# The Autorité publishes an opinion on inter-branch reserves in the wine sector

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Inter-branch reserves in the wine sector: the *Autorité de la concurrence* considers that the inter-branch organisations may introduce a price tunnel principle, provided that the minimum and maximum price limits are freely determined by each contracting operator

The *Autorité de la concurrence* was asked by the French Minister for the Economy, Finance and Industrial and Digital Sovereignty to prepare an opinion on the implementation by the inter-branch wine organisations of a price framework for inter-branch reserves.

While inter-branch wine organisations can take market regulation measures, such as placing part of the harvest in reserve, they also want to introduce a collective framework for the price of those reserves when released, in order to avoid excessive fluctuations between the price of the main volume and that of the volume held in reserve.

The *Autorité* considers that, even if the agricultural sector benefits from certain rules that derogate from competition law, the proposed measure to regulate the price of inter-branch reserves does not fall within those derogations and, if implemented by a collective body setting the price fluctuation rate uniformly for all operators, is likely to constitute a price cartel contrary to competition law.

However, the *Autorité* finds that the inter-branch organisations may include a "price tunnel" in their inter-branch agreements, i.e. a framework whereby operators may include in their contracts minimum or maximum limits between which the reserve price may fluctuate. **However, those limits must be freely**

**determined and agreed upon by each contracting operator, to the exclusion of any joint fixing, and the inter-branch organisations must not be involved in determining the level thereof.**

In addition, in accordance with the provisions of the French EGAlim 2 Law, the *Autorité* notes that the French government could also, by decree, require the parties to include a standard clause in their contracts providing for a price tunnel, the limits of which would be freely determined by the parties.

**PRESS RELEASE OF 15 APRIL 2024**

See the press release

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