

# CHINA UPDATES



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## **Zhejiang Regulates Online sales of Health Product and Cosmetics**

The local FDA of Zhejiang province recently released a guidance to regulate the online sales of health product and cosmetics in efforts to step up regulation efforts on operators of online platform and vendors of health product and cosmetics.

Online sales of health product and cosmetic are booming in recent years and have become an important channel of selling health product and cosmetics.

However, there is an increasing number of complaints from customers and negative media coverage on online sales of health product and cosmetics recently.

So far there is no specific regulation or law targeting online sales of cosmetics and health product. So it is urgent to release related regulations and documents to address this issue. Documents need to provide a better way to propel operators and vendors to be more disciplined.

The guidance includes 24 items, which illustrate related responsibilities that online platform operator and product vendors should shoulder. The guidance is essential for regulating this industry. (Source: CFDA)

China Updates is a service provided by U.S.-China Health Products Association. The Newsletters are issued approximately three times a month. China Updates provides news on regulatory environment, new legislation, association activities and any information related to China's natural health products industry.

## CFDA Designates Eight Institution to Check Infant Formula Production

China's state food and drug regulator released announcement this week to designate eight testing institutions to be in charge of granting approval for infant formula production.

The eight institutions are : national food quality and safety monitoring and testing center; national dairy product quality monitoring and testing center; Shandong province food and drug testing center; national food quality and safety

monitoring and testing center(Shanghai); national processing food quality monitoring and check center(Guangzhou); Anhui province food and drug testing research center; Heilongjiang quality monitoring and testing research center and Wuhan food and cosmetics testing center.

The announcement says that provincial FDA needs to send samples that the authority takes from related companies to at least two of the above centers for production approval testing.

The CFDA requires the eight institutions to test the samples based on the national standard on infant formula and food safety. The testing report needs to be sent to provincial FDA as well as CFDA. (Source: Xinhua)

## Organic Food Sees a Pickup in Sales in China

With more big-name businessmen in China tapping into the organic food market, including this country's richest man Wang Jianlin who has recently built an organic food farm in outskirts of Beijing, organic food once again becomes a selling point in China.

The organic food industry started to develop since 1980s in China. As more and more Chinese people raise the awareness of quality food, the industry started to enjoy rapid growth since 2000. However, the development of organic food industry was terribly hurt as many illegal sellers promote ordinary food as organic food and sell them at a very high price.

The data from Ministry of Agriculture shows that in China, there are about 50 types of organic food in China. The growth rate of sales value of organic food in China is around 30%-50%. The industry fails to meet 30% of local demand.

There is no clear and comprehensive statistical information about the volume and value of organic production in China. The latest estimate was 2.03 million hectares of certified organic farmland in 2009, while total organic production was valued at about US\$ 2.4 billion in 2008, of which US\$ 500 million went for export and the rest was sold locally. Organic imports were estimated at about US\$ 3 million – US\$ 8 million per year, and a maximum of US\$ 20 million in 2009.

The development of organic industry is held back in China with restrictions in consumption capability, logistics system as well as the sales channel. In China, most organic food are sold in supermarket chains

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including Carrefour and Wal-Mart. The production, management and logistics costs of organic food sometimes deter the supermarkets from selling organic food in their stores.

According to an organic food market report, the first-tier cities in China, including Beijing, Shanghai and Guangzhou, pay more attention to organic food than other cities in China.

Due to the high standard of production approval and production cost, the actual production volume of organic food is not satisfactory. A report by China News Site shows that in China, there are no more than 6,400 official certificates of organic product nationwide.

The low volume of production propels a series of substandard production in face of big market

demand, including confusion in label and price, illegal production approval and use of pesticide in organic food planting, which hurt the consumption confidence of local consumers.

According to data from CIC Consulting, the value of organic food accounts for less than 1% of food industry in China.

To better regulate the industry, the CFDA released regulation of authentication method of organic food in 2004, the updated version of which will take effect since April, 2014.

In 2011, the national authentication committee updated the regulation guidance of organic product authentication and catalogue of organic product. The new regulation requires that when organic food is put into the market, the independent package should bear organic authentication label and organic code. The number of authentication organization of organic food decreased from 36 to 23 this year filtered by the government to ensure the examination level.

In recent two years, the rising of e-commerce helped the organic food industry to grow rapidly in China. The leading e-commerce sites, including taobao and jingdong, open stores to sell food including organic rice and vegetable etc, which helped to expand the sales channel of organic food. (Source: Sina.com)

## Chinese in Smoggy Cities 'Are Dying' for This Austin Startup's Air Purifiers

The health effects of air pollution in China have been well-documented. Early this month Shanghai warned children and the elderly to stay indoors because the “level of the most harmful pollutants exceeded more than 10 times the level deemed safe by the World Health Organization.” In late October, China announced it would set up a nationwide monitoring network in 16 of the worst-affected cities and provinces within



three to five years, “in an effort to assuage public anger sparked by environmental degradation,” Bloomberg News reported.

