical misconduct, with 2,634 cases that have involved serious violations being transferred to prosecutors for further investigation.

To address the safety of school meals, Liu said that the commission has urged supervisory departments to conduct an assessment of canteens and food in primary and secondary schools across the country.

He cited data showing that 23,000 individuals were disciplined after being found to have embezzled funds intended for student meals,

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interfered in the bidding for and procurement of food, and accepted kickbacks, among other irregularities.

Liu also reported that a nationwide campaign to rectify corruption and misconduct in the funeral and burial sector was launched in November, with the initiative set to run for one year.

Supervisory authorities at all levels will continue to adopt a high-pressure stance on combating corruption in the areas that directly affect people's livelihood, he reported, adding that problems related to rural vitalization funds, medical insurance management and elderly care services are also to be better addressed, in order to meet the public's needs.

Yang Weidong, a law professor at China University of Political Science and Law, praised the strong efforts to combat misconduct and corruption in major areas that directly affect people's daily lives.

"The fields such as healthcare and education involve many families and the basic interests or even life safety of everyone, so strengthening supervisory investigation in these sectors is important and necessary," he said.

Using student meals as an example, he noted that supervisory investigation involved many departments, including schools, food suppliers and healthcare regulators, so that the supervisory and anti-corruption actions have covered every part of the sector. He suggested that supervisory authorities open more platforms, such as hotlines or online channels, to collect feedback from the public or tips about misconduct in livelihood-related areas, so that efforts to fight misconduct can be advanced more effectively.

#### Henan food industry sees 1t yuan output

By transforming and upgrading its agricultural product processing industry, Henan province is nurturing a modern food industry cluster of more than 1 trillion yuan (\$137 billion) in output, a local official said.

Wang Junzhong, deputy director of the province's agriculture and rural affairs department, said the agricultural product processing industry is a pillar of Henan's economy, with a total of 6,103 agricultural product processing enterprises that each earn over 20 million yuan in annual revenue as of October this year.

He said Henan has been promoting the development of four key industry chains, including cold chain food, leisure food, alcohol and beverages and prefabricated meals, resulting in the rise of a large number of industry leaders.

"The province is evolving from the 'nation's granary' to the 'nation's kitchen' and the 'world's dining table'," Wang said, adding that the locally produced agricultural products are exported to 140 countries and regions around the world.

The Henan-based Xinxiang Qianwei Central Kitchen Food Co Ltd, a pioneer in the country that specializes in providing customized and standardized quick-frozen food for catering businesses, has become a major supplier for top catering enterprises such as Yum China, Wallace and ZKungfu.

Sun Jian, chairman of the company, said the franchise rate of catering brands in China is increasing year by year, but it's still only around 20 percent, far below the 50 percent in developed countries, providing a huge opportunity for the catering ingredient supply chain.

The company's several products, including youtiao (fried dough sticks), sesame balls, cartoon buns, and egg tarts, each generate annual sales exceeding 100 million yuan, he said.

Sun said his company plans to seek further growth in the field of prefabricated dishes and expand its presence in the consumer market through online channels.

The Jiaozuo, Henan-based Daka International Food Co Ltd, a wholly-owned subsidiary of MIXUE Ice Cream & Tea, is one of China's largest beverage supply chain service providers, with an annual production capacity of 1.2 million tons.

It currently serves over 30,000 beverage stores and restaurants, with a main business revenue of 13.75 billion yuan last year, the company said.



### International News

#### FDA Finalizes Updated "Healthy" Nutrient Content Claim

The U.S. Food and Drug Administration today issued a <u>final rule</u> to update the "healthy" nutrient content claim to help consumers identify foods that are particularly useful as the foundation of a diet that is consistent with dietary recommendations. Manufacturers can voluntarily use the claim on a food package if the product meets the updated criteria.

The "healthy" claim can empower consumers by providing a quick signal on food package labels to help consumers identify foundational foods for building healthy dietary patterns. The claim could be especially helpful for those who may be less familiar with nutritional information. Today's action is part of the FDA's broader commitment to make food a vehicle for health and wellness, reduce diet-related chronic diseases, and promote health equity. This initiative, and others such as front-of-package nutrition labeling and sodium reduction, are featured in the <u>White House National Strategy on</u> <u>Hunger, Nutrition, and HealthExternal Link Disclaimer</u>.

