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U.S. Wine Sales Slide as Drinkers Turn to Alternatives

Wineries and restaurants are rethinking pricing and marketing as younger consumers favor RTDs, nonalcoholic drinks and occasion-based purchases

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The U.S. wine business is facing a sharp slowdown in sales as drinkers shift toward ready-to-drink cocktails, nonalcoholic beverages and other alternatives, forcing wineries, auction houses and restaurants to rethink how they sell wine and to whom.

Last year, U.S. wineries lost $1.2 billion in sales, according to Silicon Valley Bank's 2026 State of the U.S. Wine Report. Industry revenue fell to $74.3 billion from $75.5 billion in 2024. The decline has added pressure to a market already dealing with changing drinking habits, higher prices and weaker routine consumption.

The data show that the problem is not uniform across the category. Some regions and styles are gaining ground even as the broader market contracts. Burgundy has become a stronger draw among American buyers in the fine-wine market, while Bordeaux has lost share. At auction, Burgundy accounted for 56% of value and 35% of volume sold in the United States, according to iDealwine, a Paris-based online auction house. In 2019, Bordeaux had led Burgundy in both value and volume at auction. By 2025, Burgundy had moved ahead.

Organic and biodynamic wines have also gained ground. iDealwine said the share of organic and biodynamic wines sold at auction rose from 28.4% to 29.9% by volume and from 35.6% to 36.2% by value in 2025. The company said demand for wines made from chemically free or certified organically farmed grapes increased by about 7%.

At Liv-ex, a global trading platform for fine wine, analysts said sparkling wine and white wine have been the strongest parts of the market over time, while red wine activity has weakened. Since 2010, sparkling wine trade has risen 650% and white wine trade has risen 1,100%, according to Liv-ex. Red wine activity has fallen 15% since 2025 alone.

Analysts say part of the shift reflects lifestyle changes. Younger consumers are less likely to buy wine for long-term aging and more likely to buy bottles they plan to open soon. That favors white and sparkling wines, which are often ready to drink earlier than reds.

The broader social context also matters. Americans spent less time socializing in person in 2024 than they did a decade earlier, according to the U.S. Bureau of Labor Statistics' American Time Use Survey. In 2014, people spent about 43 minutes a day socializing or communicating face to face; by 2024 that had fallen to 35 minutes a day, a drop of about 19%. Wine, which has long depended on social occasions and shared meals, is now competing more directly with products tied to convenience and novelty.

NielsenIQ said wine is increasingly competing in what it calls the broader occasion space, where consumers choose among alcohol-free drinks, cannabis products and RTDs depending on the setting. Kaleigh Theriault, associate director of thought leadership in NielsenIQ's beverage alcohol division, said nonalcoholic wine grew 18.7% year over year even as overall wine sales declined 4.2%.

That does not mean younger drinkers have abandoned wine entirely. In some cases, they are buying more expensive bottles when they do buy wine at all. Dave Parker, founder and chief executive of Benchmark Wine Group, said Millennials account for about 30% of his company's revenue because they are buying older wines rather than waiting for new releases to mature.

"They are interested in what great wine tastes like at their peak of maturity," Parker said.

Theriault said younger consumers are still willing to spend on quality products when the occasion feels right. She said they are often drawn to top-shelf bottles and respond to cues such as labels, discovery and special events.

That shift has pushed some wineries to market wine less as an everyday habit and more as part of an experience. Flavio Geretto, general manager of Cantina Rauscedo in Friuli, said younger drinkers no longer treat wine as a daily staple in the way their parents often did. Instead, he said, they connect with it through social settings that feel more relaxed and less formal.

Issamu Kamide, co-founder and chief executive of Wonderwerk in California, said his brand has found success by selling at events that are not traditionally associated with wine, including book clubs, garage parties, speed-dating nights and comedy shows. He said a techno festival in San Francisco led to strong sales and later opened doors at other music events.

Restaurants are also adjusting pricing strategies as customers become more price sensitive and more aware of markups. Matt Stamp, owner of Compline in downtown Napa, said his restaurant has sold more wine after moving closer to retail-style pricing instead of relying on traditional three- or four-times wholesale markups.

He said high prices for Napa Valley, Burgundy and Champagne bottles were discouraging demand under the old model.

“When I readjusted the prices, it didn’t even destroy our overall margins,” Stamp said.

For an industry built on tradition, the challenge now is whether it can keep enough loyal buyers while reaching consumers who want lower alcohol options, better value or a different kind of drinking experience altogether.