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Report Highlights:

The Consumer Affairs Agency (CAA), established in September 2009, has officially assumed responsibility for labeling issues; responding to several cases of mislabeling.

General Information:

The Consumer Affairs Agency (CAA) was officially established in September 2009, marking the creation of the newest agency in the Japanese central government since establishment of the Environment Agency, now known as the Ministry of the Environment, in 1971. The CAA primarily handles labeling policy but also various consumer protection issues (please see [JA9059](#) for further details). In November 2009, the government of Japan (GOJ) released a report detailing the progress of seventeen projects tasked to the new agency. The report included a time table running from the establishment of the agency through fiscal year 2012.

In regards to food labeling policy, the CAA began with creating policy for “health food.” The CAA designated three health food categories: 1) food with a nutrient function claim; 2) food with a specified health-use; and 3) “other food,” which includes anything not falling into the previous categories. The CAA convened a first meeting to discuss the new designation for health foods in November 2009.

CAA Schedule for the Formulation of Labeling Policy

- September 1, 2009 - March 31, 2010
CAA discussed health food labeling and established an investigatory commission. The CAA will report to the Consumer Affairs Commission, a separate body of experts tasked with making recommendations to the ministries, and will continue discussion on other issues.
- April 1, 2010 - March 31, 2011
The CAA will review the legal framework for food labeling, and the system of reporting and disclosure (public announcement) for food safety incidents. The CAA will deliberate on and establish the necessary legal framework to deal with problems identified in the analysis of the present system.
- April 1, 2011-August 31, 2012
The CAA will implement necessary measures based on recommendations resulting from the study.

CAA Response to Mislabeling Incidents

On November 10, 2009, the CAA announced it had issued its first administrative measure in a case of fraudulent labeling involving country of origin for a chicken product. The product in question had been labeled as produced domestically when in fact it was from Brazil. The

mislabeled was detected through an internal investigation conducted by the company on June 11 and the product was recalled, distribution discontinued and the incident reported to the Ministry of Agriculture, Forestry and Fisheries on June 17. The company ran an advertisement apologizing for the incident and posted it on their website.

The CAA's response came four months after the incident. The response did not result in any penalization of the company since it had already corrected the problem voluntarily. However, the CAA's administrative measure did offer a public reprimand stating, "It is believed that domestically raised chickens are generally safer than those raised in another country. Therefore, Japanese consumers prefer domestic products." The implication of the statement was that the company had made the product more attractive to consumers by misrepresenting it as a domestic product. FAS Japan responded to the CAA statement with the assertion that product safety did not fall into the CAA's mandate and the statement only served to reinforce negative stereotypes when in fact the safety record of imported foods in Japan is comparable and in some cases better than domestically produced product.

Previously this kind of incident would have been handled by the Japan Fair Trade Commission but in this instance it was carried out by the CAA's Labeling Countermeasure Division, which issued the administrative measure under the authority of the Law for the Prevention of Unreasonable Premiums and Misrepresentation of Products and Services. The case falls under the law, article 4, section 1, number 1, covering "misrepresentation for gain." The article is applied when less expensive products are erroneously labeled as being higher value product.

Another incident involving labeling prompted the CAA to take action. In November 2009, five workers suffered esophagitis and gastric injuries from drinking glacial acetic acid imported from Korea. The product, which was labeled in Korean but not in Japanese, was marked as vinegar. However, the acidity of the product exceeded Japanese legal standards. The incident triggered the CAA to issue a flyer in January 2010 calling for companies to ensure that all imported food products contain proper labeling in Japanese. The flyer was written in Japanese, English, Korean and Chinese. Please see the following link to the flyer: <http://www.caa.go.jp/foods/pdf/syokuhin148.pdf>. The incident was a rare occurrence and did not indicate a major problem. In addition to the labeling mandate, the industry has an extra incentive to place a Japanese label on a product since most consumers will not buy foods without labeling. In this case, the product in question was sold online. Reportedly the five people suffering injuries were asked to drink the acid by the company president, who did not drink it himself. Although there were 200 bottles sold in Japan there were no additional injuries beyond these five people. The CAA consulted with FAS Tokyo prior to releasing the announcement with just one line in a flyer linked to the CAA website. There has not been any further impact on U.S. processed foods related to this incident.

Conclusion

The CAA has sought opportunities to respond to labeling issues as was demonstrated by these two actions. The CAA has struggled to carve out a niche different from the role formerly assigned by ministries such as the Ministry of Agriculture, Forestry and Fisheries or Ministry of Health, Labor, and Welfare. The CAA is a newly established agency with a staff of 200

persons taken from other ministries and agencies. With limited staffing and a significant amount of work ahead in picking up responsibility for the administration of labeling issues it will take some time before the ministry will be able to function at a full capacity. For example, in November 2009 the then Minister of Consumer Affairs, Ms. Fukushima, announced that the CAA would consider labeling regulations for trans-fatty acids. Ms. Fukushima who belongs to the Socialist Democratic Party of Japan recently resigned from the position and a successor has not yet been determined. With a lack of clear mandate and political uncertainties the final direction the agency will take at this point is not totally clear.

The most substantive task the agency has taken up will be establishment of a unified labeling law. However, recently there have also been reports of the CAA seeking more involvement in a number of technical food safety issues that are currently under the jurisdiction of the regulatory ministries. At this point, the CAA's engagement on these issues appears to be limited though there is concern that the CAA will attempt to move beyond its stated role of just administering labeling policy. We will continue to monitor the CAA's progress and further developments.