

**For discussion
on 11 November 2014**

**LegCo Panel on Food Safety and Environmental Hygiene
Update on the Substandard Lard Incident and
Food Safety Issues of Cooking Oil**

Purpose

This paper aims to update Members on the investigation and follow-up work undertaken by the Administration on the substandard lard incident in Taiwan.

Background

2. The incident of “substandard lard” in Taiwan was first reported by the Taiwan authorities on 4 September 2014. On 11 September 2014, Taiwan authorities announced that a total of 25 lard/lard products manufactured by Chang Guann Co., Ltd (Chang Guann) in Taiwan might have been contaminated as they were produced from substandard ingredients, such as collected waste oils and/or lard for animal feeds. Subsequently, Taiwan authorities notified the Food and Environmental Hygiene Department (FEHD) that some of the contaminated lard/lard products had been exported to Hong Kong and investigation by FEHD revealed that they had already been used to manufacture food products. Accordingly, under section 30(1) of the Food Safety Ordinance, the Director of Food and Environmental Hygiene (DFEH) made a Food Safety Order (No. CFS/1/2014) which took effect from noon on 14 September 2014 to prohibit the import into and the supply within Hong Kong all lard/lard products produced by Chang Guann in Taiwan on or after 1 March 2014 (including but not limited to the products specified in the Appendix to that Order) as well as all food products made with those lard/lard products, and to mandate recall and proper disposal of all concerned products.

3. At the Panel’s Special Meeting on 25 September 2014, the Administration reported to Members on the investigation and follow-up

work of the Centre for Food Safety (CFS) of FEHD on the substandard lard incident in Taiwan, and presented the preliminary ideas on how to strengthen regulation of the safety of edible oil and the recycling of “used cooking oil” in Hong Kong. At the meeting, Members requested the Administration to provide statistics on the quantities of “used cooking oil” imported into, re-exported and exported from Hong Kong in the past three years, and the result of the Administration’s inter-departmental investigation into the use of “used cooking oil” (particularly whether/how much “used cooking oil” had re-entered the food chain).

Latest Development

Follow-up work since Taiwan authorities found more cases of substandard lard in early October

4. The Administration has been in close contact with Taiwan authorities since the last Panel meeting. On 8 October 2014, Taiwan authorities further announced that more suspected fraudulent fats and oils production was found in another company, Cheng I Food Co. Ltd. (Cheng I). Cheng I’s fats and oils were found to have been produced from substandard ingredients, such as lard for animal feeds, and the affected products extended beyond lard/lard products to involve beef tallow, margarine and shortening.

5. In light of the above, FEHD was not satisfied with the safety and quality of Taiwan’s fats and oils and had reasons to suspect that such malpractice in edible fats and oils production could have been systemic and went beyond lard and lard products to involve fats and oils of animal origins. Accordingly, on 9 October, FEHD announced that precautionary measures needed to be taken to stop the import into and the supply within Hong Kong all edible oils of animal origins produced in Taiwan with relevant powers under the Public Health and Municipal Services Ordinance (Cap. 132).

6. As Taiwan authorities proceeded with their investigation, it was announced on 10 October that lard/lard products from Ting Hsin Oil & Fat Industrial Co. Ltd. (Ting Hsin) were also found to have been produced from substandard ingredients, such as lard for animal feeds.

7. On 15 October, FEHD extended the coverage of the precautionary measures in Hong Kong to include all edible oils (of animal or plant origins) produced in Taiwan, following reports of an edible oil manufacturer in Taiwan importing certain oils of plant origins declared as being for industrial use without being registered for inspection.

8. Investigation by CFS revealed that some traders in Hong Kong had imported lards from Cheng I and Ting Hsin. Furthermore, on 21 and 23 October, Taiwan authorities notified CFS that respectively four and two food products made with Cheng I's substandard fats and oils had been exported to Hong Kong. CFS then immediately issued a press release to urge the public not to consume the food products concerned, and advised traders who still had the products concerned in their possession that they should stop supplying the products and should recall the products. On 27 October, Taiwan authorities announced that Ting Hsin's substandard fats and oils products were also found to have been produced from beef tallow and coconut oil ingredients from unapproved sources in Vietnam.

