



INFORMATION

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1 CANADA: ALLERGEN LABELLING

As you are probably aware, Canada requires the compulsory indication of allergen sources as from 4 August 2012. For wine purposes these are sulphites (sulphur dioxide), milk (casein), egg (albumen), and fish (isinglass) products. The allergen sources must be preceded by "Contains", the smallest letter must be at least 1.6 mm and the indication must be in both French and English in clear, common language. For example:

- Contains sulphites, milk, eggs, fish
- Contient sulfites, lait, oeufs, poissons

Sulphites must be declared if present in a concentration of more than 10 milligrams per litre. The other sources must be declared if present in the wine.

For your further edification we attach the following documents:

- A A circular letter by the Liquor Control Board of Ontario (LCBO).** Please note that they intend to apply above-mentioned in stages well before 4 August 2012 to ensure in-store compliance. They suggest that milk, egg and fish sources are more likely to be present in unfiltered or lightly filtered products.
- B An article by Beppi Crosariol.**

2 USA: DESCRIPTIVE TERMS FOR SPECIALISED FARMING PRACTICES

The USA's Alcohol and Tobacco Tax and Trade Bureau (TTB) sent us the attached (C) industry notice, giving clarification on the use of descriptive terms for certain specialised practices. Note, for instance, that use of "sulfite free" and "GMO free" is not allowed there.

3 SOUTH AFRICA: NEW AND PROPOSED ORIGIN AREAS

The following new wards were recently demarcated by the board: Elandskloof (17), Malgas (36) and Napier (40). We attach a map (D) to show you the location of these wards. You can view or download a higher resolution map of all demarcated wards (with a key to the numbers) at <http://www.sawis.co.za/cert/productionareas.php>.

The Board is considering the demarcation of two new regions "Cape Coast" and "Cape West Coast". These regions will replace "Boberg" and "Coastal Region". A map (E) showing the proposed new regions, is attached. The region "Cape South Coast", shown on the map, was demarcated some time ago. Comments on the proposed demarcation of the two new regions are welcome. Please address same in writing to the email address below.

4 BLNS COUNTRIES: USE OF PORT AND SHERRY

You are reminded that under South Africa's wine agreement with the European Union the use of "port" and "sherry" in South Africa and for export to Botswana, Lesotho and Namibia will only be allowed until 1 January 2012. Products placed on the local market before this date, may be sold until stocks are exhausted. Effective on this date use of these terms on South African products will have been phased out in all markets.



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Disclaimer: This document has been prepared primarily for the general information of the South African wine industry and does not represent any form of legal advice. Accordingly, readers should not rely on the comments contained herein, whether express or implied, and should consult the legislation concerned and obtain specific advice on these matters from their own legal advisers. Writer or his employer does not accept responsibility for the accuracy or completeness of any recommendations, comments, information or advice contained herein, and will not be held liable for any loss or damage that may arise as a result of the use of the information.



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April 1, 2011

All Trade Partners,

Subject: Federal Allergen Legislation

On February 16, 2011, Health Canada published amendments to the food labelling regulations under the *Food and Drug Regulations*. The new regulations will enhance the labelling requirements for food allergens, gluten sources and added sulphites. The Canadian Food Inspection Agency ("CFIA") is responsible for enforcing the new amendments.

The purpose of this notice is to inform you of the LCBO's plans for implementing changes to its label review procedures in response to these CFIA requirements.

The LCBO strongly recommends that suppliers review the new regulations and consider their impact on the labelling of their products. Suppliers are reminded that they are responsible for ensuring that the products they supply to the LCBO comply with all applicable laws, including the *Food and Drug Regulations*.

Timing

The regulation takes effect on August 4, 2012. To achieve in-store compliance by this date, the LCBO will introduce changes to its label review procedures according to the following timeline:

May 1, 2011: For all label examinations conducted by the LCBO, we will no longer approve any label which does not meet the new regulations.

