

Regulatory Impact Statement

Amendment of the 85% rule in section 21(a) of the Geographical Indications (Wine and Spirits) Registration Act 2006 (the GI Act).

Agency Disclosure Statement

1. This Regulatory Impact Statement (RIS) has been prepared jointly by the Ministry of Business, Innovation and Employment (MBIE) and the Ministry for Primary Industries (MPI).
2. This RIS provides an analysis of a proposal to amend section 21 of the GI Act so that New Zealand registered geographical indications for New Zealand wine may only be used to identify wine if the wine is made solely from grapes harvested in New Zealand.
3. The analysis is constrained by lack of reliable data on cross-country blended wine sold using New Zealand geographical indications in the New Zealand market. Eight of the submitters to MPI's widely circulated July 2015 discussion document indicated they were selling cross-country blended wine in the New Zealand market but none were using New Zealand geographical indications for their cross-country blended wine.
4. Because the GI Act is not yet in force, any problem that may be caused by the current wording of s21 is a potential rather than an actual problem. The impact of the proposed amendment will only become apparent once the GI Act is in force and local wine producers have begun registering New Zealand geographical indications.
5. It has not been possible to carry out a quantitative cost-benefit analysis on the proposal. The time required to carry out a formal cost-benefit analysis would likely mean that the proposed amendment could not be incorporated into the GI Act when it enters into force in 2016. This could potentially defeat one of the objectives of bringing the GI Act into force at this time, as discussed later in this RIS. In addition, as the GI Act is not yet in force, there is no data available that would assist in a quantitative assessment of the economic effects of any changes to the GI Act.

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Executive summary

6. It is proposed that section 21(a) of the GI Act be amended so that New Zealand registered geographical indications may only be used to identify wine if the wine is made solely from grapes harvested in New Zealand ('100% rule'). The GI Act is not yet in force, and so there is no regime established to register geographical indications in New Zealand. A New Zealand registered geographical indication for New Zealand wine is one which identifies a wine as originating from within New Zealand. In December 2014, cabinet agreed to bring the GI Act into force.
7. As the GI Act stands, it will, when in force, require that if a New Zealand registered geographical indication, e.g. Marlborough, is used to describe a wine, at least 85% of the wine must be obtained from grapes harvested in Marlborough ('the 85% rule'). The GI Act is silent on where the grapes that make up the remaining 15% of the wine must originate from. This means up to 15% of the wine could be made from grapes harvested in another country ('cross-country blending') or another New Zealand region.
8. The New Zealand wine industry considers that New Zealand wine's integrity and reputation have enabled the industry to position a large portion of its wine as high quality wine. Published data shows New Zealand wine attracting a significant price premium over wine from other countries in its key markets, like the United Kingdom¹. This has contributed to the industry's success and its rapid growth over the last decade².
9. A key risk of blending New Zealand wine with a non-New Zealand wine is that the characteristics of the wine may be altered such that the reputation of the New Zealand registered geographical indication could be adversely affected. Consumers might buy a wine labelled with a New Zealand registered geographical indication because of the particular characteristics associated with that geographical indication, but if the wine is a cross-country blend, it may lack those characteristics (and have different characteristics).
10. Another risk of allowing cross-country blending is that the wine for blending could be sourced from grapes of a country that may not have the same regulatory oversight and risk management controls for grape growing and wine making as in New Zealand. This is a potential risk to the integrity of New Zealand wine and its positioning at the premium end of the market.

¹ In the year to 30 June 2014, around 83% of wine exports by volume were to Australia, the United States and the United Kingdom.

² The New Zealand grape wine industry was worth NZ\$1.33 billion in export revenue in the year ended 30 June 2014, rising from NZ\$435 million in 2005, and making it New Zealand's sixth largest export commodity by value in 2014. Annual export volumes rose from 51 million litres in 2005 to 187 million litres in 2014.

11. There is also a risk that if New Zealand allows cross-country blended wine to carry New Zealand registered geographical indications, this could make it difficult to register New Zealand geographical indications in some foreign markets, particularly the European Union (EU). One of the main reasons for bringing the GI Act into force at this time is to facilitate the registration of New Zealand geographical indications overseas. The EU takes approximately 30% of New Zealand wine exports and it does not permit cross-country blending under its own geographical indications regime.
12. MPI released a discussion paper on 13 July 2015, seeking industry submissions on the proposed amendment to the 85% Rule. Of the 133 submissions received 130 submitters supported the proposed amendment. The remaining three submitters opposed all blending, including with grapes from another New Zealand region.

