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E.U. clears Bordeaux sustainable wine pricing deal for two years

The ruling lets organic and HVE producers set annual indicative prices under an agricultural exemption, with margins of as much as 20%

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The European Commission said on Wednesday that a planned pricing agreement for sustainably produced wine in Bordeaux is compatible with European Union competition rules for agriculture, giving French producers a legal basis to coordinate on indicative prices for two years.

The opinion covers wine producers in the Bordeaux area whose products meet either organic standards or the Haute Valeur Environnementale, or HVE, standard. According to the Commission, the agreement would allow those producers to set annual “orientation prices” for their wine and to use those benchmarks in possible collective negotiations with individual buyers that agree to take part.

The Commission said the indicative prices would be calculated to cover the cost of producing wine under the relevant sustainability standard, plus a profit margin of as much as 20% of those costs. The prices would be set each year for two categories of protected Bordeaux wine, red and white wines sold under the Bordeaux protected denomination of origin.

The arrangement is unusual because EU antitrust rules generally ban coordination between competing businesses on prices. But the Commission said this case falls under a specific agricultural exemption in Article 210a of the EU regulation on the common organization of agricultural markets. That provision allows producers of agricultural goods to cooperate on sustainability measures that go beyond what EU or national law requires, as long as any restriction of competition is necessary to reach those goals.

In its decision, the Commission said the Bordeaux agreement met those conditions. It said the deal involves agricultural producers, concerns trade in agricultural products, supports several sustainability objectives and applies standards that are higher than mandatory legal requirements. It also concluded that any competitive restraint created by the arrangement was indispensable to maintain those standards.

The Commission described the agreement as a response to pressure in the French wine market. It said the sector is facing oversupply, changing consumer preferences and greater sensitivity to retail prices. It also said many wine drinkers do not fully recognize the extra cost of sustainable production. In that environment, producers of organic and HVE wines can be less profitable than conventional producers, raising the risk that they could abandon those methods or leave wine production entirely.

The opinion gives those producers a way to try to recover higher costs without losing the legal certainty required under EU competition law. The Commission said the purpose of the agreement is to encourage growers and winemakers to keep producing

under sustainable standards rather than shifting back to conventional methods.

The case also expands the EU's use of Article 210a, which was added in 2021 as part of the reform of the Common Agricultural Policy for 2023 through 2027. The Commission published guidelines on December 7, 2023, to explain how companies in the agri-food sector can design joint sustainability initiatives under that rule. On July 15, 2025, it issued its first opinion under Article 210a on a sustainability agreement in the wine sector in Occitanie. The Bordeaux request was submitted on July 27, and the Commission said it was required to respond within four months.

In statements released with the decision, the Commission said the ruling shows that wine producers can work together to make production more sustainable while still competing fairly. It also said the opinion gives Bordeaux producers the predictability they need to continue investing in sustainable production at a time when the sector is under strain.

The ruling is narrow and applies to the specific agreement presented to Brussels, but it may still matter beyond Bordeaux. For the beverage industry, it could offer a model for how wine producers might protect the economics of more sustainable production through coordinated pricing structures that stay within EU rules. That may be especially relevant for producers of premium or certified products, where environmental standards add costs that are difficult to pass on in a weak market.

Even so, the decision does not create a general exemption for coordinated pricing in drinks markets. The Commission's opinion is tied to the agricultural framework, the two-year duration of the agreement and the particular sustainability standards involved. Any similar arrangement in wine or other beverage categories would still need to satisfy EU competition law on its own facts.

More details on the case are expected to be published in the Commission's public registry under case number AT.41084 after confidentiality issues are resolved.