



# THE RED BOOK

1st Quarter 2025

US wine and grape prices in 2025

Bottled wine

↓ Wholesale

↓ Retail

↓ |

↑ |

California Fresh

↓ |

↓ |

US grape for wet suit

Michigan consumption

10 million

9

19

57 million

Per capita consumption

1.1 million

2.0

15'

7.9 million

2.8% ↓ Inventory

US macro forecast 2025-2027, annual average

- 2.1% GDP growth
- 2.8% Core inflation
- 2.9% Prod. inflation
- 3.1% 10-yr rate

Forecast Highlights

**Wine prices face continued pressure.** Real prices will decline over the next three years due to weak demand and increased supply from substitutes.

Nominal prices in

**Demand remains:** in 2026. The total consumption will

reach its lowest point in 2026, per capita

**Oversupply concerns:** pressure on price continues to be excessive, prompting

ing downward price adjustment. Supply remains strong.

**Economic and political:** rising labor costs, an uncertain operating environment

is. Inflation risks, and economic conditions in 2026 contribute to

**A new paradigm:** consumption has corrected. It is also a result of changing attitudes toward alcohol, and increasing competition from both alcoholic and non-alcoholic alternatives.

change in wine consumption post-pandemic and changing cultural attitudes.

Forecast Changes

- Wine demand is projected to be higher than previously.
- VIVI has shifted the forecast from 2028 to mid-2026.
- The likelihood of renewed inflation is higher due to government spending, and economic risks.
- The price outlook is more volatile due to VIVI's demand forecast.
- Price inflation is higher due to broad-reaching tariffs and supply disruptions as markets have to quickly shift to new supply channels.
- The forecast now integrates a Canadian boycott of U.S. alcohol.

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# BOTTLED PRICES

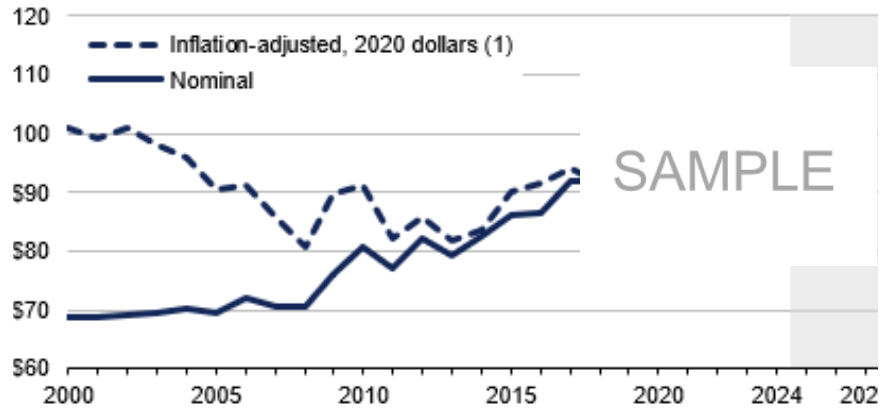
## Prices Declined

- Real wine prices declined to a low point in 2014 and have since recovered, but high inflation has pushed them up again.
- Nominal prices have often risen faster than nominal GDP.
- Higher inflation has pushed up wine prices faster than other goods over the last three years.
- Seasonal price changes are more pronounced in wine.
- Grape prices have risen sharply in 2024.
- Average grape prices have risen and moved to levels not seen for decades due to inflation.
- The increase in wine prices will weigh on sales, which are already under a more pronounced decline in value.
- Discounts and promotions, including bulk pricing, will be more frequent.
- Bulk wine prices will continue to be considered a key factor in both imported and domestic supplies.

