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Japan's New Food Labeling Law

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Report Highlights:

The Japanese Diet established a new, comprehensive Food Labeling Law on June 28, 2013. The law mandates nutritional labeling and inclusion of allergen information on all pre-packaged processed foods, including imports. The Consumer Affairs Agency CAA) will be writing the details of the implementing regulations, as well as a comprehensive food labeling standard and nutritional labeling requirements. The law is scheduled to take effect some time before July 2015, with a one-to-two year transition period for the majority of the regulations; nutritional labeling requirements will have a five-year transition period. The actual implementation date will depend on the CAA's rule-making process, which will be overseen by the Cabinet Office Consumer Commission's Food Labeling Subcommittee. Current food labeling regulations will remain in place until the new food labeling law enters into force. Preliminary assessment from the Office of Agricultural Affairs indicates that the new law will not be more onerous than current U.S. domestic labeling requirements.

The new Food Labeling Law (hereafter, the law) consolidates the labeling portions of three existing

laws:

- Food Sanitation Law:
- Japanese Agricultural Standard (JAS) Law, and;
- Health Promotion Law.

Office of Agricultural Affairs report <u>GAIN JA3001</u> (1/11/2013) explains the background of the law. The law consists of twenty-three articles and is designed:

- to protect and promote public health;
- to facilitate food production and distribution, and;
- to promote production of food that meets consumer demand.

By the summer of 2014, the Subcommittee is expected to complete drafts of the implementing regulations and a comprehensive food labeling standard for pre-packaged processed foods, including mandatory nutritional labeling. A 30-day public comment period and WTO notification will follow publication of the drafts. After incorporating any changes in response to public and foreign government comments, the Subcommittee will publish the final implementing regulations and the comprehensive food labeling standard. Though the new regulations will enter into force by the end of June 2015, there will be a one-to-two year transition period. There will be a five-year grace period before the mandatory nutritional labeling requirement is enforced. As Japanese importers of U.S. processed food products routinely affix Japanese language labels before distributing for retail sale, importers are expected to shoulder the burden of the new law's labeling requirements. Though the implementing regulations have not been drafted, it is likely that U.S. producers are already providing the additional required nutrition and allergen information under current U.S. labeling laws.

While the law is scheduled to enter into force before June 28, 2015, the actual entry-into-force date will depend on the rate of progress of the Consumer Affairs Agency (CAA), the GOJ regulatory agency responsible for drafting the law. Housed within the Cabinet Office, the CAA was established in September 2009 and has broad responsibility for consumer protection issues. The CAA's Food Labeling Division is responsible for developing a consistent food labeling system in Japan and will be responsible for enforcing the law. Additional information on the CAA can be found on their English language website and in the Office of Agricultural Affairs reports GAIN JA9059 (9/2/2009) and GAIN JA9080 (2/8/2010).

Also within the Cabinet Office, the Consumer Commission's Food Labeling Subcommittee will provide input on, and ultimate approval for, the various components of the law as drafted by the CAA. The Food Labeling Subcommittee is not a standing body, but one that is periodically convened to oversee implementation of food labeling laws. The current membership of the Subcommittee was announced on October 22, 2013. The 16 individuals serving on the Subcommittee represent a range of perspectives and expertise, including: food science, pharmaceutical and medical science, food law, academia, and the food industry. Some of the larger organizations represented on the Subcommittee include the Japan Chain Store Association, the Japan Consumers' Co-operative Union (a large grocery retailer), the Japan Dietetic Association (a national association of dietitians) and Japan's national association of agricultural cooperatives Japan Agriculture (JA). The committee appears to be well balanced between consumer and food industry interests.

The law and its development continue to draw a high level of interest from food industries and the general public throughout Japan. When the CAA held a public information session to explain the law

in Tokyo on September 5, 2013, nearly 300 members of the general public attended. However, as there were more applicants wanting to attend the meeting than the scheduled venue could accommodate, the CAA held a second meeting in Tokyo on September 11. In addition, the CAA organized a road show of similar meetings in seven other major cities from Hokkaido to Kyushu in September, 2013.

