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The McManis Family Winery Goes on the Market for $77.95 Million

Weak demand, rising costs and a Canadian boycott have cut the winery’s exports to Canada by about 95%.

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California’s wine industry is under pressure from weak demand, higher costs and trade fallout, forcing growers and winery owners across the state to rethink their businesses and, in some cases, put major assets up for sale.

One of the clearest signs of the strain is the McManis family winery in the northern San Joaquin Valley, which is on the market for $77.95 million. The family-run company, founded in 1990 and known for vineyards around Ripon, Clarksburg and Lodi, built a reputation for sustainability and helped raise the profile of a region that had long received less attention than Napa or Sonoma. Now it is trying to navigate a market that many industry participants describe as one of the hardest in decades.

California’s wine business generates about $84 billion a year, but the downturn is hitting producers of all sizes, from boutique labels and family operations to independent grape growers and large corporate wine companies. Economists and industry specialists told SFGATE that the sector is facing a combination of problems that includes lower wine consumption, changing consumer habits, inflation, labor costs, oversupply and losses tied to the Canadian boycott of American wines.

McManis has been one of the companies hurt by that trade dispute. The Sacramento Bee reported that the winery’s exports to Canada fell about 95%, dropping from 75,000 cases to 1,000 cases between July 2025 and July 2026. McManis declined to be interviewed by SFGATE.

The broader damage to California wineries has also been significant. The Wine Institute, an advocacy group for California wineries, said the Canadian ban cost winemakers $357 million in 2025, with losses continuing this year. For the beverage sector, that offers a clear example of how trade conflicts can quickly cut export sales, pressure company valuations and accelerate decisions to sell vineyards, wineries or production assets. It also points to possible longer-term effects on California’s wine-making capacity if more growers pull vines or shift land to other crops.

Dan Sumner, an agricultural and resource economics professor at the University of California, Davis, who specializes in the wine business, told SFGATE that tariffs and retaliation have created a double burden. They raise input costs while also depressing wine prices by shutting off or weakening export markets. Sumner said Canada had been the top destination for California bottled wine before the dispute disrupted that trade.

He described the current situation as unusually severe. In comments to SFGATE, Sumner said he had to look back as far as Prohibition to find a comparable period of stress for the industry, though he noted that data often trails the real-time damage being felt by growers and wineries. He said there is no firm evidence yet that a turnaround has begun.

Other analysts say the problem is not only trade-related. Jon Maramarco, managing partner at alcohol industry data firm bw166, told SFGATE that wine benefited for years from strong demand led by baby boomers, especially from the early 1990s through roughly 2017 or 2018. He said that generation is now aging out of the market, while the industry has struggled to build the same level of regular wine consumption among younger adults.

Maramarco said changes in daily life have also worked against wine’s traditional place at the dinner table. He pointed to the decline of routine family dinners during the week, tighter household schedules and different spending priorities. He also said younger consumers face more competition for discretionary dollars, including digital entertainment and online gambling, which can take money that might once have gone to alcohol purchases in bars, restaurants or retail stores.

That shift matters beyond wine alone. If consumers buy alcohol less often or spread spending across more categories, wine makers must compete not only with beer and spirits but also with a wider set of lifestyle choices. That can shape pricing, marketing and investment decisions across the drinks industry.

In Paso Robles and other Central Coast regions, the downturn is showing up in property sales and business closures. David Crabtree, a San Luis Obispo County real estate agent who has sold ranches and wineries in and around Paso Robles since 1990, told SFGATE that the area spent decades growing from a pass-through stop into a major wine destination. He said Paso Robles attracted boutique wineries, strong international wine ratings, restaurants, entertainment and tourism, and later drew interest from corporate buyers as well.

During the pandemic, Crabtree said, wine and spirits demand surged. But the period that followed brought a sharp change. Inflation and labor expenses stayed high, while alcohol sales softened, especially among Generation Z consumers. The result, he said, was a mismatch between supply built for earlier growth projections and a slower market.

That imbalance is already visible in the region. SFGATE reported that Chronic Cellars closed its tasting room in Paso Robles in April. E&J Gallo shut down Courtside Cellars in San Miguel and laid off 47 workers last fall. Region SLO, a wine bar next to Hotel SLO and an offshoot of Region Sonoma, also closed in July.

At the same time, real estate listings show how values are being tested. Crabtree is representing several wine-related properties, including Locatelli Vineyards and Winery in San Miguel, a family winery operating since 1996. The property includes 97 acres, with 37.50 acres of producing vineyards, and is listed for $5.5 million. He is also marketing a six-bedroom home with about 51 acres planted with cabernet sauvignon, petite sirah and sauvignon blanc, plus 21 additional unplanted acres, for about $4.8 million.

Crabtree told SFGATE that buyers can now acquire wineries and vineyards for less than it would cost to develop similar properties from scratch. He estimated that installing wells, irrigation and rootstock on raw land in Paso Robles could cost about $30,000 to $50,000 an acre. Existing producing vineyards, he said, are selling for roughly that amount, effectively assigning little or no value to the land itself.

That may create an opening for investors who believe the market will recover, even if current operators are under strain. Both Crabtree and Sumner told SFGATE that money is still flowing into California wine from wealthy buyers in Los Angeles and Silicon Valley. Some of that capital is supporting smaller wineries or speculative purchases by owners who can absorb losses over time.

Maramarco said some wineries are also finding ways to limit the damage by building closer relationships with customers. He told SFGATE that smaller and more nimble producers can still succeed if they combine direct engagement at the winery with steady communication online and through social media. In his view, the strongest

operators are using that mix to keep loyal consumers connected while trying to attract new ones.

Even so, the immediate picture remains difficult. Family wineries, grape growers and larger businesses are weighing whether to keep investing in vineyards or replace them with other crops that may offer more stable returns. As export losses mount and domestic demand stays weak, those choices could reshape parts of California’s wine map and influence how much product the state is able to supply to retailers, restaurants and distributors in the years ahead.