

**APPENDIX 1.** Types and Characteristics of Exchange Logics.

<b>Relationship</b>	<b>Guiding principles</b>	<b>Exchange logic and key characteristics</b>		<b>Potential benefits</b>	<b>Potential downsides</b>
Repeat exchange relations	Reciprocity and trust in face-to-face interactions	Logic of consequence (March 1994)	Assessment of the effects of one's actions on exchange partners and on oneself	Flexible, mutually beneficial arrangements; complex adaptation; economies of time and resources	Intense negative emotion (e.g., spite and revenge); self-defeating behaviors; obsolete and redundant information
Community relations	Attachment to collective expectations and shared community norms	Logic of appropriateness (March 1994)	Socialization into shared beliefs and identity; system of group-based rewards and sanctions	Solidarity bonds; mutual help and support network; privileged access to community resources	Primacy of group over individual goals; pressure to maintain good standing in the community; intense peer-based and identity-based social control; feelings of obligation and duty towards others

APPENDIX 2. Sample of *Échelle* Prices in 1920 (Source: *La Champagne Viticole* n°79 November 1920).

**Vendanges 1920**

CRUS	ÉCHELLE		PRIX FIXÉS	
	1911	1920	AU KILOG	A LA PIÈCE
Ay .....	100 %	100 %	4 <sup>f</sup> 50	1588 <sup>f</sup>
Ambonnay .....	»	»	»	»
Avize .....	»	»	»	»
Bouzy .....	»	»	»	»
Beaumont-sur-Vesle ....	»	»	»	»
Cramant .....	»	»	»	»
Louvois .....	»	»	»	»
Mailly-Champagne ....	»	»	»	»
Sillery .....	»	»	»	»
Tours-sur-Marne .....	»	»	»	»
Verzy .....	(2) »	»	4.42	1560
Verzenay .....	100 %	100 %	4.50	1800
Tauxières-Mutry .....	98	»	4.42	1560
Mareuil-sur-Ay .....	«	95	4.275	1510
Le Mesnil-sur-Oger ....	(3) »	»	4.40	1554
Oger .....	(4) »	»	4.45	1570
Dizy .....	90	90	4.05	1432
Oiry .....		100	4.50	

APPENDIX 3a. Balance Tables.

