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An Overview of the New Food Labeling Standard

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Report Highlights:

Since August 2012, the Consumer Affairs Agency (CAA) has been working towards completion of a comprehensive Food Labeling Standard (see GAIN Reports [JA3001](#) and [JA3054](#)). The CAA notified a draft proposal to the World Trade Organization (WTO), consolidating 58 different standards across three different laws into a single standard, on August 29, 2014. Among numerous smaller changes, CAA has made nine substantial changes, the most significant of which is a requirement for mandatory nutritional labeling on pre-packaged processed foods. While the new comprehensive standard is legally required to enter into force before June 28, 2015, Post expects the standard will enter into force in April 2015. Post does not anticipate any significant impact for U.S. exporters.

General Information:

Over the last six months, the Consumer Affairs Agency (CAA) has held numerous public meetings to elaborate upon proposed changes and to hone the regulatory language of the 340-page long Food Labeling Standard. In pursuing its over-arching goals of creating a labeling standard that is easily understood by industry and food labels that are meaningful and comprehensible for consumers, the CAA has grappled with balancing consumers' demand for more information with the economic impact, regulatory burden, and feasibility of providing that information.

There are several critically important things to understand about this new Food Labeling Standard (hereafter, the new Standard). First, while the new Standard technically covers all food and drinks sold in Japan, nutritional labeling requirements do not apply to fresh foods, alcoholic beverages, products manufactured by companies with less than twenty employees, or products imported by companies with less than five employees.¹ With regard to trade, the new Standard continues to place the onus of product labeling on the importer and does not require new Standard-compliant product labeling at the time of customs clearance.² The new Standard does not change the labeling requirements for genetically modified organisms, nor does it alter the treatment of country of origin labeling (see GAIN Reports [JA4015](#), [JA3046](#), and [JA3047](#)).

After incorporating suggestions and adjustments resulting from the public comment and WTO notification processes, the CAA will finalize the language of the new Standard in early 2015 and enact the new Standard sometime before the June 28, 2015 deadline established in the 2013 Food Labeling Law. Based on the current rate of progress and on conversations with Food Labeling Subcommittee members, Post anticipates that the new Standard will be enacted in April 2015. There will be an implementation period of one year for food additive labeling and two years for all other components other than nutritional labeling, which will have a five-year grace period. The treatment of a new category of so-called functional claim foods under the new Standard will be addressed in a forthcoming GAIN report. The nine most significant changes to the current food labeling practice as a result of the new Standard are explained below, and the Government of Japan's (GOJ) WTO notification is attached as an appendix.

1. Harmonized Classifications for Processed and Fresh Foods – The Japan Agricultural Standard (JAS) Law and Food Sanitation Law contained different classifications of the same product. The new Standard has harmonized those discrepancies, assigning all products to one of three product classifications: fresh food, processed food, or food additive. For example, foods that had been lightly salted, blanched, or dried overnight had previously been treated as fresh foods by the Food Sanitation Law, while the new Standard classifies such products as “processed foods,” requiring appropriate labeling. Even foods that have not obviously been processed, but have been packaged for direct retail (e.g., pre-cut salad mixes), will be considered processed products under the new Standard.

¹ Alcoholic beverages are mentioned in the new Standard, however alcoholic beverages and their labeling are regulated under the National Tax Agency by the Act Concerning Liquor Business Associations and Measures for Securing Revenue from Liquor Tax.

² Appropriate Japanese language labeling is only required by the time the product reaches retail shelves.

- 2. Manufacturer Identification Codes and Contact Information** – Under the current laws, the name and address of a food manufacturing facility may be replaced by an alpha-numeric manufacturer’s identification (ID) code that corresponds to a specific production facility. However, under the new Standard, ID codes are only permitted when a product is manufactured at more than two facilities. Thus, smaller Japanese companies must provide the name and address of the manufacturing facility on all product labels. When using an ID code under the new Standard, the product label must also contain one of the following: 1) customer service contact information, 2) company website address, or 3) names, addresses, and ID codes for all production facilities.

The new Standard also requires labels contain the name and address of both the manufacturer and the distributor of a product. This policy change is largely in response to the current lack of information on ubiquitous Japanese gift foods (known as *omiyage*) and on the increasing number of private brand products appearing in grocery stores. For the vast majority of products in these considerably large product segments, the manufacturer and distributor are different entities. All imported products must provide the name and address of the importer on the package label.