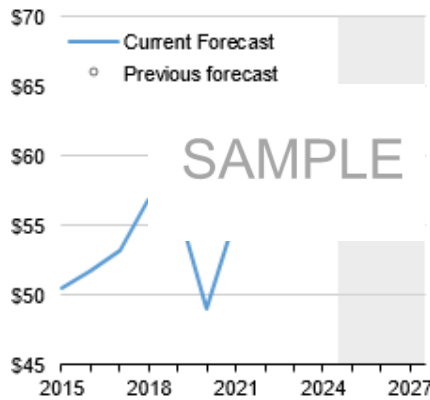
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## US off-premise retail wine prices USD per case

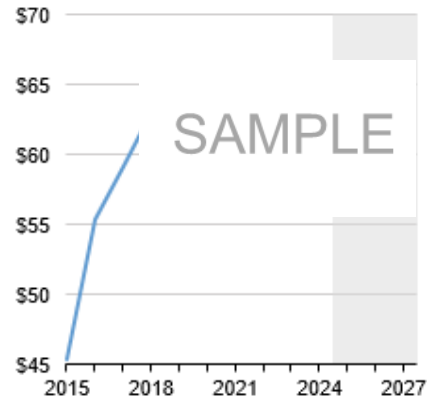
Retail wine prices are at a low



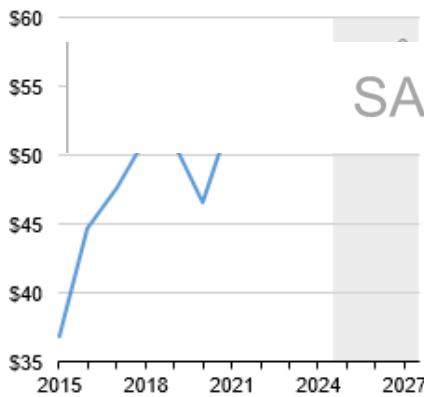
## Imports, all sources



## Exports, all destinations



## Wholesale, vineyard gate



## Grape costs, all varieties



## THE RED BOOK PUBLICATION SCHEDULE

Publication date for this report:  
Tuesday, February 11, 2025.

Publication date for Q2:  
Tuesday, May 13, 2025.

The next edition will include a special feature on "Which Varietals are More Affected during a Recession."

Have questions? Contact your account representative or email [info@vivieconomics.com](mailto:info@vivieconomics.com)

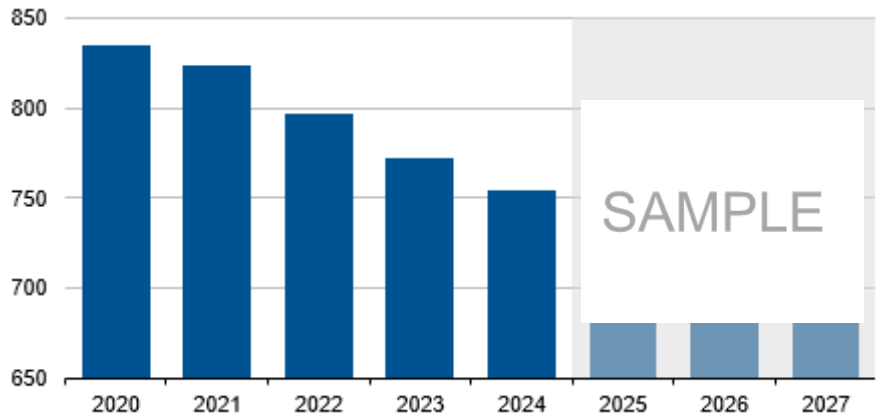
# WINE DEMAND

## Demand Bottoming Out | Lower Drinking

- U.S. wine consumption in 2024 is expected to be lower than in 2023.
- The projected decline in wine consumption in 2026 will be its lowest since 2000.
- Declining wine consumption is predominantly driven by lower alcohol drinking rates.
- The total wine consumption is expected to slightly offset the decline in alcohol consumption.
- Per capita wine consumption will remain relatively stable through 2026.
- Lower alcohol drinking rates are a significant problem in the U.S.
- The gradual decline in wine consumption is likely to be a long-term trend.
- The U.S. wine market is expected to continue to decline over the next three years.
- By 2026, alcohol consumption in ethanol will decline by 1.5% per person.
- This is a 750mL bottle.

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## US wine demand Million gallons



## Wine consumption by drinker type Million gallons

	Consumption			Change over five years	
	2019	2024	2029	Past	Future
Total	800	754			.1
Light	163	164			.3
Occasional	284	261			.1
Moderate	213	192	189	-21.0	-2.8
Heavy	140	137	134	-3.2	-2.8

Note, the definition of drinker types are available in Table 36 of VIVI's *US Wine Database* or email [info@viveconomic.com](mailto:info@viveconomic.com) for more information.

