

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary - Public

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## Japan

**Post:** Tokyo

### **New Wine Labeling Standards Become Effective**

**Report Categories:**

Wine

Agricultural Situation

**Approved By:**

Christopher Riker

**Prepared By:**

Daisuke Sasatani

**Report Highlights:**

On October 30, 2018, the Government of Japan began to enforce its first national wine product labeling standards. Previously, industry associations were utilizing voluntary wine labeling standards. Under the voluntary rules, domestically produced or bottled wines made from imported ingredients (such as imported grape juice concentrate, or blended with imported wines) were permitted to be labeled as “Domestic Wine.” Under the new standards, “Domestic Wine” will no longer be a term that is permitted for use as it is being replaced by a variety of new terms.

## **General Information:**

On October 30, 2018, the Government of Japan began to enforce its first national labeling standards for wine products (see <https://www.nta.go.jp/taxes/sake/hyoji/kajitsushu/index.htm> {in Japanese only}). Previously, Japanese industry associations were utilizing voluntary wine labeling standards. Under these voluntary rules, domestically produced or bottled wines made from imported ingredients (such as imported grapes, imported grape juice concentrate, or blended with imported wine) were permitted to be labeled as “Domestic Wine.”

In order to raise international awareness of Japanese wine and reportedly to simplify consumer choice, in 2015, Japan’s National Tax Agency (NTA) developed “Labelling Standards for Manufacturing Process and Quality of Wine, etc.” (see [JA5020](#)).

## **“Japan Wine”**

Under the new standards, “Domestic Wine” will no longer be a term that is permitted for use. In its place, a “Japan Wine” label will be permitted for wine that is produced and bottled in Japan and which only uses grapes harvested in Japan.

For “Japan Wine,” it is permissible to voluntarily label the grape production (i.e., harvest) area and the grape variety. For a wine to be labeled as a single varietal, at least 85 percent<sup>1</sup> of the wine must be made from the identified variety (in this case it is also permissible to label the harvest year). For a wine to be listed as a multi-varietal, a minimum of 85 percent of the wine has to be made from the identified grape varieties, and the varietal names should be listed from major varietal (first) to minor varietal.

## **Voluntary Labeling for Regionally Produced Wines**

If a “Japan Wine” producer would prefer to label a specific region (e.g., Tokyo) in lieu of Japan, that producer is permitted to label “<region name> produced wine” (e.g., Tokyo Produced Wine). If at least 85 percent of the grapes are harvested in a certain region (e.g., Nagano), it is also permitted to label “uses grapes produced in <region name>” (e.g. uses grapes produced in Nagano).

In order to label a “<region name> wine,” the wine manufacturing site must be physically located in the region and at least 85 percent of the grapes must have been harvested in the region. For example, “Osaka Wine” has to be produced/bottled in Osaka and at least 85 percent made from grapes harvested in Osaka.

## **“Domestically Produced Wines”**

Wines produced in Japan, but using imported ingredients will now be labeled as “Domestically Produced Wine.” These wines are not permitted to label the production region, varietal names or the harvest year. In addition, it is now required to label “uses concentrated juice {from the country of origin}” or blended “with imported wine {from the country of origin},” depending on the production method.

## **Will Japanese Wines Receiving Geographical Indication (GI) Protections be Affected?**

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<sup>1</sup> Eighty five percent is the same level established by the European Union, but the United States permits 75 percent. See, e.g., <https://www.ttb.gov/wine/grape-varieties.shtml>.

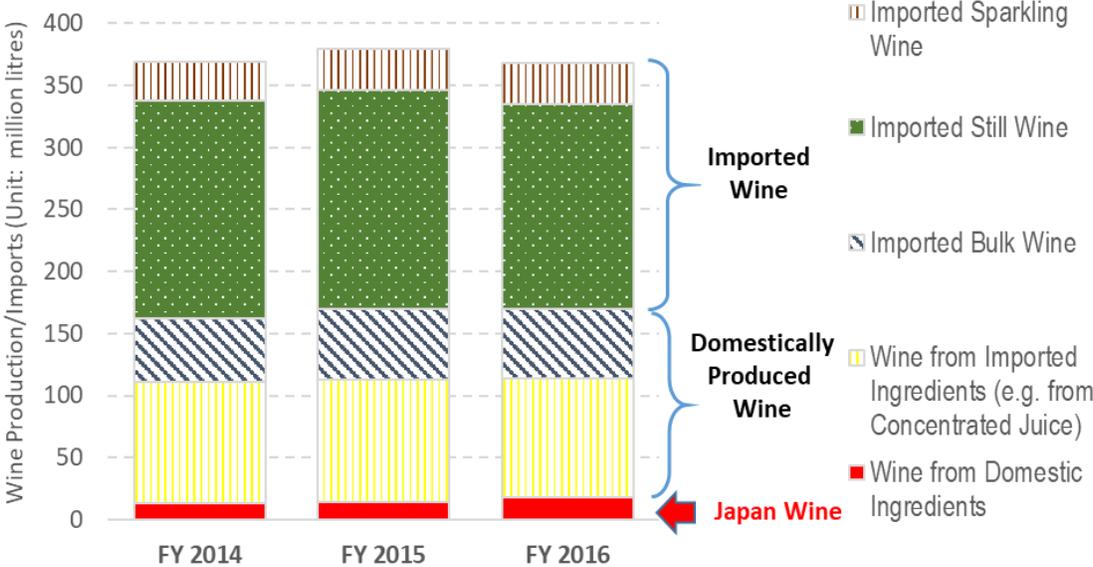
The NTA revised Japan’s labeling standards for alcoholic beverages and established alcoholic beverage Geographical Indication (GI) guidelines on October 30, 2015. As of October 2018, Yamanashi Wine (designated on July 16, 2013) and Hokkaido Wine (designated on June 27, 2018) are the only domestic wines which have received GI protections in Japan.<sup>2</sup> After the effectuation of the Economic Partnership Agreement between the European Union (EU), these two Japanese wines will also be protected in EU Member States (see [JA8003](#) for the list of the 139 approved GIs for EU wines, spirits and other alcoholic beverages that will be protected in Japan).

