2027 Wine & Grape Outlook

Thursday, November 12, 2026



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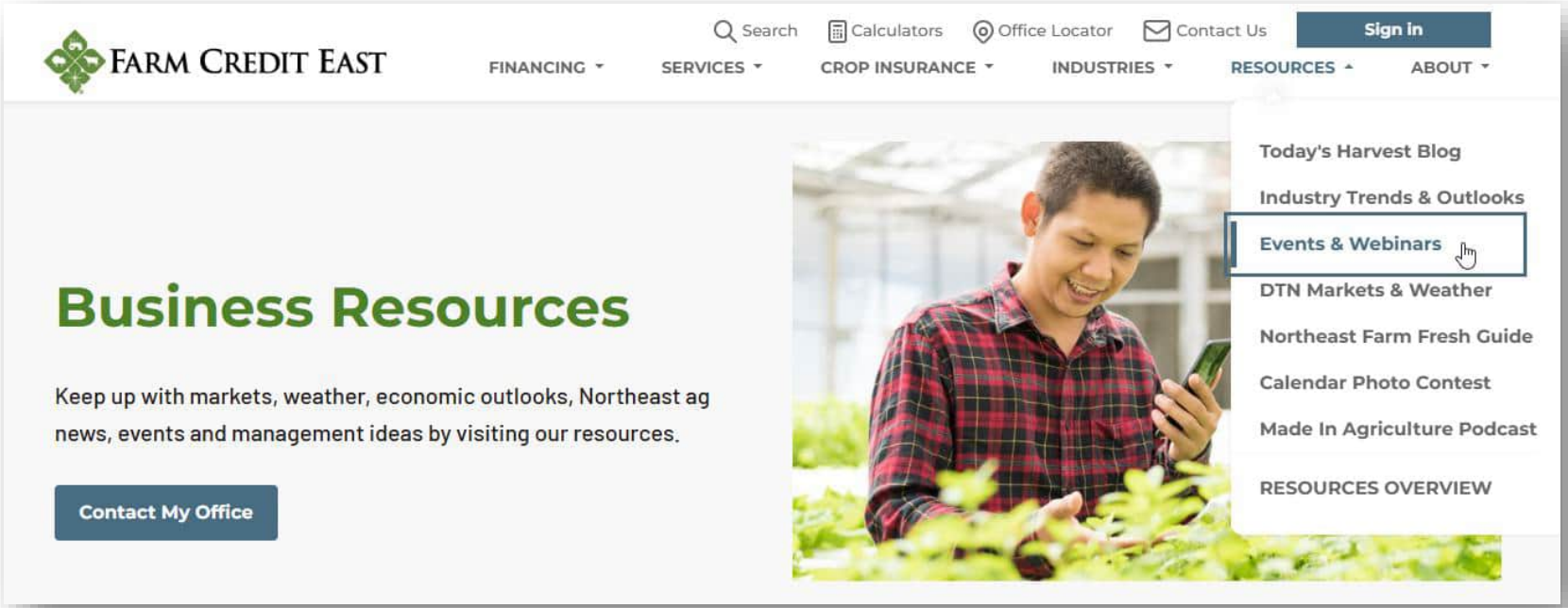


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Wine and Grape Industry Outlook

A smaller market and what it means for Eastern wineries and growers in 2027

Andrew Adams, Senior Editor, WineBusiness
Nov. 12, 2026

Overview

1 **The total market**
Value is holding while volume keeps falling

2 **The East and Northeast**
Wineries, prices, wine types and the 2026 harvest

3 **Direct to consumer**
Shipments and the 2026 Tasting Room Survey

4 **Planning for 2027**
Challenges and opportunities for owners

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THE TOTAL MARKET

There will be no return to the pre-pandemic wine market.

Stability is possible by 2028 if demand firms. Producers that hold or gain share of a smaller market will be positioned for growth in the 2030s.