9. In view of the above, CFS had reasonable grounds to believe that fats and oils products from both Cheng I and Ting Hsin were very likely unfit for human consumption unless there was formal notification by the Taiwan authorities otherwise. To further safeguard Hong Kong's public health, DFEH made a second Food Safety Order under section 30(1) of the Food Safety Ordinance on 29 October, ordering that all edible fats and oils produced by Cheng I and Ting Hsin, and all food products manufactured with such fats and oils, be prohibited from importing into and supplying within Hong Kong from noon on that day. Food traders were also ordered to recall affected food products supplied by them within a period of 14 days from noon on that day, and to dispose of such food products subsequently in the manner specified in the Order. The Order puts it beyond doubt that all edible fats and oils from Cheng I and Ting Hsin, as well as the food products concerned, are prohibited from importing into and supplying within Hong Kong, and mandates their recall in a systematic manner so as to ensure that they are no longer in circulation in the local market. The relevant LegCo Brief is at [Annex](#).

10. The above Order serves a precautionary purpose and covers edible oils and fats of both animal and plant origins produced by Cheng I and Ting Hsin. The measures mentioned in paragraph 7 above are still in

force and have extended beyond the Order to cover all oils and fats produced in Taiwan. After several rounds of marking and sealing of products and recall exercises, CFS estimated that the remaining stock of the products concerned in the local market would not be in significant quantity. In this regard, the Administration considered it not necessary to follow the practice in September when the first Order was made (see paragraph 2 above) to release simultaneously a “List of traders who may have distributed or used affected products” with the second Order. CFS will continue to follow up on the incident and take appropriate actions, which include liaising closely with the Taiwan authorities, following up the investigations and supervising product recalls, with a view to ensuring that traders are not using or selling the affected products, thereby safeguarding public health.

Follow-up work since the issue of Food Safety Order in respect of lard/lard products and food concerned produced by Chang Guann

11. According to the first Food Safety Order issued on 14 September 2014, importers, distributors and retailers must recall the above-mentioned products and food already supplied within a period of 14 days from the day on which the Order came into force, and dispose of them subsequently in the manner specified in the Order. Traders were also required to report to FEHD the results of the recall within two working days upon completion of the recall. Importers were also required to seek the advice of FEHD on the disposal of the food concerned and submit a detailed report to the Department within a week upon completion of the recall. In order to ensure that the recall was conducted in a timely and systematic manner, CFS compiled a “List of traders who may have distributed or used lard/lard products manufactured by Chang Guann” by making reference to the information provided by the suppliers and major distributors concerned.

12. The recall of products by traders according to the Order has been completed. In the recall, about 130 tonnes of incriminated lard and about one tonne of other affected food products were marked and sealed by CFS. Under the importers’ arrangement, all recalled lard produced by Chang Guann will be delivered in batches to local biodiesel companies for conversion into biodiesel. The process will be monitored by FEHD and the Environmental Protection Department to ensure that no lard recalled will re-enter the food chain. All food products made with the affected lard or lard products were destroyed on 17 October 2014.

Stepping up sampling and testing of edible oil

13. Since our report to the Panel on 25 September 2014, the Administration has continued to take food and lard samples which are of higher risks and possibly contaminated for testing in response to the substandard lard incident in Taiwan. Between the outbreak of the incident in early September and 24 October, 210 samples were taken for testing by CFS. Except for one lard sample the peroxide value of which had exceeded the standard, all samples passed the tests. The risk assessment conducted by CFS with reference to the test results showed that while the consumption of the food concerned might increase food safety risk, the risk was considered to be not high and there was no cause for undue concern.

