

Mendocino County Conjunctive Labeling Forum

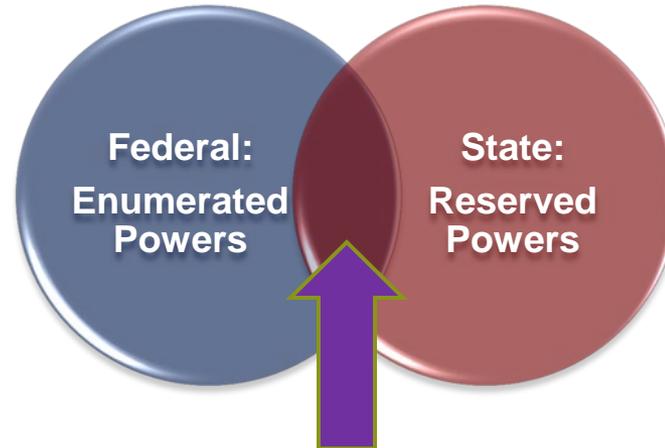
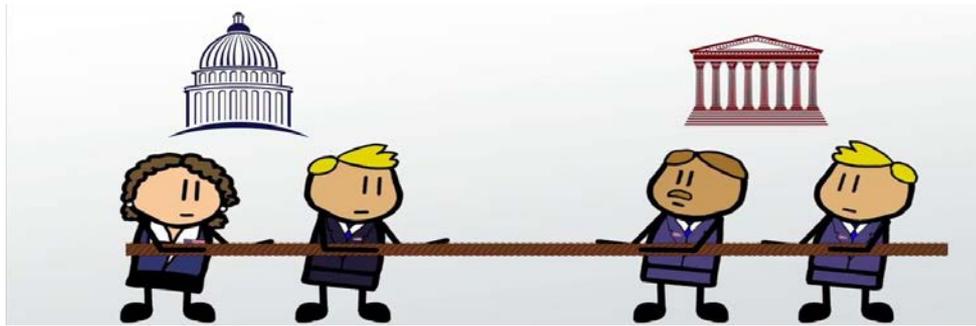
Federal & State Wine Labeling Regulations

November 29, 2018

Concurrent Federal & State Power

Federal Power

State Power



Concurrent Powers

Federal & State Goals of Wine Labeling Regulations

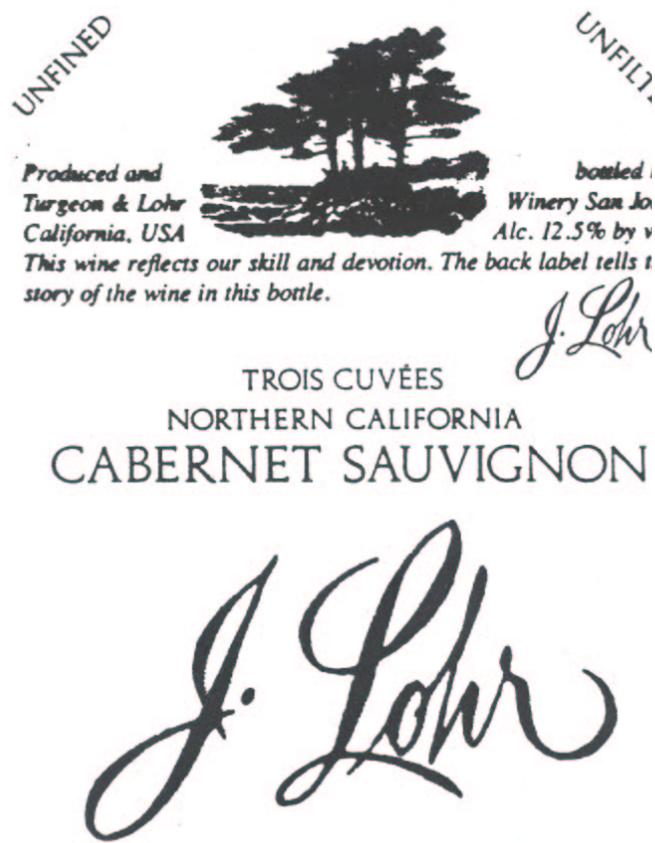
Federal Power

- Goals
 - Prevent consumer deception.
 - Prevent unfair competition.