Value holds as volume falls

$115B

Total U.S. wine market value

Up 2% from a year earlier

340M

9L cases sold

Down 7%

$78B

Domestic table wine value

Up nearly 7%

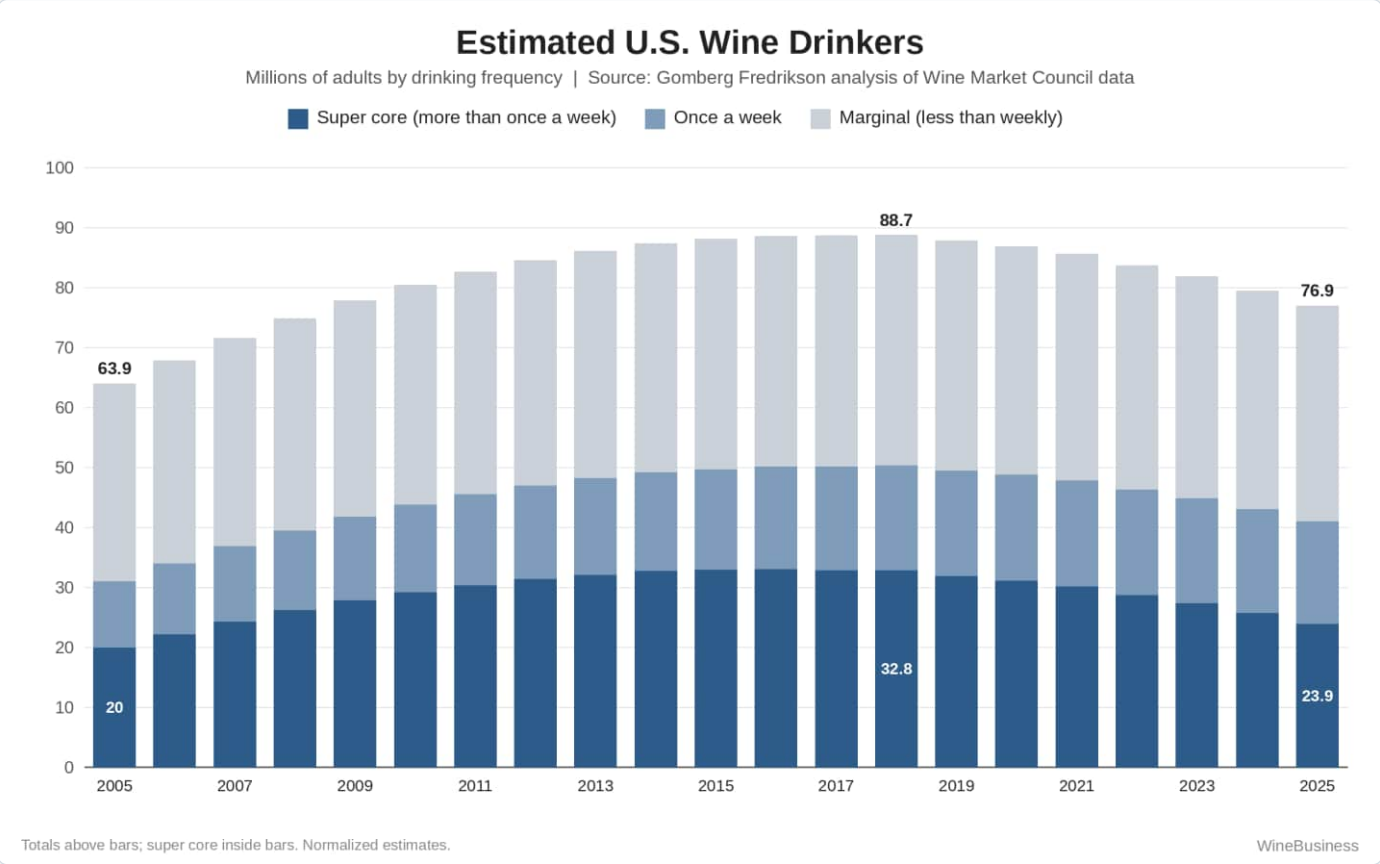
193M

Domestic table wine cases

Down 6%

Source: bw166, traditional wines, 12 months through September 2026

Fewer Americans drink wine



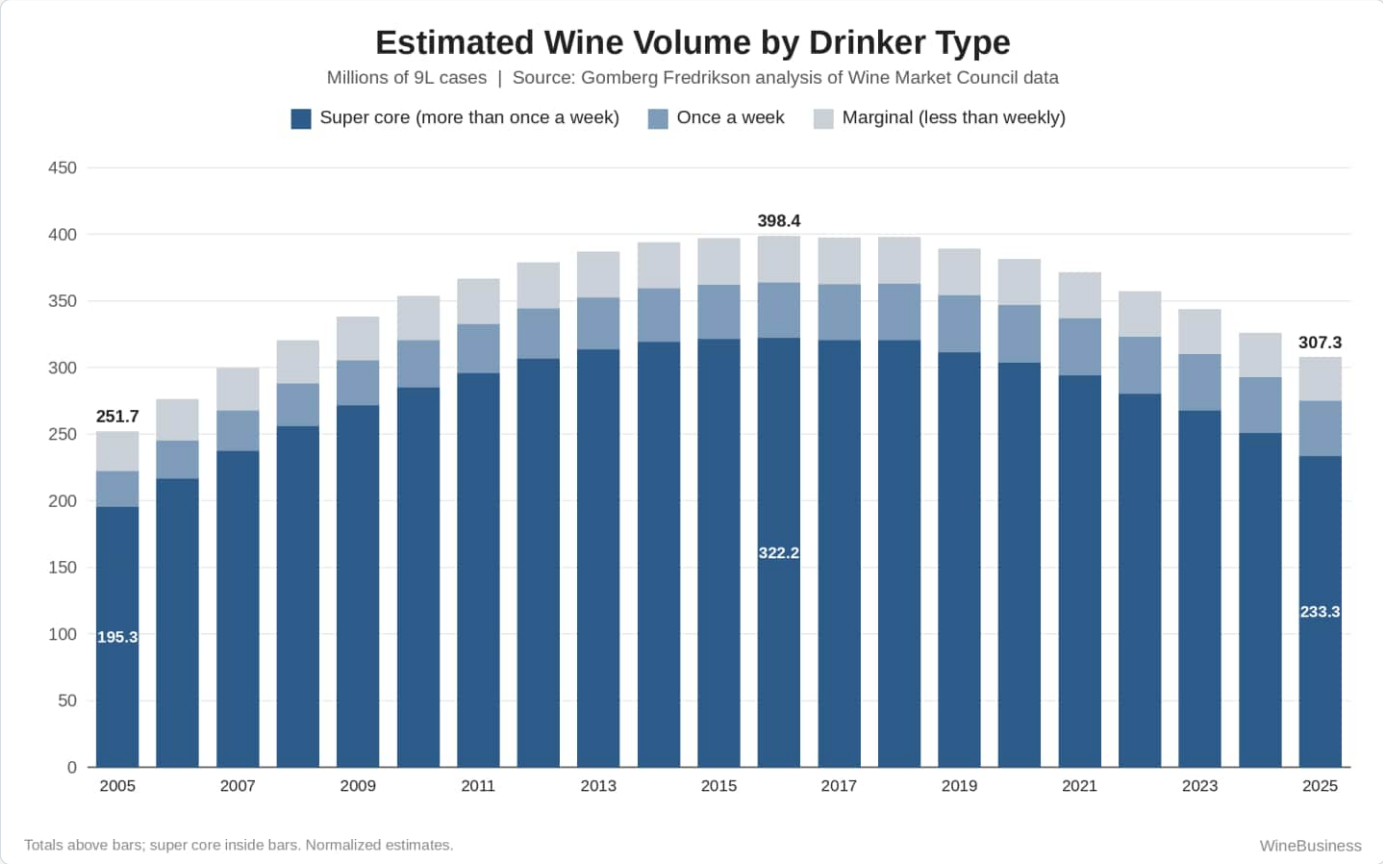
Wine drinkers peaked near 89 million in 2018 and are now about 77 million.

They have fallen from nearly 38% of adults to 30%.

Weekly and marginal drinkers are fairly steady. The loss is concentrated among super core drinkers.

Source: Gomberg Fredrikson analysis of Wine Market Council data; normalized estimates

The super core decline drives the volume drop



> Super core drinkers fell from 14.1% of adults at the peak to 9.4%.

> Their consumption is down 28% from 2016, to about 233 million cases.

> They still account for 76% of volume, down from 81%.