August 4, 2011: For product-in-hand labels reviewed in conjunction with a laboratory analysis, the LCBO will issue a warning if the label does not meet the new regulations.

March 4, 2012: For product-in-hand labels reviewed in conjunction with a laboratory analysis, the LCBO will list the label as "failed" if the new regulations are not met, in which case the labels for all product in LCBO retail service centres will be corrected at the supplier's expense.

Overview of new regulations

A summary of the new requirements and the LCBO's views regarding the application of these requirements to certain products are provided below. This summary is intended as general information only. In producing this summary, some requirements of the new regulations have not been included and may be ambiguous. This summary also describes how the LCBO plans to handle certain situations that may arise when the LCBO conducts label reviews. The LCBO takes no responsibility for any problems or errors in label design resulting from using this overview. It is the supplier's responsibility to ensure that all ingredients meet



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Canadian regulations and are declared in the manner required by the applicable regulations. If you have a specific question regarding the application of the new regulations to a particular product, please contact your own advisers or the CFIA. In addition, you may want to consult the information available on the CFIA website at:

<http://www.inspection.gc.ca/english/fssa/labeti/allerg/20110216inde.shtml>

List of ingredients requiring disclosure

The new regulations will enhance labelling for food allergens, gluten sources and added sulphites. The following ingredients trigger the requirement for an allergen warning:

Nuts (each nut type must be named)	Eggs
Peanuts	Milk
Sesame seeds	Fish
Mustard	Crustaceans
Wheat, kamut, spelt or triticale	Shellfish
Soybean	Gluten sources
Sulphites	

Allergen warning format requirements

Please consult the CFIA website:

<http://www.inspection.gc.ca/english/fssa/labeti/allerg/20110216inde.shtml> for information on allergen warning requirements. A brief summary follows.

There are three options for declaring an added food allergen:

1. Declaring the allergen in the ingredient list
2. Declaring the allergen in a “contains” statement
3. Combination of an ingredient list and “contains” statement

The allergen warning must be clear, easily readable and bilingual (English – French). The standard criteria for being easily readable are a minimum of 1.6mm for the smallest letter. “Contains” statements, when used, must name every allergen used in production of the product.

Fining agents

Products containing any residues of albumen, casein or isinglass fining agents are required to declare their presence. Because such residues are most likely in unfiltered or lightly filtered products, the LCBO strongly recommends that the appropriate allergen warning is made for the fining agent in such cases. The LCBO will be changing its label review form to include a mandatory section for allergen declarations that suppliers/agents must complete.



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Beer

Standardized beer has a temporary exemption from the new regulations. (Note: Health Canada has indicated that it is continuing its process of consultations and discussions regarding beer labelling requirements, and that it is likely there will be additional amendments to the *Food and Drug Regulations* once that process has been completed.)

This exemption for standardized beer is forfeited in three circumstances:

1. A “contains” statement is present
2. An ingredient list is present
3. The product does not meet the *Food and Drug Regulations* standard of identity for beer.

Some reasons for a product to not meet the beer standard of identity are:

1. Use of an excluded ingredient such as flavouring preparation, spices, artificial sweetener or additive
2. Hops or hop extract not used as an ingredient
3. Malted barley or wheat not used as an ingredient

When a beer is not subject to the exemption, all applicable allergen warnings are required.

Hidden allergens

Agents and suppliers should note that certain items may contain ingredients that trigger an allergen warning. Some examples include:

- a). Some types of caramel are produced from malt or lactose.
- b). Allergenic ingredients may be part of flavouring preparations.
- c). Allergenic ingredients may be part of spice mixtures.

Suppliers of products with labels containing an ingredient list should review the new regulations to become familiar with their allergen declaration options.

More information, including a link to the legislation, is available on the CFIA website:
<http://www.inspection.gc.ca/english/fssa/labeti/allerg/20110216inde.shtml>

As we progress towards the implementation date, if there are any changes in the LCBO’s implementation plans, we will update the trade as necessary.