State Power

- Goals
 - Same as federal goals.
 - **Protect and promote reputation of local regions / wine industry.**

Federal Regulations Prior to 1978 – No Appellation System



Federal Regulations

U.S. Appellation System

- **Allows wines to be labeled with names of political areas (i.e., county and state names)**
- **Also creates process to petition federal government to recognize specified areas as a type of appellation – the “American Viticultural Area”**
 - Evidence that area is known by name specified
 - Evidence that boundaries are as specified in petition
 - Description on USGS Map
 - Evidence that area's growing conditions (climate, soils, elevation, physical features, etc.) distinguish it from surrounding areas.

Federal Regulations

Appellations of Wine Origin

U.S. Appellations can be divided into two categories: Political and Petitioned

POLITICAL

- A country;
- A state;
- A listing of up to 3 contiguous states (multi-state appellation);
- A county; or
- A listing of up to 3 counties (multi-county appellation).
- *27 C.F.R. 4.25(a)(1)*

PETITIONED

- American Viticultural Areas (AVAs)
- *“A recognized delimited grape-growing area having distinguishing features ... and a name and a delineated boundary established by TTB...”*
- *27 C.F.R. 4.25(e)(1)*

Requirements for Appellation Labeling

POLITICAL

PETITIONED

(1) Grape Sourcing	<p>75% of grapes from identified area. <i>27 C.F.R. 4.25(b)(1)(i)</i></p>	<p>85% of grapes from identified area. <i>27 C.F.R. 4.25(e)(3)(ii)</i></p>
(2) Place of Production	<ul style="list-style-type: none"> • If county, fully finished in state in which county is located. • If state, fully finished in that state or adjacent state. • If U.S., fully finished anywhere in the U.S. <p><i>27 C.F.R. 4.25(b)(1)(ii)</i></p>	<ul style="list-style-type: none"> • If single state AVA, fully finished in state in which AVA is located. • If multi-state AVA, fully finished in any of those states. <p><i>27 C.F.R. 4.25(e)(3)(iv)</i></p>
(3) Conforms with state laws	<ul style="list-style-type: none"> • “conforms to the laws and regulations of the named appellation area governing the composition, method of manufacture, and designation of wines made in such place” <p><i>27 C.F.R. 4.25(b)(1)(iii)</i></p>	<ul style="list-style-type: none"> • 27 CFR 4.25 previously included language that required compliance with “the laws and regulations of all the States contained in the viticultural area.” • Removed in light of formation of Columbia Valley AVA, but removal was not meant to impact applicability of state law to wines labeled with single-state AVA name.

Federal Regulations Appellations of Wine Origin

Wine writers often confuse “Appellations” and “AVAs”

