

CHINA UPDATES

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China International Nutrition and Health Summit 2014 2014中国国际营养与健康产业峰会

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化工行业分会

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Location: Beijing, China
Venue: Renaissance Beijing Capital Hotel

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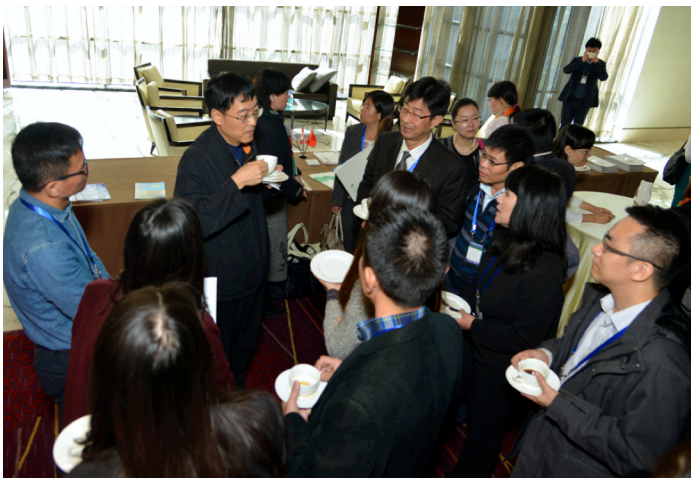


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The U.S. – China Health Products Association wrapped up the two day “China International Nutrition and Health Industry Summit” on November 4, 2014.



N&H Summit was held at the Renaissance Capital Hotel in the heart of Beijing’s Central Business District. The agenda covered all aspects of China’s dietary supplement and nutritional ingredient industry such as regulatory, product registration procedures, discussions on functional and medical foods, distribution solutions, e-commerce, ingredient introductions, investment and more.



Above: Director Zhang Jinjing from China’s FDA answering questions during refreshment break

N&H Summit offered attendees ample time to network with extended refreshment breaks and a two-hour welcoming cocktail party on the first night.

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N&H Summit By the Numbers:

110 Attendees

60 Global Companies

24 Speakers

9 Governments / Organizations in Attendance:
China FDA, China Nutrition Society, China Council for Promotion of International Trade, China Health Care Association, China Chamber of Commerce, Tianjin Free Trade Zone Investment Bureau, Canadian Embassy, Delegation of the EU, Israel Embassy and the U.S. Embassy.

USCHPA hopes to see you all next year for the 2nd annual “China International Nutrition and Health Industry Summit”. Stay tuned for details. (Source: USCHPA)

Imported Milk Powder Failed the Test

According to a recent report by the country’s top quality regulator, seven brands of imported infant milk powder from Germany, France and New Zealand are found to be substandard in the ports, including some big-name brands.

The major reasons of them failing the spot checks are illegal additive volume and substandard label.

The state administration of quality supervision, also known as AQSIQ, said related products had been destroyed or sent back to the original country of the production.

The regulator said that in August, 261 batches of imported food, 13 batches of imported cosmetics failed the quality test conducted by the state regulator. (Source: China Economy Net)

China Consumer Association Warns Health Product Promotion

With an increasing number of complaint reports due to illegal promotion by local health products, China Consumer Association warns the local buyers, especially senior citizens, not to trust the ads easily.

The Association pointed out that some vendors are holding seminars and training classes illegally in the name of the government and NGOs, and tempt the elderly buyers with gifts, which allures them to buy the health products they promote.

The vendors also usually exaggerate the function of the health products, and lie to the buyers that the products can cure a certain diseases.

The Association alerts the local consumers to take a good look at the production approval number of the product, and take receipt when they buy the product, which will protect them from illegal selling. (Source: Economy Daily)

China to Battle GMO Crop Fear From Field to Dinner Table

The Chinese government is trying to convince Zhou Guangxiu that the corn in the congee she wants to feed her son is safe. That may not be easy.

Zhou, the owner of a recycling business in the northeast coastal city of Weihai, said one source of her concern was an anonymous article shared online by her friends that alleges genetically modified crops cause infertility in Asians, part of a U.S. ploy against China. She fears her 21-year-old

son won't have his own family if she feeds him the corn-meal porridge.

"I definitely won't let my son eat it," Zhou said by telephone. "It's not just me. All our friends are worried. All the corn grown now is genetically modified."

China, the world's most-populous country and the biggest consumer of rice, soybeans and wheat, has begun a campaign to push genetically modified organisms as it seeks to expand food supplies. While no domestic grain crops are bioengineered, President Xi Jinping has endorsed the technology used to boost output everywhere from the Americas to Africa. China's Ministry of Agriculture said Sept. 28 it would use media, seminars and street advertising to combat the perceived risks.

