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South Australian wine exports to Canada climbed to A$128 million after provinces pulled many U.S. bottles

The surge made Canada the state's third-largest market, with South Australia supplying 68% of Australia's wine exports there

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South Australian wine exports to Canada rose sharply in the year through August 2026, as producers in the state expanded into a market disrupted by the removal of many U.S. alcoholic beverages from store shelves in several Canadian provinces.

Exports to Canada increased from about A$24 million to A$128 million over that period, according to figures reported by the South Australian government and industry representatives. The gain made Canada South Australia’s third-largest wine export market, ahead of the United States and behind only China and the United Kingdom.

The shift followed a decision in March 2025 by Ontario, Quebec and British Columbia to remove U.S. alcoholic beverages from liquor outlets and online platforms in response to American tariffs. South Australia moved quickly to target the opening. The state government said it began supporting retail promotions within a month of the Canadian action, backed by its A$5 million Global Wine Growth Program.

Industry officials said the stronger sales reflected both demand conditions in Canada and a broader push by wineries to diversify export markets at a time of pressure across the global wine trade. Inca Lee, chief executive of the South Australian Wine Industry Association, said the result showed the international standing of South Australian wine and the ability of winemakers to respond quickly to market disruption.

Lee said continued investment in export development remained important because trading conditions were still difficult and competition for consumers remained intense. Her comments point to a wider lesson for the beverage industry: trade retaliation can quickly redistribute shelf space and market share, creating new openings for wine producers that can move fast in alternative markets.

The government-backed campaign helped place South Australian wines in prominent positions at two of Canada’s largest alcohol retailers, the British Columbia Liquor Distribution Branch and the Liquor Control Board of Ontario. One promotion ran for four weeks from July to August 2026 and featured 16 South Australian wines, including labels from Angoves, Zonte’s Footstep, Kilikanoon, Two Hands and Bleasdale.

Brad Rey, a vigneron and director at Zonte’s Footstep, said Canada had become a key market for his business. He said state support had helped build awareness of the range and quality of South Australian wines across provincial markets, and that the company had seen strong sales despite wider pressures facing the industry.

South Australia now accounts for 68% of Australia’s wine exports to Canada, according to the figures cited by the government. Shipment volumes reached 48.5 million liters, up 38.6% over 12 months.

The export surge comes as the state tries to strengthen a wine sector that has faced volatile global demand and shifting trade conditions. The South Australian government has also announced a A$109 million Wine Industry Transition and Growth Package that includes government-backed loans, business support measures and the appointment of a Wine Industry Coordinator.

The latest trade pattern underscores how quickly export flows can change when politics reshape consumer access and retailer buying decisions. For wine producers, Canada’s response to U.S. tariffs created a rare opportunity to win distribution, raise brand visibility and build longer-term market share in a major overseas destination.