	SAME VILLAGE (PANEL A)						SAME SCHOOL (PANEL B)							
	No		Yes		Diff.	P-value	No		Yes		Diff.	P-value		
	Mean	SD	Mean	SD			Mean	SD	Mean	SD				
<b>FULL SAMPLE</b>														
Difference bw prices	6.21	1.65	6.53	1.40	0.32	0.136	6.21	1.65	6.11	2.09	0.10	0.050		
Final price	29.93	5.19	32.87	3.54	2.95	0.000	29.96	5.18	31.43	5.08	1.46	0.000		
Relation duration	1.20	0.79	1.00	0.67	0.19	0.006	1.20	0.79	0.91	0.72	0.28	0.000		
Excl. relations seller	0.68	0.31	0.57	0.35	0.10	0.000	0.67	0.31	0.74	0.26	0.07	0.005		
Excl. relations buyer	0.19	0.18	0.30	0.29	0.11	0.000	0.19	0.17	0.52	0.35	0.33	0.000		
Contract	0.08	0.28	0.23	0.42	0.15	0.000	0.09	0.28	0.23	0.42	0.14	0.003		
Distance	27.19	24.52	12.23	17.62	14.96	0.000	27.13	24.48	0.53	1.06	26.60	0.000		
Seller size	103.23	116.95	174.71	139.77	71.47	0.000	104.72	117.98	67.44	69.39	37.29	0.000		
Buyer size	7524.22	9605.52	4608.96	3100.26	2915.26	0.002	7509.93	9566.50	1857.02	921.56	5652.91	0.193		
Profitability buyer	6.67	5.09	4.23	4.68	2.44	0.000	6.63	5.09	8.26	5.04	1.63	0.000		
Transaction volume	22.05	35.19	22.83	40.07	0.78	0.805	22.00	35.09	29.23	51.99	7.23	0.615		
Quality grade	89.99	6.21	91.38	8.51	1.39	0.038	90.00	6.23	90.42	8.26	0.43	0.000		
Chardonnay	0.26	0.44	0.34	0.48	0.08	0.064	0.27	0.44	0.25	0.44	0.02	0.708		
Pinot meunier	0.42	0.49	0.18	0.39	0.24	0.000	0.42	0.49	0.25	0.44	0.17	0.000		
<b>CEM SAMPLE</b>	Mean	SD	Mean	SD	Diff.	P-value	% change	Mean	SD	Mean	SD	Diff.	P-value	% change
Difference bw prices	6.22	1.57	6.56	1.41	0.34	0.101	6.45	6.34	1.63	6.45	1.28	0.11	0.093	2.00
Final price	30.92	4.79	32.87	3.57	1.95	0.000	-33.87	30.53	5.13	32.09	3.84	1.56	0.000	6.83
Relation duration	1.19	0.78	1.01	0.67	0.17	0.015	-10.55	1.20	0.78	1.04	0.71	0.17	0.000	-41.69
Excl. relations seller	0.67	0.31	0.57	0.35	0.10	0.000	0.62	0.68	0.31	0.62	0.33	0.05	0.004	-25.54
Excl. relations buyer	0.18	0.16	0.28	0.27	0.11	0.000	-0.39	0.19	0.18	0.25	0.22	0.06	0.000	-80.93
Contract	0.10	0.30	0.23	0.43	0.14	0.000	-5.74	0.09	0.29	0.13	0.34	0.04	0.013	-70.30
Distance	24.26	22.26	12.46	17.71	11.79	0.000	-21.19	26.43	24.39	17.15	22.58	9.28	0.000	-65.11
Seller size	102.90	111.04	174.16	140.83	71.25	0.000	-0.31	100.49	116.02	137.84	130.41	37.35	0.000	0.17
Buyer size	7615.13	9824.33	4678.33	3090.05	2936.81	0.001	0.74	7417.32	9275.93	6773.69	9372.06	643.63	0.273	-88.61
Profitability buyer	6.56	5.08	4.10	4.47	2.46	0.000	0.95	6.61	5.06	4.90	5.70	1.71	0.000	4.80
Transaction volume	19.15	19.34	19.83	32.55	0.68	0.551	-13.17	18.86	19.00	19.89	25.89	1.03	0.361	-85.82
Quality grade	91.97	6.77	91.18	8.50	0.79	0.288	-43.15	91.20	6.26	91.52	7.48	0.32	0.059	-26.13
Chardonnay	0.27	0.45	0.33	0.47	0.06	0.203	-29.23	0.28	0.46	0.27	0.44	0.01	0.324	-40.41
Pinot meunier	0.38	0.49	0.18	0.39	0.20	0.000	-19.04	0.31	0.49	0.18	0.38	0.13	0.000	-22.60

**APPENDIX 3b.** Matched Sample (Coarsened Exact Matching)—Seller Fixed Effects Linear Regressions of Differences Between Prices.

	Model 1	Model 2
Same village	-0.635* (0.285)	
Same school		-0.557* (0.218)
Relation duration	-0.118 (0.078)	-0.161+ (0.091)
Exclusive relations seller	0.062 (0.324)	0.396 (0.266)
Exclusive relations buyer	0.335 (0.285)	-0.121 (0.193)
Contract	0.083 (0.110)	0.067 (0.094)
Distance	0.005 (0.012)	-0.018 (0.011)
Seller size	0.001*** (0.000)	0.000 (0.000)
Buyer size	-0.000 (0.000)	0.000 (0.000)
Profitability buyer	-0.006 (0.013)	-0.005 (0.010)
Transaction volume	-0.006* (0.003)	-0.005* (0.002)
Chardonnay	0.362* (0.184)	0.371** (0.142)
Pinot meunier	0.094 (0.139)	0.036 (0.112)
Constant	6.199*** (0.747)	5.833*** (0.701)
<i>Wald test – village = relation duration</i>	0.083	
<i>Wald test – school = relation duration</i>		0.096
<i>N</i>	1,825	2,309

