

COFECE sanctions *tortilla* producers from the Ángel Albino Corzo municipality in the State of Chiapas for price fixing and restricting sales

- *COFECE sanctioned an absolute monopolistic practice which consisted in the price fixing of corn tortillas.*
- *As a result of this conduct, it is estimated that the population paid an overprice of at least one Mexican peso per kilogram of tortilla purchased, which generated damages to consumers of approximately one million 260 thousand pesos, in a municipality that registers a high degree of marginalization.*

Mexico City, October 21, 2019.- The Federal Economic Competition Commission's (COFECE or Commission) Board of Commissioners determined that 10 individuals¹ committed absolute monopolistic practices (collusive agreements) in the market for the production, distribution and commercialization of corn *tortillas*² in the municipality of Ángel Albino Corzo, in the state of Chiapas, which consisted in price fixing as well as imposing the obligation to solely distribute this staple at the counter of *tortillerías*³. An individual⁴ was also sanctioned for contributing to the commission of this conduct.

The opening of the investigation resulted from a report that provided evidentiary elements that pointed to the commission of an anticompetitive conduct, when considering that the *tortilla* is a staple in the Mexican diet. Therefore, an unjustified increase of prices directly impacts consumer's purses, especially those of the population with the lowest income.

In accordance with the resolution filed under DE-043-2017, the penalized conduct consisted in the coordination of actions, such as the signing of a letter among *tortilla* producers, distributors, and sellers in the municipality by the president of the so called "*Unión de Industriales de la Masa y la Tortilla de Ángel Albino Corzo*"⁵ (Union)", through which the manager of the grocery store, *Bodega Aurrerá*, located in this municipality, on August 10,

¹ Yerida Patricia López Robledo (president of the Union); Osmar Darwin Pérez Roblero; Gotma Odalí Gallegos Fernandes; Jorge Armando Guillen López; Martha Torres Velasco; Ana Guillermina Peres Roblero; Roldán Ruiz Rodas; Uriel Moisés Olivares de León; Celestina Vázquez Escalante, and Hernán Zunun Guzmán.

² Unleavened flatbread, translator's note, t.n.

³ A place that specializes in producing and selling *tortillas*, t.n.

⁴ José Ramón Salazar Ballinas, president of the *tortilla* group of producers "Somos Chiapas" (We are Chiapas, t.n.).

⁵ Union of Dough and Tortilla from the Municipality of Ángel Albino Corzo, in the state of Chiapas, t.n.



2017, was asked to match or increase the price per kilo of corn *tortillas* to 14 pesos, as agreed upon between the members of the *Union*.

This fact is part of an agreement implemented by the *Union* through which they fixed the price per kilogram of *tortillas* at 14 pesos, which was implemented in the *tortillerías* of the locality, as well as requiring the staple be sold at the counter of *tortillerías* (prohibiting delivery service sales). Compliance of the pact was ensured by the organization through the threat of the interruption of LP gas to those that breached the pact.

The Commission found that the price of *tortillas* before the agreement was between 12 and 13 pesos per kilogram, reason for which it was conservatively estimated that the overprice paid by the population for this staple during the period this conduct was carried out, from August 2017 to May 2018, was equal to one peso per kilogram. Therefore, the damage generated by this conduct was calculated at one million, 260 thousand pesos.

COFECE's Board of Commissioners sanctioned 11 individuals, ten whom committed an absolute monopolistic practice and one for contributing to the commission of the conduct, with fines that total 344 thousand, 108 pesos. The fines were imposed considering the economic capacity of those involved.

Once the resolution has been notified, the Law grants sanctioned economic agents the right to go before the Judiciary so the legality of the Commission's actions may be reviewed through an indirect *amparo*.

See in Spanish, [What is an absolute monopolistic practice?](#)

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The Federal Economic Competition Commission is entrusted with safeguarding competition and free market access. This contributes to people's well-being and the efficient functioning of markets. With its work, COFECE seeks better conditions for consumers, more services of higher quality and a "level playing field" for companies.

Courtesy translation of press release in Spanish. For information purposes only.



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