



APEC Wine Regulatory Forum

October 10 - 11 ♦ Honolulu, HI

The eighth, and final meeting of the [APEC Wine Regulatory Forum](#) (WRF) multi-year project of M CTI 01 2013A was held on October 10-11, 2018 in Honolulu, Hawaii¹, United States. Government officials and wine sector representatives from 14 APEC economies participated in the 2018 meeting: Australia, Canada, Chile, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Republic of the Philippines, the Russian Federation, United States and Viet Nam².

A presentation on the WRF since its first meeting in 2011 revealed the body of work undertaken by the group in just eight years and highlighted the following accomplishments:

1. Bringing transparency to import requirements for wine exporters through compendia covering 5 topics;
2. Reducing the number of required export certificates through the development of the APEC Model Wine Export Certificate;
3. Educating non-producing APEC economies about wine as a unique, microbiologically low risk food product;
4. Increasing the accuracy of testing of wine in regulatory laboratories;
5. Influencing wine standards in international trade agreements, such as the newly released United States-Mexico-Canada Agreement, where WRF concepts on wine as a microbiological low risk food product and risk-based certificates of analysis were included.
6. Providing regulators with hands on tools that can be accessed by APEC Regulators free of charge:
 - i. FIVS-Abridge and FIVS-APACE online databases;
 - ii. World Wine Trade Group (WWTG) "Tbilisi Point and Click Tool"
 - iii. WRF Archive spanning 2011-2018

¹ The Hawaii meeting was the sixth annual technical conference scheduled under the WRF multi-year project entitled "*Good Regulatory Practices Action Plan*" (M CTI 01 2013A) co-sponsored by Australia, Canada, Chile, Chinese Taipei, Indonesia, Republic of Korea, Mexico, New Zealand, Papua New Guinea, Peru, the Russia Federation, United States and Viet Nam, and the eighth WRF meeting since its inception. WRF meetings were also held prior to the multi-year project in 2011 (San Francisco, CA USA) and 2012 (Auckland, NZ).

² A member of the French wine industry participated as an Observer.

Notes from the Project Overseers

1. Laboratories that are not participating in the Ring Test but would like to be included for 2019 must send the name, address, and contact information for the laboratory Jamie.Ferman@trade.gov by November 15. Laboratories that are currently participating in the Ring Test will remain in the 2019 testing unless they request to be removed.
1. Economies are reminded to review the Certificates of Analysis Compendium and provide answers to the following questions by November 15 to Jamie.Ferman@trade.gov and Mari.Kirrane@ttb.gov.
 - Where analyses are required as a condition of importation, are these required to be conducted by the economy of export or the economy of import?
 - For those APEC economies that require certificates of analysis, must these accompany each shipment, or may they instead only be required once per vintage?
2. Economies that have not yet sent their verbal responses to the session questions are reminded to submit them by November 15 to Jamie.Ferman@trade.gov so they can be presented on the WRF website.
3. Meeting participants are requested to complete [the post-event Hawaii survey](#) by November 15.
4. Presentations and other related documents from the 2018 Hawaii Meeting will remain available via the [APEC WRF Website](#).
5. APEC participants are invited to attend the [2019 International Wine Technical Summit](#) to be held in Livermore, California in June 2019.

Meeting Summary

On October 9, 2018, WRF attendees attended the FIVS Hawaii meeting, which included participation from 17 economies. Discussion focused on current trade barriers such as onerous certification and certificate of analysis requirements. Climate change, pesticides, responsible marketing and consumption were also themes. A technical tour of a Hawaiian rum distillery and a joint dinner were opportunities for FIVS and WRF participants to observe food safety

protocols, interact, and establish relationships. Special thanks to the FIVS Secretariat and Staff who facilitated the WRF's participation in the FIVS events.

1. Continuing the WRF tradition of informing APEC economies on the production of wine, a video produced by the California Wine Institute (U.S.) was shown that highlighted standard good manufacturing practices.³ In the presentation that followed, it was noted that:
 - While it seems like winemaking is a simple process of taking yeast and grapes and making wine, it is rather complex;
 - Wine is composed of water, ethanol, and “minor components,” which comprise everything from organic acids and trace elements to volatile aromas;
 - Winemakers can add various winemaking substances (additives and processing aids)—which are safe for food production and the use of which is strictly controlled—to aid in fermentation and the winemaking process, as well as to create a more enjoyable product for consumers;
 - Additive and processing aid use changes based on the region the grapes came from or the growing conditions, because wine composition varies due to climate or geographic conditions.
 - In addition, most substances used in winemaking are either already present in the grapes or wine or are removed during the winemaking process. In most economies that produce wine, these substances are not required to be listed on wine labels. Such requirements could potentially mislead consumers, and could lead to potential trade issues, especially when non-health-based limits are applied to the use of these substances. It is recommended that economies work together to alleviate confusion with respect to winemaking additives and processing aids, and that they work to eliminate trade barriers arising from regulation of their use.

