18 June 2007: Quality label farm and food industry

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Sale of intermediate products restricted to label producers
The Conseil de la concurrence examines whether it is compatible with competition law to reserve certain intermediate products for producers of a quality farm or food label. It gives a balanced answer

<Version française

Following a request for opinion submitted to the Conseil de la concurrence by the interprofessional committee for chicken of the Bresse region (Comité interprofessionnel de la volaille de Bresse (CIVB) concerning the possibility to reserve for AOC (Guaranteed Origin Appellation) Bresse quality poultry farmers, the chicks selected for this grade, with respect to competition rules, the Conseil gives a more global opinion, which may include all AOC labels and other farm or food quality labels (1) .

The Conseil de la concurrence considers that measures restricting the distribution of quality label intermediate products may, under certain circumstances, be compatible with competition rules

The Conseil considers that the distribution of an intermediate product of farm or food quality label (for instance chicks in the case of Bresse poultry) to the members of this label may be compatible with competition rules, notably if the distribution of the intermediate product outside the label puts real risks to destabilize the label. However the Conseil de la concurrence considers that such practices may be contrary to competition law in other cases.
The released opinion deals with several scenarios, which may appear in farm or food quality labels. In the Conseil's view, these labels constitute a pro-competitive element in the offer made to the consumer.

The Conseil reminds the existence of specific instruments in the fight against unfair practices and the obligation to use them when the need arises

The Conseil de la concurrence notably highlights the fact that the fight against unfair practices, consisting in maintaining confusion between quality labelled products and other products, may never justify restrictive measures, if specific legal instruments to fight these practices exist.

(1) When the Conseil de la concurrence has to respond to a request for opinion, the Conseil shall only give an opinion concerning general competition issues. It is not expected to decide whether a particular practice is contrary to competition rules. A litigation referral accompanied by a the full implementation of an adversary procedure only, may enable to assess whether the practices are compatible with competition rules.