Communication with the public and the trade

14. In order to keep members of the public and the trade abreast of the development of the substandard lard incident in Taiwan, CFS continues to provide updates on the investigation in a timely manner through press releases and its own website. Between the outbreak of the incident in early September and 31 October 2014, CFS held a total of 8 media sessions to brief the public in a prompt manner on the progress of the investigation and the control measures implemented, so that the public could have a timely and better understanding of the incident and take corresponding preventive measures. CFS also issued a total of 22 press releases on the incident to keep the public updated on the latest development. Besides, CFS has also set up a dedicated webpage and has been providing updates to the webpage so that the public and the trade can learn about the development of the incident promptly.

Data on the Import and Export as well as the Use and Movement of “Used Cooking Oil”

15. At present, the commodity codes provided in an import/export declaration are classified according to the Hong Kong Imports and Exports Classification List (Harmonized System), which consists of about 7 000 commodity codes. There is no individual category assigned for “used cooking oil” / “edible oil” / “edible animal oil” / “edible vegetable oil”

because animal and vegetable oil products in the classification list are not classified predominantly according to their use, and hence both edible and non-edible oils may be included under the same code.

16. Recently, there has been newspaper coverage of the movement of the so-called “waste oil” based on information from the Census and Statistics Department (C&SD) and individual biodiesel companies¹. According to the news report, 652 tonnes of “waste oil” was imported into Hong Kong from Mainland China in the first seven months in 2014. While only 443 tonnes of “waste oil” was re-exported, 209 tonnes of “waste oil” imported from Mainland China was remained in Hong Kong. It was reported the Members were concerned about the findings and the movement of the “waste oil”. It was also reported that Members had noticed that the import price of “waste oil” from Mainland China was almost HK\$ 10,000 per tonne, and some were concerned that some local traders might sell the “waste oil” as edible oil. Some Members also expressed concern about the domestic export declaration records in respect of edible lard as revealed in the trade statistics compiled by C&SD, despite the non-existence of edible lard production business in Hong Kong.

17. In response to the questions raised at the Panel’s Special Meeting on 25 September, the Customs and Excise Department (C&ED) and C&SD have taken immediate follow-up actions. Upon checking of the import and export declaration records of the importers concerned from January to July 2014, C&ED is able to trace the movement of the oil products concerned. According to import transaction records, while the total import quantity under the Hong Kong Harmonised System (HKHS) code 1518 0000 from January to July 2014 was 7 396 tonnes², the quantity

¹ Information provided by C&SD refers to the information under the Hong Kong Harmonized System (HKHS) code 1518 0000. HKHS code 1518 0000 covers animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516 (heading 1516 covers “animal or vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, whether or not refined, but not further prepared”); inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included. On provision of the information, C&SD has pointed out that this commodity code also included commodities other than “waste oil”.

² There is a small difference between this figure and the statistics of C&SD as the investigation conducted by C&ED was based on the import and export transaction records provided by the importers concerned. The investigation is still underway. Besides, some declarants have probably not lodged with C&ED an accurate and complete declaration within the time limit of 14 days after the importation or exportation of the article. In this case, the figure will not be reflected in the statistical month of importation/exportation of goods.

imported by a biodiesel company accounted for about 83% (i.e. 6 121 tonnes) of the total. The imported goods were predominantly “used cooking oils” from places other than Mainland China and were mainly used for the production of biodiesel.

18. Regarding Members’ concern about the exceptionally high price of the so-called “waste oil” imported from Mainland China and the whereabouts of the more than 200 tonnes of such oil remaining in Hong Kong, C&ED’s import and export figures show that 730 tonnes of such oil was imported from Mainland China over the first seven months this year (around 10% of the total import quantity). According to C&ED’s investigation, around 500 tonnes of such oil was found to have been re-exported, and the rest was used by local manufacturers for the production of printing ink and plastic products etc.. In fact, the “waste oil” concerned is epoxidised soybean oil which is of higher value and different from ordinary “used cooking oil”. Apart from Mainland China, individual regions in East Asia including South Korea and Taiwan have also exported epoxidised soybean oil to Hong Kong. Such kind of oil is usually used as plasticiser and stabiliser in the plastics industry.

