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Japan is Considering Expanding COOL Requirements for Ingredients

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Report Highlights:

The Ministry of Agriculture, Forestry and Fisheries (MAFF) and the Japanese Consumer Affairs Agency (CAA) are considering instituting country of origin labeling (COOL) requirements for ingredients used in the production of all processed foods manufactured in Japan. While the current food labeling law already requires COOL for ingredients in certain processed foods manufactured in Japan, Japan is now considering expanding these requirements. MAFF and CAA are hoping to finalize their proposal sometime this fall.

Keywords: country of origin labeling, ingredients, JA6032

General Information:

Background

The Japanese requirement for Country of Origin Labeling (COOL) for ingredients of processed foods manufactured in Japan was first instituted in 2000 with eight items designated to be labeled. The Ministry of Agriculture, Forestry and Fisheries (MAFF) subsequently made additions, and most recently added two designated food groups in 2011. Japan's Food Labeling Law (see GAIN <u>JA4043</u>), which has been effective since April 2015, currently requires COOL for ingredients for 22 food groups and four food items (see Appendix 1).

MAFF and the Japanese Consumer Affairs Agency (CAA) have collaboratively led the study of instituting country of origin labeling (COOL) requirements for all processed product ingredients since earlier this year. The study was initiated after the issuance of the Japanese "Basic Plan for Food, Agriculture and Rural Areas," (see GAIN JA5013) approved by the Cabinet in March 2015, the outline of the "Comprehensive TPP-related Policy Framework" of November 2015, and Japan's 2016

Revitalization Strategy of June 2, 2016. These measures noted that the Government of Japan will endeavor to study the feasibility of expanding the requirements for COOL for ingredients in processed products manufactured in Japan. MAFF and CAA have, thus far, held eight public discussions on this proposal, and will continue to do so until an interim report is drafted this fall. The next public discussion is scheduled for October 5, 2016 from 10:00 AM-12:00 PM on the 7th floor of the MAFF building (see http://www.caa.go.jp/policies/policy/food_labeling/other/pdf/161005_kentoukai.pdf).

MAFF and the CAA selected 17 members for the study group in order to incorporate varying opinions from differing perspectives:

- Five food manufacturers and industry groups (i.e., Japan Chain Stores Association, Japan Food Industry Center, Itoen, Ajinomoto, and Yasai Club),
- Four consumer groups (i.e., All Japan Consumer Groups' Liaison Association, Japan Federation of Senior Citizens Clubs, National Consumer Counselor Association and the National Federation of Regional Women's Organizations),
- Four agricultural / fishery industry groups (i.e., the Central Union of Agricultural Co-operatives, Japan Livestock Industry Association, Japan Fruit Growers Cooperative Association and the National Federation of Fisheries Co-operative Association),
- Three members of academia (i.e., Miyagi University, Hosei University and Ochanomizu University), and
- One independent group that is interested in food safety (i.e., "The Round Table on Food").

The members have thus far discussed various initiatives to expand Japan's COOL for ingredients requirements for processed foodstuffs manufactured in Japan. The participating Japanese food manufacturers and industry groups have: expressed their opposition to the expansion of COOL for ingredients, have expressed the difficulty in instituting an expansion of the labeling requirements, and have, at a minimum, called for flexibility in any revised system. Moreover, they have noted that an

¹ NOTE: Foreign manufactured, finished processed foodstuffs that are exported to Japan are not subject to the current COOL requirements for ingredients, and have not been marked for inclusion in the expanded COOL requirements.

expansion of COOL for ingredients could result in price increases for Japanese consumers. However, participating consumer groups have argued for increased requirements for consumer edification.

In August 2016, MAFF and the CAA developed three unique options for consideration for expanding Japan's COOL for ingredients requirements:

Option 1 -- "Listing of Possible Suppliers" Labeling

If the country of origin of an ingredient changes by season, manufacturers can label the ingredient as originating from "Country A or Country B or Country C" based on buying patterns/plans over an as-of-yet undefined period of time. This method would, in theory, potentially include countries of origin that once supplied the input, but not necessarily the input contained in that specific product.

