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EU Alcohol Industry Labeling Proposal - Labeling Apart Together

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Report Highlights:

On March 12, 2018, the EU alcoholic beverages industry presented a "joint' self-regulatory proposal on nutrition labeling and ingredients listing to the European Commission. The joint proposal outlines the general principles of the labeling schemes shared by the alcoholic beverages industry and are accompanied by four sector-specific implementation plans (wine, spirit drinks, beer, and cider). It is unclear whether he Commission will accept the industry's self-regulatory proposal or if it will decide to draft its own legislative proposal. This GAIN report has a special focus on the labeling options set out in the sectoral annex for wine and aromatized wine products.

EU Alcohol Industry's Labeling Proposal – Labeling Apart Together

On March 12, 2018, the last day of a one-year deadline, the EU alcoholic beverages industry presented to EU Health and Food Safety Commissioner Andriukaitis its <u>"joint" self-regulatory proposal on</u> <u>nutrition information and ingredients listing</u>. The joint proposal outlines general principles of the labeling schemes shared by the alcoholic beverages industry. In addition to the joint proposal, the different sectors - <u>wine</u>, <u>spirit drinks</u>, <u>beer</u> and <u>cider</u> - have developed their own implementation plans for their industries. It is unclear whether the Commission will accept the labeling schemes proposed or if/when it will initiate a legislative process. This report has a special focus on the labeling options set out in the sectoral annex for wine and aromatized wine products. A GAIN report on spirit drinks is forthcoming.

In the joint proposal, the four sectors commit to provide nutrition information and the list of ingredients off- and/or on-label, either by a web-link, a QR-code, a bar code, or other smart technology systems. Sector-specific proposals are laid out in the annexes. The individual sectors will report to the Commission on the roll out of their sector-specific implementation plans by March 2020, while a Steering Group made up of industry representatives will report on the implementation of the joint commitments by March 2021. The European Commission may accept the industry's self-regulatory proposal or it may decide to draft its own legislative proposal. It also remains to be seen whether the EU will be able to expeditiously move forward with an EU-wide labeling law as the current European Commission's term of office ends in October 2019. Typically as the term nears its end there is a flurry of legislative activity directed to promulgating laws that are further along the legislative process than this labeling proposal.

Context

Article 16 of the EU's Food Information to Consumers (FIC) regulation 1169/2011 exempts alcoholic beverages over 1.2 percent alcohol by volume from the mandatory nutrition labeling and ingredients listing requirements but obliged the European Commission to produce a report assessing whether or not to maintain this waiver. The Commission report, presented on March 13, 2017, concluded that a further exemption could not be justified and gave the EU alcohol industry a year to come up with a self-regulatory proposal covering all sectors (for detailed information see <u>GAIN report "European</u> <u>Commission Report on Labeling of Alcoholic Beverages</u>").

Different Approaches

The alcoholic beverage industry faced significant challenges to develop a common regulatory framework for nutrition information and ingredient labeling across different sectors and different products, and ultimately decided to take different approaches. Disagreements included: whether to label per 100 ml and/or per serving; whether to label the full nutrition declaration or just the energy value; whether to label on or off the product – these could not be resolved in the joint proposal. Labeling per 100 ml was particularly divisive between the spirits and beer industry as the spirits industry protested that this unit of measure would represent three standard servings while a standard glass of beer contains 250 ml. The wine industry had concerns about the ingredients listing because the composition of wine changes each year due to climatological conditions. Yearly updates of wine labels would be

very costly for a sector that is mainly composed of small and medium-sized enterprises. To accommodate these divergent concerns, each sector has tailored their own approach detailed in annexes.

Wine

Nutrition Information

In its <u>annex</u>, the wine industry proposes the following labeling options:

- to limit the nutrition information to the energy value, i.e. caloric content
- to use symbols such as the international symbol for energy "E" in order to simplify the label and translation
- to add a portion/serving in addition to the 100 ml declaration
- to use an average energy value of a particular wine or generally established and accepted data made available in a harmonized database for the different wine categories (e.g. still wine, sparkling wine, aromatized wine and liqueur wine)

Ingredients Listing

The EU's <u>Single Common Market Organization regulation 1308/2013</u> sets out a limited list of permitted oenological practices that wine producers may use. It divides the EU in different climatological winegrowing zones and regulates enrichment and (de)acidification processes. The wine industry contends that in order to provide relevant information to consumers, several specificities must be considered such as: the characteristics of the harvest change from year to year; wine composition changes as it ages; the final composition is not known until shortly before bottling; and the wine legislation foresees the controlled addition of natural substances during the wine-making process.

