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SFDA Releases Draft on Risk Monitoring

For the effective prevention of incidents and control of health food and cosmetics quality and safety situation, the State Food and Drug Administration intends to establish a risk monitoring and early warning platform for health products and cosmetic products. Now the Draft on this subject has been finished and is ready for public comments.

According to the Draft, the construction of the platform will meet the demand for e-government system and the information construction. It will be based on the inspection and testing system of health food and cosmetic products to establish a risk monitoring and early warning mechanism. Also, it will release related rules and regulations and technical specifications to guide the system. The main contents of the platform are data reporting, information collecting and sorting, automatic integrated analysis, risk communication, early warning reports and information dissemination. *(Source: SFDA)*

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.



New Zealand Scrambles to Clean Up Milk Issue



Fonterra Cooperative Group Ltd promotes its milk powder products at a dairy expo in Beijing. The New Zealand dairy giant said its products are safe after media reported that trace chemical residues were detected in its products. [Photo / China Daily]

The New Zealand government and the country's dairy giants have tried to restore confidence in their products after China's quality watchdog asked New Zealand authorities to hand in a detailed risk assessment report. The move follows the detection of chemical residues in dairy products originating from the country.

Carl Worker, the country's ambassador to China, insisted at a news conference on Monday in Beijing that all of the country's dairy products are safe, including all of the products exported to China.

Worker apologized for the confusion that has surrounded the suspension of the use of DCD, or dicyandiamide, on farmlands in New Zealand and the concerns that occurred in China. "There is no food safety risk," Worker said. "New Zealand assures all consumers that New Zealand dairy products are safe." He stressed that the detection of small DCD residues posed no food safety risk and that the chemical itself is not hazardous to health.

DCD is used to improve water quality on farms by reducing nitrate levels, as well as to cut greenhouse gas emissions.

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Traces of DCD were first discovered in September but Fonterra didn't disclose the findings then because it believed there was no food safety risk, said Kelvin Wickham, president of Greater China & India of Fonterra Cooperative Group Ltd.

A person weighing 60 kilograms would have to drink more than 130 liters of milk to be over the European Commission's acceptable daily intake of DCD, and "considerably" more to have adverse health effects, according to Wayne McNee, director-general of New Zealand's Ministry for Primary Industries.

Worker said the country has voluntarily suspended DCD use because New Zealand's international dairy customers expect their products to be residue-free, and there is no internationally accepted standard for residues for particular compounds.

An international standard has yet to be agreed for DCD, Worker said. "The decision was taken not because of concerns for health or safety issues," Worker said. "But because of the desire to take precautions to avoid the risk of uncertainties and confusion."

But the ambassador said he regrets the lack of forewarning to the Chinese regulatory authorities, which would make it easier to stop confusion, uncertainty and doubts among Chinese consumers of New Zealand dairy products. Worker met officials of the General Administration of Quality Supervision, Inspection and Quarantine on Monday morning, with the latter requesting a more detailed report from New Zealand authorities.

Wickham said at the news conference that he felt sorry for the confusion surrounding the issue, adding that he believes that there is some misunderstanding.

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"It is not a safety issue and never has been," Wickham said. "China is an important market to New Zealand and we take it very seriously." He said Fonterra is working with regulators to provide more information.

The news has prompted concerns among Chinese consumers and trade partners as New Zealand dairy products take up nearly 80 percent of China's dairy imports. New Zealand dairy products, of which 95 percent are exported, will be hit by the latest news, said Jian Aihua, an analyst at CIConsulting.

Wang Jing, the mother of a 1-year-old and a loyal buyer of New Zealand milk powder brands, was disappointed after she heard the news. "We buy foreign brands for their product safety. Which brand should I trust now?" (*Source: China Daily*)

The Ministry of Health Releases 29 National Food Safety Standards

The Ministry of Health issued 29 national food safety standards on food additives. These standards will become effective from January 25, 2013.

The 29 food additives include ammonia, nitrogen, potassium iodide, silica gel, sulfate, ammonium sulfate, magnesium sulfate, manganese sulfate, sodium sulfate, copper sulfate, ferrous sulfate, carbonyl iron powder, potassium nitrate, sodium ferrocyanide, plant (wood) activated carbon, propylene glycol, calcium cyclamate, methanol, sorbitol, sorbitan tristearate (Span 65), polyoxyethylene (20) sorbitan monolaurate (Tween 20), polyoxyethylene (20) sorbitan monopalmitate (Tween 40), dehydrogenation acid, ethyl acetate, attapulgitic clay, calcium aspartate, acetone, diatomite, and glycerol ester of gum rosin and glycerol ester of hydrogenated rosin. (*Source: Ministry of Health*)

Nordic Naturals Introduces New Vitamin D Supplement

Association member Nordic Naturals introduces Vitamin D3 Gummies, the delicious, chewable, wild berry gummy that provides 1,000 I.U. of vitamin D in each serving and is sourced from cholecalciferol, the natural form of vitamin D preferred for optimal absorption. The pectin-based product is gelatin free and does not contain artificial coloring, flavoring, or preservatives.