19. To address the concern over the domestic export records in respect of edible lard despite the non-existence of edible lard production business in Hong Kong, C&ED has checked carefully the domestic export declaration records under HKHS code 1501 1000³ between January 2013 and July 2014 and found out that the declaration involved four exporters. Except for Globalway Corporation Limited which is still under Police investigation for allegation of fraud, C&ED has come into contact with the other three and checked their records on the import and export of relevant products. It was found that the three exporters had made errors in their trade declaration. For one of the exporters, the commodity concerned had been correctly declared as lard not for human consumption on the export declaration but the HKHS code had been incorrectly declared. For the other two exporters, the edible lard not manufactured in Hong Kong had been incorrectly declared as domestic exports instead of re-exports. C&ED had already reminded the three exporters of the correct method of lodging

³ HKHS code 1501 1000 covers lard, other than that of heading 0209 (pig fat free of lean meat and poultry fat, not rendered or otherwise extracted, fresh, chilled, frozen, salted, in brine, dried or smoked) or heading 1503 (lard stearin, lard oil, oleostearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise prepared).

trade declaration. In response to public concern about the incident, the Administration will step up monitoring with a view to further enhancing the declarants' understanding of the relevant commodity code classification. The Administration also expect to get a better grasp of the relevant import and export figures through the legislative proposals being developed (see paragraph 21 below).

20. It is worth noting that there are about 40 million trade declaration record entries in Hong Kong annually, involving about 7 000 commodity codes. The declaration system is mainly used for collecting commodity trading data for compiling aggregate import and export statistics for the purpose of macroeconomic analysis, rather than for monitoring or tracing the import and export of commodities.

Strengthening Regulation of Safety of Edible oil and Recycling of “Used Cooking Oil”

21. As reported at the meeting on 25 September 2014, the Administration has decided to strengthen regulation of the safety of edible oil and the recycling of “used cooking oil” in Hong Kong through inter-departmental efforts in response to local food safety issues triggered by the substandard lard incident in Taiwan. The Food and Health Bureau, the Environment Bureau and the concerned departments are discussing the details and will seek to launch a public consultation on relevant legislative proposals early next year.

Advice Sought

22. Members are invited to note and comment on the content of this paper.

**Food and Health Bureau
Food and Environmental Hygiene Department
Centre for Food Safety
November 2014**

File Ref: FHB/F/5/1/1

LEGISLATIVE COUNCIL BRIEF

Issuance of an order under section 30(1) of the Food Safety Ordinance (Cap. 612) to prohibit the import and supply of edible fats and oils produced by CHENG I Food Co. Ltd. and TING HSIN Oil & Fat Industrial Co. Ltd. in Taiwan and food products made with such fats and oils

ISSUE

The Director of Food and Environmental Hygiene (DFEH) made an order (at **Annex**) under section 30(1) of the Food Safety Ordinance (Cap. 612) (the Order) on 29 October 2014 to prohibit the import and supply¹ within Hong Kong of all edible fats and oils produced by CHENG I Food Co. Ltd. (CHENG I) and TING HSIN Oil & Fat Industrial Co. Ltd. (TING HSIN) in Taiwan, as well as food products made in Taiwan or Hong Kong with such fats and oils, with effect from noon on 29 October 2014. The Order also directs that such fats, oils and food products which have been supplied be recalled within 14 days from the effective date of the Order and be disposed of subsequently in the specified manner. The Order was published in the gazette on 29 October 2014.