Of particular note within the law is the requirement to include allergen information on pre-packaged processed foods for the first time. While allergen awareness has been increasing in Japan for years, the 2012 allergen-related death of an 11-year old Tokyo public school student led to a public outcry over the risks posed by food allergies. As a result, the new food labeling standard will ensure that food allergen information is highly visible on retail processed product labels.

Several prominent but controversial demands from consumer groups will not be covered by the law, but will have to be addressed in future legislation. Included among those demands are requests for greater disclosure on pre-packaged processed food labels regarding the country of origin of ingredients, specific chemical names of food additives, and the presence of genetically engineered foods or ingredients. Some consumer groups are also advocating for allergen labeling in three large and growing segments of the Japanese food industry: food service providers, home meal replacement, and internet retailers (where pre-packaged processed food labels are not always clearly visible).

The law is not expected to change labeling requirements for genetically engineered foods, which are currently covered by the Food Sanitation Law and the Japanese Agricultural Standard (JAS) Law. Current, and future, labeling requirements for genetically engineered foods are explained thoroughly in the Office of Agricultural Affairs report GAIN 3027 (7/2/2013). The current regulations will be transferred intact from the JAS Law and the Food Sanitation Law directly into the new Food Labeling Law.

As the law does not include labeling requirements for food service providers, the law will not include regulations addressing the recent food service ingredient mislabeling scandal in Japan; the Government of Japan's response to this scandal will be covered in a future GAIN report.

As noted above, the details of the law will be discussed in the Food Labeling Subcommittee in coming months, and the Office of Agricultural Affairs will provide regular updates. The appendix below provides the Office of Agricultural Affairs' provisional translation of the law's major articles. The following link leads to the articles of the Food Labeling Law. A complete English language translation is not currently available. http://www.caa.go.jp/foods/pdf/130628 houritsu.pdf (Japanese language only)

APPENDIX:

Outline of the Food Labeling Law

- 1. Basic principles (Article 3)
 - Establishes consumer rights with regard to food labeling. The role of the Government is to ensure the safety of food, to ensure opportunities of selection, and to provide the information necessary for consumers to make informed decisions.
 - Establishes the intention to exempt small scale food businesses from the requirements of the law.
- 2. Development of food labeling standards (Article 4)
 - Enumerates the items to be labeled on processed food packages: product name, allergenic ingredients, best-before date, ingredients, additives, nutritional value, calories, country of origin (where the final product was manufactured), and information about the manufacturer.
- 3. Obligation of food-related businesses to display food labeling according to the comprehensive food labeling standard (Article 5)
- 4. Responses to improper labeling (Article 6, 7)
 - The Prime Minister (food and liquor), the Minister of Agriculture, Forestry and Fisheries (food other than liquor), or the Finance Minister (liquor), can compel violators to follow the food labeling standard.
 - The Prime Minister can compel violators to adhere to the demands of the Finance and MAFF Ministers.
 - The Prime Minister can order a recall of food, as well as a suspension of business operations in urgent cases.
 - Establishes the requirements for notifying and responding to violations of the labeling standard.
- 5. On-site inspection (Article 8, 9, 10)
 - When necessary, the Prime Minister can order an investigation into food labeling violations, including: an on-site inspection, access to corporate documents, questioning of corporate employees, an official report, and destruction of food or ingredients.
- 6. Rights of eligible consumer groups (Article 11)
 - Establishes the right of eligible consumer groups to demand an injunction when there is the possibility of false labeling or other violations of the food labeling standard. In an effort to limit frivolous or inappropriate requests, a registration process will determine the eligibility of groups to exercise this right.
- 7. Petition to the Prime Minister (Article 12)
 - When consumer interests are impaired because of improper food labeling, anyone can petition the Prime Minister to intervene.
- 8. Penal regulations (Article 17 23)
 - Establishes penalties for violation of the food labeling standard.