2. The topic of risk-based regulatory review prompted economies to consider whether current wine regulations are based on risk. It was noted that consumer protection is a foundational principle behind regulations that govern health and safety, prevention of fraud, and product misuse. In wine composition, there is often a tendency for advances in analytical technology to be used as the basis for benchmarking new regulatory limits with insufficient characterisation of total risk through appropriate consumption. Better exploration of regulatory controls that impose less administrative and financial burden, or those that are less likely to pose a technical barrier to trade, are desirable for all economy regulators and producers. The presentation provided resources for economies to use in the development of evidence-based regulatory practice and when undertaking regulatory review of existing measures for effectiveness.

³ The video can be viewed at: https://www.youtube.com/watch?v=tQ_bapKsS2s&feature=youtu.be.

3. A key 2018 theme was Certificates of Analysis. The 2018 version of the Certificates of Analysis Compendium was debuted, and economies were reminded to review the document for accuracy. The Compendium served to answer two questions: Does your economy require a certificate of analysis? If so, what analytes are required? The results showed a total of 35 different analytes being tested⁴ with 19 analytes required by only one economy, and another 3 analytes being only required by 2 economies.

It was noted that certificates of analysis are demanded at some point in the trade process of many APEC economies. The justification for these requests is that the certificate of analysis provides some manner of protection with respect to the **safety**, **authenticity**, or **quality** of the product. FIVS carefully examined the tests that are commonly required on certificates of analysis. They found that these tests, which were grouped in the categories of (1) health and safety, (2) wine quality and legality, (3) additive levels, (4) microbiological characteristics, (5) physical characteristics, and (6) typical wine parameters, were not reliable indicators of safety, authenticity, or quality, and that therefore such testing is not the appropriate means for ensuring safety, authenticity, or quality.

Regarding **safety**, wines that are produced according to common oenological practices would not result in analyte levels that would cause health and safety concerns.

It was also found that **authenticity** cannot be guaranteed based on these groups of tests, primarily due to the fact that although most analyte levels found in wine fall within relatively standard ranges, the inherent variation in these ranges severely reduces their effectiveness as indicators of authenticity.

Quality is equally difficult to determine based on these standard tests partly due to the narrow ranges of typical values, but mostly due the fact that quality can mean very different things to consumers with varying tastes, price and/or quality expectations, or stylistic preferences.

The characteristics of three common analytical parameters—titratable acidity, sugar free extract, and methanol—were discussed, and it was demonstrated that their inclusion in analytical certificates does not give any indication of wine quality, authenticity, or food safety at the typical levels at which they appear in wine. As such, their inclusion in a certificate of analysis is of questionable value and should be reviewed.

An Economy Roundtable on this issue highlighted the cost of certificates of analysis from both industry and government perspectives. Some economies noted that certificates of analysis are needed to ensure label compliance, standards of identity, tax classification, and that imported wine was safe for consumption. The economies

⁴ Results as of October 5, 2018.

that do not require certificates of analysis question the presumption that certificates of analysis could ensure safety, recalling the science-based risk analysis just presented.

Industry reported that the cost of analysis could range from USD \$60 to USD \$250 per panel and take up to a month for results. A recently proposed requirement by one APEC economy for certificates of analysis could cost up to USD \$1,000 per certificate.

The participants discussed what steps the APEC WRF could take to meet the needs of economy regulators who feel they need certificates of analysis and the desire of exporters to reduce unnecessary testing and certification requirements and costs.

It was noted that the APEC Model Wine Certificate contains the statement that exported wine meets the requirements of the exporting economy. It was suggested that this could provide regulators with some assurance of the level of regulations covering production standards of the exporting economies.

