

Wine Not!

Regulations Surrounding the Production of US Wines

Angela Cooke

In the United States, wine consumption has grown continuously for the last twenty years. With more than seven thousand wineries across the country, wine has become an integral part of America's culture. As individuals have become more educated about wines the demand for higher quality wines has increased. These higher-quality wines are produced in specified areas throughout the United States and have numerous regulations affecting all aspects of production, ranging from conception and where the grapes come from, to marketing and what must appear on the label.

For wine production in the United States, there are numerous and precise regulations. These regulations affect all aspects of wine production from conception to bottling. Specific policies help regulate where wine is produced, standardize labeling, and help classify types of wine. The purpose of these laws is to regulate all aspects of wine production and to help combat wine fraud. It also protects the public health, regulating the amount and types of additives that can be used in winemaking.

Wine is regulated by regional, state, and local laws, which can differ widely depending upon whether wines are classified as “New World” or “Old World” Wines.¹ A New World Wine is one produced outside of a “traditional” wine region, and are often from locations such as Argentina, Australia, New Zealand, and the United States. “Old World” areas are countries with an established history of wine production and tradition, as in the cases of Italy or France. Due to this distinction, and the vast variety of wine laws, this paper focuses strictly on American wine production, with some minor discussion of Old World wine standards and regulations for the purpose of comparison.

American Wine

American wine has a history spanning three hundred years and it has become the fourth largest producer of wine following France, Italy, and Spain. All fifty states now have some acres in vineyard cultivation, each of which is known for producing

a unique variety of wine and for having its own local laws regarding wine production. The most popular and well-known regions of production in the country include the West Coast, with California producing around 90 percent of the country's total wine, totaling 680,272,512 gallons of wine in 2016.² Other well-known wine producing regions include the Great Lakes Region and the East Coast, most notably the Hudson Valley and eastern Long Island.

The Alcohol and Tobacco Tax and Trade Bureau (TTB), as part of the United States Department of Treasury, regulates and collects taxes on trades and imports of alcohol. The TTB was established under the Homeland Security Act of 2002 on January 24, 2003, dividing the Bureau of Alcohol, Tobacco, and Firearms (ATF) into two new organizations with separate functions. The *Federal Register* states that “the Act created a new tax and trade bureau within the Department of the Treasury, and shifted certain law enforcement functions of ATF to the Department of Justice. The Act called for the tax collection functions to remain with the Department of the Treasury; and the new organization was called the Alcohol and Tobacco Tax and Trade Bureau.”³

AVA—American Viticultural Area

Determining the production location for an individual bottle of wine can be summarized in three letters: AVA, or American Viticultural Area. The AVA indicates the wine grapes' growing region, each of which have distinguishable geographic features.⁴ The geographic location of a winery is significant, as the United States is vast with differing climates, soils, and crops, all of which influence the quality and taste of the wine. For this reason, when a US winery associates with a specific region, they are making claims that their wine holds qualities unique to that location. The first federally approved American Viticultural Area was the Augusta AVA in Missouri.⁵ Due to flooding, a distinct soil type existed in the area, producing wine known

for distinctive flavors. Creating a wine with an AVA provides consumers with a kind of quality assurance, and can improve sales. This wine is known, or at least thought to be, of a higher quality, often resulting in higher wine and grape prices. Napa Valley, perhaps one of the most famous and well known areas, wasn't established until 1981.⁶

AVAs only apply to the United States, but other countries have similar regulations designating their wine production by region. In Italy, for example, a quality assurance label for wines is known as Denominazione di origine controllata (DOC).⁷ There are different levels of labels such as DO, DOC, and DOCG, all of which require that wine be produced within a designated region using a predefined method. This is meant to ensure quality, and when you see one of the labels on a bottle, you can confidently say that you are holding a wine of a certain caliber.

So how are these areas designated? The TTB creates new AVAs at the request of the wineries and other petitioners. As of November 2016, there were 238 AVAs in the United States.⁸ Applicants must provide evidence that growing conditions and physical features are distinctive to this area. The proposed area should also be locally or nationally known, with historical or current evidence that the boundaries are legitimate, and a US Geological Survey map of the area depicting these boundaries must be provided.⁹ Once the area has been established, no less than 75 percent of the grapes used to create the wine must be from the AVA labeled region.¹⁰

The establishment of AVAs both helps and hurts the wine industry. As a benefit, it provides products from specific areas with a label showing their uniqueness, ultimately helping the sales of most wines in an established AVA. Unfortunately, some existing wineries within newly designated AVAs are at a disadvantage. Older wineries with established ways of production now have a new set of rules that dictate their product.¹¹ In 2011, there was a revision of the American Viticultural Area regulations to help combat some of the negative issues caused by newly established AVAs. Notably, the TTB added grandfathering standards that allow the continuance of a brand label that had been in commercial use prior to the AVA petition.¹²