The problem is spurring something of an air purifier gold rush in China, where individuals and businesses are snapping up the devices to try to filter pollutants from indoor air. (A home’s indoor air, it turns out, is replaced by outdoor air every two hours, because of leaks from doors and windows, though it takes longer in newer homes that are better sealed.) A report from market research firm TechSci Research estimates the Chinese market for air purifiers will reach \$22 billion by 2018.

Oransi, a four-person startup in Austin, Tex., is one of the latest U.S. air purifier brands to target China. To



differentiate the brand’s high-end line from competitors’ models, founder and Chief Executive Officer Peter Mann is touting its Made-in-USA origins and aiming for Chinese businesses and individuals who can afford to spend the \$2,000 or more he estimates retailers will charge for the units. Mann says the cost is justified because of the high-quality components, all which are made in the U.S., except for their energy-efficient German motor and fan. “Obviously, price point-wise, it’s not a product for the masses,” he explains.

Mann is now in the process of shipping the first 500 units in batches to his four Chinese distributors so that they can clear customs and be in stores before the Chinese New Year at the end of January. He’s close to selling 1,000 additional units to his distributors in China, though he won’t start shipping them until March or April. “People have been dying to get their hands on them,” says Mann. “If you’re living in that type of environment where the air you breathe is [hazardous], are you going to go cheap or are you going to go with something that works?”

Gauging the effectiveness of air purifiers is tricky, as this New York Times article makes clear. It notes the devices “occupy the same category as faith-based wellness products like nutritional supplements” and points out the Food and Drug Administration doesn’t regulate air purifiers because they aren’t considered medical devices. Mann says he’s aware the Federal Trade Commission cracks down on false air purifier advertising and is careful about what he promises: “There’s a lot of slick marketing [and] concern about what [air purifiers] can do for viruses and killing germs. We don’t make those types of claims; we stay away from that.” (Source: BusinessWeek)

## **Polluted Farmland Restored for Food Safety**

Arable land contaminated by heavy metals across China will be withdrawn from agricultural production, said a senior Chinese agricultural official on Wednesday.

Agricultural land with high levels of heavy metals will no longer be used, said Chen Xiwen, deputy director of the central agricultural work leading team, the top agriculture authority.

Farm land near river sources, especially drinking water sources, will also retreat from production if use of fertilizers and pesticides may cause pollution, he added.

China will start pilot restoration of contaminated farmland this year, according to the "No 1 Central Document", the first policy document of 2014, issued on Sunday.

A comprehensive plan to address prominent agricultural and environmental obstructions to sustainable development is also in the pipeline.

The "No 1 Central Document" stressed improvement to the national food security system. In recent years, excessive use of fertilizer, pesticides and plastic film combined with industrial heavy metal and chemical pollution, have hindered the sustainable development of agriculture, said Zheng Fengtian, an agriculture professor at Renmin University of China.

Excessive and improper use of resources has also affected food safety, he added.



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China has an estimated 50 million mu (3.3 million hectares) of moderately or severely polluted soil, most of which is in developed and grain-producing regions, said Wang Shiyuan, vice minister of land and resources in December.

The polluted areas account for about 2 percent of total arable land which stands at some 2 billion mu.

Every year, some 12 million tons of grain are polluted by heavy metals in the country, according to the Environmental Protection Ministry. (Source: China Daily)



## Probiota 2014 Amsterdam

Probiota was held at the NH Grand Hotel Krasnapolsky in Amsterdam from February 4th to 5<sup>th</sup> and was organized by NUTRA-ingredients (William Reed Business Media).

This year's conference brought together over 200 participants representing the biggest names in probiotic research, manufacturing and marketing.

The two-day schedule saw presentations from Dr. Gregor Reid who also chaired the event, Dr. Ewa Hudson (Euromonitor), Dr. Stephanie-Anne Girard (Lallemand),

Kimmo Makinen (Nestle), and more than twenty other presenters covering topics such as regulations, oral health, sports nutrition, skincare, allergies infant care, marketing, encapsulation and delivery technology for probiotics.

USCHPA's Jeff Crowther was invited to give a presentation on China's probiotic industry, which drew great interest, as China is a leading market for probiotic manufacturers catering to the dairy and infant nutrition industries. Ninety percent of the business in China is currently in the above sectors. With proper regulatory movement, there is huge potential in China's dietary supplement industry as well as beverage sectors.

For more information on the event or how to get involved in Probiota 2015 [CLICK HERE](#) or email:

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*(Source: USCHPA)*

**If you have China related news that you would like to share with the association for publication in its newsletter please contact us at:**

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