23 May 2018: Côtes du Rhône wines

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**The Autorité de la concurrence fines the Syndicat général des vignerons réunis des Côtes du Rhône
(the professional syndicate of Côte du Rhône winemakers) for
an anticompetitive agreement**

Based on a report submitted by the French Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF), the *Autorité de la concurrence* has today issued its decision to issue a fine of 20 000 € to the Syndicat général des vignerons réunis des Côtes du Rhône (SGVRCR) for having established and disseminated pricing instructions to its members between 2010 and 2017.

A "minimum price" set by the professional syndicate

As of 2010, the professional syndicate established and disseminated annual price lists in the aim of pushing up bulk wine prices . Once the target "minimum price" had been reached (2014), the syndicate disseminated price recommendations in order to stabilise the prices.

Broad dissemination of price instructions to winemakers

The price instructions were relayed in "Le Vigneron", which is a magazine that is published and distributed by the syndicate to producers, via newsletters sent to all subscribers and at "sector" meetings. These instructions were accompanied by a discourse designed to encourage winemakers to make use of these price lists for the purpose of their sales negotiations.

The price recommendations related to all bulk wines covered by the Côtes du Rhône registered designation of origin (AOC), broken down by colour (white, rosé, red) and, for red wines, by product range ("bottom shelf", "middle shelf", or "top shelf").

The professional syndicate established a price arrangement

In view of its nature and functions, a professional syndicate is not intended to be recognized as a producer organization (PO) or an association of producer organisations (APO), which are structures that are respectively made up at the initiative of producers or producer organisations and which pursue mostly economic goals.

Within the legal framework renewed by, amongst others, the regulation of 13 December 2017 known as "Omnibus regulation", the recent *Autorité* opinion 18-A-4 of 3 May 2018 regarding the agricultural sector reviewed the possibilities of common action available to official POs and APOs. The latter can thus, subject to certain conditions –e.g. concentrating supply and placing on the market the production of their members - derogate from cartel law by negotiating common contractual conditions or even a common price for the production of its members.

Outside this strictly defined legal framework, it is not possible to derogate from cartel law to negotiate a common price.

Thus, if official interbrand-organizations can disseminate indicators, it is normally only if the latter are not similar to pricing instructions.

Similarly, the role of a syndicate is to help its members to manage their companies. Although it may disseminate information designed to help its members manage their companies, it may not exert any direct influence on the prices charged by its members, which must determine such prices individually based on their own costs.

By establishing and disseminating pricing instructions to its members for each

wine year between 2010 and 2017, the syndicate established a price-fixing agreement.

Consequently, regarding the circumstances of the case, the *Autorité* has imposed a fine of 20 000 Euro against Syndicat général des vignerons réunis des Côtes du Rhône. The professional syndicate must also notify its members of the decision of the *Autorité* via a newsletter using the same arrangements as those used to disseminate the pricing instructions which were fined.

> **See the full text of decision 18-D-06 of 23 May 2018 regarding practices used in the sector involved in the marketing of bulk wines with the Côtes du Rhône registered designation of origin (AOC)**

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