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South Australian wine exports to Canada surged to A$128 million in the year through August

Provincial bans on U.S. alcohol opened shelf space, lifting shipments 38.6%, making Canada the region’s third-largest market

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Canada has become a much more important market for South Australian wine, with exports to the country rising to A$128 million in the 12 months through August after several Canadian provinces removed U.S. alcoholic beverages from their shelves in

response to American tariffs.

The figures, released by South Australia’s Department of State Development on October 21, show exports to Canada increased by more than A$24 million over the period. By value, that made Canada the third-largest export market for South Australian wine, ahead of the United States and behind only China and the United Kingdom.

The increase was not only in dollar terms. South Australia shipped 48.5 million liters of wine to Canada in the year through August, up 38.6% from a year earlier, or roughly 13.5 million liters more. The state accounted for 68% of Australia’s total wine exports to Canada during the period, underscoring how heavily the national trade with Canada is now tied to producers in South Australia.

The shift followed a trade disruption that began in March 2025, when provinces including Ontario, Quebec and British Columbia removed U.S. alcoholic beverages from liquor outlets and online platforms. The move came in response to tariffs imposed by the United States. That left major retailers in Canada looking for alternative products and opened shelf space for other wine-producing countries.

South Australian officials and wine producers moved quickly to target that opening. The state government said its A$5 million Global Wine Growth Program helped fund a series of promotions in Canada, beginning one month after the tariff decision. The effort focused on raising visibility for South Australian labels in large provincial retail systems that dominate alcohol sales in much of Canada.

Among the main channels were the Liquor Control Board of Ontario, known as the LCBO, and the British Columbia Liquor Distribution Branch. The LCBO is a government-run retailer with more than 690 stores across Ontario, while British Columbia’s liquor distribution branch operates 198 retail stores and reaches millions of customers each year.

A four-week promotional program with the LCBO during July and August featured 16 South Australian wines across nine flagship stores. Brands included Angoves, Zonte’s Footstep, Kilikanoon, Two Hands and Bleasdale. In British Columbia, the state government said more than 75 in-store tasting events were scheduled over the

summer months.

Industry representatives said the Canadian market has become more important as producers try to diversify away from weaker or more volatile markets elsewhere. Inca Lee, chief executive of the South Australia Wine Industry Association, said the results reflected both the international reputation of the region’s wine and the speed with which producers responded to the change in Canada.

Lee also said the Canadian gains did not remove broader pressure on the industry, which continues to face heavy competition and uneven global demand. That is one reason the South Australian government has paired export promotion with wider industry support at home.

The state recently 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. Officials have framed the package as part of a broader strategy to help wineries manage changing conditions in export markets and build new demand abroad.

The government also said it will establish a new Toronto-based position to help South Australian companies pursue opportunities in food, wine, critical minerals and defense. Until now, businesses seeking support in Canada were handled through the government’s teams based in the United States.

For South Australian wineries, the Canadian growth comes at a significant moment. Wine remains one of the state’s most important export industries, and the rapid increase in shipments to Canada suggests that trade disruptions can quickly reshape demand when a market is concentrated in a few large retail systems. It also shows how provincial purchasing decisions in Canada can affect export patterns far beyond North America.

The new ranking does not mean Canada has become Australia’s third-largest wine market overall. The data released on October 21 refer specifically to South Australia’s export performance. But because South Australia supplied more than two-thirds of Australia’s wine exports to Canada in the latest 12-month period, the state’s rise in the

market has had a major effect on the national trade relationship.

Brad Rey, vigneron and director at Zonte’s Footstep, said Canada has become a focal market for his company and that government-backed promotions had helped producers reach both retailers and consumers. His comments reflect a broader industry view that direct support in overseas markets can matter when buying decisions are shaped by large public or quasi-public retail networks.

The trade gains in Canada come after several difficult years for Australia’s wine sector, which has had to adjust to shifting demand, oversupply and geopolitical disruptions in key export destinations. Against that backdrop, the rise in Canadian sales stands out as one of the clearer examples of an export market expanding quickly after a sudden change in competitive conditions.