With this new product introduction, Nordic Naturals now offers three convenient vitamin D3 products: Nordic Vitamin D3TM (120 soft gels), Vitamin D3 Vegan (1 oz liquid), and Vitamin D3 Gummies (60 gummies).

“With recent research suggesting that many Americans – both adults and children – are not getting enough of this crucial micronutrient due to either limited intake from food sources or from lack of sun exposure, the importance of vitamin D cannot be overlooked,” notes Keri Marshall, MS, ND, Nordic Naturals Chief Medical Officer. “During the cold and dark winter months, I often see seasonal strain in my patients, especially regarding the immune and nervous systems that could be potentially relieved by supplementation of vitamin D. As a company, we have committed to making vitamin D3 available as a stand-alone vitamin supplement, as well as offering added vitamin D3 in many of our fish oil products to alleviate this deficiency.”

Based in Watsonville, CA, Nordic Naturals is committed to delivering the world’s safest, most effective omega oils to help provide the essentials of an extraordinary life. Distributing to more than 35 countries, Nordic Naturals offers more than 150 products in a variety of flavors and formulations, all in line with leading standards for safety, efficacy, and sustainability. By providing omega oil supplements for adults, kids, athletes and pets, Nordic Naturals helps everyone do more of what they love. Further information is available at www.nordicnaturals.com. Nordic Naturals is on Facebook at www.facebook.com/nordicnaturals and on Twitter at @NordicNaturals. (Source: *Nordic Naturals*)

SFDA Releases New Invoice System Regulation

State Food and Drug Administration announced that the Regulation on Certificate And Invoice System And Ledger Management of Health Food Companies would be implemented from March 1, 2013.

The Regulation requires enterprises to establish a certificate, invoice and purchase inspection record system, build relevant department or designate a certain person responsible for soliciting and the inspection of valid documents of the suppliers’ qualification as well as the quality and safety of related products, keep relevant ticket files filed for future reference; meanwhile, they should also strengthen their ledger management with accurate records of purchase and sales information. The relevant documents should be preserved for up to 1 year after the end of the products’ shelf life, and the retention period of the documents should not be less than 2 years. The Regulation also asks enterprises to gradually realize information management by creating electronic documents.

The Regulation clearly states the contents of the certificate and invoice system. For chain enterprises that have unified purchase, unified distribution, and unified management, the regulation expresses that they could request unified inspection of related certificates and invoice, and set up electronic documents by the headquarters for each chain operator to inquire. For the health food purchased by each chain operator, it should ask for the certificate and invoice on its own.

The Regulation also requires the health food enterprises truthfully record the ledger of purchases and sales, and make accurate records of the handling of substandard raw materials, auxiliary materials and packaging materials, or the recalls, returns, and destruction of the unqualified health food. (Source: SFDA)

Nestle Targets China with New Protein

Nestle SA, the world's largest food company by revenue, has expanded into the Chinese market's health food sector by introducing a protein powder believed to have great sales-growth potential.

Nestle Yiyang Protein Powder, which was unveiled in Beijing will be introduced in seven large cities - Beijing, Tianjin, Shanghai, Xi'an, Qingdao, Hangzhou and Nanjing. Industry experts said the Chinese metropolises are the best-selling areas for light food where people have more money and pay more attention to health.

"I am confident about this product," said Roland Decorvet, CEO of Nestle China. "China is not the oldest country in the world, but it is a fast-aging one....I believe the market (for health food) will be very strong." The Chinese health food market reached 105 billion yuan (\$16.87 billion) in 2011, with an annual increase of 11.4 percent since 2006, said the State Food and Drug Administration. According to the administration, China in 2011 approved the registration of 813 new health food products, a year-on-year increase of 14.5 percent. By 2015, the health food market in China will hit 450 billion yuan, said Hong Kong Trade Development Council, the international marketing arm for Hong Kong-based traders, manufacturers and service providers.

Nestle said the protein powder was researched, developed and launched in China, but raw materials for the product come from Switzerland and New Zealand.



According to the General Administration of Customs, health food imports reached 203 million yuan in 2010, a year-on-year increase of more than 30 percent. And sales of foreign health food products have maintained an annual increase of 12 percent.

