

# Recent developments in wine regulation

Steve Guy – AWITC Sydney 2013-Workshop 36

# Export Overview

**Exported wine must;**

- **Comply with the Food Standards Code**
- **Comply with the WAC Act (Label Integrity)**
- **And comply with importing country requirements.**

# Food Standards Code

([www.foodstandards.gov.au](http://www.foodstandards.gov.au))

- Food Composition
- Food Labelling
- Additives
- Contaminants
- Food Hygiene
- Production Standards



# Australian Wine Production

## Standard 4.5.1 Additives /processing aids for Australian use

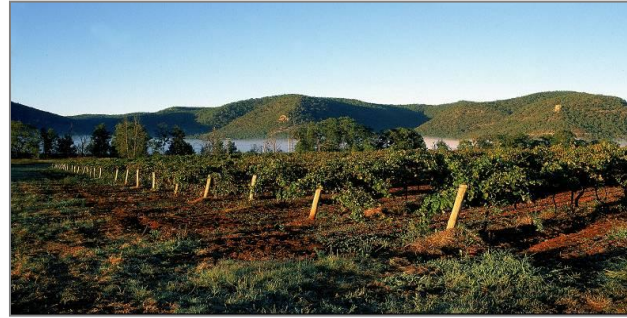
Additive
Ascorbic acid
Carbon dioxide
Citric acid
Dimethyl dicarbonate
Erythorbic acid
Grape juice including concentrated grape juice
Grape skin extract
Gum Arabic
Lactic acid
Malic acid
Metatartaric acid
Mistelle
Potassium sorbate
Potassium sulphites
Sorbic acid
Sodium carboxymethylcellulose
Sulphur dioxide
Tannins
Tartaric acid
Yeast mannoprotein

# Australian Wine Labels

## BRAND NAME

Brand names should not mislead as to the origin, age or identity of the wine.

A<sup>+</sup> AUSTRALIAN WINE



## VOLUME

Mandatory. Must be 3.3mm in height. May be presented on the front or back label.

## DESIGNATION

Mandatory. Must convey the true nature of the food, for example the word 'wine' or the variety.

## COUNTRY OF ORIGIN

Mandatory. Wording is not defined, for example, 'Wine of Australia' or 'Product of Australia'.

## ALCOHOL CONTENT

Mandatory. Wording is not defined. Tolerances vary between products.

## ALLERGENS

Mandatory. Sulphites in concentrations above 10ppm and processing aids including milk and egg must be declared.

2010

Barossa Valley

Cabernet Sauvignon

750mL

WINE OF AUSTRALIA

13.5% ALC/VOL.

CONTAINS SULPHITES

PRODUCED WITH MILK PRODUCTS

PRODUCED BY BEYOND WINES,  
23 THE ROAD, ADELAIDE, SA L2005



## VINTAGE

The harvest year. Vintage claims are optional but must be 85% if claimed.

## REGION (GI)

GI claims are optional but must be 85% if claimed. Multiple GI claims are acceptable but must be 95% and listed in descending order.

## VARIETY

Variety claims are optional but must be 85% if claimed. Multiple variety claims are acceptable but varieties must be listed in descending order.

## NAME AND ADDRESS

Mandatory. The name and street address of responsible entity - must not be postal address only.

## STANDARD DRINKS

Mandatory. Labels must declare the number of standard drinks it contains. 'Contains approx x.x standard drinks' or logo acceptable.

# The Blending Rules

Any claim must be listed in descending order of its proportion in the wine

	<b>Vintage</b>	<b>Variety</b>	<b>Region</b>
<b>Single</b>	85%	85%	85%
<b>Multiple</b>	100%	85%*	95% - min 5%**

\*Each variety named in the description and presentation must be present in greater proportion in the composition of the wine than any variety that is not named.