Source: Gomberg Fredrikson analysis of Wine Market Council data; normalized estimates

Wine’s best customers are aging, and young adults drink less

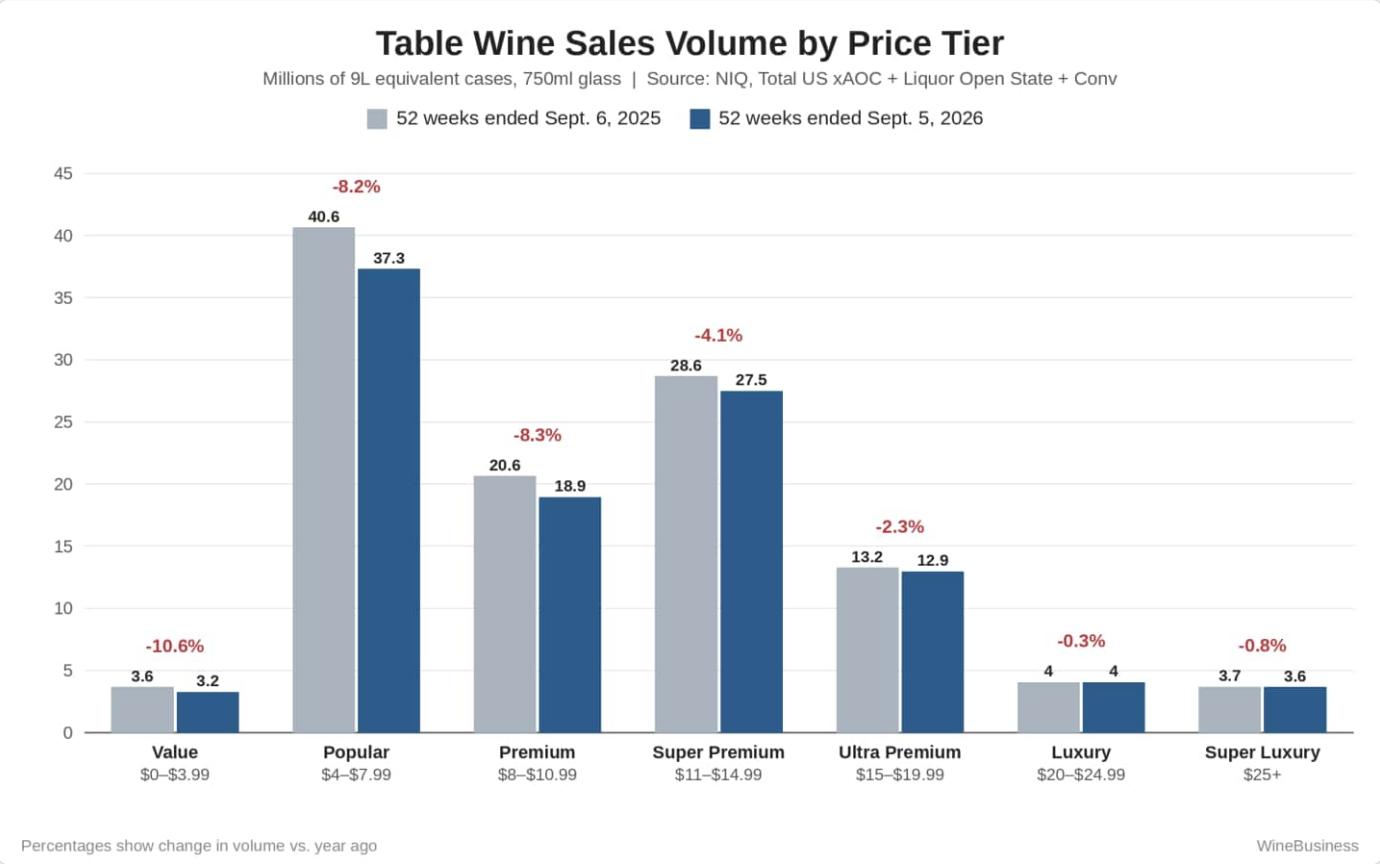
	2016	2025	Change
Baby Boomers (millions)	74.1	65.4	−12%
Boomers’ average age	60.3	69	+14%
Weekly alcohol servings, ages 50–64 in 2016 vs. 65+ in 2025 (millions)	263	165	−37%
Share of 21- to 25-year-olds who drink alcohol	83%	77%	−7%
Weekly alcohol servings, ages 21–25 (millions)	112	76	−33%

> Millennials are now the largest share of wine drinkers at 30%; Boomers and Gen X are 26% each.

> Gen Z drinkers interested in wine say the main thing holding them back is price.

Sources: 2026 BMO Wine Market Report; NIH/SAMHSA National Survey on Drug Use and Health; Wine Market Council

Declines narrow as prices rise



Every 750ml price tier lost volume in the past year.

Wines under $11 fell 8% to 11%.

The $20 to $25 tier slipped less than 1%, but it is under 3% of volume.

