

Sanlu's Melamine-Tainted Milk Crisis in China

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Tainted milk crisis

Group leader: Ho Yip Fat
 Group members: Tung Wai Ming, Cheng Chun Hin, Lam Long Ching, Cheng Wing Wai

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Introduction

The 2008 Chinese milk crisis was a food incident in China, which was about the milk powder adulterated with melamine. It was one of the largest food safety events in recent years and made the confidence among Chinese consumers be hard to overcome. In this crisis, it had an estimated 300,000 victims, and an estimated 54,000 babies being hospitalised. The statistics obviously show that how serious the problem really is.

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Stakeholders

1. Customers
 - Result in health problems
 - Lost their confidence in buying dairy products
2. Owners of the dairy products factories
 - Had a huge financial loss
 - Had to bear legal liability
 - Decreasing in sales

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3. Shareholders of the dairy factories
 - Most analysts downgraded the stock
 - Had a great loss in stock market
4. Employees of the dairy factories
 - Lost their jobs and became unemployed
 - Salaries were reduced

Case 1 - Mengniu Dairy

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History

In 2008, Mengniu was one of a number of Chinese dairy processors that had products tested positive for melamine, an industrial chemical.

Case 2 - Sanlu Dairy

Origin

The scandal broke on 16 July, after sixteen infants in Gansu Province, who had been fed on milk powder produced by Shijiazhuang-based Sanlu Group, were diagnosed with kidney stones.

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Effects

1. China's dairy sector takes a heavy blow, leading to a fall in their manufacturing from 20% to 10%.
2. The companies had a large amount of stock, and the business order were affected.
3. Chinese dairy processors are criticised.

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Development

Chinese dairy processor Mengniu Dairy has admitted producing milk containing excessive levels of a cancer-causing chemical.

Mengniu said that a state inspection team had found a batch of its milk products were contaminated with fluoronitrile, which can cause liver cancer.

The company said cows at its farm in Heilongjiang, in central China had produced raw milk containing the chemical. It blamed the contamination on "feed quality and environmental factors."

Result

Milk products contaminated with melamine was linked to the deaths of at least six infants and thousands of illnesses.

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In the tainted milk incident, it involved several stakeholders. They own the businesses who have bought dairy products, the owners of the dairy products factories, the shareholders of the dairy factories, the employees of the dairy factories, and etc.

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Development

Cases started to be reported around China. Sanlu Group admits that its milk powder was contaminated with the toxic chemical melamine. Countries across Asia started to ban Chinese dairy products or to pull them from shops.

Victims: 16 of 16 babies were in hospital, and the death toll is at least two.

Affects: 16,000 people are affected.

Response: 22 companies involved in the scandal stopped us and ask for forgiveness in New Year and many of them sent millions of mobile phone users.

Reaction: There were a total of 250,000 children had taken ill from consuming milk products tainted with melamine.

Affects: China says it has arrested all people in connection with the melamine scandal.

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Conclusion

To conclude, with the above evidences, we can see that the incident had a serious negative impact to the Chinese market. It was also a big challenge for world health organization(WHO) because there were many victims involved. The chemical melamine were put into the milk powder and therefore different companies had to be responsible to this incident. In the future, hope that the government can cooperate with the companies to avoid this kind of problems.

End

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Result

The Hebei Provincial Higher People's Court upholds the sentences after appeals, including the death sentences in March.

Besides, the issue raised concerns about food safety and political corruption in China, and damaged the reputation of China's food exports, with at least 11 countries stopping all imports of Chinese dairy products.

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Effects

1. Adult babies were killed, mostly newborns, and 30% of them were suffering from acute kidney failure.
2. The companies lost a large amount of money.
3. The business sector were affected.
4. Crimes were punished by prosecution.




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Case 1 - Mengniu Dairy

History

In 2008, Mengniu was one of a number of Chinese dairy processors that had products tested positive for melamine, an industrial chemical.

