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# Retracing the Path Toxic Powder Took To Food in China

By Maureen Fan and Ariana Eunjung Cha Washington Post Foreign Service Saturday, November 8, 2008

SHIJIAZHUANG, China -- Xue Jianzhong never posted a sign on his ground-floor shop, but somehow everyone knew what he was selling. Customers from all over this dairy farming region in the northeastern province of Hebei flocked to Xue's dusty street to buy special concoctions that he said would make milk more nutritious -- and more marketable.

Advertised as a "protein powder," the substance was sold in 44-pound bags and was tasteless, odorless and white, like talc. It wasn't cheap, about \$1 a pound, but it could be mixed into inferior milk or even with specially treated water and the result would be a milklike liquid that would pass government quality tests.

It wasn't until September, when Xue was arrested in connection with the investigation into the poisoning of tens of thousands of babies across China, that it became clear his secret ingredient was a

toxic industrial chemical called melamine.

Melamine can mimic protein in nutrition tests for milk and in products such as wheat gluten and chicken feed. But when ingested in large amounts, it can cause kidney stones or death in children and animals.

The problem is not just a domestic one. Melamine has surfaced in foods sold across Asia

and, earlier, in pet food that poisoned animals in the United States, tainting China's reputation as the world's factory.

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How the same substance that had killed pets and was officially banned in China as an additive in food just last year wound up in baby formula and so many other food products is a story of desperate farmers. complicit chemical companies, and government officials who looked the other way. All were part of a system that allowed the network of melamine dealers to thrive.

Farmers and companies involved in food and feed production said that the doctoring of





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their products was an open secret in the countryside but that the salesmen had told them it was harmless.

"Actually, every milk collection center bought a lot of melamine," said Wang, a 60-yearold farmer in the village of Yudi, in the Shijiazhuang area, who would not give her full name because she feared retribution. "Everybody did this."

China's melamine trade is run by a criminal syndicate that has relied on chemical companies and underground laboratories for its supply. The trade has been supported by a customer base so eager for the substance that for years it turned a blind eye to its potentially deadly effects. Traditionally used in the manufacture of plastics and leather, melamine has made its way into the food supply in a way that was never supposed to happen.

Initially covered up by officials afraid of losing their jobs and besmirching the Beijing Olympic Games, the melamine contamination scandal began with infant milk formula that killed at least four infants and sickened 54,000 babies. It soon spread to candy, instant coffee, yogurt, biscuits and other products made with Chinese milk, prompting bans or recalls in 16 countries.

In recent weeks the toxin has been discovered in eggs and in animal feed, sparking fears that tainted foods go well beyond dairy products and may include fish, shrimp, beef and poultry.

"Almost all the animal feed companies I know added protein powder to their product until this September. So did our factory," said a sales manager surnamed Li, in a branch factory of the Liuhe Group, a large animal feed company in Shandong province. "Of course, no one dares to add it now."

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The problem of melamine was supposed to have been fixed long ago.

When Chinese authorities discovered in the summer of 2007 that the chemical was behind the poisoning of thousands of cats and dogs in the United States, it was explicitly banned from both food and feed. Melamine is now considered a controlled substance in China, and its production and use are supposed to be strictly supervised by the government.

The government has bragged about its efforts to overhaul its regulatory system, shutter tens of thousands of factories and step up inspections. But it is clear that loopholes remain.

Xue's shop is in Xingtang county, just 30 miles north of the Shijiazhuang headquarters of the Sanlu Group, the dairy company whose milk powder is at the center of the widening scandal. Xue, who pocketed \$150 for every ton of powder he sold, was part of a semiprofessional business that operated like any other

start-up, according to farmers and other potential customers who were solicited by melamine dealers.

There were legitimate-looking stores, representatives at milk collection centers and even door-to-door salesmen. Customers with questions about how to use the melamine knew that technical assistance was just a phone call away.

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In the impoverished countryside, farmers said they were quick to embrace the magic offered by con artists such as Xue, as the price of raw materials soared and government price controls squeezed their profits. During a recent program on staterun CCTV, Xue said that he himself drank only fresh milk, not the mixed kind, and that he knew melamine was harmful. He acknowledged that he sold it "to make more money."