Source: NIQ, Total US xAOC + Liquor Open State + Conv, 52 weeks ended Sept. 5, 2026

On-premise holds up better than retail

+4%

On-premise wine value

$40.7B; volume down 9%

+1%

Off-premise wine value

$75.9B; volume down 6%

+9%

On-premise domestic table wine

More than $27 billion

NIQ: on-premise wine sales fell 2.6% to $13.5 billion in the 52 weeks ended Aug. 8, versus a 5% drop for off-premise table wine.

Sources: bw166, all wines, 12 months through September 2026; NIQ/CGA on-premise, 52 weeks ended Aug. 8, 2026

California's smaller crop: is supply finding balance?

2026 crush estimate	Acres / tons
Standing winegrape acres (Land IQ, Aug. 1)	439,115
Less non-bearing acres planted in 2024 and 2025	(20,000)
Less abandoned or mothballed acres	(25,000)
Estimated bearing acres	394,115
Potential tons at an average 7.7 tons per acre	3,034,686
Tons at an estimated 6.3 tons per acre	2,482,925
Less fruit left unharvested	Est. six figures
Estimated 2026 crush	2 million–2.5 million tons

2.6M

Tons needed to avoid building more inventory

Gomberg Fredrikson

22.1

Months of inventory at California wineries after the 2025 crush

20-year average: 18.5

Sources: CAWG/Land IQ 2026 vineyard mapping; Allied Grape Growers estimates (Jeff Bitter); Gomberg Fredrikson Report, June 2026

