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China’s Organic Food Volume Reaches 9.2 Million Tons

In recent years, all levels of agricultural departments in China have made the quality issue of agricultural products a priority, which boosted the development of organic agricultural products to a great extent.

In 2014, China’s organic food volume has reached 9.2 million tons. In the next few years, the development of organic food planting will grow rapidly.

At this moment, 80% of organic food in China’s market are preliminary products. The deep processing of organic food industry will be with great development potential. (Source: China Organic Agricultural Site)

CFDA: 17 Kinds of Infant Rice Flour Failed Quality Test

In the latest test result of the state food regulator on food safety, 17 kinds of infant rice flour are found to be substandard due to falling short of standard volume of nutrition including calcium, vitamin A, vitamin B2, and vitamin C.

The special food that were spot checked this time include infant formula food and food for young kids. 133 companies were tested in this round of inspection with 580 batches of products involved.

Rice flour is found to be one of the most problematic products. “Inadequate nutrition volume equals adding poisonous elements regarding the negative impact to the consumer,” said Fan

Zhihong, professor with China Agricultural University. (Source: Xinhua)

Guizhou FDA Decentralized Approval for Food Production

To improve the market vitality of the local food industry, the provincial food regulator said that the administrative approval rights of 28 kinds of food will be decentralized to city-level authorities.

The involved products include seasonings, meat products, tea leafs, beverage and cooking oil.

“By decentralizing administrative approvals, the provincial regulators should make sure that the local government are held accountable for the product they approved,” said Lu Jinsong, deputy bureau chief of Guizhou provincial FDA.

Besides letting go the food production approvals, Guizhou is also going to cancel some administrative approval requirements including that of a number of medical equipment. (Source: Xinhua)

Yum's Upmarket China Diner Seeks Recipe for Revival

Dimmed lights and colonial-style balconies give little indication that trendy Shanghai eatery Atto Primo is part of global fast-food giant Yum Brands Inc, owner of the KFC and Pizza Hut brands.

Overlooking Shanghai's iconic riverside Bund and rubbing shoulders with the city's most expensive venues, the restaurant is what Yum calls a "lab" where it studies Chinese diners as it looks to bounce back from a lengthy slump in its top market.

"A high-end test kitchen will let Yum test the waters with new menus and concepts and get feedback from more sophisticated diners - helpful if you want to go a bit upmarket," said Ben Cavender, principal at China Market Research Group.

Yum's same-store sales at its nearly 7,000 restaurants in China, the firm's biggest market for revenue and profit, fell 16 percent in the last quarter of 2014, dragged down by back-to-back food scares, rising local competition and a sense its main KFC brand may have fallen out of touch with China's consumers.

The restaurant is "an innovation lab to help us learn more about the evolving tastes of Chinese consumers", Yum spokesman Jonathan Blum said in emailed comments to Reuters. He added it would help test recipes to be used at Yum's China outlets.

For Yum, a China turnaround is vital. New CEO

Greg Creed said last month that reviving sales in the country was "priority number one, two, and three".

"This new development shows someone has advised them that they've got to try something different," said Michael Griffiths, Shanghai-based analyst with market research firm TNS.

With its fancy crystal, high prices and murals influenced by 16th century Italian painters, Atto Primo's ties to Yum are almost invisible: its only link to Yum is a brief mention in a U.S. regulatory filing.

The high-end diner isn't the only new strategy for Yum in China, where it is planning to build 700 new fast-food stores overall this year. CEO Creed said the firm aimed to rivalStarbucks Corp with more coffee offerings in China.

However, analysts say Yum is suffering "brand fatigue" in the country. Its image has been hurt by the food scares, which raised doubts over its supply chain, and competition is rising.

Tang Yenan, a 29-year-old architect in Shanghai, said he used to eat often at KFC about 15 years ago when it seemed "fancy and new" and was seen as a safe and clean alternative to local options.

"Now I don't have KFC so often, because I have so many other choices," he said.

McDonald's Corp has also been stung in China by food scares, but moves to upgrade stores and roll out its McCafe concept have helped offset the damage, analysts said.

Nonetheless, both brands have lost some ground as more nimble local rivals have tempted cost-conscious diners with healthier-sounding, homegrown fare.

Online chatter about the two brands - both good and bad - has stalled on China's influential Sina Weibo. Such a trend would normally cause some concern among marketers that brands are struggling to stay totally relevant to younger audiences.

Yum has seen its share of China's nearly 800 billion yuan ($129 billion) fast-food market fall over the last few years, according to market research firm Euromonitor. Meanwhile, McDonald's has edged up slightly, despite major investment. (Source:Reuters)

Cancer Surge in China Prompts Rise of Special Patient Hotels

Li Xiaohe has set herself up for the long haul in a cramped but sunny room in western Beijing, about a block from China's most renowned cancer hospital. Her laundry dries on hangers and her husband cooks in a communal kitchen as she embarks on an 84-day program of chemotherapy, following the removal of part of her right breast.