- ❑ **Not all Appellations are AVAs.**

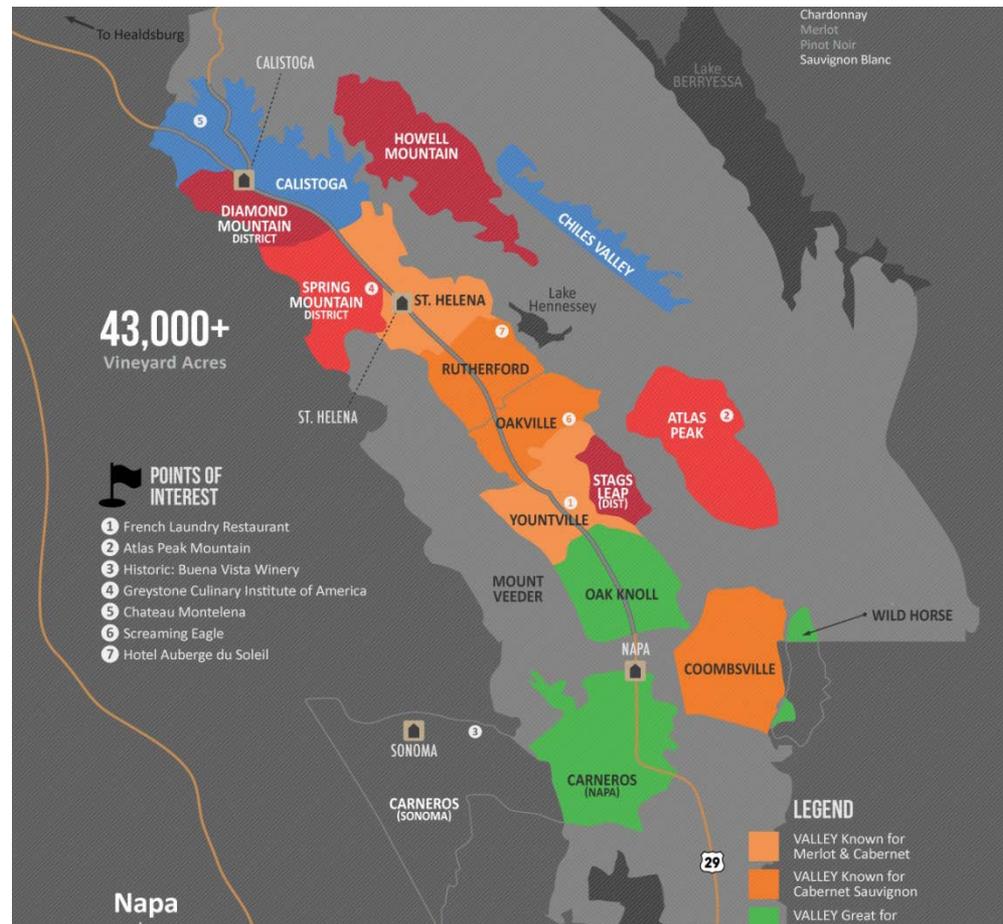
- ❑ California is an appellation, not an AVA.
- ❑ Napa County is an appellation, not an AVA.
- ❑ Mendocino County is an appellation, not an AVA.

- ❑ **All AVAs are Appellations...**

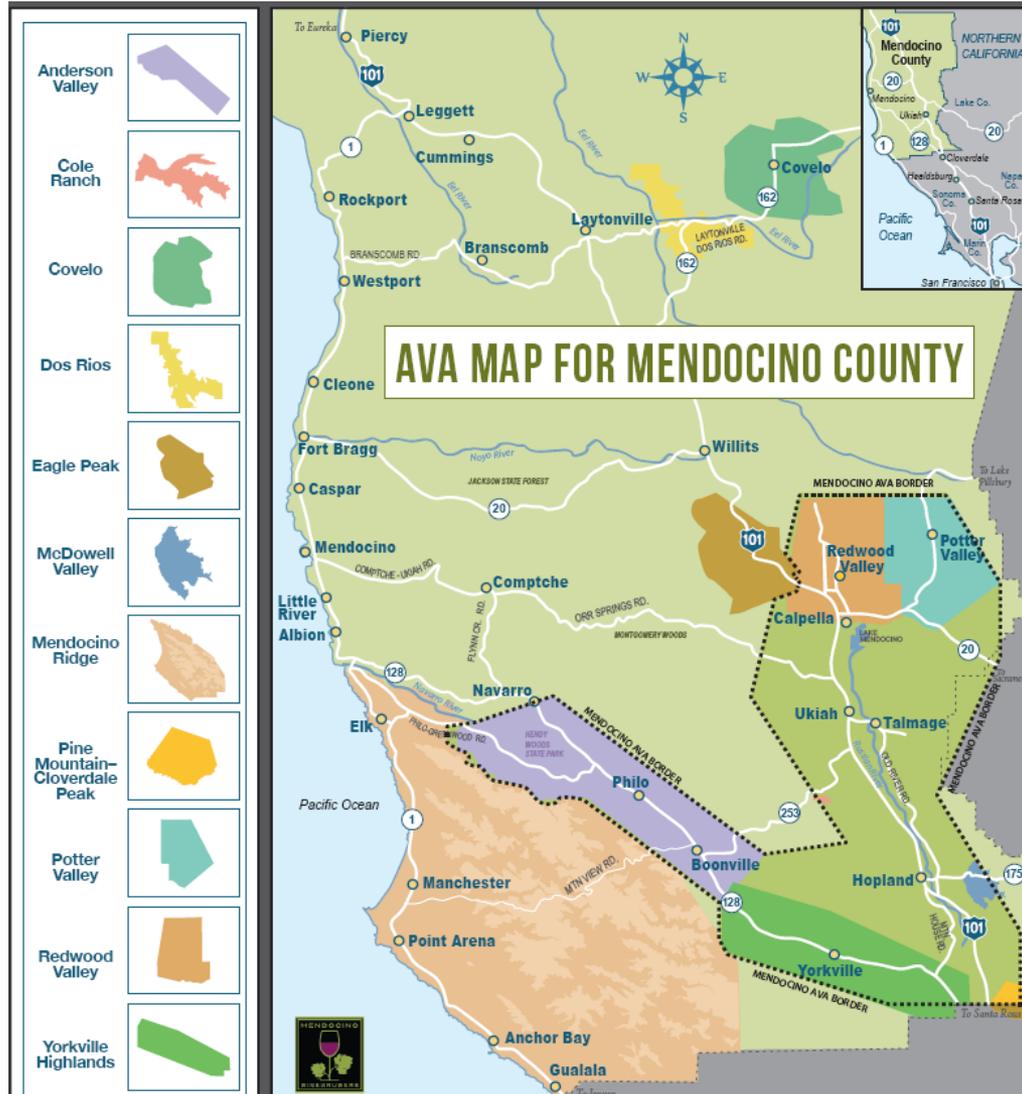
- ❑ ... but to use it on a label, must follow stricter rules on grape sourcing and place of production.
- ❑ Napa Valley is an AVA.
- ❑ Mendocino Ridge is an AVA.
- ❑ Mendocino is an AVA (but Mendocino County is not an AVA).