Notes: All models include buyer, cru, and year dummies. Standard errors (in parentheses) clustered by seller and buyer.  
+  $p < 0.1$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$

**Details:** I constructed my first control sample by pairing each transaction occurring in the *same village* with an observationally equivalent transaction occurring across village boundaries. I follow the same strategy for my second control sample (for *same school* district). Using CEM (Blackwell et al. 2009), I select transactions that are similar for *grape quality*, *transaction volume*, and *grape varietal*. Consequently, to investigate the role of a joint village (school) affiliation, I use the first (second) control sample to compare observationally equivalent transactions that occurred within and across village (school) boundaries. The two sets of balance tables are available in Appendix 3a (see panel A for villages and panel B for schools).

**APPENDIX 3c.** Alternate Matched Sample—Seller Fixed-Effects Linear Regressions of Differences Between Prices (N=838).

	Model 1	Model 2	Model 3
Same village	-1.011*** (0.278)		-1.020*** (0.297)
Same school		-0.635* (0.273)	-0.030 (0.376)
Relation duration	-0.118 (0.078)	-0.111 (0.077)	-0.109 (0.077)
Exclusive relations seller	0.062 (0.324)	0.083 (0.324)	0.082 (0.325)
Exclusive relations buyer	0.335 (0.285)	0.344 (0.283)	0.344 (0.283)
Contract	0.083 (0.110)	0.086 (0.111)	0.086 (0.111)
Distance	0.005 (0.012)	0.005 (0.012)	0.005 (0.012)
Seller size	0.001*** (0.000)	0.001*** (0.000)	0.001*** (0.000)
Buyer size	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Profitability buyer	-0.006 (0.013)	-0.006 (0.013)	-0.006 (0.013)
Transaction volume	-0.006* (0.003)	-0.006* (0.003)	-0.006* (0.003)
Chardonnay	0.362* (0.184)	0.400* (0.176)	0.401* (0.176)
Pinot meunier	0.094 (0.139)	0.115 (0.138)	0.115 (0.138)
Constant	6.199*** (0.747)	6.152*** (0.745)	6.152*** (0.745)
<i>Wald test – village = rel. dur.</i>	0.002		0.003
<i>Wald test – school = rel. dur.</i>		0.068	0.837

Notes: All models include buyer, cru, and year dummies. Standard errors (in parentheses) clustered by seller and buyer.  
+  $p < 0.1$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$

**Details:** Following the methodology described in Appendix 3b, another option is to match transactions on the *overlap* between *Same village* and *Same School*. This stricter matching results in a much smaller number of available matches.

**APPENDIX 4.** Conditional Seller FE Logit of the Occurrence of a Transaction—Matched Sample (N=84,729).

	Model 1	Model 2
Same village	0.430 (0.374)	
Same school		0.251 (0.266)
Distance	-0.011*** (0.003)	-0.011*** (0.003)
Seller size	0.003+ (0.002)	0.003+ (0.002)
Buyer size	0.000 (0.000)	0.000 (0.000)
Profitability buyer	-0.013+ (0.008)	-0.013+ (0.007)
Constant	-3.693*** (0.458)	-3.698*** (0.459)
lnsig2u	-1.343*** (0.214)	-1.340*** (0.214)

Notes: All models include buyer and year dummies. Standard errors (in parentheses) are clustered by seller.

