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Wine and the Law

In countries where it is legal to purchase and consume alcohol, legislation relating to wine is concerned with three important issues: ensuring it is safe for human consumption; checking the information on the label accurately describes what is in the bottle; and, as alcohol is both toxic and addictive, providing the necessary regulations to reduce the harm it can cause to individuals and societies.

FOOD SAFETY

With regard to food and beverage legislation, the primary concern of the authorities will always be to ensure that what is being sold is safe and fit for human consumption. This is a complex and technical area of the law and concerns the many processing agents and chemicals that are used by grape growers and winemakers. The vast majority of these products are not discussed in Chapters 4 to 9 and also, unlike food labelling, they hardly ever feature on wine labels.

However, one example that can illustrate the importance of this legislation is SO₂. SO₂ is almost universally used in winemaking, but if it is consumed in very high doses it can be toxic. Even though the levels of SO₂ found in wine are very small, this chemical's potentially harmful effects on human health means that its use in winemaking is very tightly regulated. In most countries the words 'contains sulfites' must appear on the label if the amount of SO₂ in a wine is above a certain level. In practice, a small amount of SO₂ is produced naturally during fermentation so these words are likely to be required even if no SO₂ is added in the winemaking process.

LABEL INTEGRITY

It is the responsibility of the person or company that puts a product on sale that the description of the product and any claims made on the packaging are accurate. This of course means that labelling information needs to be clear and able to be checked. Wine is no exception and there are many dos and don'ts when it comes to wine labelling. However, certain aspects are more important than others.

Geographical Indications

Geographical indications ('GIs') refer to a product's region or place of origin and are a common feature on wine labels. This is because the area where grapes are grown can have a defining influence on the style and quality of the wine. A GI is a designated vineyard area within a country. These areas can be very large and cover an entire region (e.g. Bordeaux) or they can be very small covering no more than a single vineyard (e.g. *La Romanée* in Burgundy).

Understandably, the use of GIs is tightly controlled to ensure a wine is genuinely the product of the grapes grown in the location stated on the label. For wines that sell at a premium price, fraud is a very real risk. The use of

GIs is relatively easy to control within the boundaries of a single country because only one legal jurisdiction is involved. However, it is less straightforward if a producer in one country decides to label their wine with a GI from another country.

Therefore, over time, the World Trade Organization (the global body that manages international trade agreements) has developed a system for GIs that is now used by all major wine-producing countries. This system relies on defined boundaries and regional names. This ensures that everyone uses the same approach and as a result it is much easier for individual countries or groups of countries to reach agreements that recognise and respect each other's GIs. For example, 'Chablis' was used as a labelling term by Australian producers. Of course, these wines could never have been labelled as such when sold in the EU but now, as a result of a trade agreement, this term can no longer be used in Australia either. In exchange for more equitable trading arrangements, the Australians agreed to recognise and prohibit the use of EU GIs on their labels.

The rules and regulations are complex but there are two important points of interest. First, if a GI is stated on the label then typically at least 85 per cent of the liquid in the bottle must come from the stated GI. This rule does not apply universally and it is best to see this as a standard from which there is some deviation: some local laws are less strict and others are more strict (for example, for PDO wines 100 per cent of the grapes must come from the region stated on the label). Similar rules can also apply to vintage dates and grape varieties. Second, there are significant variations between the way that GI legislation is written in the EU and non-EU countries.

European Union – European Union (EU) wines with a GI are divided into two quality categories: wines with a Protected Designation of Origin (PDO) and wines with a Protected Geographical Indication (PGI). Broadly speaking, PDOs are smaller areas with more tightly defined regulations, whereas PGIs are larger and have fewer regulations. Although PDO and PGI are permitted label terms, they rarely appear on the label. Instead, producers tend to use long-established traditional labelling terms. For example, *Appellation d'origine contrôlée* (AC) is used in France instead of the French term for PDO (which is *Appellation d'origine protégée*).

That said, the French term for PGI – *Indication géographique protégée* (IGP) – is increasingly used on labels instead of the traditional term *Vin de Pays*.

European GIs are unique because, typically, local laws will also specify what grape varieties can be grown, and what grape growing and winemaking techniques can be used. By identifying the grape varieties and processes that were used to produce a region's best wines, the system was designed to protect what was seen as the unique identity of local wines, promoting quality and preventing fraud. Therefore, in theory, each PDO produces wines with a unique flavour that cannot be copied by any other wine. This is reinforced by the fact that according to PDO regulations 100 per cent of the grapes must come from the stated region of origin for these wines. Note that many PDO wines do not state the grape variety on the label. This can mean that some of the finest expressions of Chardonnay, for example, come in bottles labelled as Chablis AC or Meursault AC.