Under the FIC regulation, the indication of food additives or enzymes used as processing aids are not required on the label. For further guidance on the concept of wine processing aids, the EU wine industry refers to the International Organization of Vine and Wine (OIV) as the only reliable reference.

Non-EU Countries

The EU wine industry intends to include reference values for non-EU wines in its database of generally established and accepted data.

Legal Framework

The FIC regulation covers "alcoholic beverages" but does not differentiate between the different sectors. The wine industry would like to see its self-regulatory proposal incorporated into the existing EU wine legislation (Single CMO regulation 1308/2013) in the form of an <u>implementing act</u>. However, the Single CMO falls within the competence of the European Commission's Directorate-General for Agriculture while the Directorate-General for Health and Food Safety has competence over the FIC regulation. In any case, the EU wine industry favors the timely adoption of EU-harmonized rules to ensure legal certainty and to avoid a legal vacuum where Member States would be able to launch national initiatives, such as the Irish Alcohol Bill. The alcoholic beverage industry is united in supporting the EU's single market and keen to avoid patchwork legislation by the Member States.

Proposed Future Work

The wine annex sets out a timeline for future work:

- March 2019: the "Wine in moderation" website will be updated to provide consumers with relevant wine nutrition and ingredients information
- March 2021: first revision of the "Wine in moderation" website to enhance the accessibility and clarity of the information provided
- March 2021: development and implementation of systems linking the bottle to the online communication platforms

Future work will depend on the Commission's decision to accept or reject the self-regulatory proposal.

Other Sectors

Spirit Drinks

The EU spirits sector is asking the European Commission to allow a more prominent place on the label for the energy value per serving size than per 100 ml. The annex explains that the alcohol content of a standard 30 ml spirits serving is much the same as for a 100 ml glass of wine and a 250 ml glass of beer. As regards the list of ingredients, the EU spirits sector will develop a template ingredients list for each category defined in the EU's spirit drinks regulation 110/2008. The sector is working closely with the European Travel Retail Confederation regarding the development of a Pilot Project to make multilingual product information easily accessible to consumers by scanning the barcode on the packaging.

For full details, see the Spirit Drinks Annex

Beer

In March 2015, the EU beer industry announced its commitment to progressively implementing the FIC provisions on nutrition information and ingredients listing. It will support implementation through the development and dissemination of guidance tools on regulatory requirements and a toolkit for the calculation of nutritional values.

For full details, see the **Beer Annex**

Cider

The cider industry is revising its existing labeling guidelines. By July 2018, it will provide technical information for the calculation of energy values and examples of the format for providing food information to consumers.

For full details, see the Cider Annex

Next Steps

The European Commission will now analyze the EU alcohol industry's self-regulatory proposal. It is still unclear what the Commission's reaction is and if they accept it, what it would do to give it legal force. If it is not happy with the proposal, the Commission may decide to initiate an impact assessment and put forward an EU legislative proposal to amend the FIC regulation. However, under this scenario it is very unlikely that anything would happen at EU-level before 2020, as a new Commission will decide on priorities when it takes office in November 2019. The wine industry is concerned that the lack of EU-harmonized legislation may inspire certain Member States to move forward to adopt national rules, resulting in a proliferation of different schemes, as is now the case for country of origin labeling (COOL).

Related Reports

- GAIN report: European Commission Report on Labeling of Alcoholic Beverages
- GAIN report: EU Wine Policy
- GAIN report: Food and Agricultural Import Regulations and Standards (FAIRS) 2018
- GAIN report: Irish Alcohol Bill Could Impact U.S. Exports to the EU
- GAIN report: EU Country of Origin Labeling Member State Initiatives
- GAIN report: The EU's Country of Origin Labeling Policy