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Chilean Wine Exports to the United States Fell 33% Before a New 12.5% Tariff Took Effect

The steep first-half decline outpaced losses in other markets, adding pressure on an industry that long relied on duty-free access.

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Chilean wine exports to the United States fell sharply in the first half of 2026, deepening pressure on an industry that is now also facing a new 12.5% U.S. tariff on bottled wine.

According to figures cited by Vinos de Chile, the industry group, shipments to the U.S. market dropped 33% in value and 23% in volume from January through June compared with the same period a year earlier. In other export markets, Chilean wine sales declined by about 8% in both value and volume, suggesting that the setback in the United States goes beyond the broader global slowdown in wine consumption.

The tariff took effect on July 24 and replaced a temporary 10% surcharge that had been in place since April 2025. Before that, Chilean wine had entered the United States at 0% under the free trade agreement between the two countries. The latest measure means Chilean wine now faces a duty that is 2.5 percentage points higher than before and 12.5 percentage points above the tariff-free treatment it had until last year.

The U.S. action was adopted under a July 23 resolution tied to Washington’s policy on imports linked to forced labor concerns. The measure applies broadly to goods from Chile and dozens of other economies. It does not amount to a direct accusation against Chile’s wine producers or vineyards, but it has raised costs for one of Chile’s best-known value-added exports in a market where price remains central.

Claudio Cilveti, general manager of Vinos de Chile, said the impact has been severe because Chile competes in the United States largely on price-to-quality value. When retail prices rise, he said, volumes fall quickly. He attributed the weaker U.S. performance directly to the tariff regime that began in 2025.

The decline has also reduced Chile’s share of U.S. wine imports. Vinos de Chile said Chile accounted for 6.1% of those imports in 2024, when its wines still entered duty-free. That share has now slipped to 5.4%, a loss of 0.7 percentage points.

That erosion matters in a market where imported wine represents only a small part of total consumption. According to Vinos de Chile, about 85% of the wine consumed in the United States is produced domestically, leaving roughly 15% for imports. Within that imported segment, Italy holds about one-third, followed by France, New Zealand and Spain. Chile is now the sixth-largest foreign supplier.

For Chile, the United States remains its fifth-most important export destination for wine, though it once ranked near the top. The industry says that position has weakened over time as competition intensified and tariff advantages narrowed or disappeared.

The gap between U.S. results and performance elsewhere has become one of the clearest warning signs for producers. A drop of 33% in value against an 8% decline in other markets points to an additional deterioration of about 25 percentage points in the United States. In volume terms, the extra decline is about 15 percentage points. Based on those rounded figures, unit value appears to have fallen by roughly 13%, though that estimate may also reflect changes in product mix.

The tariff increase comes at a difficult moment for global wine producers. Consumption has been soft in several major markets, and many wineries are already dealing with tighter margins and slower turnover. But Chilean exporters say the U.S. market stands out because their losses there are much steeper than elsewhere.

Some competing suppliers are now in relatively better positions. Argentina faces a lower U.S. surcharge of 10%, while several European producers have also avoided being placed at Chile’s new rate. Australia and New Zealand face similar conditions to Chile’s, but Chilean producers say even small differences matter in middle-price categories where consumers are sensitive to shelf prices.

The latest U.S. tariff package did not apply evenly across all Chilean exports. Copper and lithium products were exempted, as were some fresh fruits including avocados, oranges and kiwifruit. But bottled wine remained subject to the new duty, along with salmon in several formats, fresh grapes, blueberries, poultry meat, salt and cherries.

Chilean officials and export groups have been trying to reverse or soften the measure through negotiations with Washington. Cilveti said he believes those talks offer a chance to return wine to a 0% tariff or at least reduce the rate back to 10%. He praised the work of Chile’s trade officials and said discussions remain open on whether priority products can be added to an exemption list.

The industry argues that although only about 40% of Chile’s exports to the United States were hit by the surcharge, many of those goods are among the country’s most important value-added products. Wine is especially sensitive because it carries both commercial weight and national branding abroad.

Cilveti said more than 120 million bottles of Chilean wine reach American consumers each year. That scale makes any loss of competitiveness hard to absorb quickly through other destinations. He said there is little room to offset weaker U.S. sales by shifting volumes elsewhere because Chile’s wine industry is already broadly diversified across export markets.

Producers are exploring growth opportunities in countries such as India, the Philippines and Bangladesh, but industry leaders do not expect those markets to replace lost business in the United States anytime soon. Canada has offered some support as trade tensions with Washington have changed retail sourcing patterns there, but not enough to alter the broader picture.

The pressure is likely to be felt across wineries’ pricing strategies, importer relationships and employment decisions. Cilveti said he does not expect widespread bankruptcies, but he warned that additional strain on an already challenged sector could create serious problems for some companies.

For now, no exemption has been announced for wine, and Chilean exporters are left managing a market where they have lost sales, volume and share at the same time. For an industry that spent two decades benefiting from tariff-free access under a bilateral trade deal, the shift marks a sharp reversal in one of its most important overseas markets.