Under this option, and in the hypothetical case of soy sauce, a label could read: "Ingredients: soybean (the United States or Canada or domestic)" This label would be permissible even if the product only utilized U.S. soybeans so long as Canada and Japanese soybeans had been used before or will be used by the manufacturer during the defined period of time).

Option 2 -- "All Inclusive" Labeling

If the country of origin of the ingredient switches between multiple foreign countries, manufactures can simply label the country of origin as an "import." If the origin is both domestic and foreign, it may be possible for manufacturers to identify both on the label.

Under this option, and in the hypothetical case of soy sauce, a label could read: "Ingredients: soybean (import)" or "Ingredients: soybean (import, domestic)". To date, neither MAFF nor the CAA has indicated what percentage of an input need be purchased domestically and via import in order to label both as the origin.

Option 3 -- Semi-Processed Product Labeling

If an ingredient is a semi-processed input, the Japanese processed food manufacturer need only identify the country of origin of the semi-processed input.

Under this option, and in the hypothetical case of chocolate biscuits, a label could read: "Ingredients: chocolate (Processed in Belgium)." Moreover, under this option, and in the hypothetical case of bread produced using a domestically produced input, a label could read: "Ingredients: wheat flour (produced domestically)."

The next public discussion (on October 5th as noted above) is expected to focus on the feasibility of the three aforementioned options proposed by MAFF and CAA, and the next steps for potentially instituting a revision to the current COOL for ingredients system.

Reference:

Public discussion on COOL for Ingredients on the CAA's Website (in Japanese)

Designated 22 Food Groups and Four Individual Food Items Currently Subject to Country of

Origin Labeling Requirements for Ingredients.

Appendix 1. (The Food Labeling Standards of the Appendix Table 15)

Agricultural processed foods (9 food groups):

- 1. Dried mushrooms, vegetables and fruits (excluding those flaked or powdered)
- 2. Salted mushrooms, vegetables and fruits
- 3. Boiled or steamed mushrooms, vegetables, pulses and bean jams (excluding those canned, bottled or retort pouched)
- 4. Mixed vegetables, mixed fruits, other mixtures of vegetables, fruits and mushrooms (excluding those mixed without cut)
- 5. Green tea and packaged or bottled green tea beverage
- 6. Rice cake
- 7. Roasted shelled peanuts, roasted peanuts, fried peanuts and roasted beans
- 8. Sugar cane sugar and its products
- 9. Alimentary konjac products

Processed meat (5 food groups):

- 10. Seasoned meat (excluding those processed by heating, or those frozen after processed)
- 11. Boiled or steamed poultry meat and eggs (excluding those canned, bottled or retort pouched)
- 12. Slightly roasted meat
- 13. Prepared meat with deep-fry batter (excluding those processed by heating, or those frozen after heated)
- 14. Ground meats and other mixed meats (including meats or ground meats with their form shaped)

Processed seafood (8 food groups):

- 15. Unsalted and dried fish and shellfishes, salted and dried fish and shellfishes, boiled and dried fish and shellfish, tangle, dried laver, roasted laver and other dried seaweeds (excluding those chopped, minced or powdered)
- 16. Salted fish, shellfishes and seaweeds
- 17. Seasoned fish, shellfishes and seaweeds (excluding those processed by heating, those frozen after heated and those canned, bottled or retort pouched)
- 18. Kelp roll with fish
- 19. Boiled or steamed fish, shellfishes and seaweeds (excluding those canned, bottled or retort pouched)
- 20. Slightly roasted fish and shellfishes
- 21. Prepared fish and shellfishes with deep-fry batter (excluding those processed by heating, or those frozen after heated)

Combination food (1 food group):

22. Mixtures of fresh foods other than those described in 4 and 14 (excluding those mixed without cut)

Individual food item (4 food items):

- 23. Pickled vegetables
- 24. Frozen vegetables
- 25. Processed eels
- 26. Fried bonito flakes