Diet-related chronic diseases in the U.S. are the leading causes of death and disability and many of these chronic diseases are experienced at higher rates by certain racial and ethnic minority groups and those with lower socioeconomic status, compared to the

overall average. Healthy eating patterns, which include foundational foods like fruits, vegetables, fat-free and low-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 voluntarily reformulate food products to meet the updated criteria.

The updated criteria for the "healthy" claim are aligned with current nutrition science, the Dietary Guidelines for Americans, and the updated Nutrition Facts label, which requires the declaration of added sugars. The updated criteria for the "healthy" claim include nutrients to limit and identifies foods that help consumers to build a diet consistent with current recommendations.

To bear the "healthy" claim, a food product needs to:

- Contain a certain amount of food (food group equivalent) from at least one of the food groups or subgroups (such as fruits, vegetables, fat-free and low-fat dairy etc.) recommended by the Dietary Guidelines.
- Adhere to specified limits for the following nutrients: saturated fat, sodium, and added sugars.

As an example, to include the "healthy" claim on the package, a cereal needs 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 did not qualify for the "healthy" claim before but are foundational to a healthy eating pattern and recommended by the Dietary Guidelines. These foods now qualify to bear the "healthy" claim. Many foods that fit into a range of budgets such as some peanut butters and canned fruits and vegetables also qualify. Manufacturers who choose to use the "healthy" claim have three years to conform but can use the new criteria sooner.

On a separate but related track, the FDA is also continuing to explore development of a symbol that manufacturers could use on food labeling to show that a product meets the criteria for the "healthy" claim. Having a standardized graphic to show that a food meets the criteria for the "healthy" claim would further support the FDA's goal of helping consumers to identify food products that can be the foundation of healthy eating patterns.

The FDA will host a stakeholder webinar to provide an overview of the final rule and address questions. More information on the webinar will be released shortly.

#### FDA Announces European Union (EU) Requirements for All Honey and Other Apiculture Products Imported into the EU

The European Union (EU) has implemented <u>Regulation (EU)</u> 2023/2652External Link Disclaimer, effective November 29, 2024. This

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regulation requires that all establishments importing apiculture products into the EU, including honey, beeswax, royal jelly, propolis, and pollen, be registered in the EU's Trade Control and Expert System (TRACES). These products, intended for human consumption, fall under HS headings 0409, 0410, 1212, 1521, and 1702.

#### **TRACES** Registration

TRACES is the EU's online platform for health certification required for the importation of animals, animal products, food, and feed of non-animal origin into the EU, and for intra-EU trade and exports of certain animal products. All establishments that import into the EU or supply honey or other apiculture products to food manufacturers that import products that contain honey or other apiculture products (i.e., composite products) into the EU must be registered in TRACES. This includes producers of honey, beeswax, royal jelly, propolis, and pollen, which fall under HS headings 0409, 0410, 1212, 1521, and 1702, intended for human consumption. To be eligible for importation into the EU, the EU requires that establishments successfully complete an on-site assessment by the USDA Agricultural Marketing Service (AMS) before applying for registration through the FDA's Export Listing Module (ELM). For more details on TRACES, visit: <u>TRACESExternal Link</u> <u>Disclaimer</u>.

**AMS On-Site Assessment** 



To satisfy EU Establishment requirements, exporters or their suppliers must successfully complete an on-site assessment. This assessment includes a USDA Hazard Analysis and Critical Control Point (HACCP) Verification Survey, Plant Survey, and Food Defense System Survey. For detailed procedures on how to proceed with this assessment, including AMS public updates, please refer to the USDA's <u>GAIN report</u> which provides comprehensive guidelines on new EU market access rules effective from November 29, 2024.

To schedule an on-site assessment or for additional questions, producers should contact the Specialty Crops Inspection Division (SCI) at <u>sciinspectionoperations@usda.gov</u>.

