



Press Release

For Immediate Release

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TTB Amends the Distilled Spirits Identity Regulations to Recognize “Cachaça” as a Type of Rum and Distinctive Product of Brazil

Washington, D.C. — On February 25, 2013, the Alcohol and Tobacco Tax and Trade Bureau (TTB) will publish a final rule in the Federal Register amending its regulations regarding the standards of identity for distilled spirits to recognize “Cachaça” as a type of rum and as a distinctive product of Brazil. This final rule will be effective on April 11, 2013.

TTB first undertook this rulemaking in response to a petition from the Government of Brazil, which requested that the United States recognize Cachaça as a distinctive product of Brazil. Following discussions among officials of Brazil, the Office of the United States Trade Representative, and TTB, representatives of Brazil and the United States signed an agreement on April 9, 2012, under which the United States would recognize Cachaça as a distinctive product of Brazil, and, in turn, Brazil would, within 30 days, recognize Bourbon Whiskey and Tennessee Whiskey as distinctive products of the United States.

Under Brazilian law, “Cachaça” is a Brazilian distilled spirits product with an alcohol content of 38 to 48 percent by volume at 20 degrees Celsius, obtained from the distillation of the fermented must of sugar cane. In the United States, previous to the effective date of this final rule, TTB classified Cachaça products as rums under its distilled spirits standards of identity regulations at 27 CFR 5.22(f).

In a proposed rule published in the Federal Register on April 30, 2012, TTB proposed to amend 27 CFR 5.22(f) to recognize Cachaça as a type within the class designation “rum” that would be recognized as a distinctive product of Brazil made in compliance with Brazilian laws. Thus, under TTB’s proposal, a qualifying product may simply be labeled as “Cachaça” without the term “rum” on the label (just as a product labeled with the type designation “Cognac” is not required to also bear the class designation “brandy”).

While the Brazilian standard allows products designated as Cachaça to have an alcohol content ranging from 38 to 48 percent alcohol by volume, the United States standard requires that rum be bottled at not less than 40 percent alcohol by volume, or 80 degrees proof. Therefore, any "Cachaça" imported into the United States will have to conform to this minimum bottling proof requirement. A product that is bottled at below 40 percent alcohol by volume will fall outside the type designation for Cachaça, but, depending on the product's manufacturing method, the product could be labeled as a "diluted Cachaça" or a distilled spirits specialty product bearing a statement of composition. The "Cachaça" type description also will not allow any spirits that use corn or corn syrup in the fermentation process to be labeled as Cachaça. In addition, the amended regulation will allow the word "Cachaça" to be spelled with or without the diacritic mark (*i.e.*, "Cachaça" or "Cachaca"). Finally, the regulation contains a 180-day transition period during which producers may continue to use previously approved "Cachaça" labels for products that do not conform to the new Cachaça standard of identity at 27 CFR 5.22(f)(1).

To view the complete rulemaking record regarding this regulatory amendment, including the Brazilian petition, the proposed rule (Notice No. 127), the public comments received in response to the proposed rule, and the final rule (T.D. TTB–112) once it is published, see Docket No. TTB–2012–0002 at the "Regulations.gov" website (www.regulations.gov).

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