

***The labelling of alcoholic beverages regarding the list of ingredients and nutrition declaration in wines - Abstract.***

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The objective of this thesis is to provide an overview of the main issues at stake on labelling by illustrating commonalities and divergent views of main actors. In doing so, the main challenge has surely been the intention to combine the expectations and requirements on the protection of consumer rights with the legitimate interests of industry.

On 13 March 2018, following up the request by the European Commission, alcohol beverage industry presented a self-regulatory proposal – made of a common commitment and sectoral disciplines - on how to label the list of ingredients and nutrition declaration in wines, beer, cider and spirits. The EU Commission is currently<sup>1</sup> considering whether such proposal is satisfactory or if a regulatory option is required.

In addition to the consultation of written sources of information (literature, legislation, policy texts, and selected Internet sources), interviews of some key stakeholders from industry, consumer organisations and public authorities' representatives mainly at EU level have been carried out, in order to provide up-dated, direct opinions of key players.

Currently, EU legislation exempt alcoholic beverages containing more than 1.2% abv from the obligation to list their ingredients and from full nutritional declaration (energy value is accepted). This special treatment is contested by consumer organisations and the EU Commission itself does not consider it as justified any longer, at least in the current terms.

Major non-EU wine producing countries also foresee similar exemptions for alcoholic beverages, while the main international reference for food standards, the Codex Alimentarius does not explicitly grant such special treatment.

Within industry, divergent views are apparent between the beer sector claiming the end of the current regime and favouring off-line (i.e. on the bottle) labelling, while the wine and spirit industry privilege, for a number of reasons, on-line labelling through a variety of IT tools.

According to the proposal of the wine sector, if energy value (or the full nutrition declaration) could be provided per 100 ml with the optional addition of "per portion" information<sup>2</sup>, for the ingredients a detailed classification carried out by OIV is helping to identify the substances to be labelled, once identified "processing aids" and natural substances (acids, sugars) are taken out.

Under the EU regulatory framework that provides wide insurance of protection of consumer health rights, the rationale of the wine proposal is the "speciality" of wine, which – unlike other products, e.g. beer – is based on variable recipes composed of many ingredients. Flexibility of labelling rules, therefore, is claimed for a market mainly composed of SME with limited means to face financial, administrative and organisational burden coming from a comprehensive labelling on the bottle.

Among concrete hurdles to off-line labels, wine operators consistently refer to costs for new labels to be yearly borne, translation costs for labels in the different languages of export markets, and operational difficulties due to before-the-bottling blending and addition of ingredients. To counter translation costs of labels, in this research it is suggested to explore ways of providing organisational and/or financial support to small producers for these needs.

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<sup>1</sup> This is the information available when drafting this thesis, i.e. until mid-June 2018.

<sup>2</sup> On the serving size, very different opinions by the beer and spirit sectors are analysed.

To face these technical and economic difficulties to label the “ingredients” per any individual batch of wine, the wine sector proposes that small wine producers could make use either of ingredients of the particular wine-making process for a given wine (if known), or alternatively, information from either the historical wine-making process or all the authorised wine-making processes. Such a system that may provide appropriate information to consumers, while remaining affordable for wine operators, is questioned by consumer organisations, which consider those “established data” for labelling as not accurate enough.

One of the pillars of the wine sector self-regulatory proposal is, therefore, the use of IT tools offering the double advantage of flexibility and comprehensiveness of information to consumers, including also oenological practices and health issues. The potential discriminatory implications of on-line labelling, raised by consumer organisations deserves attention, thus complementary/temporary measures (e.g. making information available at the wine shop) in areas without Internet coverage could be explored.

The exclusion of natural substances from the list of ingredients as a pending issue for some wine organisations has to be signalled, while concerning the choice of an appropriate serving size for the nutrition declaration, taking into the wide diverging views between sectors, the “drinking unit” may be a solution meeting different needs.

Healthy drinking is important, but appropriate educational and awareness raising initiatives owned also by public commitment cannot be replaced by labelling process alone. Research on consumer attitudes towards wine labels does not provide yet a consistent picture on actual interest by consumer in receiving and understanding more comprehensive information on ingredients. So far, different research methodologies have limited the comparability and usability of results. Increased efforts in quality and quantity of techniques, from traditional surveys to more sophisticated behavioural approaches would help better understand and forecast the impact of different forms of labelling on wine perception and consumption.

More in general, further development of also new co-operation methods through collaboration between industry, public authorities and consumer representatives would improve ownership and sustainability of any decision on labelling.

The forthcoming political and, consequently, legal scenarios vary from the (unlikely) acceptance of the self-regulatory proposal by the EU Commission to the decision to amend Regulation 1169/2011. The latter would surely require a long-term process implying an extensive decision-making legislative process (impact assessment, negotiation and then implementation of new rules).

One of the most alleged consequences of this long process may be that Member States individually legislate bringing the sector to market segmentation. This may have detrimental impact on the internal and international markets, as different labelling rules should be observed by wine operators with dissimilar treatment of consumers depending on the country of consumption.

The intermediate option of a partial acceptance of the industry self-regulatory proposal by the EU Commission with the request to complement it with further measures would have the advantage of not losing the important work invested in it so far. However, its likelihood of success in a reasonable lapse of time would depend on type of recommended changes and, importantly, on the capacity of the industry to cohesively articulate consistent proposals.