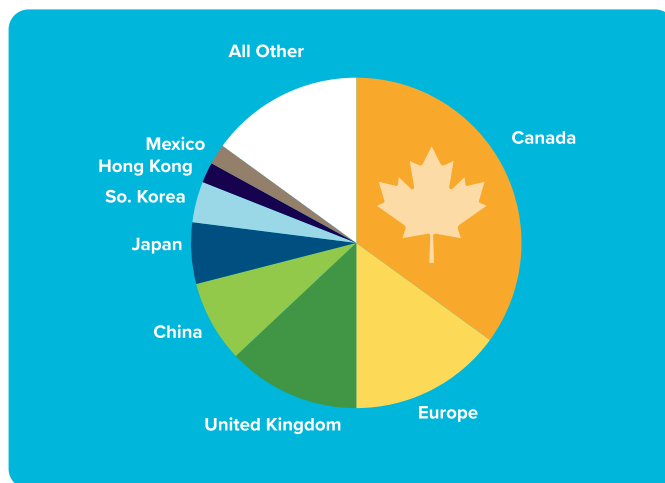




FOR THE FIRST TIME IN 36 YEARS: A U.S. WINE TRADE DEFICIT WITH CANADA

American wineries caught in the crossfire of a trade war they didn't start

On March 4, 2025, U.S. wine and other alcoholic beverages were hit with both provincial and federal retaliation in response to President Trump's IEEPA tariffs¹. Overnight, American wines were removed from store shelves and replaced with "Buy Canadian" signs or wine from global competitors.



A 36-YEAR RECORD BROKEN

- A decades-long trade surplus flipped to a trade deficit² — the **most significant market disruption in decades**.
- There has been no comparable, immediate drop in wine sales of this magnitude in recent history.
- U.S. wine producers — **approximately 95% of which are family-operated**, small and mid-sized wineries — are collateral damage in a trade war that has nothing to do with them.

CANADA: #1 U.S. WINE EXPORT MARKET

- In 2024, Canada accounted for **35% of U.S. wine exports**, representing **\$434 million³ in shipments** and **\$1.1 billion in retail sales⁴**.
- In 2024, exports to Canada were larger than the next three markets combined — EU, UK and China.
- Ontario, Quebec and British Columbia sell the most U.S. wine — yet only Alberta and Saskatchewan allow the sale of U.S. wine.
- If the bans persist, the U.S. will cede its share of the market to the EU, Australia and New Zealand.



NEW YORK POST

US booze exports to Canada plunge more than 60% as fury over Trump tariffs sparks boycott

THE WALL STREET JOURNAL.

The U.S. Alcohol Industry Is Reeling From Canada's Booze Boycott

1. Department of Finance Canada. Notice of a 25% Federal Surtax on U.S. Wine Imports, March 4–September 1, 2025. | 2. U.S. International Trade Commission (USITC), Trade DataWeb, official U.S. merchandise trade statistics (U.S. Census Bureau), 2024 surplus of \$254M vs. Jan.–June 2025 deficit of \$38M (HTS 2204, 2205, 2206). | 3. U.S. International Trade Commission (USITC), Trade DataWeb, official U.S. merchandise trade statistics (U.S. Census Bureau), 2024 wine shipments to Canada (HTS 2204, 2205, 2206). | 4. Association of Canadian Distillers, 2024 data on retail sales of U.S. wine in Canada (CAD \$1.1 billion).



2025 U.S.
wine exports
are down

30%

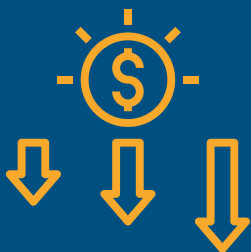


OTHER MARKETS CAN'T PICK UP THE SLACK

- Total U.S. wine market volume **declined 4% in 2024** and remains a highly competitive market⁵.
- State-by-state distribution laws limit expansion.
- National labeling rules make Canadian-labeled wine **unsellable without costly relabeling**.
- 2025 **U.S. wine exports are down 30%**, with key export markets in decline due in part to consumer backlash against U.S. products⁶.

\$134
Million

in lost export
value



HARM TO BOTH SIDES OF THE BORDER

- U.S. and Canadian jobs are at risk, including U.S. vintners, Canadian sales reps and importers.
- U.S. wine producers have **lost an estimated \$134 million in export value** to Canada since March 2025⁷.
- The Canadian federal government is estimated to have **lost \$27 million CAD in tax revenue** from lost U.S. table wine sales⁸.

4th

largest wine
producing country
in the world

France

Italy

Spain

U.S.

ABOUT U.S. WINE

- The U.S. is the **4th-largest wine producing country** in the world after France, Italy and Spain.
- Wine is produced in all 50 states and **generates more than \$325 billion in total economic activity** from production, distribution, sales and consumption⁹.

THE BOTTOM LINE: IT'S TIME FOR A SOLUTION

Restoring access isn't just about trade, it's about protecting family livelihoods, supporting economies and renewing a relationship that has benefited both nations for generations. Wine Institute stands ready with a plan to help U.S. wineries rebuild those relationships and return to Canadian shelves as quickly as possible.



5. BMO Financial Group, 2025 BMO Wine Market Report (2nd ed., developed with Wine Business Analytics, bw166, and Gomberg Fredrikson & Associates). | 6. U.S. International Trade Commission (USITC), Trade DataWeb, official U.S. merchandise trade statistics (U.S. Census Bureau), comparison of Jan.–June 2024 and Jan.–June 2025 U.S. wine exports (HTS 2204, 2205, 2206). |

7. U.S. International Trade Commission (USITC), Trade DataWeb, official U.S. merchandise trade statistics (U.S. Census Bureau), comparison of Mar.–June 2024 and Mar.–June 2025 U.S. wine exports (HTS 2204, 2205, 2206). | 8. Association of Canadian Distillers, 2025 estimate of CAD \$27 million in lost federal tax revenue from reduced U.S. table wine sales. | 9. Wine America. Economic Impact Study 2025 of the American Wine Industry, commissioned from John Dunham & Associates. Accessed September 2, 2025.