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American Wine Exports to Canada Plunge 78% After Provincial Bans

Trade dispute triggers $357 million loss for U.S. wineries and shifts long-standing export relationship into deficit

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The export of American wine to Canada has dropped sharply, falling by 78% in 2025 to $103 million, according to new data from the Wine Institute. This decline follows a series of bans imposed by Canadian provinces, which began removing U.S. wines from store shelves in response to U.S. tariffs. The Wine Institute reports that this move has triggered a significant loss for American wineries, grape growers, and workers.

In 2024, the value of U.S. wine exports to Canada was $460 million. By 2025, that figure had fallen to $103 million, resulting in a loss of $357 million. The trade relationship between the two countries has also shifted dramatically. In 2024, the U.S. wine sector had a trade surplus with Canada of $254 million. By 2025, this had turned into a $90 million deficit.

Canada was the largest export market for American wine in 2024, accounting for 36% of all U.S. wine exports worldwide. In 2025, Canada’s share dropped to just 12%. The Wine Institute attributes 81% of the total global loss in U.S. wine exports in 2025 to the Canadian bans.

Steve Gross, interim president and CEO of the Wine Institute, said that behind these numbers are family businesses, grape growers, distributors, hospitality workers, and entire communities who have no connection to the trade dispute but are suffering its consequences. For many wineries, Canada was not just another export destination but the market that made international growth possible.

The impact is also being felt in Canada. The British Columbia Liquor Distribution Branch expects a budget deficit of CA$77.2 million for the fiscal year 2025-26, a drop of 13.2% in net income compared to the previous year. The agency cites the removal of U.S.-produced alcoholic beverages as a key factor in this decline. Canadian importers, sales representatives, and hospitality workers have lost jobs and income, while consumers have lost access to well-known American brands.

The Wine Institute is calling for an immediate resolution to the dispute. The organization points out that wine is produced in all 50 states and generates more than $323 billion in total economic activity across the United States, supporting rural communities and local economies nationwide.

Gross emphasized that restoring normal trade relations is essential because wineries plan and invest years in advance and cannot replace a market like Canada overnight. The ongoing dispute highlights how quickly long-standing trade relationships can be disrupted and how both sides can suffer economic consequences when access to key markets is restricted.