Background

What is a 'geographical indication'?

13. A geographical indication is a name, usually a regional name, that is used to identify the origin of goods where some quality, reputation or other characteristic of the goods are related in some essential way to their geographical origin. Geographical indications have been used particularly in the EU for agricultural goods and foodstuffs that have qualities that are claimed to be influenced by unique local characteristics. Examples of geographical indications include Champagne and Scotch whisky. In the case of New Zealand wine, there could potentially be a number of geographical indications registered, such as 'Marlborough', 'Nelson', 'Hawke's Bay' or 'Central Otago'.
14. The use of geographical indications by New Zealand producers is largely confined to the wine industry. Foreign wine producers selling into the New Zealand market also use geographical indications.
15. The World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights ('the TRIPS Agreement') requires New Zealand to provide protection for geographical indications for wines and spirits. Currently geographical indications in New Zealand are protected by a range of measures, including the tort of passing off, the Fair Trading Act 1986, the Trade Marks Act 2002, the Australia New Zealand Food Standards Code and the Wine (Specifications) Notice 2006. The GI Act is currently not in force.
16. The GI Act was enacted at a time when it was expected that negotiations would soon begin on a Wine Agreement with the EU. Negotiations were never started, and at the time, the New Zealand wine industry did not support implementation of the GI Act. As a result, the GI Act was never brought into force.
17. More recently, the New Zealand wine industry has argued that the GI Act should be brought into force so that New Zealand geographical indications can be registered here. The industry is concerned about the possible misuse of New Zealand geographical indications in overseas markets, and wishes to protect their geographical indications in those markets. Some other

countries will not register foreign geographical indications unless they are registered in their country of origin.

18. In addition, implementation of the GI Act [Act](#) would support New Zealand's interests in launching Free Trade Agreement negotiations between New Zealand and the EU.
19. It will not be compulsory to register geographical indications under the GI Act. Winemakers and traders will be able to register their geographical indications with the Registrar of Geographical Indications if they choose to or they can continue to seek the protection of other legislation mentioned above.
20. The 85% rule in the GI Act has some relevance to the following regulatory provisions for wine labelling and exporting:
 21. The Wine Regulations 2006 requires that grape wine sold in the New Zealand market must be labelled to indicate the country or countries of origin. If a wine is a cross-country blend, the country of origin of all the wines used in the blend must be stated on the label.
 22. The Wine (Specifications) Notice 2006 currently requires that, if a wine is labelled with an area of origin, no less than 85% of the wine must come from the area of origin. Any change to the current 85% rule in the GI Act would require corresponding amendment to this notice.
 23. Export approvals under the Wine (New Zealand Grape Wine Export Eligibility Requirements) Notice 2006 applies only to wine made solely from New Zealand grapes. This notice does not cover cross-country blended wine.
 24. Foreign geographical indications for wine sold in New Zealand will also be able to be registered under the GI Act and they will not have to comply with the 85% rule in section 21 of the GI Act.

Why change now?

25. Any change to the 85% rule requires amendment to the GI Act. An amendment bill, the Geographical Indications (Wines and Spirits) Amendment Bill is currently being prepared and is expected to be introduced later in 2015. This Bill will correct inconsistencies and ensure that the registration process runs smoothly and sustainably.
26. Making the change now will enable the change to be incorporated into the GI Act when it comes into force. One of the purposes of bringing the GI Act into force is to facilitate registration of New Zealand geographical indications in other countries, in particular the EU. As discussed later in this RIS, retaining the current 85% rule may prevent New Zealand geographical indications being registered in the EU.

