

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## China - Peoples Republic of

**Post:** Guangzhou

### **Quarterly Food safety report update Feb 2013**

**Report Categories:**

Agriculture in the News

Market Development Reports

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**Report Highlights:**

#### **Quarterly Food safety report update Feb 2013**

**Summary:** This report includes a summary of the recent onslaught of media reports concerning food safety irregularities in Mainland China. Hyperlinks to the actual stories are also provided though many of these stories are removed or censored by local authorities.

## **General Information:**

**120 food-related criminal cases and 220 underground workshops exposed:** On February 4, 2013 China organized inspections in supermarkets, food exhibition centers, tourist sites and food manufactures throughout January in anticipation of the Chinese New Year. This was the first time China prepared with a holiday food safety inspection pinpointing cooking oil, meat products and other processed food products entering retail channels. According to the Ministry of Public Security's report, police seized 350 suspects involved in over 120 food-related criminal cases, and destroyed 220 underground food workshops during the crackdown. Please see link below:

[http://www.bj.xinhuanet.com/bjyw/2013-02/04/c\\_114602990.htm](http://www.bj.xinhuanet.com/bjyw/2013-02/04/c_114602990.htm)

**Fake lamb production uncovered in Liaoning Province:** On February 4, a food manufacturer based in Liaoning Province was exposed for producing fake lamb using poor quality duck meat. Liaoning Police arrested the owners of a large factory producing 40 tons of fake lamb and beef, adding sodium nitrite (the amount exceeding 2,000 times the national standard) and other illicit additives into the low-grade duck meat. The factory owner started this business in 2011, the fake lamb meat has been in the local market for two years now. Please see link below:

<http://news.163.com/13/0204/03/8MRCLB1S0001124J.html>

**New Zealand milk powder contamination:** On January 25, 2013, media reported low levels of dicyandiamide or DCD found in New Zealand milk powder. This chemical residue issue raises huge concerns since China's consumer rely heavily on New Zealand milk supplies, especially infant formula. In 2012, China imported 480,000 tons of New Zealand milk powder. Although New Zealand's agricultural authorities insist only a small batch actually contain toxic residue, the issue has shaken local consumer confidence. Local dairy processing companies such Fonterra Co-operative Group Ltd, the company responsible for importing the tainted milk powder has experienced a large drop in sales. Yashili Dairy's (sourcing exclusively New Zealand milk powder) reported a 14-percent drop in sales. Please see link below: <http://news.qq.com/a/20130126/000497.htm>

**Locally grown beef sold as Kobe beef in Shanghai and Beijing:** On February 3, 2013 China Central Television exposed several high-end restaurants in Shanghai and Beijing selling "unqualified" beef. The culprits used locally grown or Australia imported beef to reduce costs. However, the inspectors also found some of the seized beef was smuggled from unknown sources since detainees could not produce the proper credentials or import certificates. Inspection officials at Shanghai Pudong International Airport intercepted 159kg of frozen beef when checking the luggage of a Chinese passenger arriving from Tokyo on Jan 24. Please see link below: <http://bbs.gznet.com/article-4338-1.html>

**Chocolate containing live worms:** On January 18, 2013 a Guangdong Yunfu consumer found 10 live worms inside domestically produced chocolate. The involved chocolate Dove, under the Mars China produced the chocolate in Jiangsu Province. The distributor recalled the chocolate and compensated the consumer; however, the manufacture no explanation. Micro-blog thread discussions criticized the manufacturer for keep silent. Please see link below:

<http://www.foodmate.net/news/guonei/2013/01/222700.html>

**Artificial shark fin made of gelatin:** On January 14, 2013, the Zhejiang Provincial Commercial and Industrial Bureau detected over 96 percent of shark fin sold in the Province was made of gelatin and

bleached by hydrogen peroxide. In Zhejiang, Beijing, Guangdong food service industry, fake shark's fin costs about \$3 (RMB20) per package, but real shark fin is \$300 per kg. Artificial shark fin was later examined and came up positive for heavy metal contamination exceeding the national health standard by 100 times. Please see link below: <http://news.liao1.com/newspage/2013/01/4708482.html>

**Candy manufacturer sentenced to compensate consumer:** On December 13, 2012, XuFuJi, the largest candy manufacturer in China was sentenced by the Shenzhen Futian Municipal Court to compensate a Guangzhou consumer who found illegal additives in their candy by conducting third party testing. Although XuFuJi insisted they would not recall the product, retailers in Guangzhou and Shenzhen have already taken action by removing the involved product from the store shelves prior to the Chinese Lunar New Year. Please see link below:

<http://money.163.com/12/1213/05/8IJ5QCGK002526O3.html>

**Chinese liquor testing positive for DEHP... again:** On January 28, 2013, a Chinese liquor brand Jiangkouxun Liquor tested positive for DEHP in Korea. Soon the Korean authorities recalled this liquor from the market and have forbidden sales. This is the third time the DEHP scandal has been exposed in China's liquor industry. The top brand Maotai was involved in a similar case in late December 2012, but the company never admitted to the contamination. According to the report, the DEHP storm has seriously impacted investment in the sector. Please see link below:

<http://finance.china.com.cn/consume/xfjs/20130128/1260852.shtml>