\*\*A maximum of three GI's can be claimed

# New Blending Rule

*Where the wine is not composed entirely of the named varieties at least 85% of the wine shall be obtained from the varieties quoted, provided the proportion of an un-quoted variety does not exceed the proportion of any quoted variety.*

70% Shiraz

16% Cabernet

14% Merlot

## Beyond Boundaries



2008

Shiraz Shiraz Cabernet Merlot

Wine of Australia



# The Blending Rules – GI's

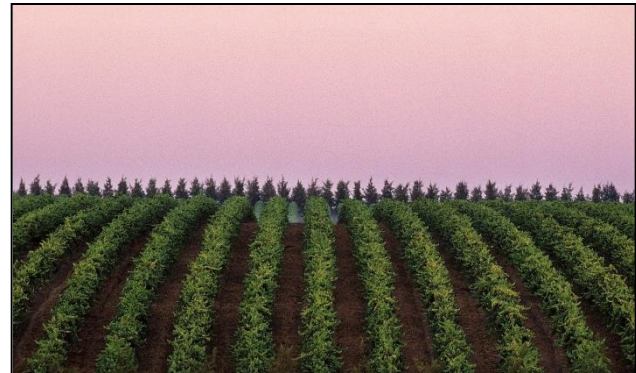
How could you describe this wine:

- 75% Barossa
- 15% McLaren Vale
- 5% Adelaide Hills

Hierarchy:

- States/Zones
- Regions
- Sub Regions

A<sup>+</sup> AUSTRALIAN WINE



2010

Barossa – McLaren Vale – Adelaide Hills  
Sauvignon Blanc



# The Blending Rules – GI's

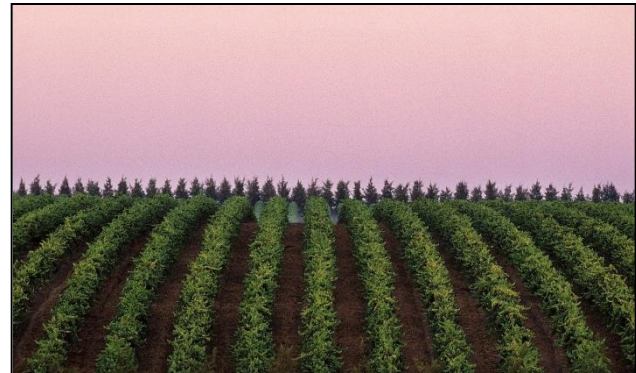
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Hierarchy:

- States/Zones
- Regions
- Sub Regions

A<sup>+</sup> AUSTRALIAN WINE



2010

South East Australia

Sauvignon Blanc

# Phase-out Periods for Protected GI's

- Phased out: 31/12/1993
  - Beaujolais, Cava, Frascati, Sancerre, Saint-Emilion, Vinho Verde, White Bordeaux
- Phased out: 31/12/1997
  - Chianti, Frontignan, Hock, Madeira, Malaga
- Phase out: 1/09/2011
  - Burgundy, Chablis, Champagne, Graves, Manzanilla, Marsala, Moselle, Port, Sauternes, Sherry, White Burgundy,
  - Hermitage (as a vine variety)
  - Lambrusco (as a wine style)
- Phase out: 1/09/2020
  - Tokay

# Traditional Expressions

Protection now extends to EU traditional expressions (under certain conditions) including:

- Classic/ Klassik, Ri(e)serva, Chateau, Clos, Rancio, Sur Lie, Amarone, Vin Santo.

Phase out: 1/09/2011

- Amontillado, Auslese, Claret, Fino, Oloroso, Spatlese

Protection does not extend to:

- translation
- trade marks and business names registered in good faith in Australia before the date of signature (1/12/2008)
- wine from third countries (provided the origin of the product is stated, consumers are not misled and use does not constitute unfair competition) or
- across categories of wine for which the TE is not registered

# Varieties which include an EU GI

Australia has retained use of the following list of varieties that contain or consist of a Community GI:

- Alicante Bouchet
- Auxerrois
- Barbera
- Carignan
- Carignane
- Chardonnay
- Pinot Chardonnay
- Orange Muscat
- Rhine Riesling
- Trebbiano
- Verdelho
- Aleatico
- Ansonica
- Brachetto
- Cesanese
- Cortese
- Fiano
- Fortana
- Freisa
- Greco
- Grignolino
- Lacrima
- Lambrusco
- Nebbiolo
- Pignoletto
- Primitivo
- Rossese
- Sangiovese
- Teroldego
- Verdicchio
- Vermentino
- Vernaccia

# The Blending Rules – Foreign Wine

What is the minimum amount of foreign wine that needs to be declared?

The name and proportion of the blend produced in each country must be displayed in descending order.