Status Quo and Problem Definition

27. Section 21 of the GI Act provides that a New Zealand registered geographical indication can be used in trade to identify a wine only if at least 85% of the wine is made from grapes harvested in the region to which the geographical indication relates. The GI Act is silent on where the other 15% of the wine must originate from. This means up to 15% of the wine could be made from grapes harvested in another country or another New Zealand region.
28. New Zealand Winegrowers and majority of submitters to MPI's July 2015 discussion paper claim that the New Zealand grape wine industry operates at the high value end of the global wine market, and New Zealand wine's integrity and reputation is crucial to its success in these markets. This is supported by data published in May 2015 in Wine by Numbers Global Trade 2014, showing that the average imported (or landed) price over the year ended 31 December 2014 for New Zealand bottled grape wine was the highest of any imports in the United Kingdom (New Zealand wine at NZ\$9.15 per litre compared to second placed French wine at NZ\$7.36 and Australian wine at NZ\$5.28). It was second only to France in the United States market. In China, New Zealand bottled wine was worth more than double the price of wine from the next highest country.
29. In the year to 30 June 2014, New Zealand exported 51.8 million litres of grape wine to the United Kingdom market (about 28% of New Zealand wine exports). Based on a price differential of NZ\$3.87 per litre over Australian wine, this equates to approximately NZ\$175 million in imported (or landed) price premium over Australian wine.
30. New Zealand's two other major export markets are Australia (exports worth NZ\$381 million in the year to 30 June 2014) and the United States (NZ\$328 million). The EU (taking 30% of New Zealand wine exports), Australia and the United States are all high value markets for New Zealand wine where integrity and reputation are key to its success.
31. Since 2008 grape wine export volumes have increased by 110 percent from 89 million litres to 187 million litres a year. Grape wine export revenue increased by 63 percent from \$800 million to \$1.33 billion in 2014. New Zealand Winegrowers predicts that exports will be worth \$2 billion by 2020. With forecast growth in wine production over the coming years and the plateaued demand in the New Zealand domestic market, expanding existing export markets and finding new markets will be critical for the continued success and growth of this industry.
32. New Zealand Winegrowers, individual winemakers and the New Zealand Government (through New Zealand Trade and Enterprise) have made significant investments to maintain this reputation through marketing activities that protect and promote the New Zealand wine brand.
33. The importance of reputation is reflected in two of the objects of the Wine Act 2003:
 - Section 3(a): 'provide for the setting of standards for identity, truthfulness in labelling, and safety of wine'; and

- Section 3(d): “enable the setting of export eligibility requirements to safeguard the reputation of New Zealand wine in overseas markets”.
34. A key risk of cross-country blending of wine is the ‘dilution’ of the reputation of New Zealand geographical indications. A cross-country blend may have characteristics that are different from those that consumers might associate with New Zealand geographical indications. As a result the link in consumers’ minds between a New Zealand geographical indication and the characteristics associated with that indication may be lost.
 35. Consumers might buy a wine labelled with a New Zealand registered geographical indication because of the particular characteristics they associate with that geographical indication. If the wine is a cross-country blend, it may lack those characteristics (and have different characteristics). This may cause consumers to avoid buying wine carrying that geographical indication, effectively destroying the value of the indication.
 36. Another risk is that the wine for blending could be sourced from grapes of a country that may not have the same regulatory oversight and risk management controls for grape growing and wine making as in New Zealand (for example, made under a registered wine standards management plan that is verified annually).
 37. There is also a risk that consumers might be misled or confused by a cross country blended wine carrying a New Zealand registered geographical indication. Such a wine will be labelled with both the geographical indication and a country of origin statement indicating that the wine originated in New Zealand and at least one other country. This may lead consumers to question the extent to which the wine actually originated from the region that the geographical indication relates to.
 38. It may also defeat one of the objects of the geographical indication registration system which is to assure consumers that wine carrying a New Zealand registered geographical indication actually does originate from the region indicated on the label. Consumers may well assume that if wine is labelled with a geographical indication, all of the wine is made from grapes harvested in the region to which the geographical indication relates.
 39. Cross-country blending therefore poses a reputational risk for New Zealand wine. This may jeopardise New Zealand’s wine’s positioning as a ‘premium’ product in overseas markets, receiving higher prices than wine from other countries.
 40. At present very few New Zealand winemakers are selling cross-country blended wine in the New Zealand market. However, none are using New Zealand geographical indications to describe this wine. As a result, cross-country blending currently does not affect the reputation of New Zealand wines, either in the local or export markets. However, there is the potential for reputational risks to occur in the future, particularly after the GI Act comes into force.

41. If the current 85% rule is retained for wine carrying New Zealand registered geographical indications, there is a risk that it may not be possible to register New Zealand geographical indications in the EU. The EU imposes a 100% rule for wines that are sold in the EU and that carry an EU registered geographical indication. The inability to register New Zealand geographical indications in the EU would pose a significant risk to the New Zealand industry's ability to retain New Zealand wine's premium position in the EU market.