The youthful, soft-spoken 43-year-old, who works as a neighborhood watch leader back home in Henan province, is living in one of the many so-called cancer hotels that dot the neighborhood around the hospital, giving patients an affordable, cozy place to wait for appointments and undergo outpatient treatment.

With lung, bowel and breast cancer rates surging in China, such hotels have sprouted up in big cities such as Beijing and Shanghai, part of an ad hoc response to what medical experts say is a growing health crisis challenging the country's medical system.

"The treatment back home is different from here, so we came here," Li says in her bedroom, which is filled almost completely by her mattress. "At home, my insurance covers 85 percent of the cost. It'll be good if I can even get half of it covered here. But I'm doing this for my health. I'm looking for the right treatment."

These patients venture far for treatment believing they can't find adequate care in hometowns, instead preferring to camp out near reputable, big-city hospitals to await their turn for care. They do that even though government health insurance often covers less of the cost of care in Beijing and other big cities than it does back home.

The hotels, which mostly operate informally, don't provide nursing but put patients closer to medical services and experts, and give them a place to cook their own food and share tips with fellow patients.

Despite their name, they are not traditional hotels, but furnished units in apartment blocks near medical facilities, charging as little as $7 a night per room.

They reflect a health emergency that has seen the number of lung cancer diagnoses nationwide jump by 16 percent in two years, and the lung cancer rate in Beijing soar by 60 percent over a decade, according to Chinese government figures. Lung cancer mortality rates grew from around 50 per 100,000 men in 2000 to nearly 60 per 100,000 a dozen years later, World Health Organization data show. Breast cancer rates have also grown among women, killing almost as many of them yearly as lung cancer.

By comparison, male lung cancer mortality rates in the United States have dropped from 55 per 100,000 people in 2000 to 40 in 2012, and from almost 25 per 100,000 Brazilian men in 2000 to 20 in 2012, according to WHO.

Persistently high rates of smoking as well as toxic air pollution help explain much of the rise, said Angela Pratt, who leads WHO's work in China on tobacco control and non-communicable diseases such as cancer and heart disease.

"The rates of cancer, both the number of cases and the rates at which people are dying of cancer, are increasing in China, and that's obviously a cause for very significant concern," Pratt said. "That's a huge increase in a relatively short amount of time. I would say it's a critical situation."

Visible evidence of that surge fills the Beijing Cancer Hospital, where hundreds of patients, some still wheeling suitcases from their long journeys, fill the corridors waiting for hours to be called.

Cui Xiaobo, a newly retired social medicine professor at the Capital Medical University in Beijing, said sweeping health reforms that are still in the works would bring equal levels of care to people in cities and rural areas alike. Cui said rural doctors often aren't adequately paid, which requires that they squeeze in extra patients or suggest unnecessary treatments to bring in more revenue.

In his view, pollution couldn't yet be linked to rising cancer rates; instead, he said, much of the trend stemmed from higher life expectancy in China with the result that more elderly were being diagnosed with the disease.

"With cancer, there's no single cause," Cui said. "If there were a single cause, then it'd be easy to cure." What's clear is the cancer surge in China is remaking the country. Experts have documented hundreds of cases of "cancer villages," or communities hit by higher-than-average cancer rates due to polluting nearby industries. In 2013, Chinese were shocked to learn of an 8-year-old girl billed as the country's youngest lung cancer patient, the result, her doctors said, of eastern China's choking air pollution.

Pratt said air pollution was clearly playing a role, as were smoking, unhealthy diets and obesity.

"Air pollution is now a recognized carcinogen, so there's no question that the hazardous levels of air pollution we're seeing in many parts of China are contributing to the increasing rates in particular of lung cancer," Pratt said.

Guo Xinglan is staying in the same three-bedroom apartment as Li near the Beijing hospital. They share a communal kitchen that has a refrigerator packed with anti-cancer medication.

Guo says she had never smoked before she was diagnosed with lung cancer several years ago. The woman from eastern Shandong province says her cancer has gone into remission but she still comes to Beijing yearly for a checkup.

"The doctor didn't say how I got this cancer," Guo says. "No one in my family has had it either. I know so many people in my area who are getting it."

The owner of the cancer hotel, retired merchant Chen Shuhong, said she's seen the need for her rooms near the hospital expand over the past decade. She started her business with an apartment left to her by an uncle who died at age 59 of lung cancer. She said she now rents 10 apartments that she offers as housing for cancer patients.

