

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 3/2/2018

GAIN Report Number: JA8014

Japan

Post: Tokyo

Japan to Decide GE Labeling Requirements Soon

Report Categories:

Biotechnology and Other New Production

Technologies

Agricultural Situation

Grain and Feed

Approved By:

Christopher Riker

Prepared By:

Suguru Sato

Report Highlights:

The Consumer Affairs Agency's expert committee is expected to conclude its review of Japan's labeling requirements for genetically engineered foods at the end of March 2018. As a part of the ongoing review, informal discussions have begun on a possible stricter threshold for the use of voluntary "non-GE" labeling. However, some participating expert members have expressed concern that foreign grain and oilseed supplies could be disrupted by a new, stricter standard. The concept of tighter requirements for "non-GE" labeling is expected to be the focus of the next (and likely final) expert committee meeting.

General Information:

The Consumer Affairs Agency's (CAA's) Expert Committee for the review of genetically engineered (GE) food labeling requirements in Japan has been discussing four major points over the past ten months:

Issue 1: The Scope of Mandatory Labeling

- Point 1: Consideration of food items subject to mandatory labeling, and
- Point 2: Consideration of how prevalent the GE ingredient must be in a food product to be subject to mandatory labeling.

Issue 2: The Method of Labeling

- Point 3: Consideration of "Genetically Engineered" versus "GE non-segregated" labeling and whether or not they are easily and correctly understood by consumers, and
- Point 4: Consideration of the conditions for food to be labeled as "non-GMO."

The Scope of Mandatory Labeling

With regard to the scope of mandatory labeling, current rules in Japan require eight crops (i.e., soybean, corn, potato, canola, cottonseed, alfalfa, sugar beet and papaya) and 33 processed food items (see [JA7121](#) for a complete list) to be labeled when the ingredient is among the top three ingredients (by weight) in a product and accounts for more than five percent (by weight) of the total product. Representatives of consumer groups have claimed that the consumers' right to know supports the expansion of Japan's labeling requirements to include highly processed products (HPP), such as soybean oil. Some Japanese interested parties cited comments submitted by certain interested parties in the United States as part of the development of the U.S. National Bioengineered Food Disclosure Law¹ as evidence of potential movement in the United States towards a willingness to "label" HPP for consumers, and argued that the Japanese market should follow suit.

However, multiple interested parties expressed opposition to including HPP in the scope of mandatory labeling when there is no DNA to test. As there is no scientifically stable method to verify if the source of HPP is GE or non-GE, regulators would be required to rely on the "social verification" method -- the documentation of identity preservation (IP) handling. If the Government of Japan were to tighten requirements resulting in the need to verify a product's authenticity as non-GE, the resources for such a review (and the responsibility placed on the regulators) could be quite significant. After comments for and against the inclusion of HPP in Japan's GE labeling requirements were made, the idea to expand the scope of mandatory labeling appears to be losing steam.

Participating consumer group representatives also requested that Japan's current five percent threshold for labeling products as GE be lowered to EU levels, or, if not, as low as possible. Multiple participants indicated that there is a risk of significant cost increases for testing if the threshold is lowered. After repeated explanations about expected increases in the cost of testing for a lower threshold were made by several participants, interested parties seeking to lower testing requirements to the "EU level" appeared to take the position that increased costs for testing (likely passed on to the consumer) may not warrant a

¹ For additional information, see <https://www.ams.usda.gov/rules-regulations/gmo>.

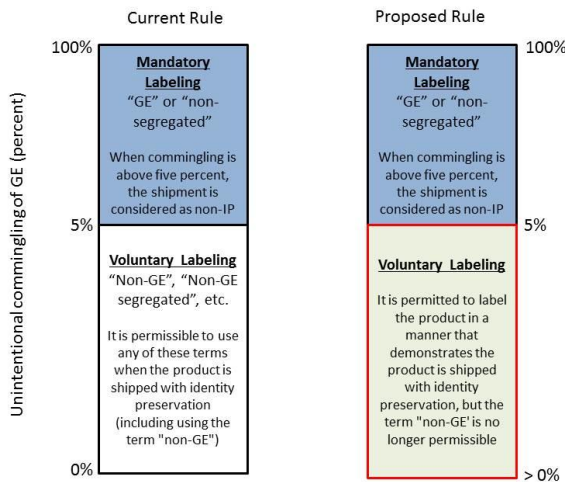
change to the current system.

The Method of Labeling

With regard to the method of labeling, Japan’s current allowance for labeling of “non-segregated” products has been criticized by some of the committee members as confusing to and incomprehensible for consumers. Although alternative language has been discussed in multiple meetings, no alternative language for the term “non-segregated” has been formally presented.

In Japan, the current system allows for up to five percent of components to be unintentionally comingled into a product labeled as “non-GE” leading the majority of committee members to agree that the use of “non-GE labeling” may be misleading. Some industry participants commented that any change to the “non-GE” labeling rule would still pose a risk of trade disruption. These participants noted that consumer misunderstanding may be due to the lack of public communication and education by government regulators. Accordingly, a proposal was made for potentially new language for IP products (e.g., unintentional comingling of GE of up to five percent) and a zero percent threshold for voluntary “non-GE” labeling. The revision to the labeling system that is currently being discussed is as follows:

Figure: Current and Proposed Rules for GE Labeling in Japan



Source: http://www.caa.go.jp/policies/policy/food_labeling/other/genetically_modified_food.html

Under this proposal, the voluntary use of “non-GE” labeling would still be permissible but only when comingled GE is not detectable.

Industry sources report that there are three theories on how a tightening of Japan’s “non-GE” labeling requirements might affect trade:

1. some believe product labeling will shift from “non-GE” to “identity preserved” labeling or that nothing will be labeled (because the requirements are voluntary).²

² Some Japanese food manufactures already use voluntary labeling for “identity preserved” ingredients in processed products such as corn snacks.

2. others believe buyers will try to source non-GE ingredients to continue to use the “non-GE” label by seeking supplies from non-GE cultivating countries.
3. lastly, some experts indicated that Japanese buyers will abandon the “non-GE” label as the risk of a false positive from inadvertent comingling is too high if the tolerance for “non-GE” labeling is set at zero.

The expert committee is expected to finalize its report (and recommendations) on Japan’s GE (and possibly non-GE) labeling requirements soon after its next meeting on March 14, 2018. After reviewing the committee’s proposal, the CAA will initiate a discussion with the Consumer Committee on any new GE labeling requirements (including non-GE) in the next Japanese Fiscal Year, which begins April 1, 2018. The Consumer Committee will be tasked with reviewing the contents of the expert committee’s proposal and making a recommendation.