

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 5/26/2017

GAIN Report Number: JA7078

Japan

Post: Tokyo

An Overview of the Food Labeling Standard

Report Categories:

FAIRS Subject Report

Approved By:

Christopher Riker

Prepared By:

Suguru Sato

Report Highlights:

In August 2012, the Consumer Affairs Agency (CAA) started to work towards completion of a comprehensive Food Labeling Standard (see, e.g., GAIN Reports <u>JA3001</u> and <u>JA3054</u>). The CAA notified a draft proposal to the World Trade Organization (WTO), consolidating 58 different standards across three different laws into a single standard, on August 29, 2014. Among numerous smaller changes, the CAA made nine substantial changes, the most significant of which was a requirement for mandatory nutritional labeling on pre-packaged processed foods. The standard entered into force in April 2015.

General Information:

In Japanese Fiscal Year 2014 (April 1, 2014 – March 31, 2015), the Consumer Affairs Agency (CAA) held numerous public meetings to elaborate upon proposed changes and to hone the regulatory language of a 340-page long Food Labeling Standard. In pursuing its over-arching goals of creating a labeling standard that would be easily understood by industry and food labels that are meaningful and comprehensible for consumers, the CAA grappled with balancing consumers' demand for more information with the economic impact, regulatory burden, and feasibility of providing that information.

There are several critically important things to understand about this Food Labeling Standard (hereafter, the Standard). First, while the Standard technically covers all food and drinks sold in Japan, nutritional labeling requirements do not apply to fresh foods, alcoholic beverages, products manufactured by companies with less than twenty employees, or products imported by companies with less than five employees. With regard to trade, the Standard continues to place the onus of product labeling on the importer and does not require Standard-compliant product labeling at the time of customs clearance. The Standard did not change the labeling requirements for genetically modified organisms, nor did it alter the treatment of country of origin labeling (see, e.g., GAIN Reports JA6050, JA6061), but separate proceedings are ongoing which are reviewing these labeling requirements (see, e.g., JA7048 – "Change to Country of Origin Labeling Requirements Notified" and JA7067 – "Japan Initiates Review of GE Food Labeling Requirements").

After the public comment and WTO notification processes, the CAA finalized the language of the Standard in March 2015 and enacted the Standard in April 2015. The implementation period was set at five years for all labeling of processed products and food additives, and one and a half year for fresh products. The treatment of a category of so-called functional claim foods under the Standard is addressed in a separate GAIN report (see <u>JA5025</u>). The nine most significant changes to the food labeling practice as a result of the Standard are explained below.

- 1. Harmonized Classifications for Processed and Fresh Foods The Japan Agricultural Standard (JAS) Law and Food Sanitation Law contained different classifications of the same product. The Standard harmonized those discrepancies, assigning all products to one of three product classifications: fresh food, processed food, or food additive. For example, foods that have been lightly salted, blanched, or dried overnight had previously been treated as fresh foods by the Food Sanitation Law, while the Standard classifies such products as "processed foods," requiring appropriate labeling. Even foods that have not obviously been processed, but have been packaged for direct retail (e.g., pre-cut salad mixes), are considered processed products under the Standard.
- 2. Manufacturer Identification Codes and Contact Information Under the previous laws, the name and address of a food manufacturing facility may be replaced by an alpha-numeric manufacturer's identification (ID) code that corresponds to a specific production facility. However, under the Standard, ID codes are only permitted when a product is manufactured at more than two facilities. Thus, smaller Japanese companies must provide the name and address of the

_

¹ Alcoholic beverages are mentioned in the Standard, however alcoholic beverages and their labeling are regulated under the National Tax Agency by the Act Concerning Liquor Business Associations and Measures for Securing Revenue from Liquor Tax.

² Appropriate Japanese language labeling is only required by the time the product reaches retail shelves.

manufacturing facility on all product labels. When using an ID code under the Standard, the product label must also contain one of the following: 1) customer service contact information, 2) company website address, or 3) names, addresses, and ID codes for all production facilities.

The Standard also requires that labels contain the name and address of both the manufacturer and the distributor of a product. This policy change was largely in response to a lack of information on ubiquitous Japanese gift foods (known as *omiyage*) and on the increasing number of private brand products appearing in grocery stores. For the vast majority of products in these considerably large product segments, the manufacturer and distributor are different entities. All imported products must provide the name and address of the importer on the package label.

3. Allergen Labeling – The previous food labeling laws allowed manufacturers to omit potentially allergic ingredients from package labeling when the allergen can be reasonably assumed. For example, eggs could reasonably be assumed to be present in products containing mayonnaise. The Standard requires that all allergens be individually labeled (e.g., dried egg yolk (including egg)). At this time, there are seven allergens for which labeling is mandatory and twenty allergens for which labeling is recommended. If a product contains the same allergen in multiple ingredients in a processed product (e.g., egg salad contains both eggs as well as mayonnaise containing eggs), then the individual allergen labeling provision requires that the allergen be labeled each time it appears in an ingredient, further crowding package labeling. The Standard does not permit the use of "may contain" language; the CAA's current practice of explicitly labeling only that which a product does contain remains in place. For the latest list of allergen labeling, please see the CAA's website at http://www.caa.go.jp/foods/index18.html (in Japanese).