A<sup>+</sup> AUSTRALIAN WINE



2009

McLaren Vale

Grenache Shiraz Mourvedre

Wine of Australia (99%) New Zealand (1%)

# AUSTRALIAN DEVELOPMENTS

- 1) Changes to export controls (Wines no longer tasted and labels no longer reviewed prior to export)
  - 1) Expanded audit capacity
  - 2) Testing 1,500 samples for agricultural chemical residues.
- 2) Moscato (Wine must be produced from at least 85% “muscat” grapes)
- 3) Prosecco (Wine must be from the Prosecco grape variety)

# “The Albariño that isn’t”

Financial Times April 25 2009

- In 2009 Australian “Albarino” discovered to be Savagnin (Traminer)
- Australian Standard has now been developed (AS 5588) to help prevent similar problems in the future
- Compliance with the Standard requires DNA testing of imported vines and validation against “Vitis” database.
- Validation by reference to known molecular markers, by accredited laboratories.



# DON'T ASSUME THE CODE APPLIES GLOBALLY

- Significant differences in max residue limits for agrochemicals- [www.awri.com.au](http://www.awri.com.au)
- Idiosyncratic requirements in various markets-
  - Brazil: Chlorides < 0.2 g/l
  - Switzerland, Turkey: <10 mg/l histamine
  - Russia: V.A.< 1.1 g/l
  - E.U: SO<sub>2</sub>< 150 ppm (red wine)
  - Canada: Free SO<sub>2</sub> < 70 ppm (LCBO <50)
    - SAQ: H<sub>2</sub>S <0.1 mg/l

# WINEMAKING PRACTICES

- Korea: Ascorbic acid use renders the product unsaleable as “wine”, and incurs higher tax
- Brazil: No hybrid grape component (and limited in Turkey)
- Japan: No use of  $\text{CuSO}_4$
- China: Metatartaric acid, CMC, DMDC, Copper citrate, Bacteria!!! +++++

# China Wine Labels

A<sup>+</sup> AUSTRALIAN WINE



**2010**

**Barossa Valley**

**Cabernet 赤霞珠**

**COUNTRY OF ORIGIN**

**INGREDIENTS**

**ALCOHOL CONTENT**

**DESIGNATION**

**PRODUCT TYPE**

**VOLUME**

**BOTTLING DATE**

**NAME AND ADDRESS**

1. Country: Australia
2. Ingredient: 100% grape juice - sulphur dioxide
3. Alcohol: 13.5% (v/v)
4. Product Name: Red Wine
5. Product Type: Semi-Dry
6. Net Volume: 750 mL
7. Bottling Date: 2011 年3 月20 日
8. Distributor: Name & Address
9. Producer: Name & Address

Over-drinking is harmful to your health

**WARNING STATEMENT**

New draft standard.

# Canada Wine Labels

A<sup>+</sup> AUSTRALIAN WINE



**2010**

**Barossa Valley**

**Cabernet Sauvignon**

**PRINCIPAL DISPLAY PANEL**

Wine of Australia – Vin d’Australie  
Red Wine – Vin Rouge  
13.5% alc./vol 750mL

**FRENCH & ENGLISH**

**ALCOHOL FORMAT**

**COMMON NAME**

**ALLERGENS**

**NAME AND ADDRESS**

**RECYCLING STATEMENT**  
(county)

CONTAINS: SULFITES AND MILK  
CONTIENT: SULFITES ET LAIT

IMPORTED BY/ IMPORTÉ PAR: BEYOND WINES,  
ONTARIO, CANADA

PRODUCED BY/ PRODUIT PAR: BEYOND WINES, 23  
THE ROAD, ADELAIDE, SA, AUSTRALIA L2005

Return for refund where applicable  
Consigné là où la loi le prescrit

# USA Wine Labels

A<sup>+</sup> AUSTRALIAN WINE



2010

Barossa Valley

Shiraz 95% Viognier 5%

13.5% alc./vol. 750 mL  
Wine of Australia

**GOVERNMENT WARNING:** (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

CONTAINS SULFITES

IMPORTED BY TRAIL BLAZERS NY, NY

PRODUCED BY BEYOND WINES, 23 THE ROAD,  
ADELAIDE, SA L2005

BRAND LABEL

PRODUCT DESIGNATION

ALCOHOL FORMAT

VOLUME STATEMENT

COUNTRY OF ORIGIN

GOVERNMENT WARNING

SULFITE STATEMENT

NAME AND ADDRESS

VINTAGE

95% or 85% if described by a State or SEA.

