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U.S. wine exports fell 10% in value through July 2026.

The decline slowed in early summer, largely because shipments to Canada rebounded from an exceptionally weak 2025 base.

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U.S. wine exports remained below year-earlier levels in the six months ending in July 2026, although the decline eased during the most recent part of that period as shipments to Canada stopped falling as sharply from an unusually weak base.

An analysis published this week by Terrain and based on U.S. International Trade Commission data said U.S. wine exports fell 10% in value and 12% in volume in the February-through-July period compared with the same six months of 2025. In the final three months of that span, from May through July, the drop was smaller: 2% in value and 10% in volume from a year earlier.

The change suggests that the export downturn lost some intensity during early summer, but the improvement was heavily shaped by Canada, the largest foreign market for American wine before trade tensions disrupted sales. Terrain said the better recent reading did not signal a full recovery because exports to Canada were still far below earlier levels.

In the May-through-July period, shipments to Canada rose sharply from the depressed levels recorded a year earlier. Terrain said exports to Canada during those three months increased 377% in value and 36% in volume from the same period in 2025. Even so, that rebound came after a collapse in trade, and shipments were still down 80% in value and 71% in volume compared with the same three-month period in 2024.

That comparison is central to understanding the recent data. The latest year-over-year gains to Canada were measured against what Terrain described as an exceptionally weak base in 2025, after Canadian provinces moved to block or restrict American alcohol sales in response to U.S. tariffs and broader trade friction. As a result, the sharp percentage increase in 2026 reflects stabilization from a very low level rather than a return to normal export volumes.

For the full six months ending in July, Terrain said exports to Canada were down just 1% in value and 14% in volume from a year earlier. On its face, that was much better than the overall U.S. export performance. But the underlying picture remained weak because the Canadian market had already contracted heavily in 2025.

The same analysis said U.S. wine exports to markets outside Canada and China weakened further in 2026. In the six months ending in July, exports to the rest of the world fell 11% in value and 12% in volume from the same period a year earlier. Terrain linked that decline to a mix of political backlash against the United States and broader economic pressure tied to energy supply disruptions associated with the conflict in Iran.

The July-period data follows steeper losses reported earlier in the year. Terrain said that in the 12 months ending in January 2026, U.S. wine exports fell 37% in value and 22% in volume, representing a revenue loss of $460 million for American producers. That drop was driven largely by Canada, where exports fell 84% in value and 75% in volume over that 12-month stretch. Exports to China, another market hit by trade tensions, fell 73% in value and 58% in volume during the same period, according to the analysis.

Terrain said the export slowdown had been building over several years because of structural pressures in the global wine market, but that tariffs introduced by the United States in February 2025 and retaliatory actions by trading partners worsened the decline. Before that escalation, exports had already been trending lower over the past decade. The trade dispute, however, accelerated the downturn in some of the most important overseas markets for U.S. producers.

The report said some markets had shown relative resilience during the first year of the trade war. Excluding Canada and China, U.S. wine exports in the 12 months ending in January were down only 2% in both value and volume from a year earlier, helped in part by growth in Japan and South Korea. Those countries were the fourth- and fifth-largest foreign markets for American wine by value before the latest trade disruptions.

Looking ahead, Terrain said it does not expect a near-term rebound in exports. The analysis pointed to a new round of U.S. tariffs on Canadian products that took effect on September 29 and retaliatory Canadian measures introduced afterward. While the new Canadian tariffs do not include wine, Terrain said provincial restrictions on American alcohol remain in place across most of Canada and are unlikely to be lifted soon.

According to the report, Alberta and Saskatchewan lifted their bans in June 2025, but Saskatchewan imposed a 50% tariff on U.S. wine effective September 8. Terrain said that move would not have a large effect on total exports because Saskatchewan represents only a small share of Canadian wine sales.

The analysis also said that continued inflation pressure and muted global economic growth could limit demand for imported wine more broadly, even outside the immediate tariff dispute. Terrain’s view was that U.S. wine exports are likely to keep declining at a moderate pace in the near term rather than recover quickly.

The trade figures cited in the analysis come with an important limitation. Terrain’s report is a secondary analysis of U.S. International Trade Commission data, and the summary for the February-through-July and May-through-July periods gives percentage changes but does not publish the underlying dollar totals or shipment volumes for those specific periods. That means the absolute loss in export value or volume for those months cannot be calculated from the published figures alone.