- For those consumers who drink wine as their preferred alcohol beverage, consumption is expected to decline by 3.7% from 2020 to 2027.
- This decline is primarily driven by a decrease in the number of wine drinkers.
- In 2020, wine consumption was supported by economic prosperity and the assumed end of a trade war with Canada.

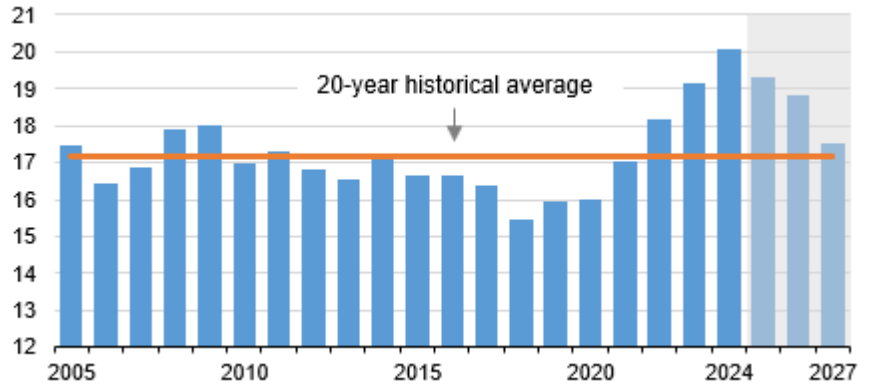
# WINE SUPPLY

## Oversupply Persists | Cost Pressures

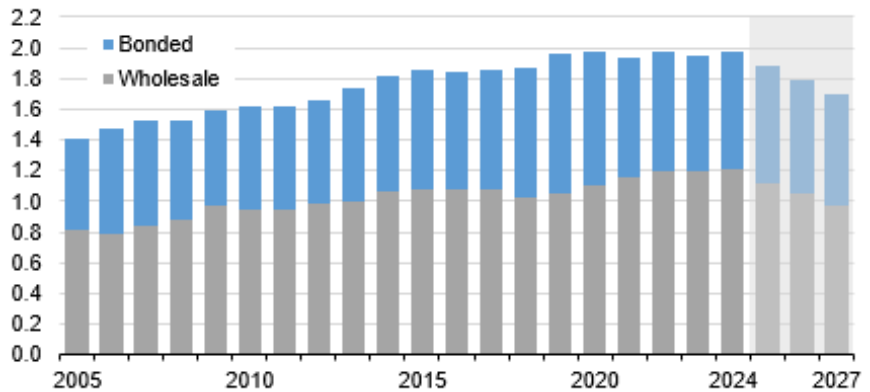
- Despite the lowest U.S. wine production in 2020, inventory levels remained high.
- U.S. wine supply peaked at 20 months of supply in 2005.
- The 20-year historical average is 17 months of supply.
- The 2024 vintage declined sharply, leading to a 8% adjustment in Q1 2025.
- California harvest was the lowest in 20 years.
- Washington yields under pressure.
- Vineyard expansion continues, though slower than in the past year.
- Conversion to alternative uses in California is accelerating.
- Vineyard expansion will continue to rise.
- Mergers and acquisitions will become more frequent as consolidation continues.

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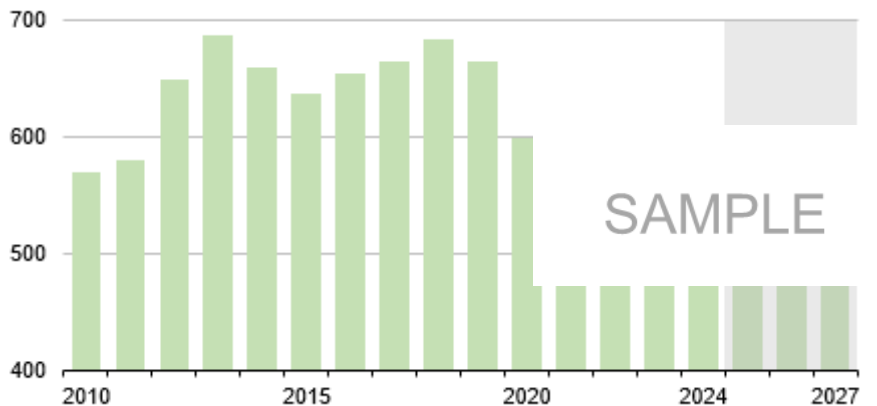
## US wholesale wine inventory Months of supply, annual average