Evolution of American Wine Appellations: “Sub-Appellations” (Nested AVAs or Sub-AVAs)



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State Labeling Laws: California

- Conjunctive Labeling: AVAs in AVAs
 - Napa Valley AVA (ABC Act Sec. 25240) (passed in 1989 – amended 2007)
 - Paso Robles AVA (Sec. 25244)
 - Lodi AVA (Sec. 25245)

- Conjunctive Labeling: AVAs in County Appellation
 - Sonoma County (Sec. 25246)
 - Monterey County (Sec. 25247)



CA Conjunctive Labeling

	Napa Valley AVA	Paso Robles AVA	Lodi AVA	Sonoma County	Monterey County
Direct conjunction?	Yes	Yes	Yes	No	No
Rules on type size difference between larger and sub designations?	Yes, NV name cannot be “smaller than 1mm less than” sub-AVA name	Yes, PR name cannot be “smaller than 1mm less than” sub-AVA name	Yes, Lodi name cannot be “smaller than 1mm less than” sub-AVA name	No, but county name cannot be smaller than 2mm on containers of more than 187mL.	No, but county name cannot be smaller than 2mm on containers of more than 187mL.
Exclusion if duplicative?	Yes, if name includes “Napa Valley”	Yes, if name includes “Paso Robles”	Yes, if name includes “Lodi”	Yes, if name includes “Sonoma County”	Yes, if name is Monterey
Exclusion if partially outside region?	Yes, sub-AVA must be entirely within Napa County.	Yes, sub-AVA must be entirely within Paso Robles AVA.	Yes, sub-AVA must be entirely within Lodi AVA.	Yes, sub-AVA must be entirely within Sonoma County.	Yes, sub-AVA must be entirely within Monterey County.
Time between passage and effective date	3 mos.	2.5 mos.	6 mos.	3+ yrs.	3+ yrs.