Objectives and criteria for analysing the options

42. Objective: The proposed amendment aims to provide an appropriate level of protection for the integrity and reputation of New Zealand wine in the domestic and global markets.
43. MBIE and MPI identified the following as criteria against which to assess the options:
- Risks to New Zealand wine's reputation and protecting the position of New Zealand wine at the premium end of domestic and global markets. This is discussed in paragraphs 28 to 32 above.
 - Protecting New Zealand wine's reputation by facilitating registration of New Zealand geographical indications in key off-shore markets.
 - Clarity for wine consumers, so that they can be confident that a wine bearing a new Zealand registered geographical indication will have the characteristics they associate with that geographical indication.
 - Impact on incentives for innovation (e.g. developing innovative products) – what effect will the option have on winemaker's incentives to develop new products. With expansion into new markets, both in terms of countries and new generation of wine consumers, demand for more innovative wine products is likely to grow.
 - The impact on local wine producers, including the impact on their production costs and revenue.
44. None of the options (including the status quo), will affect the registration process for geographical indications, so there are no additional costs to government, or additional fees imposed on users of registered geographical indications.

Options

45. This RIS analyses the following four options, including status quo. The industry was consulted on status quo and option 1, and was asked for views on a potential third option of no blending with grapes from another New Zealand region (as in option 3 below).
- Status Quo: Keep the 85% rule and remain silent on where the grapes for the other 15% of wine are sourced from. A winemaker could source up to 15% of wine from grapes harvested in another country.

- Option 1 (100% New Zealand rule with up to 15% from another New Zealand region): Amend the GI Act to require that where blending occurs the remaining 15% of the wine can come only from grapes harvested in another New Zealand region.
- Option 2 (100% New Zealand rule with up to 15% only from neighbouring New Zealand region): Amend the GI Act to require that where blending occurs the remaining 15% of the wine can come only from grapes harvested in a neighbouring New Zealand region. For example, a wine with 'Marlborough' as its geographical indication could include up to 15% of its wine content from grapes harvested in Nelson.
- Option 3 (100% New Zealand rule with 100% from the specified region): Amend the GI Act to require that all grapes that make up the wine must come from the registered New Zealand geographical indication specified.

46. No non-regulatory options were considered as the potential problems that might be caused by the 85% rule can only be dealt with through amendment of the GI Act.

Analysis of options

Option 1: 100% rule with up to 15% of the wine sourced from another New Zealand region

47. Under this option, if a wine is labelled with a New Zealand registered geographical indication, 100% of the wine would have to be made from grapes harvested in New Zealand. At least 85% of the wine would have to be made from grapes harvested from the region to which the geographical indication relates. The other 15% could come from anywhere in New Zealand but not another country.
48. This option will avoid the reputational risk associated with the current 85% rule, and will also avoid any risk that other countries, especially the EU, will refuse to register New Zealand geographical indications.
49. Compared with the current 85% rule, wine labelled in accordance with the 100% rule will be more in line with consumer expectations regarding wine labelled with a New Zealand registered geographical indication.
50. There will be some impact on the incentive for winemakers to innovate. Cross-country blends permitted under the current 85% rule would not be possible if a New Zealand registered geographical indication was to be used on the label. The inability to use New Zealand registered geographical indications on such blends may discourage the development of innovative cross-country blends.
51. Any winemaker currently producing cross-country blended wine in New Zealand would be able to continue such blending but would not be able to register and use a New Zealand geographical indication to market their wine in New Zealand.

52. If grape harvests are lower than expected in a particular region, wine makers in that region often make up the shortfall by blending their wine with up to 15% of wine made from grapes grown in another region if that is necessary to meet, for example, advance orders. This practice is currently permitted under the GI Act and the Wine (Specifications) Notice. Option 1 would allow this practice to continue.