## US wine inventory Billion gallons



## US still wine production Million gallons



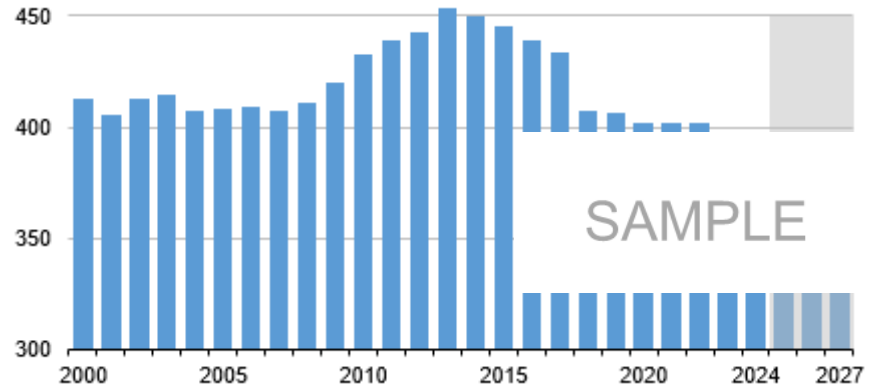
# GRAPE SUPPLY

## Crush Grape Price Declines | Land Conversions

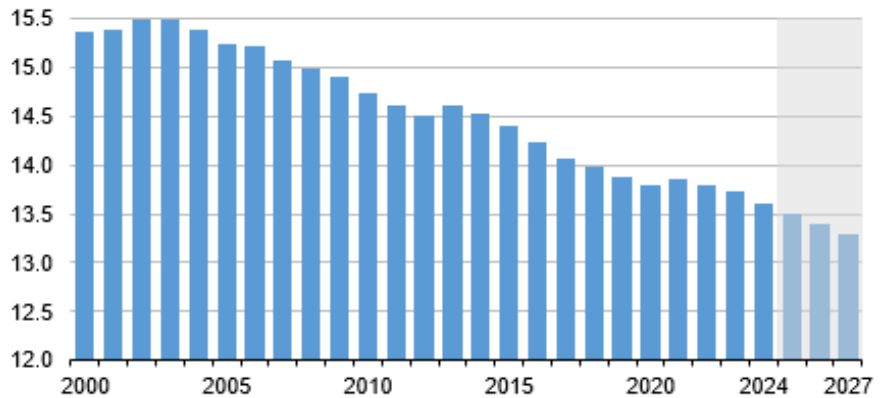
- Areas under vines will decline through the period
- Grape prices will decline in real terms
- Growth in areas under vines will be reduced
- Supply of grapes will drop next three years
- Rising exchange rates, excessive restrictions, will further reduce demand
- Land conversions in most of the world (US, China, India, etc.)
- Grape prices are expected to improve in 2024
- Over the past few years, major wine producing countries have had major problems with low margins
- Over the past few years, the countries that have moved to produce wine are China, Spain, and Australia.

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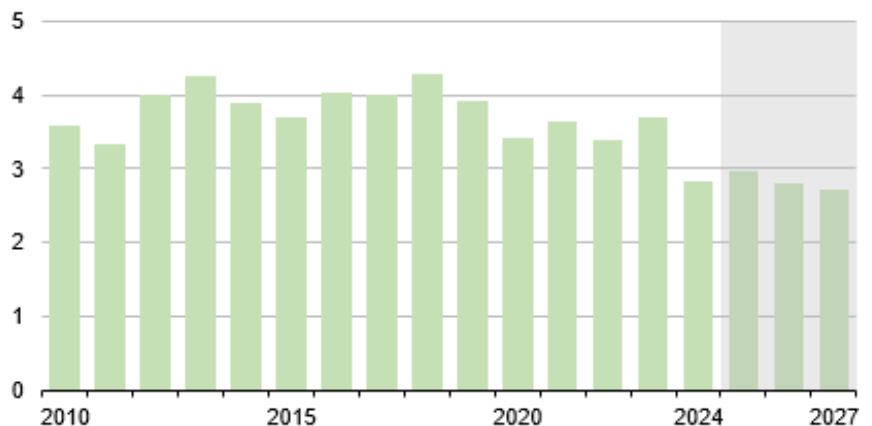
**US area under vines**  
Thousand acres, wine grapes