JUSTIFICATIONS

2. The incident of Taiwan “substandard lard” was first reported by Taiwan authorities on 4 September 2014. On 11 September 2014, Taiwan authorities announced that a total of 25 lard/lard products produced by CHANG GUANN Co. Ltd (CHANG GUANN) might have been contaminated as they were produced from substandard ingredients, such as collected waste oils and/or lard for animal feeds. Subsequently, Taiwan authorities notified the Food and Environmental Hygiene Department (FEHD) that some of the contaminated lard/lard products had been exported to Hong Kong and our local investigation revealed that they had already

¹ “Supply” means (a) to sell the food; (b) to offer, keep or exhibit the food for sale; (c) to exchange or dispose of the food for consideration; or (d) for commercial purposes, to give the food as a prize or to make a gift of the food.

been used to manufacture food products. Thus, a Food Safety Order (No. CFS/1/2014) was issued which took effect from noon on 14 September 2014 to prohibit the import into and the supply within Hong Kong all lard/lard products produced by CHANG GUANN in Taiwan on or after 1 March 2014 (including but not limited to the products specified in the Appendix to that Order) as well as all food products made with those lard/lard products, and to mandate recall and proper disposal of all concerned products.

3. On 8 October 2014, Taiwan authorities further announced that more suspected fraudulent fats and oils production was found in another company, CHENG I. CHENG I's fats and oils were found to have been produced from substandard ingredients, such as lard for animal feeds, and the affected products extended beyond lard to involve beef tallow, margarine and shortening.

4. In light of the above, FEHD was not satisfied with the safety and quality of Taiwan's fats and oils as we then had reasons to suspect that such malpractice in edible fats and oils production could have been systemic and went beyond lard and lard products to involve fats and oils of animal origins. Thus, on 9 October 2014, FEHD announced that precautionary measures needed to be taken to stop the import into and the supply within Hong Kong all edible oils of animal origins produced in Taiwan with relevant powers under the Public Health and Municipal Services Ordinance (Cap. 132).

5. As Taiwan authorities proceeded with their investigation, it was announced on 10 October 2014 that lard/lard products from TING HSIN were also found to have been produced from substandard ingredients, such as lard for animal feeds.

6. On 15 October 2014, we extended the coverage of the precautionary measures in Hong Kong to include all edible oils (of animal or plant origins) produced in Taiwan, following reports of an edible oil manufacturer in Taiwan importing certain oils of plant origins declared as being for industrial use without being registered for inspection.

7. Investigation by FEHD revealed that some traders in Hong Kong had imported lards from CHENG I and TING HSIN. Furthermore, on 21 and 23 October 2014, Taiwan authorities notified FEHD that respectively four and two food products made with CHENG I's substandard fats and oils had been exported to Hong Kong.

8. Coupled with Taiwan authorities' announcement on 27 October 2014 that TING HSIN's substandard fats and oils products were also found to have been produced from beef tallow and coconut oil ingredients from unapproved sources in Vietnam, we have reasonable grounds to believe that fats and oils from both TING HSIN and CHENG I are very likely unfit for human consumption unless there is formal notification by Taiwan authorities otherwise. To further safeguard Hong Kong's public health, a second Food Safety Order needs to be made to put it beyond doubt that all edible fats and oils produced by TING HSIN and CHENG I, as well as all food products manufactured with such fats and oils, are prohibited from importing into and supplying within Hong Kong, and to mandate their recall in a systematic manner so as to ensure that they are no longer in circulation in the local market.

ORDER MADE UNDER SECTION 30(1) of CAP. 612

9. Section 30(1) of Cap. 612 provides that DFEH may make an order to, among others, prohibit the import and the supply of any food for the period specified in the order, as well as to direct that any food supplied be recalled and specify the manner in which, and the period within which, the recall is to be conducted. Section 30(2) stipulates that DFEH may only make a food safety order under section 30(1) if DFEH has reasonable grounds at the time of making the order to believe that the making of the order is necessary to prevent or reduce a possibility of danger to public health or to mitigate any adverse consequence of a danger to public health.

