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Wal-Mart to triple food safety spending in China after donkey meat disaster

By Gail Sullivan | JUNE 17, 2014

Wal-Mart plans to triple spending on food safety in China, where fox meat was found in packages labelled as “Five Spice” donkey meat in January.

The masquerading meat came from a local supplier. After the discovery, the company said it would increase checks on vendors to ensure they have the necessary permits and do DNA testing of meat sold in China.

Wal-Mart is increasing spending on food safety to \$48.2 million between 2013 and 2015, three times the \$16 million it had previously committed to spending during that period.

The funding will go to additional food testing and supplier audits, Wal-Mart’s China Chief Compliance Officer Paul Gallemore said in a press briefing on Tuesday, adding that Wal-Mart will double its DNA testing on meat products.

“We see this as our future home market,” said Mr. Gallemore. The discount retailer based in Bentonville, Ark., plans to add 110 more stores by 2016 to the roughly 400 currently in China.

The donkey disaster followed other Wal-Mart scandals including the mislabeling of regular pork as organic in 2011 and the discovery of hazardous chemicals in sesame oil and squid in 2012.

Food fraud is a problem around the world, but violations in China seem especially frequent and egregious. Last year, Chinese authorities arrested 900 for passing off fox, mink and rat as mutton. In 2008, 54,000 infants got sick and six died after drinking baby formula tainted with industrial chemicals. Another recent scandal involved rice tainted with cadmium, a cancer-causing heavy metal. Other scary signs include rivers full of dead pigs and reports that one-fifth of China’s farmland is polluted.

More than half of Chinese food processing and packaging firms failed safety inspections in 2011, according to a report by Asia Inspection, a China-based food quality control company.

In a Wall Street Journal opinion column, Stanley Lubman said Americans should be concerned. Food imports from China are on the rise, and according to a 2011 study by Democrats on the House Appropriations Committee, just 2.3 percent of all imported food is inspected by the Food and Drug Administration. environmental and labor violations on behalf of retailers, said that the export factories still seemed busy and suggested that the March figures might have been distorted. “The exports from China are still very strong,” he said. “Maybe this is related to the fact they let the renminbi slip down.”



A Chinese consumer shops in a Walmart supercenter in Qingdao city, eastern China’s Shandong province in May.



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