**World area under vines**  
Million acres, wine grapes



**California grape crush production**  
Million short tons



# WINE TRADE

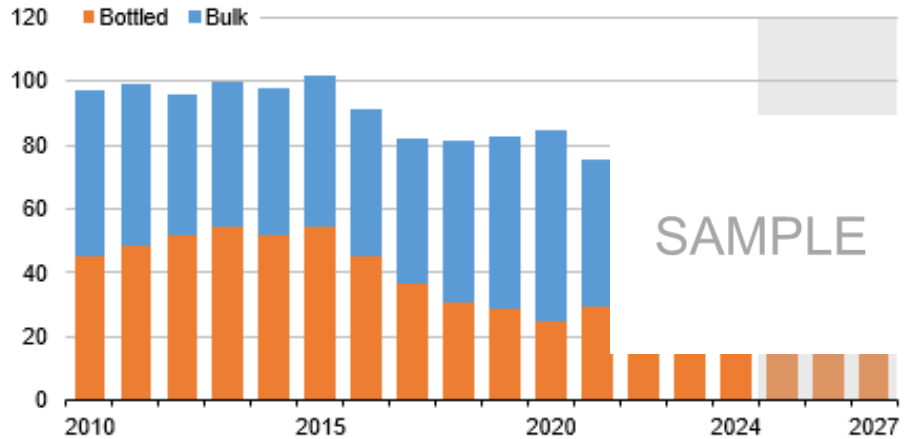
Trade Disruptions | Strong Dollar | Global Oversupply

- US wine exports to Canada for both bottled and bulk wine.
- Importation of wine into the US due to the strong dollar and more domestic production.
- US wine exports to Canada due to the strong dollar and global oversupply of wine.
- At the time of the report, Ontario, Nova Scotia, and New Brunswick would initiate a boycott if Trump imposes tariffs on Canadian goods.
- Global wine production continues to grow, leading to more wine being available in the market.
- White wine is more vulnerable to fluctuations in price and demand.
- As always, weather and other factors will impact the wine trade.
- Unusual weather events can positively or negatively affect wine production and demand.
- No specific weather events are predicted for the next few years, but weather events can have a significant impact on the wine trade.

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## US wine exports

Million gallons



## Trade war assumptions

- Tariffs remain an unpredictable factor that could reshape trade flows.
- The forecast includes the phased rollout of a Canadian boycott on US.
- VIVI assumes Ontario, Manitoba, and Nova Scotia will initiate a boycott on March 4, 2025, the date Trump claims tariffs on Canadian goods would come into effect.
- VIVI assumes all provinces will initiate their own boycott on US alcohol products by July 1, 2025.
- All Canadian boycotts are assumed to end by December 2026.
- Canada accounts for 18% of US wine exports, making the boycott a notable disruption in the marketplace.
- Canada's consumes only 1.1% of US production, limiting the overall impact on the US wine industry.
- Some small US wine exporters heavily reliant on Canada will be devastated by losing access to this market.
- Large suppliers will be able to pivot and make use of their deep distribution channels, although some price discounting may be required.
- VIVI assumes Canadian wine producers will continue to import grapes and bulk wine for blending.
- A "Buy Canadian" movement will have more consequence for Canadian wine producers than the boycott itself.
- Even without the Canadian boycott, US wine imports were projected to decline in 2025 and 2026, although at a slower rate than now projected.