After successful registration in TRACES, certification of honey and other apiculture exports may still be required prior to shipping to the EU. To arrange for additional product certification or other related inspection services, please contact SCI at the same email address. AMS has published additional information on these requirements, please refer to their <u>latest update</u>.

#### FDA Application for Inclusion on Food Export List

Upon successful completion of the AMS on-site assessment, applicants should apply for inclusion on the export lists via the FDA's ELM. As part of this application process, the FDA verifies that the applicant maintains good regulatory standing. Visit <u>Online</u>



<u>Applications for Export Lists</u> for a link to this electronic system and step-by-step instructions.

As part of the application process, FDA will verify the applicant is an FDA-regulated manufacturer of honey, apiculture, and/or composite product (and other establishments as applicable) in good regulatory standing with FDA for the products intended for export.

The FDA will maintain and update a list of establishments in good standing, intending to transmit an initial list to the EU by December 31, 2024. Establishments wishing to be included in this initial list should apply by December 23, 2024. Subsequent updates will be sent quarterly, as detailed on the Food Export Lists webpage.

For additional product certification after registration in TRACES, contact SCI at sciinspectionoperations@usda.gov. For general inquiries about export certification, contact the FDA Human Foods Program Export Certification Team at hfpexportcertification@fda.hhs.gov.

#### **EU TRACES Listing**

Once the registration is finalized and uploaded by DG SANTE, it will be publicly available on the TRACES website. To view the list of approved Honey and Apiculture facilities, click here: <u>EU TRACES ListExternal</u> <u>Link Disclaimer</u>.

### FDA Issues Guidance on Notifying FDA of a Permanent Discontinuance in the Manufacture or an Interruption of the Manufacture of an Infant Formula

The U.S. Food and Drug Administration (FDA) has issued draft guidance outlining the requirements and procedures that infant formula manufacturers should follow to notify the FDA of a permanent discontinuance or an interruption of the manufacture of infant formula that is likely to lead to a meaningful disruption in the supply of such infant formula in the United States. The draft guidance titled "*Notifying FDA of a Permanent Discontinuance in the Manufacture or an Interruption of the Manufacture of an Infant Formula*" is intended to help the infant formula industry comply with section 424 of the Federal Food, Drug, and Cosmetic Act (FD&C Act) (21 U.S.C. 350m) which requires, in part, infant formula manufacturers to notify the FDA of a permanent discontinuance in the manufacture or an interruption of the manufacture of infant formula that is likely to lead to a meaningful disruption in the supply of such infant formula in the United States.

The draft guidance discusses notification requirements under section 424(a)(1) of the FD&C Act as they pertain to infant formula, as well as the FDA's interpretation of key terms and recommendations for the procedures for submitting such notifications. Under section 424 of the FD&C Act, infant formula manufacturers are required to notify the FDA "as soon as practicable, but not later than 5 business days" after

a permanent discontinuance or an interruption of the manufacture of infant formula that is likely to lead to a meaningful disruption in the supply of such food in the United States. The guidance also outlines our interpretation of what information must be included in the notification and provides recommendations relating to information that may be voluntarily included to help the FDA appropriately identify the affected product(s), determine the potential for and magnitude of a supply chain disruption, and better assess the overall state of the market.

This guidance is one of the steps the FDA is taking to improve the resiliency of the infant formula supply and to ensure that consumers have the utmost confidence that infant formula available in the U.S. is safe and nutritious. Providing information to assist infant formula manufacturers with notifying the FDA of potential supply disruptions supports a more resilient infant formula supply chain.

Although you can comment on any guidance at any time, to ensure that the FDA considers your comment on this draft guidance before it begins work on the final version of the guidance, submit either online or written comments on the draft guidance before the close date, February 3, 2025.

Submit electronic comments through <u>https://www.regulations.gov</u> to docket number FDA-2024-D-1334.



Send written comments to: 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-2024-D-1334 and the title of the guidance document.

