



RUM REGULATION AND THE DEVELOPMENT OF THE CARICOM RUM STANDARD

Recently there have been social media exchanges concerning the WIRSPA grouping and its role in rum regulation in the Caribbean Community (CARICOM). The issues set out below are meant to explain the objectives and actions of the group in several key areas of regulation.

The CARICOM rum standard, first established in 1991, applies to the 14 independent members of the Caribbean Community. It is jointly agreed to by the Caricom governments and understood to apply as the national standard for each of the countries. So, while for instance there is a published Jamaica standard, this standard is the CARICOM standard adopted locally and it is completely consistent with the CARICOM standard. The Dominican Republic has its own standard.

The CARICOM standard has been upgraded several times and is currently the subject of a review that will address clarification of some provisions, improved labelling standards, and taking into account new categories such as spiced rums, among other things.

However, the existing core elements of the standard are sound and clear:

➤ **Rum is the distillate of sugarcane products -- juice, syrup, molasses or sugar itself**

This is a provision that has always been central to the CARICOM rum producers. However, there remain a few places in the world where a product called rum can be made from neutral spirit, or spirit from other sources and rum flavourings. The most obvious example is India which recently revised its spirit definition while maintaining this un-authentic provision.

At a recent meeting of the Technical Barriers to Trade committee at the World Trade Organisation in Geneva, the government of Jamaica made a formal statement on behalf of WIRSPA calling for recognition of international best practice in the Indian rum definition. Specifically, we requested that India amend their standards to ensure that rum could only be made from sugarcane. It is a good example of the kind of advocacy we undertake to attempt to make a level playing field for rum.

➤ **Products must carry a statement of origin, and that origin must refer to the place where the rum was fermented and distilled**

This is a core requirement for us as a defining point of the origin of our rums. In a global market where many new products are presenting themselves as 'premium and authentic', we spend significant time advocating for more transparency and strong rules of origin in line with this important provision.

➤ **Rum must be distilled under 96% ABV and possess the organoleptic characteristics of the raw material (sugar cane products)**

We have consistently advocated that rum distillate must possess the organoleptic characteristics of the raw material and that there can be no mixing with products from which these characteristics have been removed, i.e. ethyl alcohol and neutral spirit. When we become aware of such practices, we bring them to the attention of the relevant authorities. Brands which are guilty not only deceive consumers, but also benefit from savings in production costs which lets them compete unfairly.



➤ **Age Statements must reflect the youngest spirit in the bottle/blend**

All developed markets for quality spirits (North America, Europe, Australasia) have strict rules for age statements that align with ours. In the Caribbean our ageing stores are generally overseen by customs/excise authorities and we monitor our producers to ensure that we all play by the rules.

However there remain many jurisdictions which use average ageing or use marketing terms like solera ageing. As a group of producers, we do not permit the use of average age or solera terms by our members. We have advocated strongly in Europe that products on sale in the EU market should adhere to the youngest age principle. We advocate against the use of numbers on labels or age-related claims which can mislead consumers about the age of the products they purchase. Since some of our producers provide rum to many private labels, we act where appropriate to ensure that products carrying CARICOM origin are accurately presented.

➤ **Our rums are not permitted to be flavoured**

The very first CARICOM standard in 1991 permitted flavouring (as did the 1988 Barbados standard on which it was heavily based). This permission continued until 2008 when it was implicitly prohibited in line with changes in the European rum definition that prohibited flavouring. Not unexpectedly, regulation and practice can take some time to align themselves. Since 2008, when the change was made to prohibit flavouring, our secretariat has worked closely with those of our producers (particularly smaller brands which do not actively export) to transition away from practices using flavouring.

In our ACR communications campaigns going back to 2008, we took care only to license brands meeting the CARICOM and EU standards in this regard. We also assisted in addressing concerns about individual brands and believe we have successfully made the transition.