# FORECAST TABLES

## US benchmark wine prices

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Forecast		
												2025	2026	2027
<b>BOTTLED STILL WINE PRICES, USD PER CASE (1)</b>														
<b>Nominal</b>														
Retail, off premise (2)	109.85	114.70	115.52	122.40	122.45	128.14	118.40	133.18						
Imports (3)	52.88	50.63	51.74	53.18	56.84	56.26	49.05	55.89						
Exports (4)	42.75	45.43	55.35	59.23	63.05	62.63	62.50	62.37						
Wholesale at vineyard (5)	37.44	36.77	44.75	47.73	51.22	50.72	46.61	53.13						
Grape input costs (6)	8.11	7.43	8.33	8.60	9.05	8.90	7.63	9.64						
Red varieties	9.51	8.68	9.76	10.35	10.69	10.85	8.95	11.45						
White varieties	6.38	5.88	6.42	6.28	6.74	6.36	6.07	7.20						
<b>Inflation-adjusted, 2023 dollars (7)</b>														
Retail, off premise	139.55	150.68	153.28	157.37	152.80	158.56	148.50	153.36						
Imports	67.19	66.51	68.66	68.37	70.93	69.62	61.52	64.36						
Exports	54.32	59.69	73.44	76.15	78.68	77.50	78.37	71.82						
Wholesale at vineyard	47.57	48.31	59.37	61.37	63.92	62.77	58.46	61.18						
Grape input costs	10.31	9.77	11.06	11.07	11.29	11.02	9.58	11.11						
Red varieties	12.09	11.40	12.94	13.30	13.34	13.44	11.21	13.19						
White varieties	8.11	7.72	8.51	8.08	8.41	7.87	7.61	8.29						

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Forecast		
												2025	2026	2027
<b>BOTTLED STILL WINE PRICES, USD PER GALLON</b>														
<b>Nominal</b>														
Retail, off premise	46.20	48.24	48.59	51.48	51.50	53.90	49.80	56.02						
Imports	22.24	21.29	21.76	22.37	23.90	23.66	20.63	23.51						
Exports	17.98	19.11	23.28	24.91	26.52	26.34	26.29	26.23						
Wholesale at vineyard	15.75	15.47	18.82	20.07	21.54	21.33	19.60	22.35						
Grape input costs	3.41	3.13	3.51	3.62	3.80	3.74	3.21	4.05						
White varieties	2.68	2.47	2.70	2.64	2.84	2.68	2.55	3.03						
Red varieties	4.00	3.65	4.10	4.35	4.50	4.57	3.76	4.82						
<b>Inflation-adjusted, 2023 dollars</b>														
Retail, off premise	58.70	63.38	64.47	66.19	64.27	66.69	62.46	64.50						
Imports	28.26	27.97	28.88	28.76	29.83	29.28	25.87	27.07						
Exports	22.84	25.10	30.89	32.03	33.09	32.60	32.96	30.21						
Wholesale at vineyard	20.01	20.32	24.97	25.81	26.88	26.40	24.59	25.73						
Grape input costs	4.33	4.11	4.65	4.66	4.75	4.63	4.03	4.67						
White varieties	3.41	3.25	3.58	3.40	3.54	3.31	3.20	3.49						
Red varieties	5.08	4.80	5.44	5.59	5.61	5.65	4.72	5.55						

(1) All bottled still wine prices in this table pertain to bottled grape wine in containers two litres or less. Excludes effervescent wine, sparkling wine, vermouth and sherry.

(2) Retail, off premise, including taxes at time of purchase, all grape varieties.

(3) Not over 16% alcohol. Excludes organic wine. CIF import dock before tax.

(4) Not over 16% alcohol. Excludes organic wine. FOB export dock.

(5) Average prices received for bottled wine by vineyards, all varieties, excluding taxes.

(6) Weighted-average US domestic crushed wine grape costs at the vineyard, adjusted for yield loss, excluding bottling costs.

(7) Adjusted to real dollars using the US producer price "headline" inflation index.