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Sincerely,

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Senior Vice President, Logistics / Quality Assurance

c.c. Bob Peter, President & Chief Executive Officer
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Tom Wilson, Vice President, Vintages
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Stephen Cater, Director, Quality Assurance
Leonard Franssen, Manager, Quality Services
Dorina Brasoveanu, Manager, QA Laboratory
Carol Drummond, Quality Officer, Quality Assurance

Canada: Warning: This wine may contain fish bladders

Source: Globe and Mail

By BEPPI CROSARIOL

May 3rd

Wine lovers could be in for a bizarre shopping experience when a controversial federal law comes into effect in summer 2012. Get ready for label warnings declaring that your favourite beverage contains - I kid you not - fish, eggs or milk.

As part of new Health Canada food and beverage regulations designed to protect allergy sufferers and people with severe food intolerances, alcohol producers will be required to list an array of odd-sounding "ingredients," things you'd expect to find on a plate next to your merlot rather than in it.

Though I suspect most consumers are likely to recoil at the thought, animal-derived products have long been used in wine making as gentle clarifying agents after fermentation. Suspended particles become attracted to the substances, clump together and fall to the bottom of a tank or barrel. The clear wine is then separated from the sediment.

It's called fining and is often used prior to, or in lieu of, filtration. Many high-end producers avoid the more aggressive filtration step because the microscopic pores in filter barriers can strip a cellar-worthy Bordeaux or Napa cabernet, say, of the particles that contribute to flavour and longevity.

A derivative of sturgeon bladders (known in the industry as isinglass, though the rules require plain language, namely "fish"), egg whites and milk proteins are all part of the arsenal. So is bentonite, a form of clay, as well as gelatin, typically processed from the hide and connective tissue of livestock. Neither of those, however, is on the allergy list.

It's a stretch to call such substances ingredients, frankly, because they're used to manufacture wine. They're not mixed like preservatives or flavourings. I fear that, to the average Canadian consumer perusing a back label, they will sound like additives.

The otherwise laudable labelling requirements, which take effect Aug. 4, 2012, also dramatically lower the threshold for sulphites, compounds produced naturally during fermentation but also used to protect wine from microbes and bruising due to oxygen. Certain sulphites, also found in dried fruit, can be dangerous to some asthmatics.

Come next summer, wines will be forced to carry a "contains sulphites" declaration if added in concentrations higher than 10 parts per million. In Canada, the current cut-off is 70 parts per million, a level that has excluded most wines. That said, many bottles sold here already carry sulphites warnings, either voluntarily or because of stricter standards in other jurisdictions.

Despite years of lobbying with what they believe is the sober voice of reason, wine producers fear a new age of perplexing labels, paranoid consumers and painful laboratory bills is dawning.

"If you're going to regulate those particular allergens, take a look at the scientific evidence," said Dan Paszkowski, president and chief executive officer of the Canadian Vintners Association. "If there's no protein left in the wine after the manufacturing process, including filtering, there's no need to label them because there is no negative impact on consumers."

Health Canada has eschewed setting allowable limits for fining-agent residues and sulphites. That's causing producers to break out in hives because they may have no choice but to re-label all their wines to satisfy liquor boards, which are expected to reject products that could run afoul of the law.

The problem: Today's commercially available kits for detecting fining-agent residues are essentially useless. They measure in milligrams per litre, says George Soleas, senior vice-president of logistics and quality assurance at the Liquor Control Board of Ontario. Fining-agent residues in most wines are likely present in concentrations 100 times lower than can currently be measured by industry, he adds. In other words, whether or not a tree falls silently in the forest, winemakers will be forced to yell "timber!"

It's a strange state of affairs when you consider that the allergy threat from fining-agent residues in commercial wines is purely anecdotal - if it exists at all.

Dr. Soleas, who stressed the LCBO will fully comply with the regulations, is unaware of any scientific link. He even offers illuminating evidence to the contrary.