**The Japanese Wine Market**

In Japan Fiscal Year (FY) 2016 (April 1, 2016 to March 31, 2017), wine consumption totaled 368 million liters. The NTA estimates that only 4.8 percent of the wine consumed was “Japan Wine” (i.e., domestically produced wines from domestic ingredients). 26.2 percent of Japanese wine consumption was domestically produced wine from imported ingredients (the majority from imported concentrated grape juice), and 15.2 percent was imported bulk wine (bottled in Japan) (see Figure 1).

“Imported wine” accounted for 53.8 percent of consumption of Japanese wine in FY2016. It is expected that some Japanese wine producers may prefer to produce “Japan Wine” in order to label the production region, varietal name(s) and/or harvest year. Consequently, some Japanese wine producers may consider reducing their use of imported bulk wines (labeled in the market as a domestically produced wine because it is bottled in Japan) with the goal of increasing wine production from domestically harvested grapes (if practical).

**Figure 1: Distributed Wine by Categories**

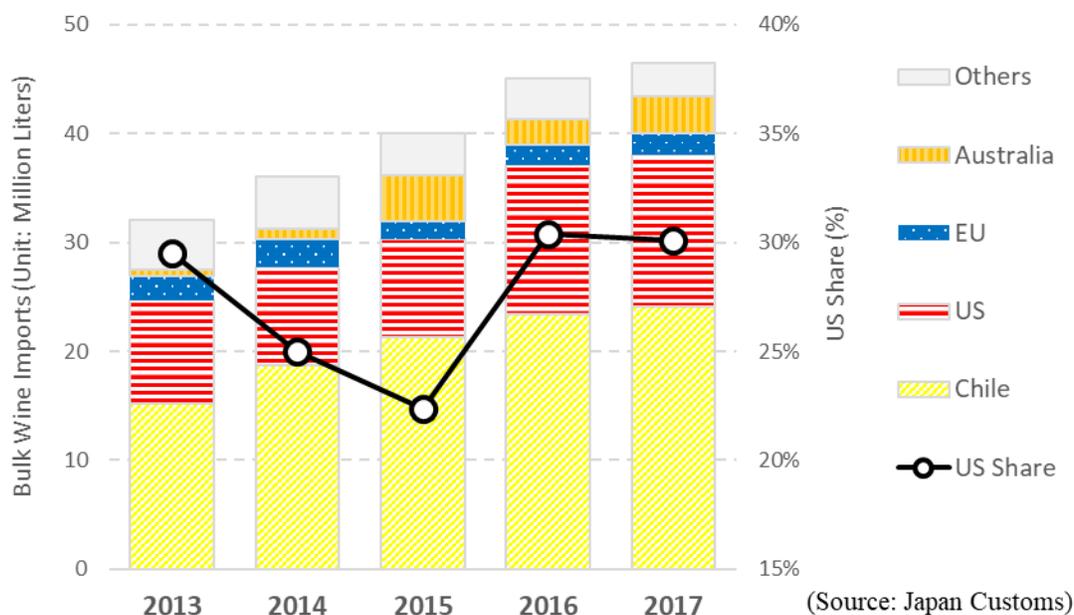


(Source: NTA)

<sup>2</sup> Only producers in Yamanashi and Hokkaido, respectively, can use these geographical terms in Japan. These producers must use 100 percent Yamanashi or Hokkaido-origin grapes, of certain defined varieties, in order to market their wine as a GI-protected product.

In recent years, Japanese imports of bulk wine (i.e., wine inside containers larger than 150 liters<sup>3</sup>) had been increasing from 32.1 million liters (for approximately 43 million wine bottles) in 2013 to 46.5 million liters (for approximately 62 million wine bottles) in 2017 (see Figure 2). The United States was the second largest supplier after Chile, with exports totaling 14 million liters (valued at \$16 million) and 30 percent of Japan’s market share in 2017.

**Figure 2. Bulk Wine Imports by Countries**



<sup>3</sup> Until 2016, imported wine in containers greater than two liters but not more than 150 liters was defined as semi-bulk wine. The vast majority of these wines were, at that time, boxed wines, which are sold as imported still wine. Since 2017, Japanese Harmonized Tariff Schedule (HS) Codes separated wine in containers greater than two liters but not more than ten liters (HS 2204.22.000; box wine) from wine in containers greater than ten liters but not more than 150 liters (HS 2204.29.010; semi-bulk wine). In this report, bulk wine is defined as wine in containers greater than 150 liters (HS 2204.29.090). For additional information, see [JA8023](#).