Labeling Requirement	C A HARGAN	
Mandatory	Mandatory Egg, Milk, Buckwheat, Wheat, Peanuts, Crab, Shrimp/Prawn	
Recommended	Abalone, Mackerel, Squid, Salmon, Salmon Roe, Cashew Nut, Walnut, Matsutake Mushroom, Sesame, Soybean, Yam, Apple, Banana, Kiwifruit, Orange, Peach, Beef, Chicken, Gelatin, Pork	

(as of May 2017)

4. Nutritional Labeling – The Standard requires nutritional labeling on all pre-packaged, processed foods. The nutritional labeling component has a five-year transition period from April 2015. Products produced by manufacturers with less than twenty employees or imported by companies with less than five employees are exempted from the nutritional labeling requirement. Manufacturers or importers are allowed to determine the appropriate serving size for nutritional labeling. While many labels will choose to use 100 g, 100 ml, or 1 package (for smaller, individual serving size items), the Standard allows manufacturers or importers to set the serving size at any size that they believe constitutes 'one reasonable serving.'

The Standard separates nutritional labeling components into three groups: mandatory, voluntary but recommended, and voluntary (see table below). The Standard also allows manufacturers or importers to utilize GOJ nutritional reference values for individual ingredients in order to calculate a

product's overall nutritional value. In addition, importers may convert nutritional values of imported products into the Standard's format.

Labeling Requirement	Nutritional Components		
Mandatory Energy, Protein, Fat, Carbohydrate, Sodium (indicate as Salt Equivalent ³)			
Voluntary But Recommended	Saturated Fat, Dietary Fiber		
Voluntary	n-3 Fatty Acid, n-6 Fatty Acid, Carbohydrate, Sugars, Cholesterol, Vitamins and Minerals		

- **5. Content Claims** The Standard harmonizes Japanese food labeling content claim regulations with established CODEX standards. In order to claim "Reduced X" or "Less X," the relative difference between the previous or standard formulation and the current formulation should be 25 percent or more. In order to claim "Enhanced X" for vitamins and minerals, the absolute difference between the current formulation and the nutrient reference value must be 10 percent or more. "No added sugar" and "No added salt" claims were introduced for the first time under the Standard.
- **6.** Compound Ingredient Labeling The Standard allows manufacturers or importers to individually identify each ingredient of a compound ingredient when 1) the name/description of a compound ingredient (or intermediate processed ingredient) is not comprehensible for consumers, or 2) the compound ingredient (or intermediate processed ingredient) is simply a mixture of primary ingredients and the name of the compound ingredient does not provide meaningful information to consumers. An example of baking mix is indicated as below.

Past	Baking Mix (Flour, Sugar, Cornstarch, Almond Powder, Others (Including Egg)),
Practice	Butter, Baking Powder, Essence
Standard	Flour, Sugar, Butter, Cornstarch, Almond Powder, Cocoa Powder, Dried Egg Yolk (Including Egg), Salt, Baking Powder, Essence

³ Energy is the term used by the CAA for calories, and is measured in kCal. Salt equivalent may be labeled as 'natrium,' which is the term used by the CAA for sodium. Natrium/salt equivalent is measured in milligrams per serving.

⁴ The CAA has made an exception to the requirements for "Reduced Sodium" soy sauce and miso products, lowering the threshold to 20 percent reductions due to the technical difficulty of reducing the sodium content of these products.

7. Labelling of Food Additives for sale – The labeling requirement for food additives for sale was modified to account for the differences between the Food Sanitation Law and JAS Law. The Standard requires food additives to be labeled with more details when the product is a food additive for commercial sale (as opposed to an ingredient in a processed product). As seen in the example below, a product such as vanilla essence for flavoring would fall under the labeling requirement (i.e., the product is a food additive in and of itself). Specifically, food additives for commercial sale are required to label the net content of the food additive (which was not required in the Food Sanitation Law) as well as the name and address of the additive manufacturer, and nutrition information (when applicable), as noted in the example below.

●バニラエッセンスの例

•	Labeling	Exampl	e of	Vanilla	Essence
---	----------	--------	------	---------	---------

名称	食品添加物 香料製剤	Name	Food additive, Flavoring agent
成分	香気成分10%、エタノール47%、グリセリン4%、水分 39%	Contents	Flavoring agent 10%, Ethanol 47%, Glycerin
内容量	内容量 <u>30ml</u>		4%, Water 39%
賞味期限	味期限 欄外上部記載		<u>30 ml</u>
保存方法	冷暗所に密栓して保管してください。飲用したり、直火または高温にさらしたりしないでください。	Expiration	Printed in box (outside of labeling section)
<u>販売者</u>	◎⑥株式会社 321-7654 東京都△▲市・・・	Storage	Store in dark and cool location. Do not swallow. Do not expose to fire or high
製造所	■■株式会社		temperature
234-5678 埼玉県△△市・・・		<u>Distributor</u>	© © Co. Ltd., △ ▲ City, Tokyo 321-7654
		Manufacturer	■■ Co. Ltd., △△ City, Saitama 234-5678

Sections of red and underline are newly required information

Source: Consumer Affairs Agency

(http://www.cao.go.jp/consumer/history/03/kabusoshiki/syokuhinhyouji/doc/s140314_shiryou2.pdf)

- **8. Incorporation of CAA Notices** The Standard incorporates a number of food labeling regulations issued as CAA "notices" and therefore previously not captured by any of the three laws regulating food labeling. An example of one such notice is an earlier publication on food labeling measures to prevent unintentional poisoning by blowfish toxin.
- 9. Food Labeling Layout Enhancement Under past practice, manufacturers or importers were permitted to omit some food labeling components (such as ingredients, best before date, storage instructions and country of origin) if the total surface area of the container or package is less than 30 cm^{2.5} However, the name of a product, proper storage instructions, best before date, manufacturer/seller contact information, allergen (if contained) and L- phenylalanine compounds (if contained) are all required under the Standard regardless of the size of the package.

⁵ For reference, that is about 2/3 the size of a standard business card or a little more than four standard-size U.S. postage stamps.

approximately 30 cm²