Labeling Wine

Wine labels are an important source of information for consumers. The label is the only resource buyers have to evaluate the product before purchasing, so it comes as no surprise that great significance is assigned to this small piece of paper. The Federal Alcohol Administration Act sets regulations for the labeling of wine, requiring the TTB to review and approve all alcohol labels and advertising. This ensures that labeling and advertising of alcoholic beverages provides important product

information to the consumer, which helps prevent consumer deception. In 1988, Congress passed the Alcoholic Beverage Labeling Act to further help with the regulation of alcoholic marketing.¹³ The Act requires the inclusion of a government warning to ensure that

the American public be informed about the health hazards that may result from the consumption or abuse of alcoholic beverages, and has determined that it would be beneficial to provide a clear, non-confusing reminder of such hazards, and that there is a need for national uniformity in such reminders in order to avoid the promulgation of incorrect or misleading information and to minimize burdens on interstate commerce.¹⁴

The Health Warning Statement must appear on all beverages containing 0.5 percent alcohol or higher. The law indicates how the label should appear on a bottle, including the exact language, color of text, and size of letters. It reads "GOVERNMENT WARNING: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems."¹⁵

The general requirements for the label are also outlined in the *Code of Federal Regulations* (CFR). The label must be in English, except for that of the brand name, if applicable. The labels must be legible and in a font size of no smaller than two millimeters, and there is a required font size for all information other than the alcohol content. The CFR states, "the Alcoholic content statement shall not appear in script, type, or printing larger or more conspicuous than 3 millimeters nor smaller than 1 millimeter on labels of containers having a capacity of 5 liters or less and shall not be set off with a border or otherwise accentuated."¹⁶ There is other mandatory labeling information that must appear on wine bottles that differentiates one bottle from another. This information indicates who produced the wine and where, the brand name, address of producer, and the viticultural area. The brand name, which identifies the winery, cannot mislead the consumer about the age, origin, or identity of the product. The name and address of the bottler must also appear of the container, as the regulation states, "A label on each container of American wine shall state either 'bottled by' or 'packed by' followed by the name of the bottler or packer and the address."¹⁷ To further indicate how the wine was produced, the words "produced by" can only be used when no less than 75 percent of the wine was fermented at the address listed. The

same is true of the phrase “Vinted by,” which means that the wine was cellar treated on site.¹⁸

Additional information on a wine label informs buyers of alcohol content and varietal designations, or grape type. Alcohol content can be found on most labels and must be present on those containing 14 percent or more. There is explicit language and abbreviations that indicates alcohol content, and it must indicate percentage of alcohol by volume. The required phrasing is, “Alcohol ___ % by volume,’ or similar appropriate phrase; *Provided*, that if the word ‘alcohol’ and/or ‘volume’ are abbreviated, they shall be shown as ‘alc.’ (alc) and/or ‘vol.’ (vol), respectively.”¹⁹ Varietal designations are often included on labels to indicate the grape type used, such as Merlot or Chardonnay, and Title 27 of the CFR states, “The names of one or more grape varieties may be used as the type designation of a grape wine only if the wine is also labeled with an appellation of origin.”²⁰ The grape variety must be previously approved by the TTB and needs to comprise 75 percent or more of the bottle contents. As with other aspects of regulation, this type of specific distinction adds to the quality assurance process.

Conclusion

There is so much more to say about the many regulations and restrictions in the winemaking process, and this paper only provides a small introduction, focusing mainly on the contents of the wine bottle, where it came from, and what needs to be displayed on the bottle. There are even more regulations, which are not addressed here, including those that regulate which grapes can be used, the names of these grapes varieties, how much sugar can be added to the product, and when additives and sugars can be introduced during the winemaking process. There are also laws regarding taxes, sale, and importation/exportation of wine.

Wine is a complex product that many people love. It can be produced in countless ways in every country, each with its own unique flavor and experience. With each area of the world having different soil concentrations, and thus producing a different variety of grapes and wines, the intrigue of the drink is undeniable. There is something about wine that people love, causing them to obsess over collecting and tasting wines from different regions. Rules and regulations help maintain the character of each region, and assist in marketing each wine’s uniqueness to the public in a safe way. Without regulations, the wine industry would not be the quality driven, high class market we think of today.

Angela Cooke (acooke209@gmail.com), MSLS
Candidate, Pratt Institute School of Information

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