REGION (GI)

85% single GI. 100% for contiguous multi-states.

VARIETY

85% single variety. Multiple varieties 100%. Percentages required.

# EU Wine Labels

A<sup>+</sup> AUSTRALIAN WINE



2010

**Barossa Valley**  
**Cabernet Sauvignon**

REGION (GI)  
Now optional.

SAME FIELD OF VISION

PRODUCT DESIGNATION

ALCOHOL FORMAT

VOLUME STATEMENT

COUNTRY OF ORIGIN

ALLERGENS STATEMENT

NAME AND ADDRESS

750mL 13.5% VOL  
WINE OF AUSTRALIA

CONTAINS MILK, SULPHITES  
ENTHÄLT MILCH, SULFITE

IMPORTED BY BEYOND WINES, UK  
BT703HD

PRODUCED BY BEYOND WINES, 23 THE ROAD,  
ADELAIDE, SA L2005



# EU Allergens Labelling





# Current Trade Issues

- China
  - Decree 55: AQSIQ registration – October 1 2012
  - Manganese levels in wine (GB2760-2011)
  - Sugar levels in wine (GB15037-2006)
  - Phthalates
  - Submission of technical dossiers via OIV to Ministry of Health for approval of additives and MRLs
  - Countervailing duties
  - Unpredictable...

# Current Trade Issues

- Vietnam
  - Decree 40: Tax stamps to be applied in country of production – 1 July 2013
  - Decree 38: Food safety law. Complex documentation and testing requirements for conformity assessment
  - Circular 45: National Technical Regulations (misinterpretation of standards and applicability to wine)
  - Notice 197: Restriction of ports for importing wine
  
- Japan
  - Submission of dossiers to Ministry of Health Labor and Welfare for approval of additives (copper sulphate)

# Current Trade Issues

- Brazil
  - Wine must not exceed 14% alcohol. Sparkling wine cannot exceed 13% alcohol without government endorsement
  - 0.2 g/l limit on chlorides and 1.2g/l on sulphate
  - No malvidin diglucoside can be present in imported wine
  - Complex analytical requirement for wine imports
  - Restrictive multi-varieties rules

# Health Labelling

- October 2006 WHO designated alcohol as a ‘special’ commodity owing to its toxic properties.
- Presented the WHO a mandate to pursue global action on harmful use of alcohol.
- Likely developments
  - Taxation
  - Restrictions on advertising and promotion
  - Health warnings
  - Attempt to exclude alcohol from trade agreements

# Health Labelling

China (TBA):  
Over-drinking is  
harmful to your health  
过度饮酒对你的健康有害

## USA Health Warning:

**GOVERNMENT WARNING:** (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems.

## UK Voluntary Health Warning:



Drink Responsibly

UK Government recommends adults do not regularly exceed:

Men	3-4 units a day
Women	2-3 units a day

9.8 UK Units

DRINKAWARE.CO.UK



## Australian Industry Voluntary Warning:

Get the facts  
**DRINK WISE**  
.ORG.AU



## French Health Warning: Mandatory (2007)



# Health Labelling

## **Thailand Health Warning:**

- Drinking Reduces Driving Ability
- Sale to children under the age of 18 is prohibited
- Not suitable for children under 18 years old

## **Japan Health Warning:**

- Consumption of alcohol by minors is prohibited
- Alcohol may only be consumed by those aged 20 or over

## **Taiwan Health Warning:**

- Excessive consumption of alcohol is harmful to health
- To be safe, don't drink and drive
- Excessive drinking is harmful to you and others
- Please do not drink if you are a minor

## **Korean Health Warning:**

- Excessive drinking may cause liver cancer or liver hardening and raise accident rate during driving or working.
- Warning: sale to people less than 19 years old is prohibited.