Option 2: 100% rule with up to 15% of the wine sourced only from a neighbouring New Zealand region

53. Under this option, if a wine is labelled with a New Zealand registered geographical indication, 100% of the wine would have to be made from grapes harvested in New Zealand. At least 85% of the wine would have to be made from grapes harvested from the region to which the geographical indication relates. The other 15% could be made from grapes harvested in a region adjacent to the region to which the geographical indication relates.
54. This option will avoid the reputational risk associated with the current 85% rule, and will also avoid any risk that other countries, especially the EU, will refuse to register New Zealand geographical indications.
55. Wine labelled in accordance with this rule will be closer to consumer expectations regarding wine labelled with a New Zealand registered geographical indication than wine labelled according to the current 85% rule or the rule described in Option 1.
56. There may be some restriction on the incentive of winemakers to innovate by blending different New Zealand wines. Some blends of New Zealand wines that would be permitted under the current rule would not be permitted under this option. For example, a wine producer wishing to blend (say) Marlborough wine with wine from Hawkes Bay would not be able to do so and still use 'Marlborough' on the label if 'Marlborough' was a registered geographical indication. This may discourage some innovation.
57. Adopting Option 2 would likely cause problems for some local wine producers. For example, under the status quo and option 1 a winemaker making wine from grapes grown in Marlborough may blend the wine with up to 15% of wine made from grapes grown in (say) Hawkes Bay. Option 2 would restrict the ability of winemakers to do this because the additional grapes could only be sourced from a neighbouring region. This could result in lost revenue for wine growers by making it more difficult for them to fulfill advance orders in the event of reduced grape production in their home region. Adverse climatic events impacting on grape production can affect two or three adjacent regions within New Zealand.




Option 3: 100% rule with 100% of the wine sourced from the specified region

58. Under this option, if a wine is labelled with a New Zealand registered geographical indication, all (100%) of the wine would have to be made from grapes harvested in the region to which the geographical indication relates.

59. This option will avoid the reputational risk associated with the current 85% rule, and will also avoid any risk that other countries, especially the EU, will refuse to register New Zealand geographical indications. It does, however, go further than is necessary to avoid the risk.
60. Wine labelled in accordance with this rule will likely conform completely with consumer expectations regarding wine labelled with a New Zealand registered geographical indication. Consumers may tend to assume that if a wine labelled with a geographical indication it is made from grapes sourced wholly from the relevant region. To this extent, this rule provides greater clarity to consumers than the current rule, or the rules of Options 1 or 2.
61. This option could significantly limit the ability of winemakers to innovate by blending different wines from different New Zealand regions. Blends of wine made from grapes sourced from different regions could not be labelled with a geographical indication if that indication was registered. The inability to use registered geographical indications on such blends could significantly reduce the incentive for wine producers to produce innovative blends.
62. There may be a significant impact on the wine industry. Unlike status quo, and options 1 and 2, under option 3 a winemaker would not be permitted to blend with grapes from another region at all for wines labelled with a registered geographical indication. In the event of reduced grape harvests in their home region, wine producers may find that they cannot fill advance orders, leading to significant loss of revenue.

Summary of Analysis

63. The symbols used in the table summarising the analyses of the proposals have the meaning set out below:

-  = positive
-  = negative
-  = neutral

Note that the symbols represent relative impacts rather than an absolute measure. For example, an option with two ticks is better than one with one tick, but not necessarily twice as good. The best option cannot be assessed by simply counting the ticks and crosses.

Table 1: Summary of options for the 85% rule for geographical indications

Assessment Criteria	Status quo: Current 85% rule	Option 1: 100% New Zealand rule with up to 15% from another New Zealand region	Option 2: 100% New Zealand rule with up to 15% only from neighbouring New Zealand region	Option 3: 100% New Zealand with 100% from the specified region
Reputational risk	✗	✓	✓✓	✓✓✓
Facilitating off-shore registration	✗	✓	✓	✓
Clarity for consumers	✗	✓	✓✓	✓✓✓
Impact on incentives for innovation	-	✗	✗✗	✗✗✗
Impacts on industry	-	-	✗	✗✗

