9 July 2012: Slaughtering and meat processing

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The Autorité de la concurrence sanctions the Bigard Group for breaching an important commitment conditioning the takeover of Socopa

>Version française

The Autorité de la concurrence, noting that the Bigard Group failed to fulfil a commitment involving the signing of a brand licensing agreement made during its February 2009 takeover of Socopa Viandes, has fined the company one million euros.

The commitments the Bigard Group made in 2009

A decision on 17 February 2009 authorised the Bigard Group to take sole control of Socopa Viandes. In order to avoid excessive concentration in the meat processing industry, the Ministry of the Economy[1] made the deal subject to seven conditions, including the sale of five slaughterhouses or processing plants, prohibition of "range" discounts and the signing of a brand licensing agreement for the beef brand Valtéro, which until then belonged to Socopa. The purpose of this commitment was to counterbalance the excessively strong position the transaction gave the Bigard Group — a [65-70]% market share on the retail marinated meat market — and, consequently, to ensure that its brands (Bigard and Charal) still had competition.

The Bigard Group has implemented various practices that have stripped the commitment it made to sign a brand-licensing agreement of all substance.

The Bigard Group had an obligation to sign a brand-licensing agreement for the Valtéro brand so that a competitor could operate the latter, which is very well known to consumers. But through various practices, the Bigard Group removed all substance from the agreement.

Between late 2009 and early 2010 the Bigard Group affixed stickers to trays of Valtéro meat and Valtero product packaging telling consumers that the brand was becoming Socopa. The Bigard Group also featured the same visual identity as Valtéro products' packaging (the heart graphic charter, visual and gen code) on the entire Socopa line. Moreover, the Bigard Group rolled out print media and poster advertising campaigns informing the public of the change of Valtéro's name.

These practices effectively transferred the Valtero brand name recognition to Socopa, discouraging candidates likely to be interested in the brand licence.

Circumventing a commitment is a serious practice

The Bigard Group has stripped an important commitment of the authorisation decision, whose purpose was to drive competition on the meat-processing market and in supermarkets, of its substance. The other effect of these actions was to prevent the signing of the licensing agreement in good conditions, the initially interested party having decided not to finalise it[2] .

This behaviour is all the more egregious as it was implemented on a large scale, by an operator particularly experienced in the meat industry, and only gradually ceased despite repeated warnings from the official responsible for monitoring fulfilment of the commitments. The Autorité, consequently, has fined Bigard Group one million euros.

[1]On 2 March 2009 the power of monitoring mergers was transferred from the Ministry of the Economy to the Autorité de la concurrence, which is also responsible for monitoring undertakings made by the parties to the operations.

[2] Bigard Group had trouble finding a company to take over the license, so it eventually sold the brand. In May 2011 the Autorité de la concurrence authorised the Établissements Montfort to take over the brand.

> **Read the entire text of decision 12-D-15 of 9 July 2012 on compliance with**

commitments in the decision authorising Bigard Group's takeover of Socopa Viandes.

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