## **Russia Health Warning:**

**Mandatory from February 1 2007**

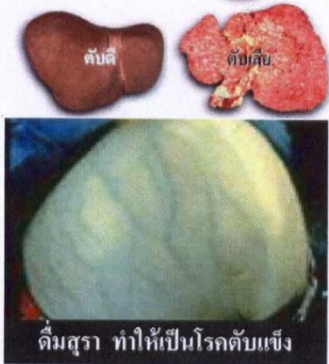
Алкоголь не для детей и подростков до 18 лет, беременным и кормящим женщинам, лицам с заболеваниями центральной нервной системы, почек, печени и других органов пищеварения

*Alcohol is not for children and teenagers up to age 18, pregnant and nursing women, or for persons with diseases of central nervous system, kidneys, liver and other digestive organs.*

*\* text for illustration purposes only.*

# Health Warnings

Thailand's proposed health warnings:



แบบที่ ๑ “ดื่มสุรา ทำให้เป็นโรคตับแข็ง”



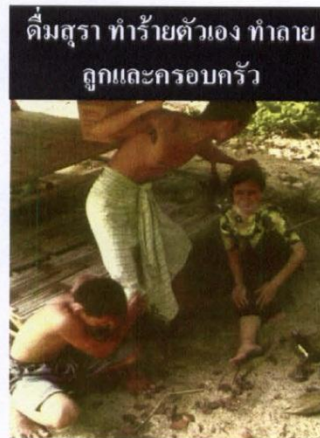
แบบที่ ๔ “ดื่มสุรา ทำให้เสื่อมสมรรถภาพทางเพศ”



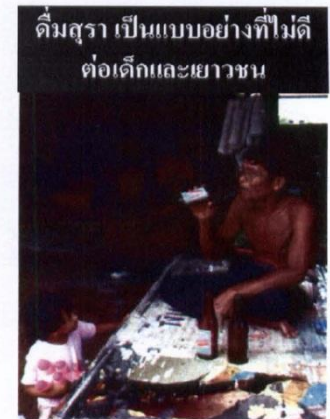
แบบที่ ๓ “ดื่มสุรา ทำให้ขาดสติและเสียชีวิตได้”



แบบที่ ๒ “ดื่มสุราแล้วขับซี้ ทำให้พิการและตายได้”



แบบที่ ๕ “ดื่มสุรา ทำร้ายตัวเองทำลาย ลูกและครอบครัว”



แบบที่ ๖ “ดื่มสุรา เป็นแบบอย่างที่ไม่ดีต่อเด็กและเยาวชน”



# Counterfeiting

Takes many forms:

- Parallel exporting
- Prior trademark registration - ‘squatting’
- Passing off by copying certain brand elements
- Foreign wine presented as Australian either using opportunistic brand, or registered mark



MINI R  
IDGE

am Australia

LO  
15137



*King's Red*

BIN 777  
SHIRAZ  
2006 VINTAGE

*The use of modern viticulture  
and advanced winemaking  
techniques has resulted in a  
superb wine with a rich  
character and depth of  
flavour.*



*Penfolds*

BIN 8  
CABERNET SHIRAZ

*The use of modern viticulture  
and advanced winemaking  
techniques has resulted in a  
superb wine with a rich  
character and depth of  
flavour.*





# The Benfolds Matter

## ANDREW JEFFORD



### Faking it

**I**t was a customarily sticky morning in Singapore. 'Take a look at this,' said Jérémie Oudin of the marketing company Red & White. He slid a sheet of photos across the table. The pics had been snapped by a colleague of his at the Chengdu Wine Fair in China. They showed the stands of some of the paying exhibitors, along with the key wines that they were offering local retailers and restaurateurs.

The first thing I noted was the Penfolds name adorning a stand, written in that familiar red cursive script: an old friend in a far land. Wait, though. Something wasn't quite right. On closer inspection the sign turned out to read 'Benfolds', though you had to peer closely to notice the difference. All the canny exhibitor had done was join the bottom part of the 'P' to the letter's mid point with a curving red line.

Now turn the tables, and imagine you are confronted with a sequence of Chinese characters on a wine label. You don't speak or read Chinese, and in terms of colour and graphics the labels look exactly what you are familiar with. The only difference is a tiny stroke in the corner of one of the characters. Just how quickly would you spot that? After three years of Chinese tuition? Or five?

