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NEW EU WINE LABELING RULES

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Wine

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Report Highlights:

The second and final phase of the EU wine reform entered into force on August 1, 2009, and covers oenological practices, designations of origin and labeling. This report gives an overview of the EU's new rules for the indication of compulsory information on wine labels, the use of traditional terms and designations of origin.

General Information: NEW EU WINE LABELING RULES

EU WINE REFORM

In December 2007, EU Agriculture Ministers agreed on a reform of the EU wine sector (Council Regulation 479/2008). The first phase of the EU wine reform entered into force on August 1, 2008, and mainly covers subsidies, a voluntary 3-year grubbing-up scheme, planting rights and the phasing-out of

the crisis distillation scheme. <u>Commission Regulation 555/2008</u> lays down detailed rules for implementing Council Regulation 479/2008 as regards support programs, trade with third countries, production potential and controls in the wine sector. For more information on the first stage of the wine reform see <u>GAIN report E49021</u>.

The second and final phase of the wine reform entered into force on August 1 2009, and covers oenological practices, designations of origin and labeling.

OENOLOGICAL PRACTICES

Commission Regulation 606/2009 lays down detailed rules for implementing Regulation 479/2008 as regards permitted oenological practices. Annex I A sets out the oenological practices authorized in the EU and the conditions for their use. For experimental purposes, Member States may authorize the use of certain oenological practices not provided for in the relevant EU regulations for a maximum of three years. Annex I B sets out the maximum allowed sulphur dioxide contents: 150 mg per liter for red wines, 200 mg per liter for white and rosé wines.

LABELING

Framework Regulation 479/2008 provides for one type of labeling, i.e. similar mandatory and optional indications for all categories of wine. Wines are now classified in two categories: wines without geographical indications and wines with geographical indications. For wines with geographical indications, two definitions apply: protected designation of origin (PDO) and protected geographical indication (PGI). The new wine labeling rules complement the horizontal rules established by directives 89/104/EEC and 89/396/EEC on indications or marks identifying the lot to which a foodstuff belongs, general labeling directive 2000/13/EC (allergen labeling) and directive 2007/45/EC on nominal quantities for pre-packed products.

Commission Regulation 607/2009 lays down detailed rules for the implementation of:

- Chapter IV of Title III of Regulation 479/2009 relating to protected designations of origin and geographical indications
- Chapter V of Title III of Regulation 479/2008 relating to traditional terms
- Chapter VI of Title III of Regulation 479/2008 relating to the labeling and presentation of wine sector products.

Designations of Origin

Chapter II of Regulation 607/2009 establishes the application procedure for a designation of origin or a geographical indication. Designation of origin or geographical indications which have been accepted will be entered in a "Register of protected designations of origin and protected geographical indications" maintained by the European Commission. The register will be made available electronically.

Traditional Terms

Annex XII to Regulation 607/2009 establishes a list of protected traditional terms. The use of expressions such as "style", "type", "method", "as produced in", "imitation", "flavor", "like" or similar, in combination with a traditional term listed in Annex XII is not allowed. Third countries may use traditional terms not listed in Annex XII. Annex XIII lists the terms referring to a holding. Terms referring to a holding such as "chateau" and "clos" are, under certain conditions, reserved for wines with a PDO or PGI.

Compulsory Indications

Chapter IV, Section 1, of Regulation 607/2009 sets out rules for the indication of compulsory information on wine labels. The mandatory information must appear in the same field of vision on the container, in such a way that all the information (except the lot number) is readable without having to turn the container. The mandatory information must be clearly distinguishable from surrounding text or graphics. Ingredients which may trigger an allergic reaction (see Annex IIIa to labeling directive 200/13/EC) must be indicated on the label preceded by the word "contains". For the indication of sulphites, the following terms may be used: "sulphites", "sulfites", "sulphur dioxide" or "sulfur dioxide". The indication of sulphites may be accompanied by the pictogram included in Annex X to Regulation 607/2009.