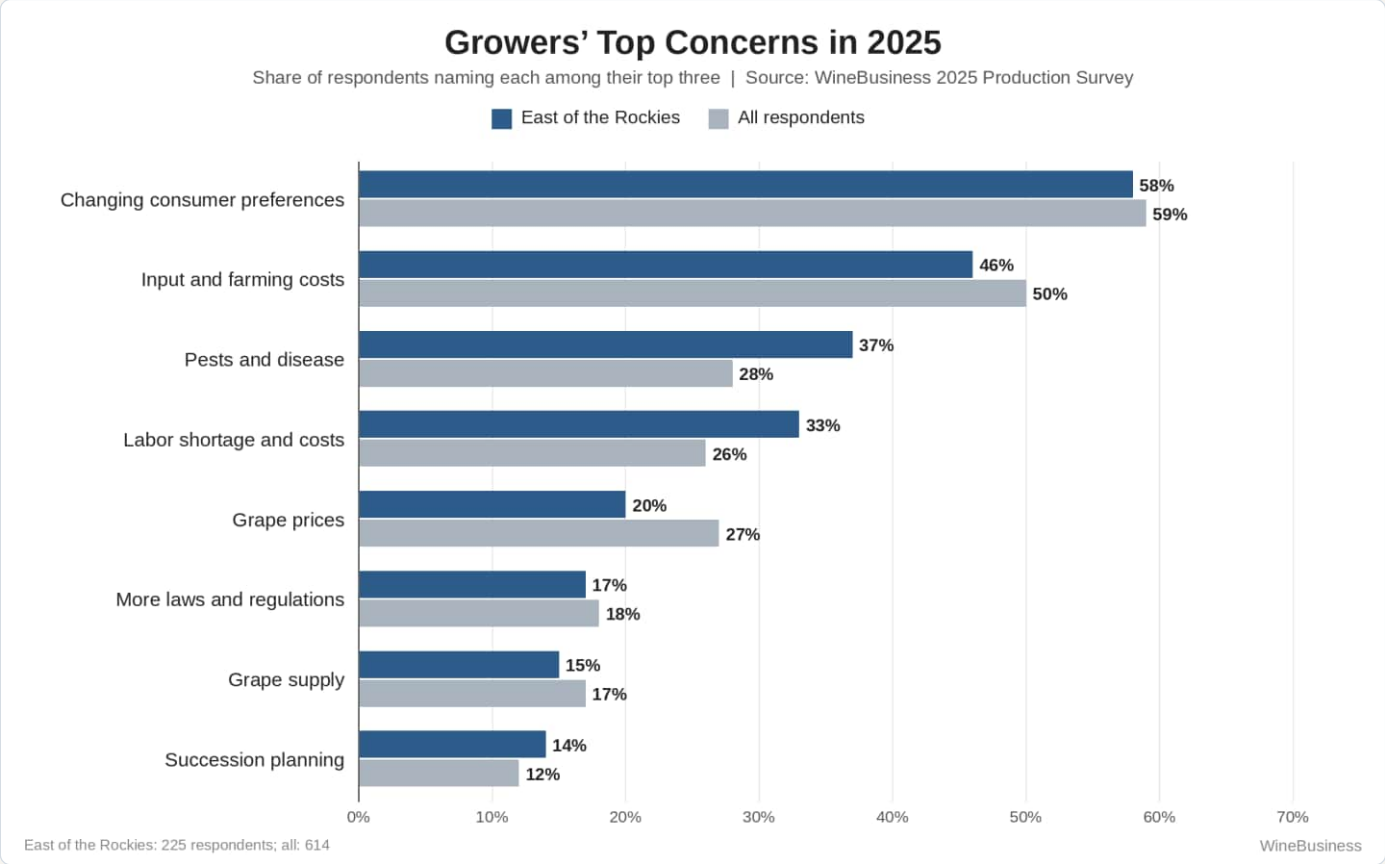
A smaller market needs fewer acres

Future acreage need	Scenario 1	Scenario 2
Assumed change in shipments	−5%	−10%
Potential annual shipments (gallons)	458,636,250	434,497,500
Converted to tons at 165 gallons per ton	2,779,614	2,633,318
Net adjustment for grape type and use	175,000	175,000
Fermentation facilitation	(138,981)	(131,666)
Winegrape crush needed (tons)	2,815,633	2,676,652
Bearing acres needed at 7.5 tons per acre	375,418	356,887
Excess vs. 394,115 estimated bearing acres	18,697	37,228

From 2025 shipments of 482.8 million gallons, a further decline leaves **19,000 to 37,000 excess acres**.

Sources: CAWG/Land IQ 2026 vineyard mapping; Allied Grape Growers estimates; 2025 Board of Equalization shipments via Gomberg Fredrikson; USDA NASS

Growers worry most about demand



Changing consumer preferences jumped to the top concern, named by 59% of growers, up from 37% in 2024.

Eastern growers worry more than others about pests and disease and about labor.

Looking to 2026, 51% of Eastern growers say weak consumer demand is their biggest worry (all: 43%).

Source: WineBusiness 2025 Production Survey; growers and wineries with vineyard operations

Eastern growers feel the squeeze

50%

Saw revenue fall in 2025

30% saw it rise; 53% saw profits fall

14%

Sold grapes below the prior year's price

All respondents: 29%

10%

Average share of crop left unsold

All respondents: 17%

51%

Turned unsold grapes into their own wine

All respondents: 30%; 40% left fruit on the vine

16%

Permanently removed vineyard acreage

Top reason: weak consumer demand (42%)

40%

Plan to spend less on winemaking equipment

Only 9% plan to spend more

Source: WineBusiness 2025 Production Survey, respondents east of the Rockies

DTC shipping posted its worst year on record

−15%

Volume, to 5.4M cases

Largest one-year drop in 17 years of tracking

−6%

Value, to $3.7B

The channel gave up more than $230 million

$56.78

Average bottle price

Up 11%, a record

2026 so far: shipments are down 15% by volume and 4% by value through June, with wines over $100 outperforming the rest of the channel.

Sources: 2026 Direct-to-Consumer Wine Shipping Report, Sovos ShipCompliant and WineBusiness Analytics; year-to-date data through June 2026

Lower-priced wine is leaving the channel

Price per bottle	Volume change
Under $15	–35%
$15–$19.99	–15%
$20–$29.99	–17%
$30–$39.99	–14%
$40–$59.99	–11%
$60–$79.99	–6%
$80–$99.99	–12%
$100–$199.99	–6%
$200 and over	+10%

The less expensive the wine, the bigger the drop in shipments.

This is a mix shift, not premiumization: buyers of lower-priced wine are dropping out rather than trading up.

Source: 2026 Direct-to-Consumer Wine Shipping Report, 2025 vs. 2024

The smallest wineries held up best

Winery size (cases)	Volume	Value	Avg. bottle
Limited (under 1,000)	−5%	+10%	$120.56
Very small (1,000–4,999)	−16%	−3%	$87.75
Small (5,000–49,999)	−10%	−6%	$57.71
Medium (50,000–499,999)	−19%	−9%	$48.38
Large (500,000+)	−23%	−13%	$25.62

Limited-production wineries were the only size class to grow shipment value, a group that includes many Northeast wineries.