Between 2000 and 2011, the LCBO received approximately 700,000 bottle returns, most due to consumer displeasure. About 380 have been investigated for causing alleged illnesses and only one was related to an allergic reaction, due to quinine found in an Italian bitter called Ramazzotti.

Dr. Soleas's lab, the largest quality assurance facility of its kind in Canada, has never found that an allergy complaint was linked to fish, eggs or milk in wine - this in a jurisdiction with one of the most ethnically diverse, and thus allergy-prone, populations on Earth. "The risk to our consumers of an allergic reaction is extremely, extremely low," he said.

Ironically, Health Canada has granted a temporary exemption to - guess who? - the brewing industry. Beer contains gluten, a substance found in barley, wheat and rye that cannot be tolerated by people with celiac disease. That sound you hear? It's not a tree falling in the forest, it's the belch of a powerful Big Beer lobby. At least that's my guess. If you believe Health Canada, celiac sufferers already knew to stay away from Coors Light and Labatt Blue.

Many spirits, too, are made using barley, wheat and rye, notably whisky, gin and many vodkas. But most are unlikely to be caught in the allergy dragnet, unless they contain flavourings added after distillation, such as cream, as in the case of Baileys, or nuts. That's the position of Spirits Canada. The association argues that ingredients going into the still do not turn up in the final product. "[Allergen-causing] proteins don't carry over from the distillation process," said C.J. Helie, Spirits Canada's executive vice-president.

Meanwhile, wine producers and liquor boards say they'll continue talks with the government,

hoping to hammer out more sensible rules. Mr. Paszkowski wants Health Canada to exempt wines produced according to accepted best practices for fining-agent use so that residues never exceed a level that would place allergy sufferers at risk.

If that doesn't work, it could add up to one big headache for the wine industry.

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Sustainable Farming Practices

"C"

January 2010

Descriptive Terms of Specialized Farming Practices Other than Organic

Description of specialized farming practices other than “organic” may appear on alcohol beverage labels as additional information provided it is truthful, accurate, specific, and does not conflict with mandatory labeling information per 27 CFR 4.38 (f) and 4.39(a)(1). TTB neither defines nor regulates specialized farming terms but does reserve the right to request clarification and documented verification of any graphics, seals, logos, or descriptive language appearing on labels.

ALFD has determined that valid certifying documents are required when the following terms and/or logos appear on labels:

- Agriculture Biologique” or “Biodynamic” appearing on labels in any manner .
- “Biodyvin” or the accompanying logo appearing on the label. This is an actual French certifier of biodynamic wines.
- “L.I.V.E.” anagram (Low Impact Viticulture and Enology) appears on label as a logo or in text.
- Certified Fair Trade or Fair Trade

Any label specifically stating that the producer is certified by an agricultural organization must have documented proof.

The following terms do not require certification and may appear on the label in combination with words such as “Viticulture”, “Farming”, “Farmed”, “Ecology”, and “Agriculture”:

- All Natural, Natural, Naturally – May not appear on flavored products
- Sustainable, Sustainably
- Dolphin Safe
- Salmon Safe
- Fish Friendly Farming

