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Buzet wine cooperative secures debt deal and major sale to stabilize finances

Restructuring plan and inventory purchase bring financial relief but result in job cuts and reduced local control

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The Buzet wine cooperative in Lot-et-Garonne, France, is making significant progress toward financial recovery after facing serious debt issues last year. The cooperative, which brings together about 140 members cultivating 1,750 hectares of vineyards, entered a court-supervised safeguard procedure in 2023 due to mounting financial pressures. On Tuesday, the cooperative's attorney, Christophe Dejean, confirmed that an agreement has been reached with creditors to reduce the group's debt and secure

its future operations.

The main lender, Crédit Agricole, has agreed to write off 40% of its outstanding loans to the cooperative. The remaining 60% of the debt, which totaled €35 million, will be repaid over a period of 15 years to various creditors. This restructuring plan is expected to ease the financial burden on the cooperative and allow it to continue its activities without the immediate threat of insolvency.

In addition to the debt agreement, a major commercial deal is set to provide further relief. The Grands Chais de France (GCF), Europe's largest wine and spirits producer, is poised to purchase nearly all of Buzet's wine stock. This inventory had been weighing heavily on the cooperative's balance sheet. According to Dejean, this transaction should bring in more than €10 million in cash flow over the next 18 months. The deal was discussed during a positive hearing at the Agen commercial court, which is expected to approve the recovery plan by June 12.

With this new influx of funds, the cooperative will be able to pay its member producers within a year—a significant improvement from previous delays that stretched up to three years. Dejean stated that the future of Buzet's cellars is now more secure than ever before.

However, these changes come with difficult consequences for employees. As part of the agreement with GCF, national and international sales of Buzet wines will be handled by Grands Chais de France. The cooperative will retain only local sales rights. Additionally, bottling operations will move to GCF's facility in Landiras, Gironde. This shift in business scope means that a social plan is inevitable. The number of employees at Buzet could drop below 20 by the end of this year, down from nearly 40 currently.

While these measures are expected to stabilize the cooperative's finances and ensure timely payments to grape growers, they also mark a significant reduction in local employment and operational autonomy for Buzet. The developments reflect broader challenges facing many French wine cooperatives as they adapt to changing market conditions and financial realities.