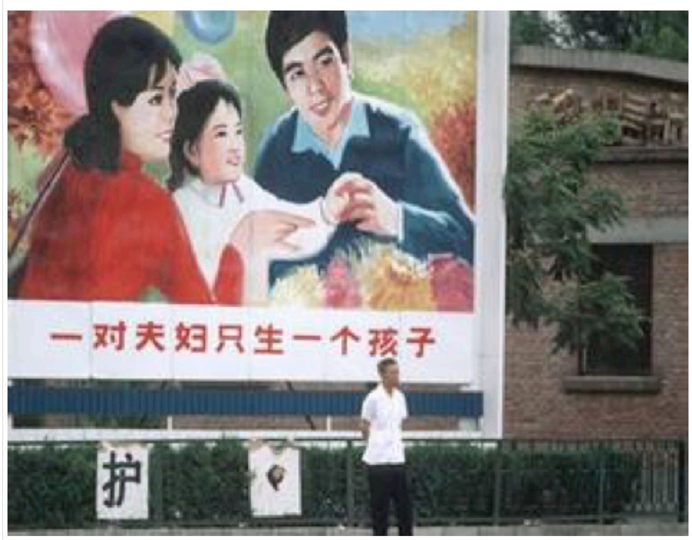
"People sought me out, so I opened this," Chen said. "If the government says, 'Don't do it,' then I won't do it. But so many people are getting this disease, and there's a need." (Source: China Daily)

China Gets Tough With Surrogate Mothers

China appears to be a bit conflicted about its birth policies. While it has rolled back its strict "one-child" policy in order to address problems of an aging population, it is worried that surrogate pregnancies are undermining its remaining controls.

Now, Beijing is trying to crack down on surrogacy – where a woman gives birth to another woman's child — rekindling a debate about the legal and moral issues surrounding the practice in a country where the government continues to tightly control birth rights.

The National Health and Family Planning Commission is leading the effort to curb surrogate pregnancies, with doctors and middlemen in the firing line, the official Xinhua News Agency reported Thursday. Authorities will also remove advertisements for surrogate pregnancy services on the Internet or in the traditional media, while stepping up supervision of in vitro fertilization, Xinhua said.



In recent years, surrogate pregnancy services have become widespread in China, the official news agency said. It has also damaged the implementation of China's one-child policy, the agency quoted Jin Xiaotao, a deputy director of the commission, as saying.

China bans medical practitioners from assisting surrogate pregnancies, according toregulations that took effect in August 2001.

But academics and birth-right activists have said there is a real demand for these services in China, which has seen declining fertility rates. About 12.5% of China's female population of child-bearing age was infertile in 2012. That compares with 3% two decades ago, Xinhua said, citing a survey by the China Population Association. The agency said that environmental pollution was among the major contributing factors.

China's policy makers are facing a host of challenges presented by an aging population, which include a shrinking labor force as well as strains on the nation's retirement system. They have taken modest steps to ease controls on birthing restrictions, but effects have so far been been limited.

Those would-be Chinese mothers who have trouble giving birth have two choices: either turn to illegal institutions or go abroad, where surrogacy practices are allowed. Both options can be costly at best and risky at worst.

A complete ban on surrogacy is neither moral nor humane, especially for parents who have lost a child, said Huang Wenzheng, a researcher with the Humanism Economics Society, a private academic organization founded by the respected liberal economist Mao Yushi.

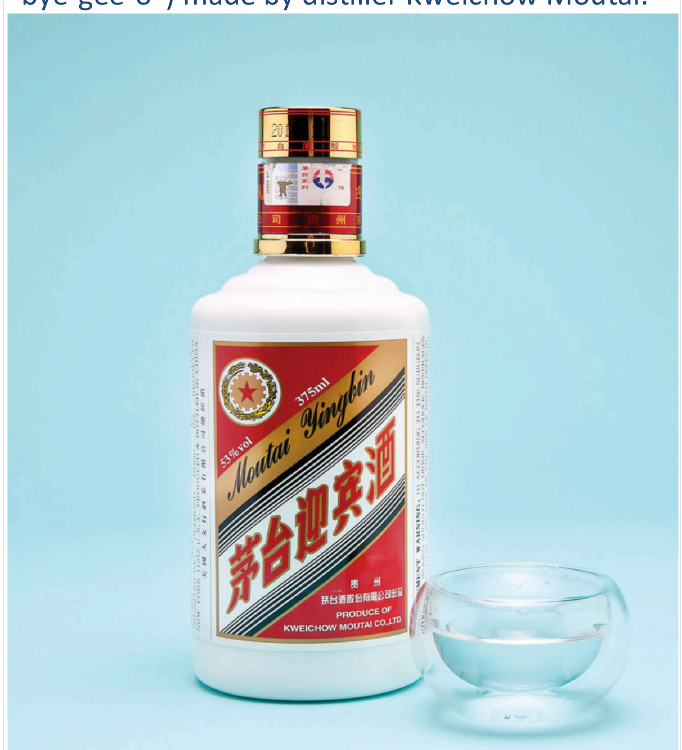
Each year roughly 1,000 couples travel to the U.S. to seek surrogate pregnancy services through "underground middlemen," the Yangcheng Evening News reported last month.