➤ **Use of Caramel**

Since 1991, the CARICOM standard has defined caramel as *"...a wholesome colouring matter widely used in the liquor and beverage industry"*. It further states that *"...Rum shall be colourless except where the colour is derived from wood during maturation or from caramel produced from sugars"*. This provision mirrors the definitions in both the Barbados and Jamaica rum standards of 1988.

As an industry closely linked to an indigenous sugar industry, the use of caramel produced from cane sugar has long been a feature of the industry. Until the advent of commercial caramel (E150), producers traditionally prepared their own caramel – and may have made a caramel containing sugars. Some producers still undertake their own artisanal caramel production or have their own caramel plants.

Some producers add caramel to marks or blends prior to ageing. In local markets it was traditionally added to create a visual differential between a white rum and an often lightly aged standard gold rum. As markets become more sophisticated and consumer awareness increases, producers are transitioning to a more rigorous and transparent approach to caramel use, especially in export products.



➤ **Sweetening in rum**

There has been debate amongst rum enthusiasts revolving around estimated sugar levels in rum brands. Historical practices by some (but not all) CARICOM producers introduce a varying degree of sweetness in their rums – either from cane sugar or other traditional practices such as addition of burnt sugar (caramel) as mentioned above, prior to or post ageing.

Despite national or individual practices which may vary, the Caricom rum standard has never addressed nor sought to limit this sweetening.

The question of 'Additives'

There has been extensive debate around rum regulation and additives, and it therefore important to lay out the facts on the matter. As some may be aware, US regulation and most rum standards in South and Central America, as well as further afield, permit a broad range of flavouring, colouring (in some cases) and other additives that are accepted as GRAS (Generally Regarded as Safe).

While the CARICOM standard is silent on additives in its present form, our clear joint understandings are that additives such as glycerine, prune wine, vanillin, flavoured wood chips and such are not permissible practices. Where we become aware of such practices, we work with our producers to ensure such practices are promptly stamped out. Similarly, we do not endorse the use of rapid-ageing equipment and processes that seek to present a matured product without having been aged in wood.

IMPORTANT: There has been some debate about the meaning of the wording in the CARICOM standard “*...Rum shall be a spirit drink...which consists solely of mixtures of the above distillate.*” This reference has been mistakenly interpreted as a prohibition on additives and/or sweetening. In fact, it was inserted many years ago at the request of the US spirits industry specifically to prevent non-sugarcane distillate being used in rum production and mirrors similar language in the US standards of identity for rum.

A similar confusion arises from the definition for flavoured rum in the CARICOM standard, which contains language referring to flavours and sweetening. This definition, introduced in 2008, is often touted as demonstrating a restriction on sugar in all other rum. In fact, this definition was taken from the US standards of identity, almost word for word, and was intended to enable US products which permit flavouring to be sold in the Caribbean without being declared in violation of the standard.

Practices versus rules

As customs and practices change, they may move faster than regulation. In other cases, regulation moves ahead of practice. When the last CARICOM standard implicitly restricted flavouring in its 2008 revision, there was no adjustment phase provided. In contrast, the current review of the EU regulation incorporates a substantial transition period and most of the new provisions will not apply until 2021.

It must also be recognised that in any multi-country standard, there will be variation between countries and amongst producers, in both traditional practices or new approaches. This is not an issue unless the practices run afoul of the basic rules set by the standard.

Regulations are imperfect things, and sometimes can be interpreted differently without the background information on their development. This note seeks therefore to clarify issues which have been the subject of debate.



Geographical Indications

Several countries are working on developing country GIs. In fact, national registrations are in progress or have already taken place in Barbados, the Dominican Republic, Guyana and Jamaica. Some countries are proceeding to another very important step which is the registration of their national GI in the European Union.

While WIRSPA has no direct involvement in these national discussions, we do provide an advisory 'good offices' role in helping producers learn about GIs and the international experience of spirit GIs. For instance, In December 2018, we hosted a panel discussion in Barbados, open to all producers, in which a leading GI specialist as well as the head of the GI division at the EU Commission, participated. A critical message from that engagement was that a GI should respect diverse traditional practices and should not be used to provide commercial advantage to one group of producers over another.