4. A session on WRF tools for regulators focused on four areas.

APEC Model Wine Export Certificate: Chile presented on its self-initiation of the implementation of the APEC Model Wine Certificate⁵ in 2017 and noted significant reductions in government resources spent issuing export certificates for shipments of Chilean wine to APEC markets. Chile explained how it engaged with key government partners to ensure that the certificate would be accepted for imports and reported on how the Model had been adapted for acceptance by Chinese authorities. Chile reported that it saw a reduction of 7,534 export certificates in the first 12-month period after implementation, reflecting a time reduction of 2,511 hours or roughly 105 days per year, equal to 279 working days per year. Chile encouraged economies that have not yet implemented the Model to follow its self-initiation approach. No economy that required this type of certificate has rejected the certificate since its entry into force by Chile in September of 2017.

Canada also noted that the province of Ontario has made the Model available for exporters to voluntarily employ since December 2017.

World Wine Trade Group (WWTG) “Tbilisi Point and Click Tool”: The WWTG Regulatory Coherence Principles for Wine contained in the “Tbilisi Statement” (agreed as worth investigating for incorporation into the work of the WRF at its meeting in 2014) were reviewed, together with a substantial body of scientific and technical material aimed at giving guidance on their practical implementation. This work has been performed over the last few years by organizations such as FIVS, the International Wine Technical Summit, and the WWTG itself. All this material is

⁵ See APEC Article: [“Wine Trade Bottlenecks Ease with New Export Certificate.”](#) The Model is available at the APEC [Sub-Committee on Standards and Conformance](#) website.

arranged in the form of a “point and click” tool hosted on the WWTG industry section website, access to which was made available to WRF economy delegates⁶.

FIVS-Abridge⁷ and FIVS-APACE: Two databases were previewed that can serve as important tools for APEC WRF regulators: FIVS-Abridge, an international database of wine regulations and trade agreements, and FIVS-APACE, a comprehensive online information source for 110 additives and processing aids that are approved for winemaking use around the world. APEC economies were provided access to both systems.

Access to FIVS-Abridge has been expanded to include information for 33 markets and two international organizations. APEC-specific topic pages on Certification, Labeling, and Food Safety have also been created to highlight the APEC Compendia developed by the WRF. Previously, access was provided for just three regulators per economy. FIVS-Abridge has expanded access for APEC WRF regulators by providing a common username and password for use by multiple economy regulators. APEC WRF regulators have also been granted full access to the FIVS-APACE database located on the newly updated FIVS website.

WRF Website Archive: An archive⁸ page on the WRF website was previewed to provide users with an easy-to-use tool to access historical WRF documents spanning the years 2011-2018.

5. The APEC WRF Ring Test program continues to evaluate the performance of participating laboratories in relation to the testing of a range of common analytes. It was noted that there were still significant barriers being encountered in sending wine samples to certain economies that have proved difficult to resolve. The program has demonstrated measurable improvements over the 3 years since it was initiated. However, the introduction of new laboratories has shown the need for the continuation of the program to ensure improved performance going forward.
6. A proposal was made that results from ISO 17025 accredited laboratories be accepted in destination markets without recourse to in-economy testing. The presentation outlined how the ISO/IEC 17025 accreditation system had controls in place to ensure that analytical results are fit for purpose, are of a quality suitable for regulatory requirements, and are free of undue influence by producers or their agents. Based on these conditions it was proposed that results from ISO 17025 accredited laboratories be accepted in destination markets without recourse to in-market testing.

⁶ The WWTG Point and Click Tool is available at the following website: <https://www.wwtg-gmcv.org/action>.

⁷ FIVS-Abridge: <http://fivs-abridge.com>. Access to FIVS-Abridge is provided to APEC Officials without cost. Please contact Ms. Laurel Parker at lparker@fivslive.org for the username and password.

FIVS-APACE: www.fivs.org. On the FIVS homepage go to “Member Access” then enter the username and password. Access to FIVS-APACE is provided to APEC Officials without cost. Please contact Ms. Laurel Parker at lparker@fivslive.org for the username and password.

⁸ <https://www.wineregulatoryforum.org/archive>.

7. Wines of Chile presented an easy to use smartphone app for use by Chilean farmers to help them understand when grapes should be harvested to ensure compliance with pesticide maximum residue limit (MRL) requirements. The app is based on typical pesticides and science in Chile and therefore the app is only applicable in Chile; however, it may serve as a model for other economies seeking to ensure compliance in the pesticide MRL area. The research behind the app looked at key pesticides used for red and white wine grapes and the respective pesticide residues. This application represents long-term research undertaken by Wines of Chile to aid the domestic industry.
8. For the first time, the WRF discussed the prevalence of illicit alcohol in various global markets.⁹ Distilled spirits, rather than wine or beer, were identified as a concern due to the potential for high levels of methanol to be present when production is not under controlled conditions. It was emphasised that illicitly produced alcohol represents a much greater immediate threat to human health and safety than legitimate products from professional suppliers operating in a well-regulated environment.

