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Canadian Buyers Turn to Australian Wine

Provincial bans and U.S. tariffs have pushed American labels off shelves, opening space for Australian exporters

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Canadian wine buyers are shifting toward Australian labels as provincial restrictions and tariffs on U.S. alcohol continue to reshape the market, according to a new Wine Australia bulletin released Monday.

The report said the changes began in early 2025, after the United States imposed 25% tariffs on Canadian goods on Feb. 1, with those duties taking effect on March 4. Canada then responded with a 25% tariff on wine and other alcoholic beverages made in the United States. Provincial governments went further, banning imports of U.S. alcoholic drinks in several markets and removing many of those products from government-run shelves.

Because alcohol sales in Canada are controlled by the provinces, the impact has varied by region but has been broad enough to alter buying patterns across the country’s largest markets. In provinces with government-run liquor systems, U.S. products were pulled from stores and convenience outlets, limiting access mainly to online sales and depot channels. In Ontario, stricter rules kept U.S. products inside Liquor Control Board of Ontario warehouses, making it harder for agents to sell them to bars and restaurants. In Alberta, retailers were allowed to sell through existing stock but not restock it. Private retailers in British Columbia followed a similar approach, selling through inventory already on hand but not replenishing it.

Wine Australia said those restrictions created room for domestic producers and for exporters from countries such as Australia. The bulletin cited Trade Data Monitor data showing that Canada imported 66 million litres of wine from the United States in the year ending February 2025, equal to a 17% share of imports and second only to Italy by volume.

The report said some provinces have since eased parts of their restrictions. Alberta announced in June 2025 that it would resume accepting U.S. alcohol products. Quebec later allowed its liquor board to return select U.S. products to shelves starting in February 2026 if they were nearing expiration.

Wine Australia said the latest sales data from Canada’s four largest provinces is now available to Australian grape levy-payers and exporters through a newly released report, reflecting how trade policy and provincial control over alcohol distribution have changed access for U.S. wines and opened more shelf space for Australian brands.