# FORECAST TABLES

## US wine consumption, trade and supply

Million gallons

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Forecast		
												2025	2026	2027
<b>ALL WINE (1)</b>														
Consumption	856	900	912	931	SAMPLE									
Production	742	729	754	765										
Imports	264	269	272	308										
Exports	107	111	100	91										
<b>ALL WINE EXCLUDING STILL WINE</b>														
Consumption	110	118	126	133	SAMPLE									
Production	82	92	100	100										
Imports	34	37	41	44										
Exports	9	9	9	9										
<b>STILL WINE (2)</b>														
Consumption	747	783	786	797	SAMPLE									
Production	660	637	654	664										
Imports	230	232	231	264										
Exports	98	102	91	82										
<b>STILL WINE INVENTORIES (3)</b>														
<b>Stocking</b>														
All inventory (4)	1,814	1,849	1,843	1,859	SAMPLE									
Bonded	756	769	760	780										
Wholesale and retail	1,058	1,080	1,083	1,080										
<b>Months of supply (5)</b>														
All inventory	29.2	28.5	28.3	28.2	SAMPLE									
Bonded	12.2	11.8	11.7	11.8										
Wholesale and retail	17.1	16.7	16.7	16.4										

(1) Includes still wine, sparkling wine, efferecent wine, vermouth, sherry, port and other fortified wines.

(2) All grape table wines not over 16% alcohol, all varieties, bottled and bulk.

(3) Bonded warehouse or inventoried by wholesalers and retailers in all containers types, post fermentation. Does not include consumer cellaring.

(4) Measured as the average for the respective period.

(5) Total inventory measured as months of supply at consumption levels for the respective period.

# FORECAST TABLES

## US wine, beer and spirits consumption

Million gallons

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Forecast								
												2025	2026	2027						
<b>ALCOHOL MARKET BY CATEGORY</b>																				
<b>Consumption</b>																				
Beer (1)	6,913	6,886	6,850	6,790	6,733	6,729	6,715	6,667	SAMPLE											
Wine (2)	856	900	912	931	940	947	987	975												
Spirits (3)	234	242	247	252	261	275	294	315												
All beverages	8,003	8,028	8,009	7,973	7,935	7,951	7,996	7,957												
<b>Share of alcohol market volume</b>																				
Beer	86.4%	85.8%	85.5%	85.2%	84.9%	84.6%	84.0%	83.8%												
Wine	10.7%	11.2%	11.4%	11.7%	11.9%	11.9%	12.3%	12.3%												
Spirits	2.9%	3.0%	3.1%	3.2%	3.3%	3.5%	3.7%	4.0%												
All beverages	100%	100%	100%	100%	100%	100%	100%	100%												
<b>ETHANOL EQUIVALENCE BY BEVERAGE TYPE (4)</b>																				
<b>Consumption</b>																				
Beer	332	331	329	326	323	323	322	320	SAMPLE											
Wine	113	119	120	123	124	125	130	129												
Spirits	86	89	91	93	96	101	108	116												
All beverages	531	538	540	542	544	550	561	565												
<b>Share of alcohol market by ethanol equivalence</b>																				
Beer	62.5%	61.4%	60.9%	60.2%	59.4%	58.8%	57.5%	56.7%												
Wine	21.3%	22.1%	22.3%	22.7%	22.9%	22.8%	23.3%	22.8%												
Spirits	16.2%	16.5%	16.8%	17.1%	17.7%	18.4%	19.3%	20.5%												
All beverages	100%	100%	100%	100%	100%	100%	100%	100%												
<b>ETHANOL EQUIVALENCE BY CONSUMER TYPE, ALL BEVERAGES (5)</b>																				
<b>Consumption</b>																				
Occasional	18	18	18	18	18	18	18	18	SAMPLE											
Light	18	18	18	18	18	18	18	18												
Moderate	18	18	18	18	18	18	18	18												
Heavy	18	18	18	18	18	18	18	18												
All consumer types	70	70	70	70	70	70	70	70												
<b>Market share, percent</b>																				
Occasional	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%												
Light	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%												
Moderate	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%												
Heavy	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%												
All consumer types	100%	100%	100%	100%	100%	100%	100%	100%												

(1) Cider is included in the beer category. Cider's share of this volume peaked at 0.6% in 2023.

(2) Includes still wine, sparkling wine, effervecent wine, vermouth, sherry and all other grape wine.