The presentation reviewed traceability systems in place in APEC economies as presented at the 2017 Ha Noi WRF meeting and discussed how illicit products are largely operating outside these systems. A range of measures were discussed whereby regulators can attempt to minimise the risk presented by illegal operators, as were several industry initiatives that could support these efforts.

It was concluded that over-emphasis on regulation of the legitimate alcohol market may have the unintended consequence of driving further growth in the production and supply of illicit, potentially dangerous liquor and that certificates of analysis are unlikely to capture illicitly produced alcohol because it is produced in the black market and not subject to regulatory controls.

Industry and economy regulators participated in the final economy roundtable on this issue. Industry noted its focus on internal controls to protect brand integrity. Regulators shared information on wine product recalls, reports of illicit alcohol activity, and mechanisms through which illicit alcohol activity can be reported.

⁹ The discussion was based on the following IARD Report: [Illicit Alcohol in the Shadow Economy](#).

Future APEC WRF Work Items

Certificates of Analysis

Recalling that the cost of unnecessary certification in APEC economies has been estimated at USD \$1 billion, APEC economies should consider whether the costs to producers of obtaining certificates of analysis and the costs to governments of processing the documents is justified.

The following future work items on this topic are proposed:

1. Considering that one theme for the 2019 Chile APEC host year is encouraging the adoption of mutual recognition agreements, APEC economies should consider whether the scope exists for one APEC economy to satisfy itself of the *safety, authenticity* and *quality* of **all** wine imported from another APEC economy by recognising the adequacy of the exporting economy's winemaking standards and regulations – for example, as the members of the WWTG have done through the *Agreement on Mutual Acceptance of Oenological Practices*.¹⁰ This would align well with Chile's intention to prioritise Mutual Recognition Agreements under APEC 2019
2. Continue work on the Certificates of Analysis Compendium and incorporate answers to the following two questions:
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 - Where analyses are required as a condition of importation, are these required to be conducted by the economy of export or the economy of import?
 - For those APEC economies that require certificates of analysis, must these accompany each shipment, or may they instead only be required once per vintage?
3. The inclusion of the Compendium in FIVS-Abridge will be considered based on future funding.

Export Certificates

APEC economies that issue multiple certificates for exports of wine to other APEC economies are encouraged to self-initiate the use of the Model for exports of wine, following the example of Chile, and the province of Ontario in Canada.

The APEC Model Wine Certificate is intended to combine general existing requirements into a single, consolidated document while also allowing economies the flexibility to include additional, importing or exporting economy-required information. Pursuant to the APEC Model Wine Certificate instructions, this information may be included in block 12 of the

¹⁰ Full text of the WWTG Agreement on Mutual Acceptance of Oenological Practices is located at: <https://www.trade.gov/td/ocg/oenological.htm>.

Certificate. Before employing use of the Certificate for exports, the exporting economy should verify with the importing economy that the certificate will be accepted and make any revisions in block 12 as necessary to satisfy the importing economy.

APEC economies that do not currently require a certificate of origin, free sale, health, or sanitation for wine imported into their economies should not adopt the use of the APEC Model Wine Certificate.

Ring Testing

The APEC WRF has financed APEC economy laboratory participation in the Australian Wine Research Institute-led ring test. The Ring Test will continue in 2019 via self-funding. Virtual meetings of laboratories participating in the Ring Test will continue as long the program has funding.

Illicit Alcohol

It was noted that illicit alcohol production thrives in regulatory markets that are overly burdensome to traditional producers. Because illicit alcohol is not subject to production standards, labeling requirements, and goes completely unregulated, it poses a higher immediate risk to human health and safety than alcohol produced by professional, regulated producers. APEC economies should ensure that they employ regulatory frameworks that allow legitimate businesses to thrive and consider revisiting this topic in the future. Economies are encouraged to share examples of best practices on this topic.

Acceptance of Export Economy Test Results

APEC economies were asked to consider whether results from ISO 17025 accredited laboratories could be accepted in lieu of in-economy testing requirements, when possible.

Wine from Fruit other than Grapes

One economy noted an interest in addressing issues related to wine from fruits other than grapes. This topic will be considered for future WRF meetings and economies that produce such wine are encouraged to consider what issues would be presented.