10. According to information from Taiwan authorities, the substandard fats and oils were produced from collected waste oils and/or substandard ingredients such as lard for animal feeds. Fats and oils so produced with these substandard ingredients are subject to contamination by harmful substances such as benzo[a]pyrene, aflatoxins, metallic contaminants, etc. These harmful substances can cause cancers or other adverse health effects to consumers, thus presenting possible danger to public health.

11. A copy of the Order is at **Annex**. The Order –
- prohibits the import and supply of all edible fats and oils produced by CHENG I and TING HSIN;
 - prohibits the import and supply of all food products made in Taiwan or Hong Kong with the above-mentioned fats and oils, including but not limited to the products specified in the Appendix to Annex A of the Order; and
 - directs that such fats, oils and food products which have been supplied be recalled within 14 days from the effective date of the Order and be disposed of subsequently, in the manner specified.
12. The Order is directed to all persons and took effect at noon on 29 October 2014. Any person who contravenes a term of the Order commits an offence and is liable on conviction to a fine at level 6 (currently \$100,000) and to imprisonment for 12 months.

PUBLICITY

13. A press release was issued on 29 October 2014. A spokesman is available to answer press enquiries.

ENQUIRIES

14. Any enquiries on this brief may be addressed to Mr Jeff LEUNG, Principal Assistant Secretary (Food)¹ at 3509 8925.

Food and Health Bureau
30 October 2014

FOOD SAFETY ORDINANCE

(Chapter 612)

(Section 30)

Food Safety Order

Order No. : CFS/2/2014

FEHD Ref. : FEHD/CFS/12/1/32/Pt 3

TO : All Persons

This Order takes effect at noon on 29 October 2014.

I now have reasonable grounds to believe that the making of this order in relation to the food specified in Annex A is necessary to prevent or reduce a possibility of danger to public health, or to mitigate any adverse consequence of a danger to public health, the details of which are specified in Annex B. **I DO**, in exercise of my powers under section 30(1) of the Food Safety Ordinance (Chapter 612), order that :

- (a) you be prohibited from importing into Hong Kong the food specified in Annex A, that is intended for human consumption, from noon, 29 October 2014 until further notice;
- (b) you be prohibited from supplying¹ within Hong Kong the food specified in Annex A, that is intended for human consumption, from noon, 29 October 2014 until further notice; and
- (c) you recall within a period of 14 days from noon, 29 October 2014 the food specified in Annex A, that is intended for human consumption and has been supplied by you, and dispose of such food subsequently, in the manner specified in Annex C.

If you feel that you are aggrieved by this order, you may, within 28 days after becoming bound by it (that is the date and time specified in the first paragraph), appeal to the Municipal Services Appeals Board.

¹ "Supplying" means (a) selling the food; (b) offering, keeping or exhibiting the food for sale; (c) exchanging or disposing of the food for consideration; or (d) for commercial purposes, giving the food as a prize or making a gift of the food.

A person bound by this order who contravenes a term of the order commits an offence and is liable on conviction to a fine at level 6 (currently \$100,000) and to imprisonment for 12 months. It is not a defence for a person to show that the food concerned is the subject of a licence, permit or any other form of authorization issued or granted under this or any other Ordinance.

Dated this 29th October 2014



(Vivian LAU)

Director of Food and Environmental Hygiene

FOOD SPECIFIED IN THE ORDER

Brand Name & Food Name/ Designation	Place of Origin
All edible fats and oils produced by CHENG I Food Co. Ltd. All edible fats and oils produced by TING HSIN Oil & Fat Industrial Co. Ltd.	Taiwan
All food products made with the above-mentioned fats and oils including but not limited to the products specified in Appendix.	Taiwan or Hong Kong

Appendix

List of known food products made with fats and oils produced by CHENG I Food Co., Ltd. or TING HSIN Oil & Fat Industrial Co., Ltd.

