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ATO Guangzhou's Food Safety Update Report

Report Categories: Market Development Reports Market Promotion/Competition Exporter Guide Approved By: Jorge Sanchez Prepared By: Crystal Tang

Report Highlights:

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 might be removed or censored by local authorities.

1- Spoiled Huiyuan-branded juice within the quality grantee period: On October 10, Guangzhou Daily reported that China's largest beverage producer Huiyuan, (owned by Coca Cola China group), had spoiled juice products in several outlets that were within the quality grantee period. A week later, Huiyuan announced in a press release that the expiration date was incorrect and blamed storage operations for the incident. Some consumers are critical of Huiyuan's response, as the company took a week to make this determination and never recalled products outside of Beijing.

http://life.dayoo.com/food/201210/16/118449_26763153.htm

- 2- Shanghai Bright has series of scandals within the last few months: On October 22, Shanghai Bright Dairy was again exposed for food safety irregularities in their fresh milk products after consumers reported blue plastic granules found in a batch of their fresh milk. The company later announced that a case of plastic lips that would later be used to manufacture caps was accidently dropped into the milk. Later the company delivered a public apology, but did not provide any details of how many products were involved or what type of emergency plan they would be employing to recall contaminated product. Bright's stock share immediately dropped 0.69 percent shortly after the report was announced. The last food safety issues occurred back in June-- Bright's milk factory made a "technical mistake" of permitting washing liquid to seep into fresh milk containers. In July Shanghai Bright had two batches of product testing with bacteria levels exceeding (by almost double) the national standard. http://life.dayoo.com/food/201210/22/118449_26871974.htm
- 3- 270 tons of imported powdered milk were denied entry into China: On October 30, China's national quarantine and inspection authority (AQSIQ) announced that a series of unqualified milk powder imports had been detained at port. There were over 270 tons of imported milk powder (designated for infant formula manufacturing plants) that were either destroyed or returned after failing to meet China's national standards. Over half of the products originated from Australia and New Zealand, although the brand names were not release to the public in this report.

http://life.dayoo.com/food/201210/17/118449_26783064.htm

4- Quality concerns in Maotai wines: On October 16, Maotai wine, under China's No. 1 spirit alcohol brand, Maotai group, failed to meet sanitary approvals in Nanjing. This is the third time Maotai quality concerns have been exposed by the Industrial & Commerce Bureau within the last four years.

http://life.dayoo.com/food/201210/16/118449_26763218.htm

- 5- Fujian tea chemical residue: On October 10, Beijing's Industrial and Commercial Bureau conducted a series of supermarket quality inspections and detected a Fujian tea brand with toxic DDT chemical residues. The tea brand has no trade mark and the product was quickly removed from supermarket shelves before sales took place. http://life.dayoo.com/food/201210/18/118449_26802434.htm
- 6- 12 students sick after drinking local milk: On September 27, 12 Hunan primary school students fell ill after drinking a milk beverage from a Hunan local dairy manufacturer Yangguang. The students reported serious pains and minor bleeding and were immediately hospitalized. The company denies any wrong doing and insists it was long distance delivery which caused the milk to spoil and not a manufacturing error; however the students only recovered two days of medical treatment. This was not a spoiled milk disease, but something far more harmful. http://life.dayoo.com/food/201209/27/118449_26418086.htm

7- Uni-President was exposed for two safety issues: In September, Uni-President, a large instant noodle and beverage company was exposed for food safety issues that occurred in Shandong and Fujian Province. In Qingdao, the poisoned consumers contacted the media only to later discover the products contained live worms. In Fuzhou, a consumer found an unknown gelatin object in a Uni-President milk beverage product. Of these issues, Uni-President denied they were from manufacturing processes and did not offer apologies or clear public clarifications for the incidents.

http://life.dayoo.com/food/201209/26/118449_26399929.htm http://life.dayoo.com/food/201209/10/118449_26093308.htm

8- Sanya food poisoning in a five star hotel: In August, the Sanya Health Bureau said the food poisoning incident that involved 120 tourists who had breakfast in the Howard Johnson Hotel was caused by salmonella bacteria in the fried rice offered in the buffet breakfast. As of October 31, 61 tourists have now fully recovered and have been released from hospital. http://www.hq.xinhuanet.com/news/2012-08/16/c 112738901.htm