CA Conjunctive Labeling: Lodi vs. Sonoma County

- (a) Any wine labeled with ~~a viticultural area appellation of origin~~ an American Viticultural Area established pursuant to Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations, that is located entirely within ~~the "Lodi" viticultural area~~ a county of the 10th class, shall bear the designation "LodiSonoma County" on the label in ~~direct conjunction therewith~~ in a type size not smaller than ~~1mm less than that of said viticultural area designation, provided neither designation is smaller than 2mm~~ two millimeters on containers of more than 187ml milliliters or smaller than ~~1mm~~ one millimeter on containers of 187ml milliliters or less.
- (b) The department may suspend or revoke the license of any person who violates this section.
- (c) This section shall not apply to any wine labeled with a viticultural area appellation of origin established pursuant to Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations when the name of the appellation includes the term "LodiSonoma County."
- (d) This section ~~applies only~~ shall apply to ~~wine that is~~ wines bottled on or after January 1, ~~2009~~ 2014.

Applies to all wine labeled with the nested AVA's name

No direct conjunction requirement

No relative type size requirement

Exclusion applies if named appellation includes "Sonoma County"

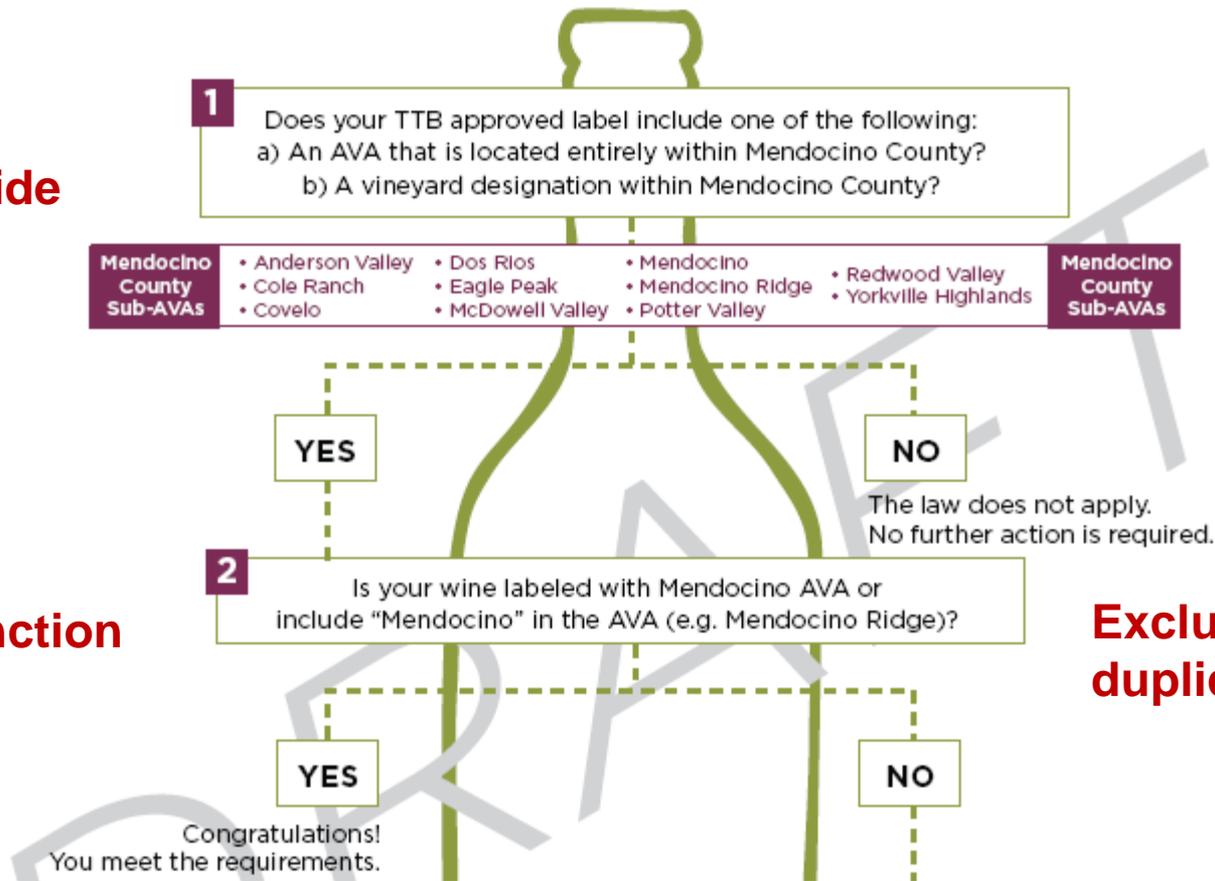
Longer phase-in

Mendocino Draft Infographic

Exclusion if partially outside region (ex. Pine Mountain / Cloverdale Peak)