(3) Spirits include hard liquor and ready-to drink beverages (RtDs).

(4) Calculated with ethanol content averaging by volume 4.3% for beer, 12.8% for wine and 37.0% for spirits.

(5) Alcohol consumers include anyone who has consumed alcohol over the past year. Consumer types are defined in Table 31.

# PARTING SHOT

## A Big Picture Issue: Drinkers Aren't Drinking as Much

US wine consumption has declined 10% since peaking in 2021. Industry stakeholders are grappling to understand what are the primary drivers behind this contraction and when might the downsizing

Those claiming this drinkers are misguided alcohol consumers population growth rates.

Wine losing share of the biggest problem consumers haven't parents, older drink toward wine as they drink more when they have kept wine's overall industry fairly steady for the last decade.

The bigger issue is that drinkers are drinking less. Per capita alcohol consumption has fallen 23% since 1990 and 10% in the last four years.

Moderate-to-heavy drinkers—who account for 62% of US alcohol sales—have cut back. Since 2018, seven million have shifted into the lighter drinker categories (see figure fully explained omic factors. cultural shift tion.

primarily among younger generations. For example, 50-year-olds are drinking at the same rates as were in their 20s. Individuals in their 20s are drinking 13% more than they were 20 years ago.

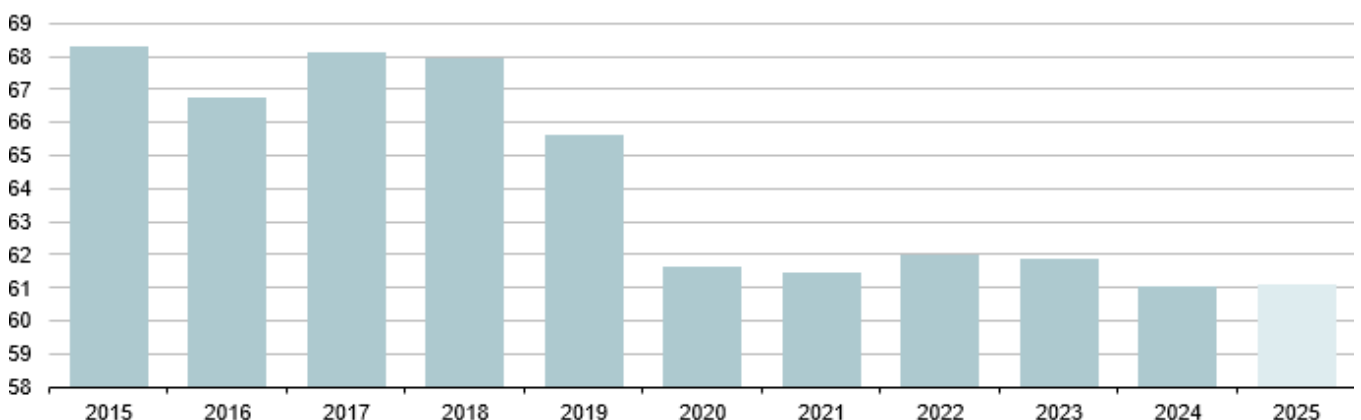
... is the primary challenge confronting the wine industry. Drinking habits and the culture around alcohol are fundamentally shifting. Few times in history have called more for collective action by vineyards to promote wine.

— Jens-Peter Barynin  
Chief Economist

SAMPLE

### US moderate and heavy alcohol drinkers

Millions



## About The Red Book

**The Red Book's is an executive summary of VIVI's U.S. Wine Industry Outlook.**

**Subscribers can request a PowerPoint presentation of VIVI's complete forecast by contacting your account manager or email your request to [info@vivieconomics.com](mailto:info@vivieconomics.com).**

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The Red Book is an exclusive report available to subscribers only.

The Red Book is published four times a year on the second Tuesday of the second month of every quarter.

The Red Book always includes the standardized Forecast Tables. All other parts of the book are subject to change.

All references to wine are defined as "still wine" of all grape varieties under 14 ABV unless specified otherwise.

VIVI makes no warrantee regarding the accuracy of all data reported in this publication. If an error is identified, VIVI will take all reasonable steps to correct the respective data.