WIRSPA and the EU Spirits Regulation

There have been references in social media to our grouping 'lobbying' the EU on aspects of the proposed new EU spirits regulation. Since early 2017, all activity undertaken jointly by our grouping is done solely by our Barbados-based secretariat, which consists of two full time employees – a CEO and office manager. We do not engage any agencies or consultants to act on our behalf. The nature of our interaction with the EU process was ad hoc and infrequent, consisting of interactions with Spirits Europe, the French rum producers and informal consultations with officials in the Commission.

The key concerns for our discussions with these groups were to maintain and strengthen our shared definition for age to reflect youngest spirit; requiring products to state origin – that origin to denote place of fermentation & distillation; and opposing a proposal to widen the definition of sweeteners to include products like stevia.

➤ Caramel in the review of the EU Spirits regulation:

Caramel is permitted in the EU Spirits regulation "as a means to adapt colour" since 2008. Prior to 2008, caramel was not mentioned in the EU regulation at all. During the current review of the 2008 EU spirits regulation, a proposal was made by an EU stakeholder(s) to restrict the use of caramel to spirits aged for at least 6 months. As far as our group is aware, this proposal was opposed by most EU spirits bodies, including individual EU brands and the French rum producers, as practically unworkable.

WIRSPA became aware of this proposal in late 2017. While we were not a formal party to the review process, the group's view was that while we would never endorse caramel used to mis-represent an aged character in spirit, the proposal could have had broader implications. For example, it could impact blends of aged and unaged spirit. In other instances, there was a traditional practice by some Caribbean producers of adding caramel to some marks and blends prior to ageing.

The proposal for restricting caramel was found to be an unworkable one by the EU Commission and it was dropped early in 2018.



➤ **Sweetening in the review of the EU Spirits Regulation**

Until its current review, the EU definition has permitted a range of natural sweetening in most spirits (except where expressly prohibited, such as for whisky/whiskey) without any prescribed limit.

In the course of the EU negotiation for the new regulation, the CIRTDOM (the association of rum producers in Martinique and Guadeloupe) requested WIRSPA support for a 20 g/l limit on sweetening in the EU rum definition. The limit for rum was part of a broader set of limits placed on sweetening across many other categories of spirit for which there was previously no limits.

There was a general consensus amongst WIRSPA producers that a limit should be supported, and the WIRSPA technical committee was asked to examine the issue. The technical committee comprises all producers within the WIRSPA 'family'.

At the same time, we recognised that the proposed limit on sweetening was already a 'settled issue' under the proposed new EU regulation. As such, no further action regarding the EU proposal was taken. The EU limit of 20 grams per litre in its rum specification comes into effect in 2021.

Conclusion

This note sets out what constitutes rum regulation in our grouping and how WIRSPA works to promote quality products. We recognise that many rum producing nations have their own standards and produce products for which they are understandably proud – our mission is not to pull down other genuine products. However, we will continue to call out products falling afoul of the regulations in the markets in which they are sold, as well as those products which present false origin or other labelling claims.

Within the context of our common regulatory framework, our producers are a diverse group who have been producing authentic rum with hundreds of years of tradition and practice. As rum producers we believe strongly in celebrating this diversity. We remain a grouping of both established and fledgling brands, competing in a global market where supply chain optimisation brings low production costs at the expense of provenance, and where many large players benefit from subsidies.

Our producers, especially the smaller ones, have worked hard to continuously upgrade the quality of their rum. We have spent many years advocating for a higher level of transparency in the industry. In some rare cases our own producers may fall afoul of our rules. When this happens, we act, because the reputation of our rums matters to all of us.

In working to update our regulations, we expect the revised CARICOM standard will be more detailed about what is allowed and what is not, and encourage more transparency and consumer information related to ingredients, calorie values and responsible drinking messages.

Finally, in a departure from tradition, we recognise the importance of social media in promoting open honest and mature debate. We promote such debate in the interest of transparency and will back up our information with facts. We maintain an exhaustive archive and these matters are at the heart of our credibility and governance.

WIRSPA
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