- 3. Allergen Labeling** – The current food labeling laws allow manufacturers to omit potentially allergic ingredients from package labeling when the allergen can be reasonably assumed. For example, eggs can reasonably be assumed to be present in products containing mayonnaise. The new Standard requires that all allergens be individually labeled (e.g., dried egg yolk (including egg)). At this time, there are seven allergens for which labeling is mandatory and twenty allergens for which labeling is recommended. If a product contains the same allergen in multiple ingredients in a processed product (e.g., egg salad contains both eggs as well as mayonnaise containing eggs), then the individual allergen labeling provision will require that the allergen be labeled each time it appears in an ingredient, further crowding package labeling. The new Standard will not permit the use of “may contain” language; the CAA’s current practice of explicitly labeling only that which a product does contain remains in place.

Labeling Requirement	Allergen
Mandatory	Egg, Milk, Buckwheat, Wheat, Peanuts, Crab, Shrimp/Prawn
Recommended	Abalone, Mackerel, Squid, Salmon, Salmon Roe, Cashew Nut, Walnut, Matsutake Mushroom, Sesame, Soybean, Yam, Apple, Banana, Kiwifruit, Orange, Peach, Beef, Chicken, Gelatin, Pork

- 4. Nutritional Labeling** – The new Standard will require nutritional labeling on all pre-packaged,

processed foods; such labeling is currently voluntary. The nutritional labeling component will have a five-year transition period from the date the new Standard takes effect. Products produced by manufacturers with less than twenty employees or imported by companies with less than five employees will be exempt from the nutritional labeling requirement. Manufacturers or importers will be allowed to determine the appropriate serving size for nutritional labeling. While many labels will choose to use 100 g, 100 ml, or 1 package (for smaller, individual serving size items), the new Standard allows manufacturers or importers to set the serving size at any size that they believe constitutes ‘one reasonable serving.’

The new Standard separates nutritional labeling components into three groups: mandatory, voluntary but recommended, and voluntary (see table below). The new Standard also allows manufacturers or importers to utilize GOJ nutritional reference values for individual ingredients in order to calculate a product’s overall nutritional value. In addition, importers may convert nutritional values of imported products into the new Standard’s format.

Labeling Requirement	Nutritional Components
Mandatory	Energy, Protein, Fat, Carbohydrate, Salt Equivalent ³
Voluntary But Recommended	Saturated Fat, Dietary Fiber
Voluntary	Available Carbohydrate, Sugars, Cholesterol, Vitamins and Minerals

5. Content Claims – The new Standard harmonizes Japanese food labeling content claim regulations with established CODEX standards. In order to claim “Reduced X” or “Less X,” the relative difference between the previous or standard formulation and the current formulation should be 25 percent or more.⁴ In order to claim “Enhanced X” for vitamins and minerals, the absolute difference between the current formulation and the nutrient reference value must be 10 percent or more. “No added sugar” and “No added salt” claims are introduced for the first time under the new Standard.

6. Compound Ingredient Labeling – The new Standard requires manufacturers or importers to individually identify all product ingredients, prohibiting the current practice of listing ingredients that are less than five percent by weight as “others.”

³ Energy is the term used by the CAA for calories, and is measured in kCal. Salt equivalent may be labeled as ‘natrium,’ which is the term used by the CAA for sodium. Natrium/salt equivalent is measured in milligrams per serving.

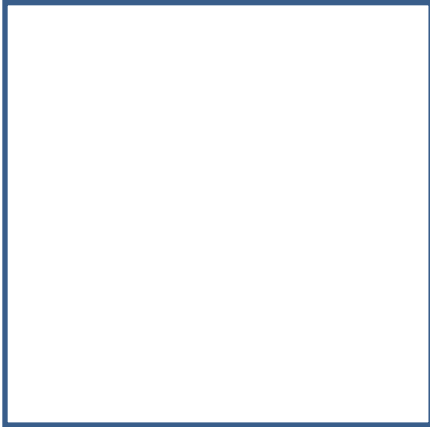
⁴ The CAA has made an exception to the requirements for “Reduced Sodium” soy sauce and miso products, lowering the threshold to 20 percent reductions due to the technical difficulty of reducing the sodium content of these products.

Current Practice	Baking Mix (Flour, Sugar, Cornstarch, Almond Powder, Others (Including Egg)), Butter, Baking Powder, Essence
New Standard	Flour, Sugar, Butter, Cornstarch, Almond Powder, Cocoa Powder, Dried Egg Yolk (Including Egg), Salt, Baking Powder, Essence

7. Expanded Food Additive Labeling for Retail Packages – The new Standard requires food additives be labeled separately from other product ingredients. Within the food additive labeling section, products for retail consumption must include the net content of each food additive as well as the name and address of the additive manufacturer. For products intended for professional use (e.g., food service industry), the new Standard does not require the net content information, only the name and address of the food additive manufacturer.