Conclusions and recommendations

64. On the basis of the analysis of options, MBIE and MPI’s preferred option is Option 1. That is, wine carrying a New Zealand registered geographical indication must contain wine made entirely (100%) from grapes harvested in New Zealand. Up to 15% of the wine can be made from grapes grown in a New Zealand region other than that indicated by the geographical indication.
65. Looking at the first four criteria, Option 3 would seem to be the best option, although the differences between the options are likely to be small. Option 3 however, would have a significant impact on the industry (the fifth criterion), given current industry practices regarding blending of wine from different New Zealand regions. These practices are currently permitted under both the GI Act and the Wine (Specifications) Notice.
66. It is clear from public submissions that the practice of blending wine made from grapes harvested in one New Zealand region with up to 15% of wine made from grapes from another New Zealand region is well established in the local wine industry. The practice allows winemakers to fill advance orders in the event of grape production shortfalls in their home region. Prohibiting this practice (Option 3) or restricting it to a neighbouring region (Option 2) could make it difficult or impossible to fill advance orders, leading to a significant drop in revenue for some winemakers.
67. The potential loss in income for some winemakers is considered to more than offset the relatively small benefits of Options 2 and 3. Consequently, MBIE and MPI consider that Option 1 is the best option.

Consultation

68. In May 2015 New Zealand Winegrowers wrote to the Government to seek the proposed amendment.
69. After initial analysis of the proposal, MBIE and MPI released a discussion paper on 13 July 2015 for industry consultation with the intention of seeking submissions from anyone who may be impacted by the proposal in order to:
- test the problem definition and get a deeper understanding of the issues;
 - determine the level of industry support for the proposal;
 - become aware of the likely impacts of the proposal on makers and traders of wine and wine products; and
 - seek other options to address the issue.
70. MPI sent the discussion paper to key stakeholders, and published it on its website. The closing date for submissions was 27 July 2015. A consultation period of 13 days was considered adequate as New Zealand Winegrowers has a comprehensive database of grape growers and winemakers, MPI has an extensive database of wine exporters, and there are also a number of good database of wine importers, traders and retailers among different industry organisations as listed below. The stakeholders notified by MPI include:
- New Zealand Winegrowers, with a request that they notify their members;
 - Wine exporters and importers whose contact information MPI and MBIE hold on their databases;
 - The Food and Grocery Council;
 - The Customs Brokers Association;
 - The Retailers Association; and
 - Spirits New Zealand.
71. A total of 133 submissions were received. Submissions were received from:
- 104 submitters who are winemakers that also grow grapes,
 - 15 submitters who are exclusively grape growers,
 - 12 submitters who are exclusively winemakers, and
 - 2 submitters who are industry representative bodies.
72. Eight submitters stated that their business was involved in blending wines. They all supported option 1.
73. Of the 133 submitters, 130 submitters supported the proposal, without any amendments. The remaining three submitters suggested that 100% of the grapes must come from the same New Zealand region (as in option 3 above). No other options were suggested by any of the submitters.

74. With respect to the ability to blend with grapes from other New Zealand regions, New Zealand Winegrowers and a number of other submitters suggested retaining the current provision that up to 15% of the wine could come from grapes harvested in another New Zealand region.
75. MBIE and MPI consulted MFAT when preparing the July 2015 discussion paper and when preparing this RIS. These three departments and the Treasury will be consulted when developing a Cabinet paper on the proposed change.

Implementation plan

76. The proposed amendment to the 85% rule in section 21 of the GI Act will be incorporated into the Geographical Indications (Wine and Spirits) Registration Amendment Bill currently in preparation.
77. Once the GI Act is in force, compliance with the restriction set out in section 21 of the GI Act will be enforced through the provisions of the Fair Trading Act 1986. Under section 33 of the GI Act, a breach of the restrictions on the use of a geographical indication contravenes section 9 of the Fair Trading Act 1986.

Monitoring, evaluation and review

78. As mentioned earlier, cross-country blended wines are not currently causing problems for the reputation of New Zealand wines, either in the New Zealand or export markets. The amendment to the 85% rule is intended to mitigate future risks, rather than deal with an existing problem.
79. This will make it difficult to determine whether the change to the 85% rule is meeting its objectives. However, some factors that could be taken into account include:
 - The effect on the development of innovative cross-country blends both within the New Zealand market, and for export;
 - The ease with which New Zealand geographical indications can be registered in other countries, in particular the EU;
 - Whether New Zealand wine is maintaining its premium position in overseas markets.
80. MPI will seek the views of the wine industry regarding the operation of the amended rule during MPI's quarterly catch-ups with New Zealand Winegrowers.
81. Winemakers and bottlers are required under the Wine Regulations 2006 to have a Wine Standards Management Plan that is subject to verification (annually for export wine), including record keeping and labelling. This verification will provide MPI with additional oversight of the system.