Source: 2026 Direct-to-Consumer Wine Shipping Report, 2025 vs. 2024

Wineries expect DTC to lead a recovery

55%

Of wineries saw total sales fall in 2025

Median decline: 10%

74%

Of those saw the loss in DTC sales

50%

Expect DTC sales to grow in 2026

59% of wineries averaging more than $50

17%

Expect a sales decline this year

Up from 6% in the 2024 survey

71%

Expect an industry turnaround within three years

But 46% expect total market value to fall over five years

9%

Of Eastern wineries sell in Costco, Aldi or Trader Joe's

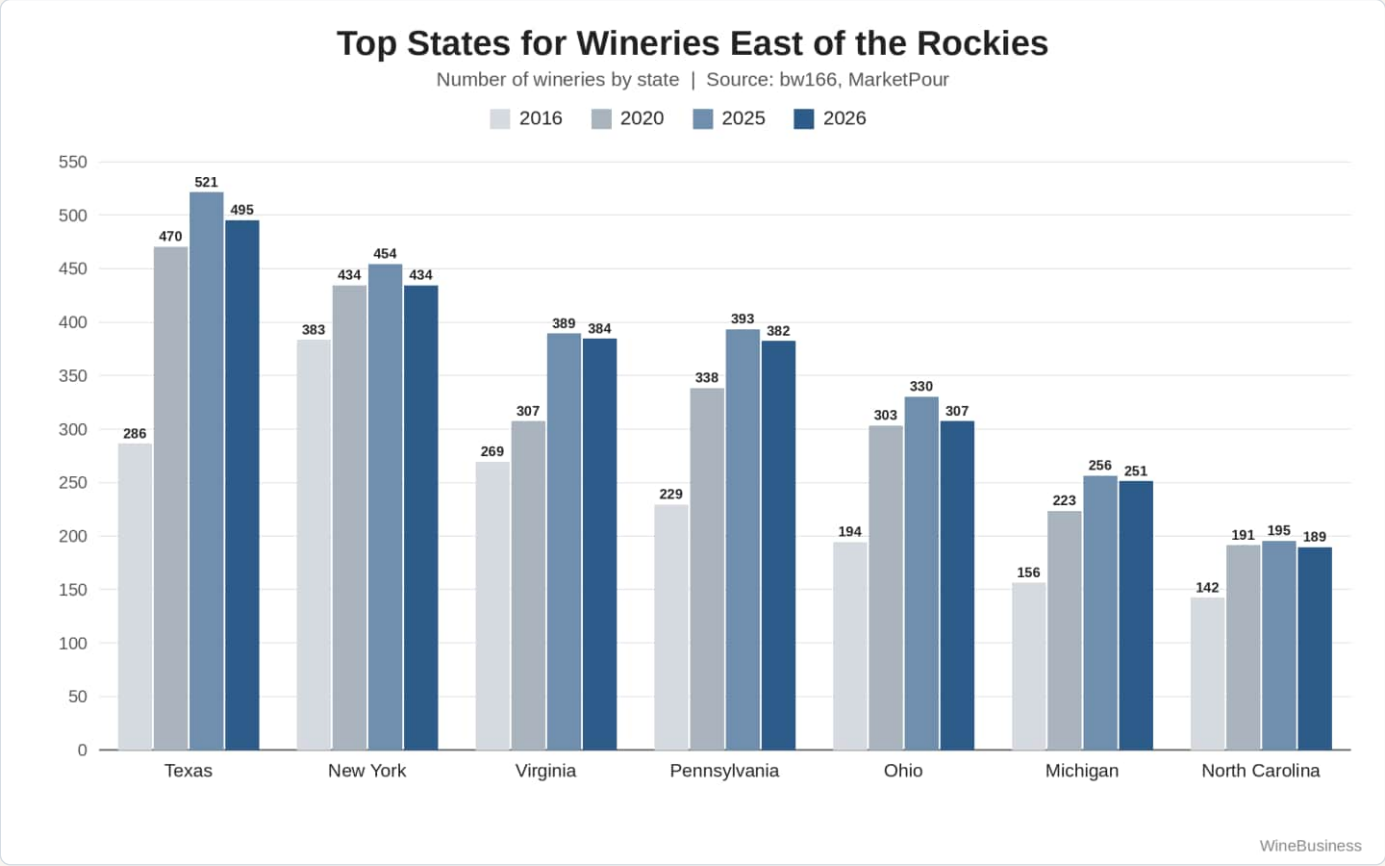
All wineries: 22%

Source: 2026 BMO Wine Market Report, survey of 480 U.S. wineries conducted Jan. 26 to March 2, 2026