Other gems snapped at the Fair were Lafite Queen (a Côtes de Duras), Lafite Choice, Lafite Legend (both Vins de Pays de l'Hérault), 'The Château Lafite' (aka 'The Queen of Dancing on the Taste Bud'), Lafite Garden, Lafite Myron, Lafite Crown, Lafite Family and, not inappropriately, Lafite Myth. A seal showing the familiar Domains Rothschild five-arrow logo (plus or minus an arrow

or two on occasion) with an 'R' in its centre was much in evidence on most of them, as was the name Rothschild itself. Almost all of these labels, of course, showed a plausible and tasteful château engraving. Not actually Lafite's, but something similar, probably duplicated from the pages of an old edition of *Bordeaux et ses Vins* from Cocks et Féret.

I thought back to my early days of wine buying, when I'd purchase modest bottles and take them home to check in my copy of Edmund Penning-Rowse's *Bordeaux* or Harry Yoxall's *Burgundy*.

**'Wait. Something wasn't quite right. On closer inspection it read "Benfolds"'**

Sometimes I'd think I'd spotted a bargain – when something tantalisingly turned up as Cheval Brun, for example, or when a bottle of plain Médoc was labelled Lafite or Lafitte. It's easy to laugh now... but pricing errors happen, don't they? And if you are genuinely confused about the product itself, then what's the easiest way to make you think you have something very good rather than a cheap imitation? Why, make sure if costs almost as much as the original, of course.

Fakes and rip-offs have troubled the wine market sporadically in the past, but I suspect that that was nothing compared to the problems that are brewing right now. The new consumers of Asia are uniquely vulnerable – perhaps more

vulnerable than any consumers have ever been before. Not only are Western alphabets and languages unfamiliar to them, but very often so is the taste of wine itself. All that is understood initially is the vague outline of a fashion trend, where surface (and consumer belief) is everything. Beneath the veil of general foreignness and strangeness, a semi-convincing surface will do the trick. Fraudsters might even argue (along with the peddlers of quack pills) that since consumers are principally enjoying status and aspiration in their drinking, what the wine actually tastes like doesn't matter too much anyway.

The more prices rise for fine wine, of course, the worse the problem is likely to become. It is also likely to be particularly acute in the first splash of market development, though Asia's markets are potentially so large that that phase may take some time. Wine, naturally, isn't alone in these susceptibilities. There are plenty of Louis Vuitton bags and Hermès ties out there which may not necessarily be authentic either, and not every Hollywood DVD watched in Chengdu's apartments will make money for its creators.

Questions of authenticity are particularly important for wine, though, because place is the source of the most profound differences within the wine world. Lafite's present role as a fine-wine fetish may be a phenomenon of fashion – but it is predicated on a set of vineyards which offer aromas and flavours unduplicatable anywhere else, even by close neighbours like Mouton Rothschild and Cos d'Estournel. Place is the soul of wine. The theft of wine's identity in place lay at the root of the wine frauds which provoked the establishment of France's system of appellations in the first place. Both INAO, the French appellations board, and individual wine producers need to address this issue with more comprehensive seriousness than is suggested by the piecemeal approach of the present. **■**

*Andrew Jefford has spent the past year in Australia. He has now relocated with his family to southern France*

### WHAT ANDREW'S BEEN DRINKING THIS MONTH...

#### SWEET MEMORIES

A half-bottle of the **Noble One, Botrytis Semillon 2000** from De Bortoli, drunk with my Sauternes-loving friends Stuart and Zo in the UK recently, impressed us all. Apricot and rose petal scents, with lots more late-summer fruit on the

palate; honey and lemon verbena later. Intense, but satisfyingly layered, too. What we missed, we decided, was viscosity – and then we noticed the label read just 11% alcohol; a contrast with Sauternes. Alcohol is texture, too.



# Capability Enhancement Projects

- Trace element concentration ratios (ICP-MS)
- Metal isotope ratios  $^{87}\text{Sr}/^{86}\text{Sr}$  (multi-collector ICP-MS)
- Stable isotope MS  $^{13}\text{C}/^{12}\text{C}$  and  $^{18}\text{O}/^{16}\text{O}$
- Protein fingerprinting/ anthocyanin profile
- Shikimic acid

# Export Market Guides

- Duties and Taxes
- Wine Standards
- Labelling Requirements
- Import Procedures
- International Agreements