+  $p < 0.1$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$

**Details:** We do not know all the buyers that each seller considered as a possible exchange partner. To address this issue, I use a case-control design with CEM: the case sample consists of all buyer–seller dyads that engaged in a transaction; for the control sample, I paired each seller with observationally equivalent buyers with whom they could have transacted but did not. Specifically, I pair on grape-quality grades and transaction year. For example, if a seller only sold grapes rated 100% (e.g., Avize *cru*) in 2006, the control sample includes all *possible* (but unrealized) dyads involving the seller and buyers who have purchased grapes rated 100% in 2006 (e.g., Verzy *cru*).

**APPENDIX 5.** Seller Fixed-Effects Heckman Selection Model of Difference Between Prices (N=80,326).

		Model 1	Model 2	Model 3	Model 4
Stage 2	Same village		-0.119** (0.036)		-0.071** (0.027)
	Same school			-0.077** (0.029)	-0.055+ (0.030)
	Distance	0.013** (0.005)	0.013** (0.005)	0.013** (0.005)	0.013** (0.005)
	Seller size	0.000 (0.001)	0.000 (0.001)	0.000 (0.001)	0.000 (0.001)
	Buyer size	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
	Profit. buyer	-0.047* (0.023)	-0.047* (0.023)	-0.047* (0.023)	-0.047* (0.023)
	Constant	6.294** (2.155)	6.330** (2.164)	6.386** (2.152)	6.439** (2.162)
	Stage 1	Road accidents	0.028*** (0.000)	0.028*** (0.000)	0.028*** (0.000)
	Same village		0.098 (0.114)		0.216 (0.134)
	Same school			0.068 (0.065)	0.128+ (0.076)
	Distance	-0.005*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)	-0.005*** (0.001)
	Seller size	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)
	Buyer size	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
	Profit. buyer	0.000 (0.008)	0.000 (0.008)	0.000 (0.008)	0.000 (0.008)
	Constant	-21.372 (0.000)	-21.377 (0.000)	-21.371 (0.000)	-21.380 (0.000)
/mills	lambda	0.008 (0.897)	-0.007 (0.900)	-0.031 (0.898)	-0.053 (0.902)
	rho	-0.006	-0.005	-0.021	-0.036

Notes: All models include buyer and year dummies.

+  $p < 0.1$ ; \*  $p < 0.05$ ; \*\*  $p < 0.01$ ; \*\*\*  $p < 0.001$ .

**Details:** Heckman models should include at least one variable in the first stage that does not appear in the second stage (Sartori 2003). Using insights from my interviews, I collected yearly data from the National Institute of Statistics and Economic Studies: I compiled the number of road accidents in Champagne by département during each harvest period (September) between 2005 and 2009. Because all grape transactions occur at the same time, “starting from mid-September, the roads are overrun with tractors and trucks carrying grapes to different houses.” Another interviewee explains: “For about three weeks or so, you have hundreds of tank trucks that go back and forth on the roads, in the Marne, Aube, and Aisne. Tens of thousands of hectoliters [of grapes] that must be taken to the houses as quickly as possible.” This is a logistical challenge given that many local rural roads are narrow and that small villages can be difficult to navigate with large trucks. I reasoned that more transactions would imply some road traffic and, possibly, more accidents. This

variable should therefore be positively associated with the probability of a transaction, yet it does not affect price-setting behaviors. I merged these yearly statistics on road accidents in Champagne with my transaction-level data set. When the buyer and the seller were not located in the same département, I used the seller's département for merging purposes (the results do not change if I use the buyer's instead).

**Interpretation of the results:** The inverse Mills ratio—which represents the selection parameter—is never statistically significant. In Models 2 and 3, the parameters of interest (*Same village* and *Same school*) do not significantly predict the occurrence of a transaction. This is consistent with the conditional logit models (Table 4). In Model 4, the parameters of interest are marginally (or close to marginally) significant. A modest correlation between the error terms in the two stages is thus possible; note also small differences in the size of the parameters of interest between the Heckman and conditional logit models. However, even after accounting for potential sample selection, the coefficients for joint community affiliation in the second-stage equation remain in the expected direction and statistically significant. I conclude that selection into transaction is unlikely to drive the pattern of results I uncover.