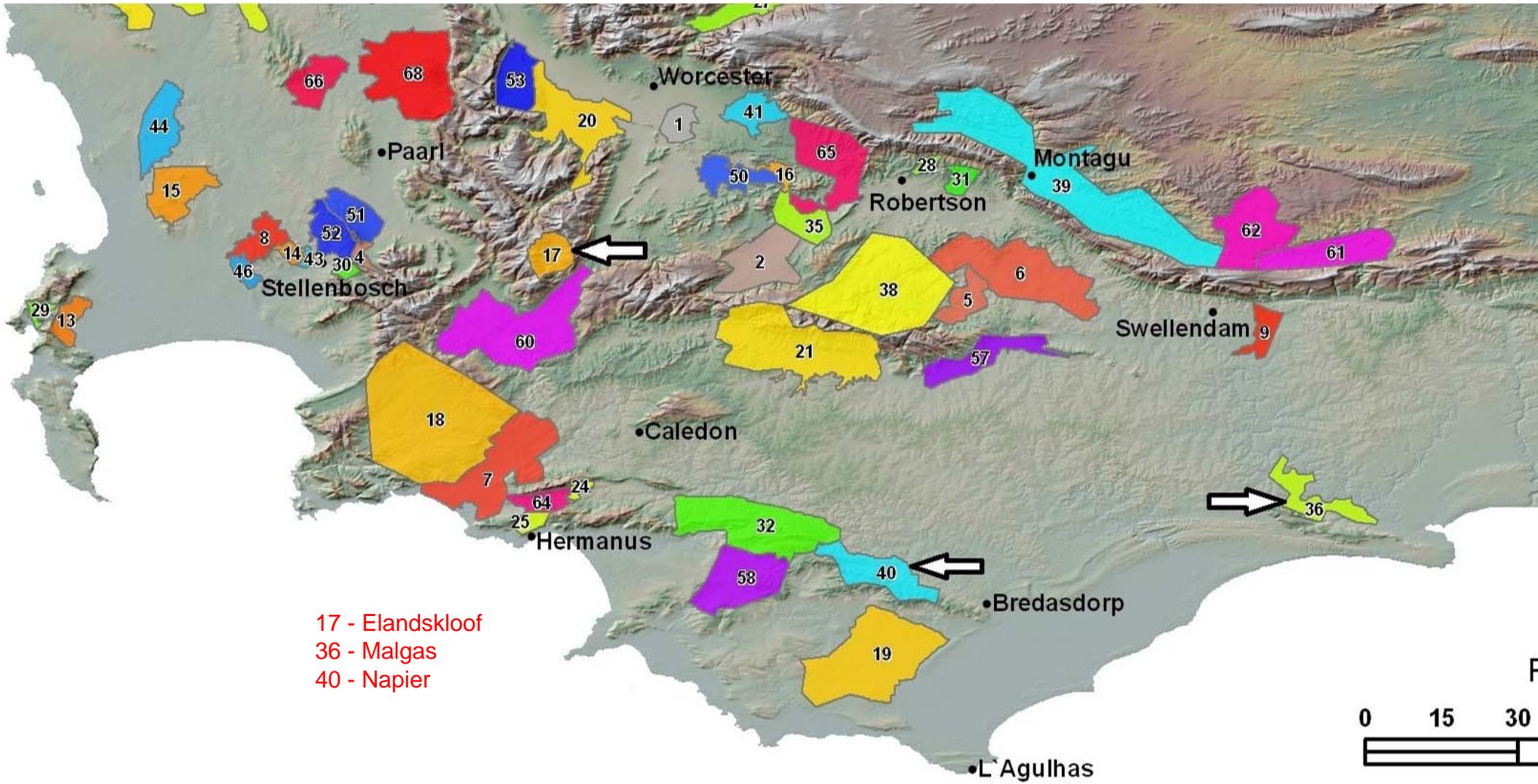
The following terms usually pertain to the environmental impact of the process and packaging rather than to the product itself. These words and phrases may not modify mandatory information on brand labels, but might appear as additional information after review on a case-by-case basis:

- Eco-Friendly
- Environmentally Friendly
- Carbon Zero – with further clarification
- Carbon Neutral
- Carbon Footprint
- Green

The following descriptive terms are generally misleading and are prohibited from appearing on alcohol beverage labels (note that this is not an all-inclusive list):

- Contains No GMOs
- GMO Free (such as GMO Free Mendocino County)
- GMO Free-Zone
- GMO (Genetically Modified Organism)
- Not Genetically Modified
- Carbon Free
- Sulfite Free

"D"



Proposed Coastal Regions

CURRENT REGIONS

Name

- Cape South Coast
- Boberg
- Breede River Valley
- Coastal Region
- Klein Karoo
- Olifants River

Proposed Regions