Meat consumption has surged in China as the economy expanded almost six-fold over the past decade and incomes rose. That led to an increase in livestock herds and demand for feed. The nation is already the biggest soybean buyer and will become the top corn importer by about 2020, the U.S. Department of Agriculture estimates. Most of its overseas supplies are produced from seed genetically engineered to grow with certain traits, like killing pests or tolerating herbicides.

"There has been a lot of opposition against GMO in China not based on science, which, if left unchecked, can weaken government support for the development of biotechnology," Li Qiang, chairman of Shanghai JC Intelligence Co., the country's largest independent agriculture market researcher, said by telephone from Shanghai on Oct. 7. "The agriculture ministry probably feels compelled to do some education."

Because the technology is new, "it's reasonable that society should hold controversial views and doubts," Xi told the Communist Party conference on rural works last December, the Beijing Evening News reported on Sept. 28. China should ensure biotechnology is safe and should not allow foreign companies to control the market for gene-modified products, he said.

The concern among some Chinese consumers about genetically modified grains dovetails with broader worries about food safety. Fears have been fanned by high-profile incidents, including rice found with cancer-causing heavy metals; rat, fox and mink sold as mutton; cooking oil salvaged from sewers; and baby formula laced with chemicals. About 41 percent of Chinese consumers in a 2012 Pew Research Center survey considered food safety a “very big problem,” up from 12 percent in 2008.



The state-led campaign to promote GMOs comes at a time when meat has become a popular choice at meals, requiring more corn, wheat and soybeans to feed livestock. China is the world’s largest pork consumer, ranks second in chicken demand, and trails only the U.S. and Brazil in beef, USDA data show.

In December, the country announced a new food-security strategy that will allow “moderate” grain imports for feed, while maintaining self-sufficiency in wheat and rice, a break from previous policies to ensure the nation grows 95 percent of the corn, wheat and rice it needs, according to an April report by the USDA’s Foreign Agricultural Service.

Per-capita demand for corn more than doubled in the past two decades, according to Bloomberg Intelligence. Beef consumption in China, which the USDA estimates already raises and eats half the world’s pork, could surge by more than 70 percent from 2013 to 2030, Australia & New Zealand Banking Group Ltd. said Sept. 5.

China’s demand for corn and soybeans will continue to rise in line with economic growth, according to the USDA report in April. The economy, which has the world’s biggest meat industry, may expand 6.9 percent in 2016, more than twice as fast as the U.S., according to estimates compiled by Bloomberg.

The country imported 63 million metric tons of soybeans last year valued at \$38 billion, accounting for more than 60 percent of global exports, customs data show. It also shipped in 3.3 million tons of corn, according to the data. Soybean purchases will climb to 96.9 million tons by about 2020, with corn reaching 16 million tons, according to a long-term projection made by the USDA in February.

Most of the soybeans and corn China imports are grown with engineered seeds, including those with built-in resistance to Monsanto Co.’s Roundup herbicide, Zhang Xiaoping, chief representative of the U.S. Soybean Export Council, said by telephone Sept. 30.

China’s biggest supplier is the U.S., where GMO crops account for 93 percent of all corn produced and 94 percent of soybeans, USDA data show. While the U.S. is the largest user, Brazil and Argentina sowed a combined 64.7 million hectares (160 million acres) of GMO corn, soybeans and cotton in 2013, with another 21.8 million hectares planted in India and Canada, according to the International Service for the Acquisition of Agri-Biotech Applications.

“China doesn’t have a choice when the top suppliers all employ the technology,” Zhang said.

Corn in China trades at almost three times the U.S. price. Futures for December delivery on the Chicago Board of Trade were down 0.4 percent at \$3.4175 a bushel at 6:08 a.m. On the Dalian Commodity Exchange, the grain was at 2,342 yuan a ton, or about \$9.70 a bushel.

Concern that GMO crops are unsafe isn’t unique to China. Only 27 countries planted genetically modified crops in 2013, ISAAA data show, and at least 60 have labeling requirements, including

Japan, Brazil and the entire European Union. Surveys in the EU show opposition by consumers, who worry about risks such as human resistance to antibiotics and the development of so-called superweeds that are impervious to herbicides.

China approved strains of genetically modified rice and corn in 2009, saying at the time that mass-production will be allowed only after trial planting and public acceptance. Cotton is the only bioengineered crop widely grown.

Unlike the U.S., Brazil and Argentina, China doesn't raise gene-altered food crops on a commercial scale, according to Huang Dafang, a researcher with Chinese Academy of Agricultural Sciences and former member of the agriculture ministry's biosafety committee. Instead, it only buys them, though the government has rejected some imports with unapproved traits, including an insect-repelling variety developed by Syngenta AG. Imports must be processed, mostly into animal feed and cooking oil, he said.