Brand Name & Food Name/ Designation	Manufacturer's Name	Place of Origin	Count/ Weight/ Volume	Manufacturing Date	Best Before/ Use By Date
1. Fried Pork Floss	TAIWAN FARM INDUSTRY CO., LTD.	Taiwan	270 grammes per can/12 cans per box	Between 6 May and 14 September 2014	Between 5 May and 13 September 2015
2. Fried Pork Floss with Seaweed	TAIWAN FARM INDUSTRY CO., LTD.	Taiwan	270 grammes per can/12 cans per box	Between 6 May and 14 September 2014	Between 5 May and 13 September 2015
3. Fried Pork Floss	TAIWAN FARM INDUSTRY CO., LTD.	Taiwan	300 grammes per can/12 cans per box	Between 6 May and 14 September 2014	Between 5 May and 13 September 2015
4. Fried Pork Floss	TAIWAN FARM INDUSTRY CO., LTD.	Taiwan	180 grammes per can/12 cans per box	Between 6 May and 14 September 2014	Between 5 May and 13 September 2015

5. Fish and Cheese Stuffing Balls	CHAMPION REFRIGERANT FOODS CO., LTD.	Taiwan	3 kilograms (kg) per pack	19, 21 and 22 May 2014	20 May 2016
6. Cheese Fish Bun	CHAMPION REFRIGERANT FOODS CO., LTD.	Taiwan	3 kilograms (kg) per pack	25 April 2014	25 April 2016

**REASON FOR MAKING THE ORDER AND
PRINCIPAL FACTORS THAT LED TO MAKING OF THE ORDER**

Summary of incident

The incident of Taiwan “substandard lard” was first reported by Taiwan authorities on 4 September 2014. On 11 September 2014, Taiwan authorities announced that a total of 25 lard/lard products produced by CHANG GUANN Co. Ltd (CHANG GUANN) might have been contaminated as they were produced from substandard ingredients, such as collected waste oils and/or lard for animal feeds. Subsequently, Taiwan authorities notified the Food and Environmental Hygiene Department (FEHD) that some of the contaminated lard/lard products had been exported to Hong Kong and our local investigation revealed that they had already been used to manufacture food products. Thus, a Food Safety Order (No. CFS/1/2014) was issued which took effect from noon on 14 September 2014 to prohibit the import into and the supply within Hong Kong all lard/lard products produced by CHANG GUANN in Taiwan on or after 1 March 2014 (including but not limited to the products specified in the Appendix to that Order) as well as all food products made with those lard/lard products, and to mandate recall and proper disposal of all concerned products.

On 8 October 2014, Taiwan authorities further announced that more suspected fraudulent fats and oils production was found in another company, CHENG I Food Co. Ltd (CHENG I). CHENG I’s fats and oils were found to have been produced from substandard ingredients, such as lard for animal feeds, and the affected products extended beyond lard to involve beef tallow, margarine and shortening.

In light of the above, FEHD was not satisfied with the safety and quality of Taiwan’s fats and oils as we then had reasons to suspect that such malpractice in edible fats and oils production could have been systemic and went beyond lard and lard products to involve fats and oils of animal origins. Thus, on 9 October 2014, FEHD announced that precautionary measures needed to be taken to stop the import into and the supply within Hong Kong all edible oils of animal origins produced in Taiwan with relevant powers under the Public Health and Municipal Services

Ordinance (Cap. 132).

As Taiwan authorities proceeded with their investigation, it was announced on 10 October 2014 that lard/lard products from TING HSIN Oil & Fat Industrial Co. Ltd. (TING HSIN) were also found to have been produced from substandard ingredients, such as lard for animal feeds.

On 15 October 2014, we extended the coverage of the precautionary measures in Hong Kong to include all edible oils (of animal or plant origins) produced in Taiwan, following reports of an edible oil manufacturer in Taiwan importing certain oils of plant origins declared as being for industrial use without being registered for inspection.

Investigation by FEHD revealed that some traders in Hong Kong had imported lards from CHENG I and TING HSIN. Furthermore, on 21 and 23 October 2014, Taiwan authorities notified FEHD that respectively four and two food products made with CHENG I's substandard fats and oils had been exported to Hong Kong.

