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Japan Set to Modify its GE Food Labeling System

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Report Highlights:

On March 14, 2018, Japan's Consumer Affairs Agency held its tenth, and final, Expert Committee panel discussion for the review of Japan's genetically engineered (GE) food labeling requirements. The committee members agreed to maintain Japan's current identity preservation (IP) system, but will recommend new language be used to identify IP product in lieu of the previously acceptable "Non-GE" label. The committee also suggested the term "Non-GE" now only be allowed when GE is non-detectable (effectively establishing a zero tolerance for GE components). Japan remains a country which receives major benefits from agricultural biotechnology for its food security. It relies on imports for almost 100 percent of its corn supply and 95 percent of its soybean supply.

General Information:

After one year of discussion on the current genetically engineered (GE) food labeling system and related matters, the Consumer Affairs Agency (CAA) Expert Committee concluded its review of Japan's GE labeling requirements on March 14, 2018. For additional information on the review process, see JA7067, JA7093, JA7121, and JA8014.

At the conclusion of the Expert Committee review, the scope of Japan's mandatory labeling is anticipated to remain unchanged - currently, eight crops and 33 processed food items are subject to mandatory labeling when the ingredient is among the top three ingredients (by weight) in a product and accounts for more than five percent (by weight) of the total product. See <u>JA7121</u> for a complete list of food items for which mandatory GE labeling has been established.

Japan's five percent allowance for GE content in identity-preserved (IP) product is also expected to remain unchanged, but parties will no longer be allowed to label this product as "non-GE." The committee concluded that labeling IP product as "non-GE" would misrepresent the product because of the permissibility of some, albeit limited, GE content. A few examples of alternative voluntary labeling methods were presented in the meetings including "Identity preserved to avoid commingling of GE ingredient," "Segregated to avoid commingling of GE," etc. More specific voluntary wording for IP product will be discussed in the coming Food Labeling Committee (which is expected to begin in Japanese Fiscal Year 2018¹).

Additionally, the Expert Committee proposed a new labeling category in which GE events should not be detectable. Under this proposal, the voluntary use of "non-GE" labeling would still be permissible but only when commingled GE content is not detectable. For additional information, see <u>JA8014</u>.

During the closing remarks, there were mixed opinions from industry and academic experts. Some were concerned that trade could be disrupted given perceived trade complications stemming from the new requirements associated with "non-GE" labeling, or that there might be a sharp price hike in domestic commodities, particularly for soybeans, due to the anticipated demand for non-GE ingredients. Others believed the Japanese food industry is unlikely to take on the risk of pursuing "non-GE" labeling given the possibility of accidental GE detection. All consumer representatives expressed disappointment as they felt the ten Expert Committee meetings resulted in a favorable outcome for business operators, although they also understood the limitations associated with testing methods and feasibility for business.

The CAA did not expressly lay out the timeline for the next steps. However, FAS/Tokyo expects the CAA Secretariat will finalize the report from the Expert Committee by the end of March 2018. Afterwards, the CAA will initiate the Food Labeling Committee in JFY2018 and develop specific revisions to the labeling law, ministerial ordinances, guidance for industry, and/or Q&A (which will include examples of specific language permitted for voluntary IP and non-GE labeling). The discussion by the Food Labeling Committee is expected to conclude in JFY2018 (possibly as early as the fall). The CAA did not hint at the timeline for enforcement. However, FAS/Tokyo expects a transition period will be extended to industry to facilitate their compliance with the new requirements.

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¹ Japanese Fiscal Year 2018 runs from April 1, 2018 to March 31, 2019.

Reference:

Expert Committee for GE Labeling Review:

http://www.caa.go.jp/policies/policy/food_labeling/other/review_meeting_010/

(The site contains all materials used in the ten meetings, including the minutes, in Japanese)