That's in addition to the mothers who go to the U.S. to give birth to their own child and in the process obtain U.S. citizenship, a practice that has attracted recent scrutiny from American authorities.

Mr. Huang argues that instead of an outright ban, China should allow some degree of surrogacy services that it can better regulate. The current situation, he says, is one "in which nobody is a winner."(Source: WSJ)

China's Luxury Liquor Wants to Go Mass Market

When President Richard Nixon and Premier Zhou Enlai toasted the opening of China to the U.S. during their historic 1972 banquet in Beijing, it was no surprise that the beverage in their glasses was the searing white spirit called *baijiu* (pronounced "bye-gee-o") made by distiller Kweichow Moutai.



Its pricey version of the locally popular quaff had long been a staple of formal gatherings across the mainland. The drink's vaunted position continued, sending the price of a bottle of Moutai soaring to

$300 in 2012 as baijiu became the go-to gift for officials during China's dizzying economic boom.

The brand's wild ride came to an abrupt halt two years ago, when President Xi Jinping's war on graft made China's self-proclaimed national liquor a symbol of boozy revelry and Communist Party excess. After Xi banned the lavish banquets in which free-flowing Moutai had long played a starring role, demand plunged among China's elite.

That led distributors of Moutai to slash prices by more than half, putting it within reach of urban professionals and curious trendsetters. Baijiu makers have also sought to rebrand the liquor as a sophisticated indulgence, sort of China's answer to single malt Scotch. To attract converts, Moutai has stepped up its marketing to the masses, sponsoring a 43-part TV series about a legendary Qing Dynasty gunfighter-turned-winemaker who founded the baijiu industry. The company announced in December it also would spend 200 million yuan ($32.3 million) to start a division to promote its lower-shelf brands such as Prince and Banquet liquor—costing 300 to 500 yuan—to attract customers not yet ready to shell out more for its namesake tipple. "The new targets for Moutai are middle-age, affluent consumers," says Doreen Wang, the New York-based global head of the BrandZ unit at consultant Millward Brown.

Recent results suggest the brand may finally be shaking the hangover. Moutai could see sales surge as much as 11 percent this year, according to Goldman Sachs. That's up from an estimated 1 percent rise in 2014. Guo Chaoren, a distributor in Guangzhou, reported a 20 percent sales jump during Lunar New Year festivities in February, selling out his entire 24,000-bottle supply. "The demand completely exceeded my expectations," he says. The reason? More affluent Chinese are starting to see the 106-proof, sorghum-based liquor as something to sip among friends, not just to buy the favor of powerful officials.

While that's welcome news for China's estimated $23 billion baijiu market, moving the spirit's positioning down market isn't without risk. Moutai's new drinkers are likely to hold back if prices rise too fast again. Yet there are signs that the repositioning is drawing attention for the drink far beyond its traditional strongholds. Bars specializing in the liquor are popping up from Beijing to London. And Lumos, a bar in New York's trendy SoHo area that's devoted to "white spirits" (a direct translation of the drink's name), opened in March with a menu of 60 baijiu cocktails.

China's military and the government account for only about 10 percent of Moutai sales, down from 30 percent two years ago, according to investment bank China International Capital. Falling prices have also helped Moutai win market share from cheaper rivals, such as Wuliangye Yibin, growing to an estimated 35 percent of the market held by publicly traded Chinese liquor makers last year, up from 25 percent in 2012.

Analysts predict sales in China of high-end items such as Moutai will stabilize in 2015. "After two years of the anticorruption campaign, a lot of the unusual consumption of high-end spirits has already been squeezed out," says Charlie Chen, a Hong Kong-based analyst with BNP Paribas.

Overall baijiu sales grew 5.5 percent last year, rebounding from a drop the previous year, researcher Nielsen found in a survey of 1,100 Chinese stores. Sales were driven by midrange baijiu, which jumped 63 percent. Bottles exceeding 700 yuan fell 39 percent. As average Chinese consumers become willing to pay more for perceived quality and prestige, Moutai's adherents say the luxury brand will be most likely to benefit. "Moutai is a brand with much culture and history," says Guo, the Guangzhou-based distributor. "It is still the strongest brand in the baijiu industry."

Wang Xi, a 28-year-old banker in Shenzhen, recently bought two bottles for about $150 each at Sam's

Club as personal gifts. Previously he had given the spirit to clients only if his employer, whom he declined to identify, picked up the then-sky-high tab.

"As China's economy grows and our standard of living rises, Moutai will become more mass-market," Wang Xi says. "People won't have the feeling that drinking the liquor is an unattainable thing. If they want to drink it, they will."(Source: Bloomberg)