Direct Conjunction not required

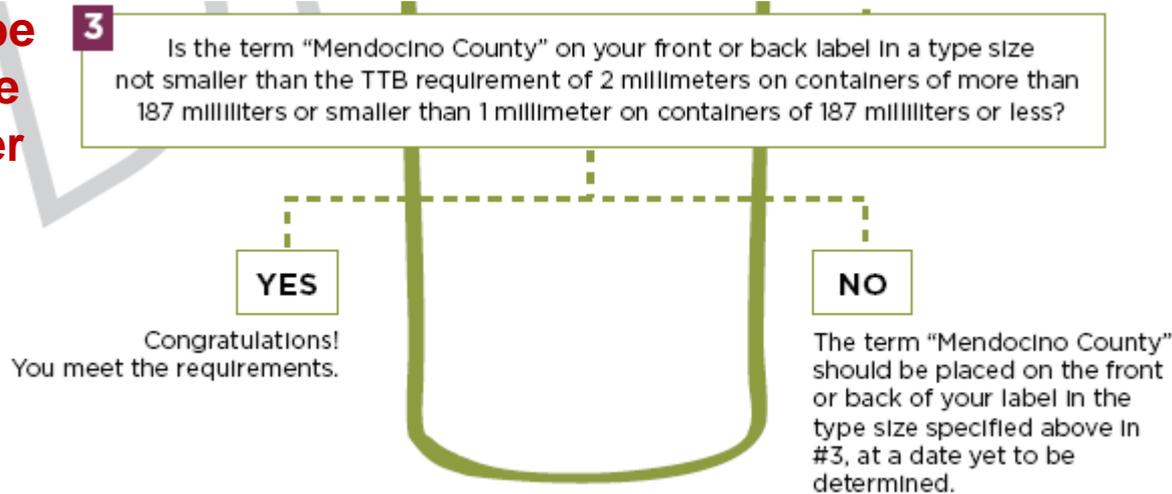
? – Applicable to vineyard designated wine



Exclusion for duplicative names

Mendocino Draft Infographic

No rule on type size difference between larger and sub-designations



Mendocino Specific Questions

1. Why require application to vineyard designations?
2. Do growers / vintners see any value in requiring direct conjunction, or prefer flexibility in where county name appears on the label?
3. Should it apply to all wines that use Mendocino County or one of its AVAs (say, for grape source information), or just to wines that use the name as an indication of wine origin?
4. What about AVAs entirely nested within the Mendocino AVA?
 - Could a Redwood Valley AVA wine simply add “Mendocino AVA”? Or does it need to state “Mendocino County”

TTB & Conjunctive Labeling

- TTB unlikely to enforce state labeling laws.
 - ▣ Winery that fails to follow a CA conjunctive labeling law will still get their COLA approval.
- COLA reviewers sometimes get confused when they see two different appellations on one label
 - ▣ Wine Institute has had informational sessions with TTB to make the cognizant of conjunctive labeling.
- AVAs within a larger AVA are directly addressed by 27 CFR 4.25, but AVAs within a county are not (covered only under provision allowing for non-misleading, truthful information).

ABC & Conjunctive Labeling

- ABC has limited enforcement resources.
- Enforcement may have to come from within the region / industry.
- Certain regional associations have taken it upon themselves to monitor and send letters to wineries that are out of compliance.

DP&F

ATTORNEYS AT LAW

JOHN TRINIDAD

Partner

Dickenson Peatman & Fogarty

1455 First Street, Suite 301 | Napa, CA 94559

T: 707.261.7042 | F: 707.255.6876

JTRINIDAD@DPF-LAW.COM | WWW.DPF-

LAW.COM

DP&F