Coupled with Taiwan authorities' announcement on 27 October 2014 that TING HSIN's substandard fats and oils products were also found to have been produced from beef tallow and coconut oil ingredients from unapproved sources in Vietnam, we have reasonable grounds to believe that fats and oils from both TING HSIN and CHENG I are very likely unfit for human consumption unless there is formal notification by Taiwan authorities otherwise. To further safeguard Hong Kong's public health, a second Food Safety Order needs to be made to put it beyond doubt that all edible fats and oils produced by TING HSIN and CHENG I, as well as all food products manufactured with such fats and oils, are prohibited from importing into and supplying within Hong Kong, and to mandate their recall in a systematic manner so as to ensure that they are no longer in circulation in the local market.

Sources of Information

- Food and Drug Administration, Taiwan
- Tainan District Prosecutors Office, Taiwan

Health Effects

According to information from Taiwan authorities, the substandard fats and oils were produced from collected waste oils and/or substandard ingredients such as lard for animal feeds. Fats and oils so produced with these substandard ingredients are subject to contamination by harmful substances such as benzo[a]pyrene, aflatoxins, metallic contaminants, etc. These harmful substances can cause cancers or other adverse health effects to consumers, thus presenting possible danger to public health.

**MANNER IN WHICH PRODUCT RECALL AND DISPOSAL
SHOULD BE CONDUCTED**

(A) Applicable to importers

1. Immediately identify food specified in Annex A from storage facilities and isolate them.
2. Set up telephone enquiry service to handle enquiries related to recall of the food specified in Annex A as soon as possible.
3. Immediately notify all known distributors of the recall and its arrangement.
4. Inform FEHD², upon commencement of recall, of detailed description of the products to be recalled and the recall period.
5. Retract the food concerned returned by distributor(s), retailer(s) or consumers.
6. Report to FEHD within two working days upon completion of recall for advice on final disposal of the recalled food³.
7. Submit report to FEHD within one week from the date of completion of recall, and the report should contain the following information:
 - (a) the names of the companies, organizations or persons from whom the food was returned;
 - (b) the description and amount of the food returned;
 - (c) the description and amount of any stock of food specified in Annex A;
 - (d) a reconciliation between the delivered and recovered quantities of the food, as well as the stock in hand; and
 - (e) the final disposal of the recalled food.

² Email : fso_enquiry@fehd.gov.hk
Fax : 2776 5226

³ Recalled food include remaining stock of food and returned food from customers

(B) Applicable to distributors

1. Immediately identify food specified in Annex A from storage facilities and return them to the supplier.
2. Set up a telephone enquiry service to handle enquiries related to recall of the food specified in Annex A as soon as possible.
3. Immediately notify all known retailer(s) and consumers of the recall and its arrangement.
4. Inform FEHD⁴, upon commencement of recall, of detailed description of the products to be recalled and the recall period.
5. Retract the food returned by retailer(s) or consumers and return to the supplier.
6. Keep records of recalled food, including :
 - (a) a description of the recalled food including brand and product name, size, identifying codes; and
 - (b) the date and quantity of food returned to the supplier.
7. Report to FEHD within two working days upon completion of recall, the quantity and description of the recalled food and any remaining stock, and the date of return to the supplier.

(C) Applicable to retailers

1. Immediately stop sale and use of all food specified in Annex A, and return them to the supplier.
2. Immediately remove from the shelves all food specified in Annex A, and return the food concerned to the supplier. In case there is no supplier, the food concerned should be properly disposed of by the retailer.
3. Retract the food returned by consumers, and return them to the supplier as

⁴ Email : Food_Recall_Notification@fehd.gov.hk
Fax : 2521 4784

appropriate.

4. Keep record on quantity and description of the food such as brand and product name, size, identifying codes, and date of return to the supplier (or disposal as appropriate) of the food concerned.