

24 April 2014

Ensuring Export Wine Samples are Representative of Exported Product

Process Changes to be implemented.

MPI has recently reviewed the sample submission process for export eligibility assessment and the length of eligibility period given for bulk product. As a result of the review the following process changes will be made from the 1 July 2014.

- Tank Samples representing product that is to be exported in its final retail packaging will no longer be accepted for export testing. You will need to submit finished bottled samples and allow sufficient time for sensory and chemistry testing to be completed. A process for fast tracking sensory testing in genuinely urgent cases will be implemented by WECS.
- Product to be exported in bulk will only be eligible for export for 3 months from the completion of sensory and, where appropriate, chemistry testing.
- Samples will not be considered suitable for export testing unless they are clearly marked with the lot/batch details, Company Name, vintage, variety and additionally the WT Number for samples sent for chemistry testing. You will need to ensure all samples are marked with these details or you will be requested to supply a sample that does.

More detail concerning these changes is given in the following sections.

Tank Samples

The Wine Regulations 2006 state that no person may export New Zealand grape wine with an obvious fault. Obvious fault in relation to wine is defined as oxidised, tainted by extraneous flavour or malodorous.

Part 3 of the Wine (New Zealand Grape Wine Export Eligibility Requirements) Notice 2006 expands on the manner in which wine can be determined to be free from obvious fault. A key requirement set by the Notice is that the sample of wine submitted for export eligibility approval must relate to a homogenous amount of wine that is either packaged for retail sale, ready to be packaged for retail sale without any



further winemaking adjustments, or that is ready to be exported without any further wine making adjustments.

Currently samples presented for export may be any of the following type:

- 1. Finished packaged samples
- 2. Samples of wine taken from the tank where the product will be exported in the final retail package (tank samples)
- 3. Samples of wine taken from the tank prior to filling into bulk containers for export and further process and packaging overseas (bulk samples).

Of these three sample types, finished packaged samples are the most likely to be representative of the product that is being exported, as there is no opportunity for further adjustment or processing of the product prior to export. With tank samples and bulk samples there is the opportunity for further adjustment of the wine prior to packaging and the possibility that unintentional changes such as dilution may occur during packaging.

Tank samples have historically been allowed as MPI recognises that exporters may occasionally need to reduce the time for assessment of a wine for export in order to meet shipping deadlines. Over time however this practice has become more commonplace.

As you will be aware, MPI runs a random sampling programme to monitor industry compliance with the requirement for export eligibility samples to be representative of the exported product. In order to establish if the practice of tank sampling represents a higher risk of non compliance, we recently carried out some targeted testing of tank samples. The results showed that tank samples had a non-compliance frequency that was more than three times that for finished packaged samples. Typically this was because further winemaking adjustments were made to the wine post sample submission. MPI considers this to be an unacceptable risk.

While it has not been possible for MPI to test bulk samples against finished exported product, MPI acknowledges the likelihood that that the percentage of non representative samples being presented for bulk product could be similar to that for tank samples.

Bulk sampling is carried out currently because the logistics and economics make it difficult to test the finished packaged product when this is in a 24,000 litres container.

Bulk samples, samples taken from the tank for product exported in bulk, will continue to be accepted after 1 July 2014, however further controls around this practice may be implemented in future.

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Bulk Wine - Eligibility Period

Under the Export Eligibility Requirements Notice the Director General or his nominee may determine the validity period for export eligibility, up to a maximum of 2 years. Currently this maximum period is granted for all wine that meets export eligibility requirements under the Wine Act. In addition, if chemistry testing is required for the importing country and a product is assessed as eligible for that country (e.g. EU or Brazil), the market specific eligibility is valid for 12 months.

The duration of these eligibility periods was established when the vast majority of grape wine exported from New Zealand was in its finished packaged state. As bulk wine has come to represent around a third of all exported wine, MPI has reviewed the appropriateness of these eligibility periods for bulk wine.

Discussions with wine companies suggest that when bulk wine is loaded into flexi tanks it is usually less than the total volume in the tank. The remainder of the product is either:

- 1. Left on ullage
- 2. Transferred to a smaller tank
- 3. Blended with another batch.

In all these situations adjustments are made prior to a second shipment (even in scenario 1 the sulphur would typically be adjusted) and therefore the initial sample taken for eligibility testing is no longer representative of the batch. The wine should be considered as new batch and a new application for export eligibility assessment made.

Given the above, and the fact that unfinished wine being held in the tank is known to change more rapidly than when it has been finished and packaged, MPI believes that a 3 month eligibility period for bulk wine is more realistic and appropriate.

MPI therefore notifies wine companies that from 1 July 2014 all bulk wines assessed for export will be given eligibility for only a 3 month period from the completion of sensory testing and, where required, chemical testing.

MPI does not believe that this will significantly change the way wine companies are operating. Rather, it is bringing the eligibility periods in line with current practice.

Labelling of Samples

Traceability of a sample back to the original batch of wine is essential to ensure that the results are associated with the correct batch and applied in the assessment of

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eligibility. Often discrepancies found in the random sampling programme are attributed to the incorrect sample being presented for testing. It has come to MPI's attention that many samples received by both WECS and chemistry laboratories are poorly labelled. The information supplied to Wine companies from WECS currently states the following

"Sample bottles going to the labs and to WECS must be clearly labelled showing company Name, vintage, variety, Lot/Batch codes and the WT number so that the labs and WECS can match the samples through the website. Unlabelled, unclear or insufficiently labelled bottles will not be processed."

Currently however many insufficiently labelled samples are being processed by laboratories. The effort required in order for laboratories to verify that a sample represents a particular batch is significant and the risk that such samples are not representative of the batch high. MPI has therefore decided that from 1 July WECS and the chemistry laboratories will be instructed not to process insufficiently labelled bottles. If WECS or laboratories receive insufficiently labelled bottles they will request the wine company to supply another sample appropriately labelled and will not process the first sample.

Questions or Concerns

If you have any questions or concerns about these changes please send these through to <u>Wine.Query@MPI.govt.nz</u>.

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