8. Incorporation of CAA Notices – The new Standard incorporates a number of food labeling regulations issued as CAA “notices” and therefore previously not captured by any of the three laws currently regulating food labeling. An example of one such notice is an earlier publication on food labeling measures to prevent unintentional poisoning by blowfish toxin.

9. Food Labeling Layout Enhancement – Under current practice, manufacturers or importers may omit some food labeling components (such as ingredients, best before date, storage instructions and country of origin) if the total surface area of the container or package is less than 30 cm².⁵ However, the name of a product, proper storage instructions, best before date, manufacturer/seller contact information and allergen labeling are all required under the new Standard regardless of the size of the package.



if

approximately 30 cm²

Appendix – Government of Japan’s August 29, 2014, WTO Notification on the Proposal for the Food Labeling Standard Based on the Food Labelling Act. Post Note: The nutritional label example shown in the WTO notification includes both optional as well as mandatory elements.

APPENDIX

August 2014

Overview of the Food Labelling Standard

⁵ For reference, that is about 2/3 the size of a standard business card or a little more than four standard-size U.S. postage stamps.

I Purpose of this Standard

The Food Labelling Standard shall be established based on the Food Labelling Act (Act No. 70 of 2013) promulgated on 28 June 2013, in order to provide labelling requirements specifically.

The purpose of this Act is to develop a comprehensive and integrated food labelling system in compliance with all labelling provisions in Food Sanitation Act (Act No. 233 of 1947), Act on Standardization and Proper Quality Labeling of Agricultural and Forestry Products (Act No. 175 of 1950) and Health Promotion Act (Act No. 103 of 2002).

In establishing a food labelling standard pursuant to this Act, as described in Paragraph II, the current labelling standards under existing Acts shall be changed and improved and the new standard shall make nutrition declaration mandatory such labels to contribute to the improvement of consumer's health, considering international trends in nutrition labelling system.

II Main revisions

1. Food Allergen Labelling

In cases where the packaged foods and food additives contains allergenic substances, such as shrimp, crab, wheat, buckwheat, egg, milk and peanuts, the mandatory labelling is required in the same manner as before. Under the new food allergen labelling requirement, the name of the food allergen shall be indicated in parentheses immediately after the name of food ingredient containing it, except when all names of allergens appear in parentheses collectively at the end of the ingredient list.

2. Mandatory nutrient declaration

Under the current standard (the Nutrition Labelling Standard), Nutrition declaration is voluntary for prepackaged processed foods.

The new Food Labelling Standard requires mandatory declaration of energy value, the amounts of protein, fat, carbohydrate, sodium (expressed in salt equivalent) for prepackaged processed foods and food additives to be offered as such to the consumer. Certain foods may be exempted for example, on the basis of nutritional or dietary insignificance or small packaging or others. The declaration of saturated fatty acid, cholesterol, available carbohydrate (i.e, dietary carbohydrate excluding dietary fibre), sugars, dietary fibre, vitamins and minerals is voluntary.

3. Nutrition claims

3-1. Comparative claims

The new standards for comparative claims will be changed in reference to CODEX Guidelines (Guidelines for use of nutrition and health claims, CAC/GL 23-1997).

3-2. Claims regarding the non-addition of sugars and sodium salts

Conditions for non-addition claims are not prescribed in the current standard. The new Food Labelling Standard establishes the same conditions as CODEX Guidelines (Guidelines for use of nutrition and health claims, CAC/GL 23-1997).

4. Nutrition Labelling Format

Where the amount and type of fatty acids (e.g. saturated fatty acid), carbohydrates, vitamins, minerals or the amount of cholesterol is declared, this declaration should be presented in the following format.

Regarding these nutrients, those which are not intended to declare can be omitted.

Nutrition information	
Per 100g, 100ml, serving or other units as appropriate	
Energy	kcal
Protein	g
Fat	g
--Saturated fat	g
Cholesterol	mg
Carbohydrate	g
--Available carbohydrate	g
--Sugars	g
--Dietary fiber	g
Salt equivalent	g
Other nutrient(Vitamins and Minerals)	mg, μ g

5. Ingredient Labelling of Foods

The current labelling requirement concerning display order of food ingredients and food additives in ingredient list shall expand to all items, while any exceptional standards for some items shall be abolished.

6. Labelling of Food Additives for sale

In addition to the current labelling requirements for food additives for sale, some labelling shall be made mandatory, that is "content weight", "the amount of nutrients" and "name and address of food-related business operator" for food additives for general consumer, and "name and address of food-related business operator" for food additives for other food businesses.

7. Omission of labelling according to a labelling surface area

Where the largest labelling surface area on the food packaging or container is less than 30cm², labelling other than the designated information, that is "Name of the food", "Preservation method", "Expiration date or Freshness date", "Name and Address of food-related business operator" and "Allergen", may be omitted.

