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California Congressman Urges Trump to Expand U.S. Wine Access in India, Vietnam

He said growers face weak demand at home, lost ground in Canada and federal policies that favor imported wine inputs.

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A California congressman is pressing the Trump administration to seek wider access for U.S. wine in India and Vietnam, arguing that American growers are being squeezed by weaker demand at home, reduced opportunities in Canada, and federal rules that can

favor imported wine inputs over domestic grapes.

Rep. James Gallagher, a Republican who represents a wine-producing area of Northern California, sent a letter to U.S. Trade Representative Jamieson Greer asking the administration to make the two Asian markets a priority. The letter, released Thursday, says California’s wine sector is under growing pressure as the 2026 harvest nears its end and producers look for new buyers abroad.

Gallagher told Greer that India and Vietnam are viewed by industry leaders as promising growth markets for American wine, but that high barriers remain because of ongoing tariff talks and other market-access issues. He also asked the administration to keep working to restore access to Canada, which he said has become a much harder market for U.S. wines.

The request comes as Washington and New Delhi continue trade negotiations aimed at expanding bilateral commerce and lowering barriers. Gallagher said those talks should include a stronger push for California wine, which he said could compete effectively if tariffs and other restrictions are reduced. He wrote that growers in his region produce high-quality wine grapes but are facing a market in which domestic policy can, in their view, make foreign products easier to use than grapes grown in the United States.

Beyond export access, Gallagher asked the administration to review federal labeling rules for wine sold as American. Under current Alcohol and Tobacco Tax and Trade Bureau rules, wine labeled “United States” or “American” must contain at least 75% U.S.-grown agricultural products and must be fully finished in the United States. The remaining 25% can come from foreign-grown ingredients without the label identifying their origin.

Gallagher said growers believe that standard weakens demand for California grapes, adds pressure on prices, and makes it harder for consumers to tell the difference between wine made entirely from American agricultural products and wine that includes imported content. He asked the U.S. trade representative to work with the Treasury Department and the Alcohol and Tobacco Tax and Trade Bureau to review whether the rule should be changed.

He also raised concerns about federal duty drawback rules tied to imported bulk wine. Under some circumstances, excise taxes paid on imported wine can be refunded when another wine is exported as a substitute, even if the exported product did not face the same tax burden. Gallagher said that system can make imported bulk wine more attractive financially than buying domestically produced wine or grapes grown in California. He urged the trade office to support U.S. Customs and Border Protection in examining the policy and its effect on American producers.

The letter separately asks for scrutiny of bulk products imported from Canada that, according to Gallagher, do not meet the U.S. definition of wine but still receive customs and tax treatment applied to wine. His concerns reflect a wider complaint from growers that trade policy and tax treatment can shape competition as much as consumer demand does.

Natalie Collins, president of the California Association of Winegrape Growers, backed Gallagher’s intervention. She said growers in the state are operating in a very difficult market and that federal policy should not make it harder for American-grown grapes to compete. Her comments underscored the pressure on producers after a period of softer domestic wine consumption and uncertainty in export markets.

The issue reaches beyond grape growers because any change in market access, labeling, or tax treatment could affect how wine is sourced, blended, priced, and marketed across the broader beverage business. Looser access to large overseas markets such as India could create new demand for U.S. producers, while stricter rules on imported bulk wine or origin labeling could alter competition between domestic and foreign supply in the wine trade. Importers, wineries, distributors, and retailers could all be affected if the administration acts on Gallagher’s requests.

Gallagher said Washington should respond now rather than add more strain to a weak market. He argued that federal policy should give California growers a fairer chance at home while helping them sell more American wine overseas. There was no immediate public response from the Office of the U.S. Trade Representative to the letter.