The following information must appear on the label:

- the sale designation (Annex IV of Regulation 479/2008 lists the different designations)
- the terms "PDO" or "PGI"
- the name of the PDO or PGI
- the actual alcoholic strength by volume
- an indication of provenance (for wines without a PDO or PGI): "wine of", "produced in" or "product of" supplemented by the third country name
- the bottler (for sparkling wines the name of the producer or vendor)
- the importer
- the sugar content (for sparkling wines)
- the allergens
- the nominal value
- the lot number

Optional Indications

Chapter IV, Section 2, of Regulation 607/2009 sets out rules for the indication of optional information on wine labels. The indication of the wine grape variety on the label is optional. For third country wines, the wine grape variety must be included in at least one of the lists established by the "international Organization of Vine and Wine (OIV), the "Union for the Protection of Plant Varieties (UPOV)" or the "International Board for Plant Genetic Resources (IBPGR)". Terms such as "barrel matured", "barrel aged" (listed in Annex XVI to Regulation 607/2009) may not be used on wines produced with the aid of oak chips.

Transitional Period

Framework Regulation 479/22008 provided for the implementing rules to enter into force on August 1, 2009. As the implementing rules were only published on July 24, 2009, a transitional period is provided in order to ease the transition to the new requirements. Wines placed on the market or labeled before December 31, 2010, that comply with the provisions applicable before August 1, 2009 (rules laid down in Council Regulation 1493/1999), may be marketed until stocks are exhausted.

WINE AGREEMENT BETWEEN THE U.S. AND THE EU

On March 20, 2006, the U.S. and the EU signed the "Agreement between the United States and the European Union on Trade in Wine". The Agreement covers wines with an actual alcohol content of not less than 7% and not more than 22%. Labeling issues are addressed in the "Protocol on Wine Labeling" of the Agreement.

Traditional Terms

Under the Protocol on Wine Labeling, it was agreed that the EU would permit the use of certain traditional terms such as "ruby" and "vintage" until March 10, 2009, after which date the permission would be automatically extended for two-year periods unless "A Party to the Agreement notifies the other Party that the period should not be extended". On September 8, 2008, the European Commission notified the U.S. that the period should not be extended beyond March 10, 2009 (published as Commission Regulation 113/2009). The use of traditional terms on U.S. wine labels exported to the EU now has to comply with the provisions established by Regulation 607/2009.

Names of Origin

Names of "viticultural significance" listed in Annex V to the Agreement may be used as U.S. names of origin only to designate wines of the origin indicated by such name. U.S. wine may be labeled with a state or county name of origin listed in Parts B and C of Annex V, provided that at least 75 % of the wine concerned is made from grapes harvested in the named place.

Optional Labeling Information

All optional information on wine labels must be used in conformity with Part 4 of Title 27 of the US Code of Federal Regulations, as amended, and may not include terms that are the same as names of origin protected in the EU as listed in Annex IV of the Agreement.

Optional particulars that may only be used on U.S. wines that bear a name of origin listed in Annex V are:

- A vintage year
- One or more vine variety names
- A bottling location
- An award, medal or other reference to a competition

- A name of a vineyard
- An indication concerning the production method (Appendix II)

The term "Estate Bottled" may only be used on wines that bear a name of origin listed in Annex V, Part A of the Agreement.

Wines with or without a name of origin may use the following optional particulars:

- The type of product specified in Appendix III of the Agreement (e.g. dry, medium dry)
- A name, title and address of a legal or natural person that took part in the marketing of the wine
- A specific color. Specific color does not refer to "rosé/pink", "red" or "white" in English or in translations and applies to all other colors.

Vine variety names that may be used as optional particulars are listed in Appendix IV to the Agreement. A single variety may be indicated provided that 75 % of the wine is derived from grapes of that variety and that it determines the character of the wine in accordance with U.S. rules and practices. The names of two or more vine varieties may be indicated on the label, provided that 100 % of the grapes used are of the varieties indicated, although four or more vine variety names may only be mentioned on the back label.