vinetur

Staggemeyer Stave Bankruptcy Puts $10 Million in Assets and Key Barrel Supply at Risk

Minnesota-based supplier’s fate could disrupt whiskey and wine industries as court weighs liquidation or reorganization options

Monday, October 20, 2025



Staggemeyer Stave Company, a long-standing supplier to the whiskey and wine industries, has filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court for the District of Minnesota. The filing, made on October 17, 2025, follows an involuntary Chapter 7 bankruptcy petition submitted by Decorah Bank & Trust Company earlier this month. The court will now determine whether the company will proceed under Chapter 7, which involves liquidation, or Chapter 11, which allows for

reorganization.

Staggemeyer Stave is a family-owned business that has operated for more than five decades, producing white oak barrel staves used by distilleries and wineries across the country. The company's roots trace back to Missouri, but it has been based near Caledonia, Minnesota, since 1958. Its founder, H.E. Robertson, originally planned to operate in the area temporarily, but the abundance of white oak led to a permanent move. Today, the company estimates its assets and liabilities each fall between $1 million and $10 million, with 50 to 99 creditors listed in the bankruptcy filing.

The bankruptcy comes at a time when the broader spirits and wine industries are facing economic headwinds. According to the Distilled Spirits Council, U.S. spirits sales declined by 1.1% in 2024, totaling $37.2 billion, even as volumes rose slightly. The industry has maintained a market share lead, now at 42.2%, but growth has slowed after more than two decades of gains. Chris Swonger, CEO of the Distilled Spirits Council, noted that high prices and interest rates have pressured consumers, leading many to cut back on discretionary spending, including alcohol.

Recent data from Gallup shows that younger adults are drinking less than previous generations. Only 62% of adults under 35 report drinking alcohol, down from 72% two decades ago. Meanwhile, alcohol consumption has increased among adults aged 55 and older. These shifts in consumer behavior have contributed to a slowdown in sales for some brands and suppliers.

The spirits sector has seen several notable bankruptcy filings in the past year. Stoli Group USA, which owns Kentucky Owl Bourbon, filed for Chapter 11 in November 2024, citing a cyberattack, brand disputes, and weaker demand. Vintage Wine Estates filed for bankruptcy in July 2024 with about $400 million in debt, and House Spirits Distillery, known for Westward Whiskey, filed in April 2025 due to industry downturns and overcapacity. Devils River Distillery, a Texas whiskey brand, also filed for Chapter 11 in May 2025.

Staggemeyer Stave's bankruptcy is significant because the company supplies a key component—white oak staves—for barrel production, which is essential for aging whiskey and wine. The outcome of the bankruptcy proceedings could have ripple

effects for distilleries and wineries that rely on its products. The court will now review the competing bankruptcy petitions to decide whether Staggemeyer Stave will be liquidated or allowed to reorganize and continue operations.

The company’s financial troubles reflect broader challenges in the beverage alcohol sector, where changing consumer preferences, economic pressures, and industry disruptions have created uncertainty for both large brands and smaller suppliers. As the case moves forward, industry stakeholders will be watching closely to see how the court’s decision impacts supply chains and production in the months ahead.