US direct-selling giant Amway Corp said earlier that China has been its largest market for nine straight years. Sales revenue in the country reached 26.7 billion yuan in 2011, with its core health food brand, Nutrilite, accounting for nearly half of all the company's business.

According to Beijing-based S&P Consulting, China's per capita spending on health food is \$31 per year, which accounted for 0.07 percent of their total annual consumption. By contrast, the figure in the United States and the European Union is around 2 percent, which is 29 times the Chinese level.

"Chinese consumers are likely to try Yiyang as Nestle's good quality and good science," said Alexandre Keller, vice-president of Dairy Business Unit of Nestle China's Food & Beverage Division. "Of course, there will be more Yiyang products in China, so just stay tuned." (Source: *China Daily*)

China to Reward Whistleblowers

China's food and drug watchdog on Tuesday announced that it will reward people for reporting food and drug issues to authorities. According to a notice publicized by SFDA, Whistleblowers could get up to 300,000 Yuan (\$48,244) per case as a reward. The move aims to "encourage the public to report illegal activities so as to determine, control and eliminate potential safety risks concerning food and medicine," the notice said. Depending on the accuracy of information provided and intensity of a whistleblower's engagement in the investigation of relevant cases, the organization or individual behind a tip-off could receive 1 to 6 percent of the value of the food or medicine involved as a reward, according to the circular.

Though a 300,000 Yuan ceiling was set, the SFDA said exceptions could be made by national and provincial food and drug authorities in cases with nationwide influence. The new reward rule will replace one released on Nov 27, 2003, which only set down conditions for rewarding those who report illegalities concerning medicine and fixed the award ceiling at 50,000 Yuan. *(Source: Xinhua News)*

SFDA Releases Draft of the Verification Provisions on Health Food On-site Registration

The State Food and Drug Administration released the Risk Monitoring And Early Warning Platform-building of Health Products Cosmetic Products, which refers to the verification of production qualification of sample health food and its validation test by the food and drug supervision and management departments. This includes the verification of the manufacturers' qualification, their production process and production records, as well as the on-site verification of their equipment and relevant records, test of samples and making verifiable conclusions.

Before the on-site verification of the health products, the manufactures shall do the preparatory work. The time for the verification shall not be changed unless the manufacture submits a written application and gets the approval from the food and drug supervision and management departments.

The on-site verification team is composed of at least two people. One of them is assigned to be the leader. The team can conduct the on-site verification work by taping conversations with the manufacturer, reviewing the site, accessing to relevant documents, etc. The verification team can make requirements to obtain related records of other varieties in the same period. After completing the on-site verification, the team should make a discussion and reach a formal result of the inspection in the form of a written report.

The inspectors of the verification team should be staff and experts that are familiar with relevant laws, administrative regulations and standards of health food. Also, they should be equipped with relevant expertise and have received relevant training in health food supervision and management.

For the registration of imported health food, the on-site verification should be in accordance with the above provisions. *(Source: SFDA)*

China Warms Up to Whey Protein

The third nutrition seminar in Beijing drew many Chinese manufacturers and health officials. Some 80 food industry representatives and nutrition experts from the Chinese ministry of health were in attendance when Arla Foods Ingredients hosted its third annual nutrition seminar in Beijing. Offering a packed day of insights into the latest dairy nutrition research, this year's event covered whey protein hydrolysates and bioactive lipids and proteins for infant nutrition, sports nutrition and functional foods. A number of internationally known scientists joined the Arla Foods Ingredients team on the podium.

Sharing the latest research

In addition to its knowledge-sharing role, the seminar contributes to the constructive dialogue with Chinese nutrition experts, which lays the foundation for future ingredient approvals. "The fact that we are able to present new research results means a lot for the approval process. It also shows customers that we work seriously with nutritional dairy-based solutions," says Jesper Villadsen, who, as nutrition project manager, has overall responsibility for the seminar.

Potential for growth

Once again, the seminar highlighted the growing interest in dairy-based ingredients on the Chinese market. Asia business development manager Vivian Kjær Jensen, who presented a series of solutions for sports nutrition and functional foods, looks forward to exploring the potential. “Sports nutrition is not yet as popular in Asia as it is in Europe and the USA. But, with fitness centres starting to boom in Japan and Korea, we expect China to follow the trend,” she says.

The key solutions presented at the seminar were Lacprodan® MFGM-10 milk fat globular membrane for infant nutrition; the new generation whey protein concentrate Lacprodan® DI-7017 for clinical nutrition; phospholipid-rich Lacprodan® PL-20 for cognitive performance; and the whey protein hydrolysate Lacprodan® 3065 for sports nutrition. *(Source: Arla Food Ingredients)*

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