vinetur

Oregon wine slump forces 110 vineyards and wineries to close

Growers enter harvest after a 25% drop in grape production compounded a 16% decline in wine sales.

Wednesday, October 7, 2026



As crews move through Oregon vineyards for this year’s grape harvest, many growers are doing so in the middle of a market downturn that has cut production, reduced sales and forced dozens of businesses to close.

Oregon Public Broadcasting reported that the state's wine industry is dealing with a broad correction after a 25% drop in grape production in 2025 and a 16% decline in wine sales, according to the 2025 Oregon Vineyard and Winery Census. Last year, 110 vineyards and wineries closed across the state.

The slowdown is hitting during one of the most important moments of the year for growers. In the Dundee Hills, vineyard owner Paul Durant told OPB that this year's pinot noir crop at Red Ridge Farms appears healthy, but the business climate around it has changed sharply. He said the industry has not seen a downturn quite like this before.

Unlike the recession-driven slump of 2008, the current decline does not appear to have a single cause. Producers are facing a mix of trade disruption, changing consumer habits, oversupply and higher operating costs.

One of the clearest blows has come from Canada, a major export market. OPB reported that Canadian liquor boards removed U.S. wines from shelves in response to U.S. tariffs that took effect last year. As a result, exports of Oregon wine to Canada fell 83%.

At the same time, producers say demand has been weakening for years, especially among younger consumers. More drinkers are choosing non-alcoholic beverages, while cannabis has become another alternative to alcohol. Some winery owners also point to the spread of GLP-1 weight-loss drugs, which can reduce appetite and, in some cases, interest in drinking.

The industry is also dealing with a shift in the public health discussion around alcohol. OPB noted that the World Health Organization said in 2023 that alcohol is "a toxic, psychoactive substance," adding to pressure on consumption. That message landed after years of debate over earlier claims that moderate wine drinking might provide health benefits, claims later challenged by researchers who found that lifestyle and income differences had often been overlooked.

Supply has become another problem. Oregon's vineyard footprint expanded significantly over the past two decades. According to OPB, the state had 480 vineyards around the turn of the millennium, based on Oregon State University figures. It now has more than twice that number. With fewer consumers buying wine, that expansion has

left too many grapes chasing too little demand.

Growers have responded in ways that show how the downturn is moving from sales data into production decisions. Some grapes are being left unpicked. Some vineyards have been removed entirely. Durant told OPB that he is reducing the amount of fruit produced per acre by pruning more aggressively in winter, bringing yields down from about 4 tons per acre to closer to 3 tons. The method cuts the number of buds left on each vine, which lowers output and can also improve quality.

At Red Ridge Farms, Durant expects to harvest about 350 tons of grapes this season. He said about 80 tons will go into the winery's own production, while the rest is expected to be sold to longtime buyers. He told OPB he believes those relationships will hold, in part because he is willing to offer more flexible lending terms if needed and because buyers have built brands and wine styles around his fruit.

Wineries are also trying to adjust their product mix and sales strategy. Durant said he is working with Oregon State University's Food Innovation Center on a pinot noir- and chardonnay-based seltzer product that would not be fermented and would instead function more like a sparkling grape drink. He is also looking for new export markets, including Brazil, where he told OPB there is interest in Oregon pinot noir.

Producers are changing how they find customers as well. Durant said it is no longer enough to depend on a tasting room in the Willamette Valley. Wineries are taking products on the road, showing up at events and trying to meet drinkers outside traditional wine tourism channels.

The effect of these trends is not limited to wine. Oregon's beer industry is facing many of the same pressures, though by most accounts the impact has been less severe so far. The Brewers Association says U.S. craft beer production fell by more than 5% last year. In Oregon, some notable brewing brands have run into serious trouble or shut down, including Rogue Ales, Upright Brewery and Culmination Brewing, according to OPB.

Lisa Allen, president of the Oregon Brewers Guild, told OPB that Oregon has not seen the same steep drop as the national market and that the state’s beer sector is holding up relatively well. Even so, breweries are adjusting in much the same way wineries are. At Heater Allen in McMinnville, she said, the business has used craft nights, live music, board games, trivia and speed puzzling events to attract visitors who may not be coming only for beer.

Breweries are also broadening what they sell. Allen told OPB that many are adding non-alcoholic options, kombucha and hop waters to bring in consumers whose drinking habits have changed. That reflects a wider shift across the beverage business, where producers are being pushed to rethink both supply and product mix as alcohol consumption softens. For wine, beer and other drinks, the Oregon experience suggests that even premium regions are not insulated from lower demand, health concerns and trade shocks, and that those pressures can force changes from the vineyard and brewhouse all the way to exports and tasting-room strategy.

The state’s harvest continues against that backdrop. Growers still have fruit to pick, contracts to fill and visitors to attract. But the latest census data and the closure of 110 vineyards and wineries show that Oregon’s wine industry is moving through a difficult reset at the same time its fields are producing the next crop.