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China Bolsters Dairy-Supply Oversight In Effort to Rebound From Scandal

By LORETTA CHAO

Beijing -- China is posting inspectors to monitor dairy companies and imposing rules to improve accountability among milk suppliers, as it moves to restore consumer confidence in the industry.

Meanwhile, authorities detained six people Sunday in Hohhot, a major dairy-production base, for allegedly selling melamine, the industrial chemical used in baby formula that has sickened tens of thousands of children in China.



Reuters

Security staff keep order as families with children who are undergoing medical checks for possible kidney stones wait their turn at a hospital in Hefei, Anhui province September 19, 2008.

Dozens of people, including some government officials, have been detained since last month, when the public was informed of the widespread contamination. Melamine was sometimes added to boost the apparent protein levels in milk.

Chinese regulators intend to "make a substantial change in the production and distribution of dairy products," said Wang Yong, director of China's General Administration of Quality Supervision, Inspection and Quarantine, according to the state Xinhua news agency.

More than 5,000 inspectors have been sent to monitor dairy production nationwide. Companies are being made to perform an expanded number of tests on raw milk, including checks for melamine and other "non-food additives," Xinhua said. It's unclear how long this intense supervision will last. The state supervision agency didn't respond to requests for comment Monday.

Xinhua said milk producers must now be able to track raw milk purchases back to the farms that supplied them, which wasn't the case before. The news agency also said a system would be put in place to reward whistle-blowers.

Farmers in milk production centers say inspections have been extensive. Sun Yuelan, a dairy farmer in Hebei, said the government and the company that she supplies had sent officials to live on her farm for 20 days to monitor operations.

The dairy company is also demanding fresher milk, she said. Before the scandal, her farm made deliveries every two days. Now, the company "asks us to send it every morning to make sure the milk is fresh," she said.

Fixing China's dairy industry

Measures to be taken by the Chinese government in the wake of the nation's dairy crisis

- 5,000 inspectors will carry out 24-hour supervision of dairy factories to ensure raw materials are stored properly, with producers marked and quality certified.
- Raw materials that are deteriorated or that include nonfood materials or recycled foodstuffs will be weeded out.
- Food additives must be registered with local quality-supervision departments
- Inspection of exports will be tightened in line with quality standards of import nations.
- A system will be put in place to encourage public and private investigation and to reward whistle-blowers.
- Local government leaders above county level will be liable for food safety.
- China's Ministry of Science and Technology is soliciting inexpensive melamine-testing methods that can detect the chemical within 30 minutes.

Source: Xinhua news agency

The government is moving to expand the number of state-certified independent testing labs to test products for impurities.

Sebastien Breteau, chief executive of AsiaInspection, a Shenzhen-based company that does quality-checks for importers, said there has been a "lack of due diligence" when it comes to inspections by producers.

China began overhauling its dairy industry after authorities discovered that baby formula from Shijiazhuang Sanlu Group Co., which is 43%-owned by New Zealand's Fonterra Co-operative Group Ltd., was tainted with melamine.

Ensuing checks found systemic problems in China's supply chain. Contaminated formula has been blamed for poisoning more than 54,000 children and killing at least three.

A Sanlu spokesman said Monday that the local government in the city where it is based is making the company increase its investment in imported melamine-testing equipment by five times to 5 million yuan (\$731,000).