Given that the PDO system is very restrictive, many producers prefer to make wines in the PGI category because it allows the use of non-traditional varieties in the blend (for example Sauvignon Blanc in the south of France) and the rules governing production are less strict. However, local laws are still likely to regulate vine yield and limit production volumes. The PGI category is very diverse and can include wines of exceptional quality made using grapes grown in vineyards that simply fall outside of the PDO boundaries, as well as high-volume inexpensive wines from international grape varieties such as Chardonnay and Merlot. Unlike PDO wines, the grape variety or varieties are usually stated on the label.

Wine without a GI is the category that offers European producers the most flexible production rules. For example, it allows brand owners to create multi-regional blends by sourcing grapes from vineyards throughout a country, or even multinational blends by sourcing grapes from different countries in the EU. There are no other limits on production beyond those that are necessary for product safety and accurate labelling.

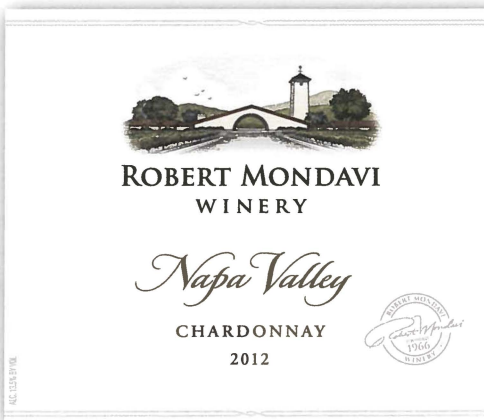
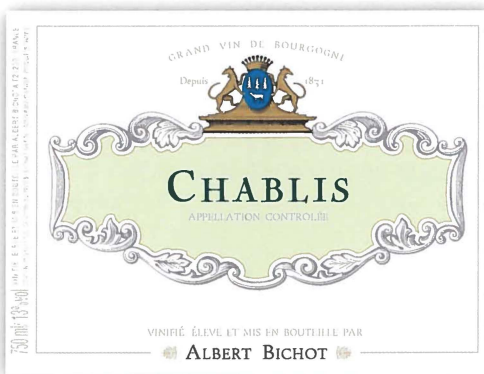
The individual regulations for each country and region can be found in their relevant chapter in Section 3 of this book.

Non-EU countries – Nearly all non-EU wines in the international market fall into the category of wines with a GI. Each country has developed its own way of dividing its vineyard areas into GIs. Sometimes political boundaries are used but more frequently vineyards are divided into other more specific areas, such as regions, zones, districts and so on. However, importantly, there are no local laws to define and limit what grape varieties can be planted. Unlike in the EU, the legal terms (such as AVA, Zone or Ward) are rarely seen on the label.

The individual regulations for each country can also be found in the relevant chapter in Section 3 of this book.

EXAMPLES OF EU AND NON-EU WINE LABELS

These two Chardonnay labels, one from Burgundy and the other from California, show the labelling conventions typical of EU and non-EU countries. The Chablis is not varietally labelled and the legal category (here abbreviated to *Appellation contrôlée*) is clear to see. On the other hand, Chardonnay is prominent on the California label and the legal category, AVA, is not shown.



Legally Defined Quality and Style Indications

There is another set of labelling terms, that has evolved in the EU and been defined by local laws, to indicate both quality and style. These terms are observed by all EU countries. The EU has been keen to limit the extent to which these labelling terms are copied in other countries. For example, Australia has a long tradition of making high-quality fortified wines in a Sherry style. These wine were labelled using Sherry terms such as *Fino* and *Amontillado* but this is no longer permitted.

SAFE CONSUMPTION

When consumed in moderation, alcohol is not regarded as harmful to health. However, alcohol can significantly

affect the behaviour of anyone who consumes too much (often in very socially unacceptable and dangerous ways). For some people it can be highly addictive and, when consumed to excess, it can have a very negative impact on both short- and long-term health. In some cultures alcohol is not considered socially acceptable and its consumption is banned as a result.

In countries where alcohol consumption is permitted, legislation is used to try and control access to alcohol and limit its potentially harmful effects. Legal controls focus on two areas in particular. First, a minimum legal age is set for both the purchase and consumption of alcohol. These restrictions seek to limit young people's access to alcohol as this age group is considered more vulnerable to its potentially harmful effects.

Second, there is a legal limit on the amount of alcohol someone can have in their blood when driving a vehicle. This is typically expressed in terms of milligrams of ethanol per millilitre of blood. Alcohol reduces co-ordination, slows reaction times and

increases risk-taking. Therefore driving or operating machinery under the influence of alcohol significantly increases the risk of injury and death for the operator/driver and those around them.

As well as setting and enforcing regulations, some governments also encourage safe consumption by publishing sensible drinking guidelines. Typically, alcoholic drinks are broken down into fixed quantities of alcohol or 'units', and governments recommend the maximum number of units men and women should consume in the course of a day and over the course of a week.

Many governments also often place limits on the advertising and marketing of alcohol. This can be through voluntary industry codes, through direct legislation, or a combination of both. These are normally designed to place limits on the lifestyle claims that can be made for a product in advertisements and/or encourage or require the use of responsible drinking messaging in advertising and on packaging.