While the income of China's rural residents has skyrocketed in recent years, the increase

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has not matched the pace of growth in the gross domestic product. Several dairy farmers said that over the past year, they have barely broken even.

The promise of greater profits was enticing, though not everyone was convinced.

"Last year, I got calls from people who said they could increase the protein in my feed by 50 percent, but I didn't believe them. It's impossible, unless you're cheating," said Sun Qingqing, sales manager of Hongsheng Feather Powder Factory, an animal feed company. "After the scandal, they disappeared or moved underground. I don't know how much they make, but those people drove Mercedes-Benz cars and BMWs."

Until recently, the salesmen would come every few months to Guo Junfeng's dairy farm in Shanxi province. "Even if you don't have milk, mix this substance with water and you will have something that is just like milk!" Guo remembers one of them telling him.

The salesmen were hawking two grades of the powder. The first contained whey protein, which can be collected from cheese made from cow's milk. That was the cheaper type and cost about \$44 a bag, but it didn't always work perfectly. The second kind, which cost roughly \$118 a bag, was more mysterious. The bag had some English writing on it that Guo could not decipher. The vendors said they couldn't read the letters either, and they could not explain what exactly was in the mix. But they said you could use the powder to create milk from any liquid.

Many of Guo's fellow farmers in the province were dazzled by the idea of increasing their profits as much as 300 percent, he said.

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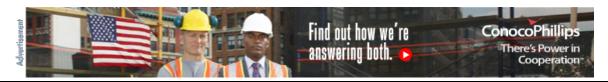
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But Guo said he knew it was too good to be true. "I'm usually a very suspicious person," he said. "They said it was nothing dangerous, but I couldn't be sure."

Dairy industry analysts who have inspected the melamine powder said it appeared to have been created by sophisticated chemical technicians. Qiao Fuming, a dairy consultant in Beijing, said it is impossible to take raw melamine and mix it with milk because it won't dissolve. The melamine had to be converted into a form that could be mixed with liquids, he said. How melamine became popular in the countryside has as much to do with greedy chemical companies as with poor farmers.

As China's chemical industry began to take off in the late 1990s, so many factories were eager to get into the business that it created excess supply of certain substances.

The use of industrial ingredients in food did not start with melamine. When Chinese authorities began spot

inspections as part of the crackdown in 2007, they found that poisonous dyes, mineral oils derived from the processing of petroleum, paraffin and other chemicals were being used to make candy, pickles, crackers and seafood.

The excess melamine supply peaked in 2006, and soon the melamine was coming to

, and soon the melamine was coming to China's dairy-producing regions by the truckload.

Some dealers bought professional-quality melamine from chemical factories at almost \$1,500 a ton.

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Others bought melamine scrap, a byproduct from other processes and potentially even more hazardous when added to food products, for less than \$50 a ton. It wasn't long before a group of middlemen, led by engineers, emerged to help market the scrap.

They had no trouble finding customers.



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Jia Yazhou, a manager at a chemical company, said that last year he received several phone calls from people interested in buying melamine scrap.

"They said they would use it to make animal feed directly," said Jia, who works at Huixin Chemical Co., in Shijiazhuang's Wuji county. Jia said he refused, saying that his factory recycled the scrap and that he "didn't know what price to offer."

But he wasn't surprised by the calls. "The industry is so uncontrolled," he said.

Other sales managers at a chemical plant said they didn't dare ask why customers, including a large fish farm, wanted the melamine scrap, "I don't know if my customers tell me the truth or not. I didn't ask for what purpose they buy it," said Liu Qiujiang of Jinglong Fengli Chemical Co. in Hebei's Ningjin county.

Wu Jianping, a salesman at the Lixia chemical factory in Shandong province, said it was clear that some of his company's customers were not in industries that traditionally use melamine. But, he added: "We never ask what they use melamine for. If we ask, they say, 'You don't need to ask. You want to sell it. We want to buy it. That's all you need to know.' "

Researchers Zhang Jie, Liu Songjie and Liu Liu in Beijing and Crissie Ding in Shanghai contributed to this report.

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