Even as the top leadership has approved the safety of domestically developed genetically modified corn and rice, they haven't been cultivated outside labs, according to Huang. No one at China's agriculture ministry replied to a request for comment sent by fax.

"The main reason for China's slow adoption of biotech grain crops isn't so much that the government is swayed by public opinions," Shanghai JC Intelligence's Li said. "It's that China doesn't have leading, marketable biotechnologies and is afraid of having the market controlled by foreign companies once commercialization is granted."

Genetically modified foods currently available show no effect on human health among the populations where they've been approved and likely aren't a risk, according to the World Health Organization.

That hasn't prevented consumers from expressing concern about food safety. China Central Television reported illegal sales of unapproved GMO rice in supermarkets in central Hubei province, prompting a pledge by the government that it would crack down on illegal growing and selling.

"We don't know what GMO is and what it really does to our bodies," said Zhou, the mother in Weihai who expressed fear of feeding her son corn porridge. "Hopefully, the government can help us understand what the truth really is."(Source: Bloomberg)

Regulations Effective to Boost Industry Credibility

A series of government regulations took effect Wednesday amid China's efforts to promote integrity and credibility among corporations.

According to an interim regulation on the disclosure of corporate information, endorsed by Premier Li Keqiang, companies are obliged to deliver annual reports to industrial and commercial authorities between Jan. 1 and June 30 each year.

Reports will contain information such as contacts, profits, tax payments and other business activities including details of new subsidiaries and stake purchases.



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Corporations violating the rules for consecutive three years will be blacklisted which will affect their bidding and application for loans.

Starting Wednesday, enterprises will also have to abide by the Tax Credit Management Measures and Measures on Disclosing Information on Major Illegal Tax Cases issued by the State Administration of Taxation.

The two regulations are aimed at establishing tax-related mechanism of punishing dishonesty and enhancing tax credit system.

Tax credit will be divided into A, B, C and D levels, with D the lowest.

Taxpayers at D level will face high penalties and restrictions in their operation, financing and production license.

For manufacturers and sellers of medical devices, they will have to follow five regulations revised by the State Food and Drug Administration.

The regulations have clarified on registration, license of production and sales, standards of specifications as well as authorities' supervision measures which are expected to rectify market disorder. (Source: Xinhua)

Local Stores and Restaurants Gaining Big during Golden Week

According to data from MOFCOM, the total retail sales and revenue from restaurants during the “golden week”, the national holiday period from Oct 1 to Oct 7, reached 975 billion yuan, an year-on-year increase of 12.1%.

The state authority also said that some vendors are exploring into the e-commerce by making good use of wechat and weibo. The most popular products in the local market include the latest electronics, green smart household appliances, and outdoor outfit.



Products that target at the medical equipment and health products are also sold well during the week.

The data also shows that, partly due to the corruption campaign, dishes at modest cost are well received in local restaurant. (Source: Jinghua Times)

Would You Trust Chicken from a KFC in China? The Chinese Still Don't



China has proved an incredibly lucrative market for Yum Brands, the American fast-food titan whose restaurant chains include KFC, Pizza Hut and Taco Bell. Yum's China division is easily the company's most profitable, and Yum is plowing big money into deepening its presence in that nation, with plans to grow its fleet of 6,387 restaurants there to 20,000 locations by 2020.

With so much riding on its Chinese business, the company knew it would likely take a major blow when reports surfaced in Chinese media in July

that one of Yum’s meat suppliers in that country had improperly handled food products and allegedly sold expired meat.

“When I saw that, I said, ‘Uh-oh, here’s six to nine months of problems,’” Yum chief executive David Novak told investors on a conference call Wednesday.

The company’s third-quarter earnings report, released Tuesday, is the first snapshot of just how much the incident damaged Chinese consumers’ confidence in Yum restaurants — in particular, KFC, which is wildly popular in China and has more than twice as many locations in the country as its fast-food competitors. Same-store sales in Yum’s China Division plunged 14 percent in the third quarter, a decline that comes on the heels of a 15 percent increase in same-store sales the previous quarter.

Yum executives are bullish about their prospects for bouncing back in China, repeatedly stressing to investors that they believe they’re already on the path to recovery. “We have a short-term issue and we’re weathering the storm,” Novak said.

The company said it is taking steps to win back consumers, including a series of advertisements stressing quality assurance. Yum is also beefing up its requirements for suppliers and working to establish a whistleblower system for its employees and suppliers to encourage them to report food safety violations. These moves follow the company’s decision in the immediate aftermath of the food safety issue to sever its ties with the supplier, OSI. (Source: Washington Post)

China Updates is published weekly by the U.S. – China Health Products Association, a non-profit organization dedicated to the promotion of dietary supplements and the nutritional / functional ingredients. The association’s major focus is the continued development of China’s dietary supplement and nutritional ingredient industry as well as offering business services to global companies wishing to enter the China Market

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