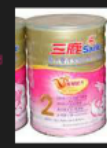


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Development

Chinese dairy processor Mengniu Dairy has admitted producing milk containing excessive levels of a cancer-causing chemical.

Mengniu said that a state inspection team had found a batch of its milk products were contaminated with formalin (FF), which can cause liver cancer.

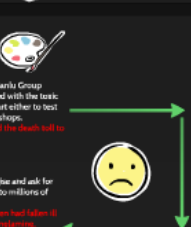
The company said ones of its firm in Meishan in central China had produced raw milk containing the chemical. It blamed the contamination on "leakage and deterioration" of fodder.

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Development

Suppliers: Cases started to be reported around China, Sanlu Group admits that its milk powder was contaminated with the toxic chemical melamine. Counties across Asia start either to test Chinese dairy products or to pull them from shops. Victims: 100 of 41 babies dies or 53,000, and the death toll to at least 100. Arrests: 16000 people are arrested.


Company: 22 companies involved in the scandal apologise and ask for forgiveness in a New Year text message sent to millions of mobile phone users. Victims: China says a total of 290,000 children had taken ill from consuming milk products tainted with melamine. Arrests: China says it has arrested 4,000 people in connection with the melamine scandal.



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Result

Milk products contaminated with melamine was linked to the deaths of at least six infants and thousands of illnesses.




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Conclusion

To conclude, with the above evidences, we can see that the incident had a serious negative impact to the Chinese market. It was also a big challenge for world health organization(WHO) because there were many victims involved. The chemical melamine were put into the milk powder and therefore different companies had to be responsible to this incident. In the future, hope that the government can cooperate with the companies to avoid this kind of problems.

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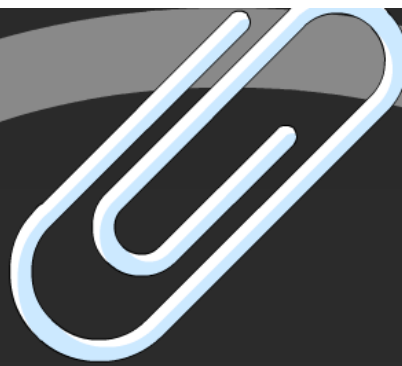


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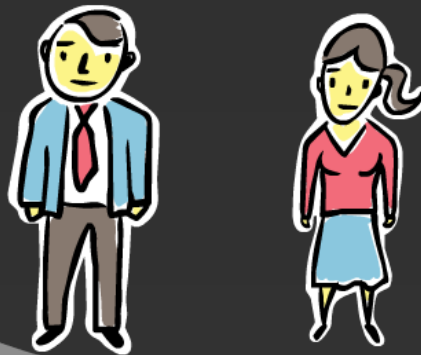
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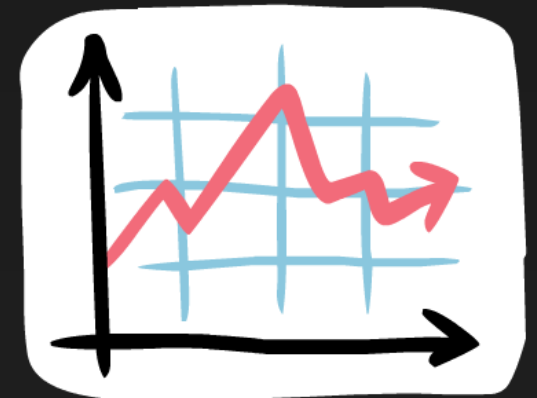
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Chinese dairy processor Mengniu Dairy has admitted producing milk containing excessive levels of a cancer-causing chemical.

Mengniu said that a state inspection team had found a batch of its milk products were contaminated with flavacin M1, which can cause liver cancer.

The company said cows at its farm in Meishan in central China had produced raw milk containing the chemical. It blamed the contamination on "mouldy and deteriorated" fodder.



Result