#### FDA Issues 2024 Voluntary National Retail Food Regulatory Program Standards

The U.S. Food and Drug Administration (FDA) today issued the 2024 edition of the <u>Voluntary National Retail Food Regulatory Program</u> <u>Standards</u>, which defines the key elements of an effective retail food regulatory program for state, local, tribal, and territorial food regulatory agencies.

The Retail Program Standards include recommendations for designing and managing retail initiatives, as well as recognizing programs that show progress in implementing the standards. They provide a foundation and system upon which all regulatory programs can build through a continuous improvement process.

The 2024 edition incorporates changes recommended from the 2023 Conference for Food Protection Biennial Meeting. These changes include:

- Re-standardization frequency updates;
- Newly added courses;
- Audit procedures updates; and
- New terminology

The FDA's Retail Program Standards provide a valuable framework to enhance food safety in state, local, tribal, and territorial (SLTT) jurisdictions, whether they are enrolled or not. However, voluntary enrollment offers an opportunity to apply for related federal funding to advance adoption of these standards.

The procedure for enrolling is available at <u>Administrative Procedures</u> for Voluntary National Retail Food Regulatory Program Standards. A complete list of jurisdictions enrolled can be found at <u>Listing of</u> <u>Jurisdictions Enrolled in the Voluntary National Retail Food</u> <u>Regulatory Program Standards</u>. For questions about the Retail Program Standards, please contact a <u>Retail Food Specialist</u>.

### **Enterprise News**



# Over 2 million cans of coconut water recalled due to seal compromise concerns

Tipp Distributors, Inc., doing business as Novamex, is recalling Jarritos Coconut Water 12-can cartons because the hermetic seal on the lid of the cans may be compromised.

The compromised hermetic seal may affect can integrity and may cause the cans to leak, bloat or allow bacteria, such as Clostridium botulinum, to grow inside the product which could lead to serious illness

According to the details published online by the Food and Drugs Administration (FDA), the recall was initiated on Nov. 4 and is ongoing.

The recalled product was distributed in Alabama, Arkansas, Delaware, Florida, Georgia, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Michigan, Missouri, Mississippi, North Carolina, Nebraska, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Virginia and Wisconsin.

#### **Recalled product:**

Jarritos Coconut Water 17.5 fl oz cans- 12 cans per carton

- Product Quantity: 169,438 cases (2,033,256 cans)
- Code Information: All lot codes

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Retailers and consumers should not use, sell, serve or distribute the affected product.

"In foodborne botulism, symptoms generally begin 18 to 36 hours after eating contaminated food. However, symptoms can begin as soon as 6 hours after or up to 10 days later," according to the CDC website.

The symptoms of botulism may include some or all of the following: double vision, blurred vision, drooping eyelids, slurred speech, difficulty swallowing, difficulty breathing, a thick-feeling tongue, dry mouth, and muscle weakness. People with botulism poisoning may not show all of these symptoms at once.

These symptoms result from muscle paralysis caused by the toxin. If untreated, the disease may progress, and symptoms may worsen to cause paralysis of specific muscles, including those used in breathing and those in the arms, legs, and the body from the neck to the pelvis area.

# Gracie's Kitchens recalls ready-to-eat products after Listeria found in facility

Gracie's Kitchens of New Haven, CT is recalling all ready-to-eat fruit and vegetable products manufactured at the facility from Nov. 4 through Nov. 13, 2024, because of potential Listeria monocytogenes contamination. This recall is being initiated after sampling indicated that Listeria monocytogenes was found in the environment.

These products are no longer in commerce and are past their sell by date, but consumers should check their freezers and dispose of product or return to store where they purchased for refund.

The recalled products were distributed to various grocery stores located in Connecticut and New York. Products will have sell-by dates located on the labels with a range of 11/9/24-11/24/24.

#### **Recalled products:**

Brands of recalled products -

- Gracie's Kitchens Brand
- King Kullen Brand
- Wild By Nature Brand

The list of recalled products can be <u>found here</u>.

Product labels can be <u>found here</u>.

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

Consumers who have purchased any of the listed products included in the recall are urged to discard them.

### **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: <u>sales.china@mxns.cn</u>