PART TWO

A closer look at the East and Northeast

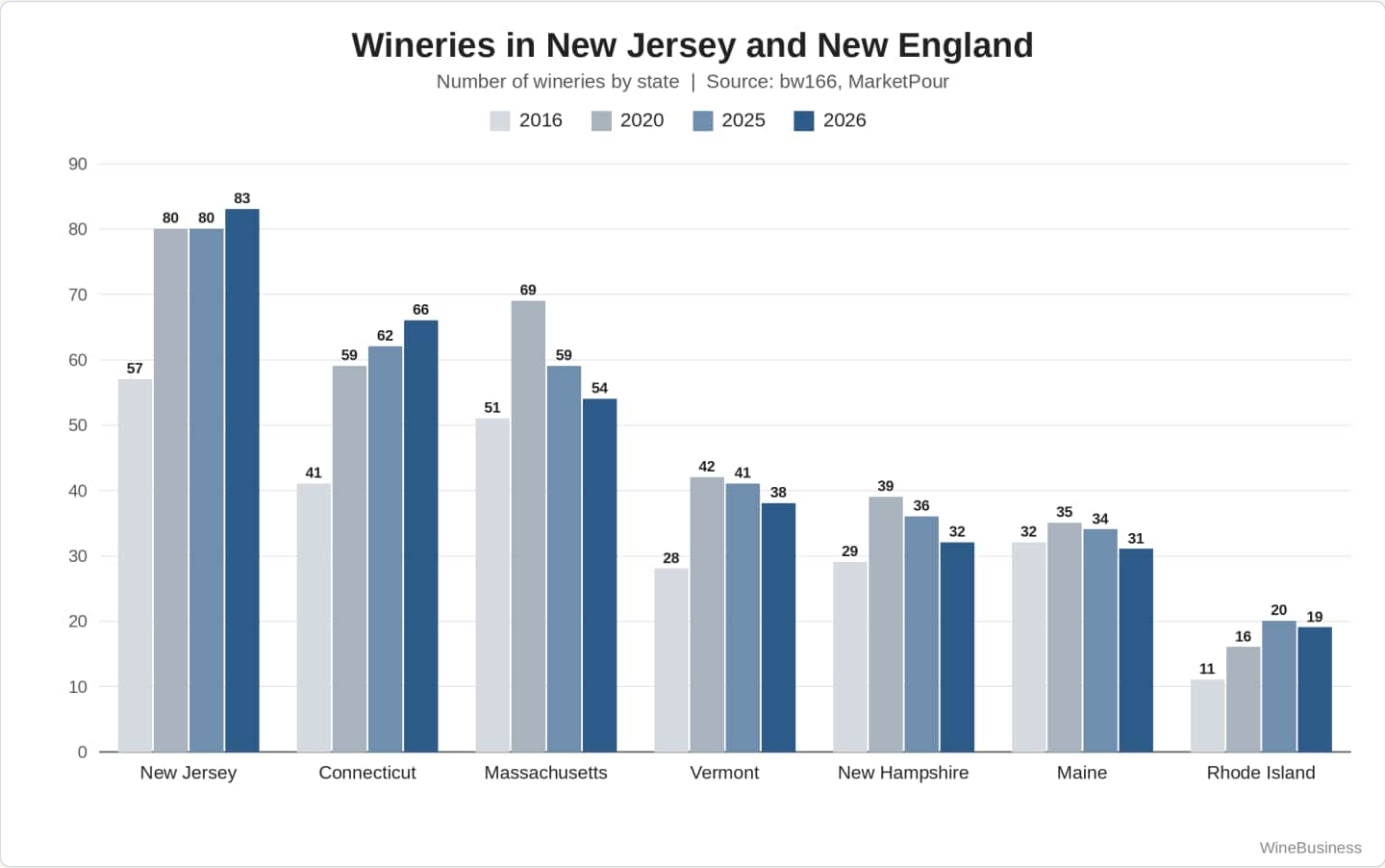
Leading winery states east of the Rockies



- All seven states lost wineries in 2026.
- Each remains above its 2016 count.
- Texas, Pennsylvania and Michigan are up 60% or more since 2016.

Source: bw166, MarketPour

New Jersey and New England



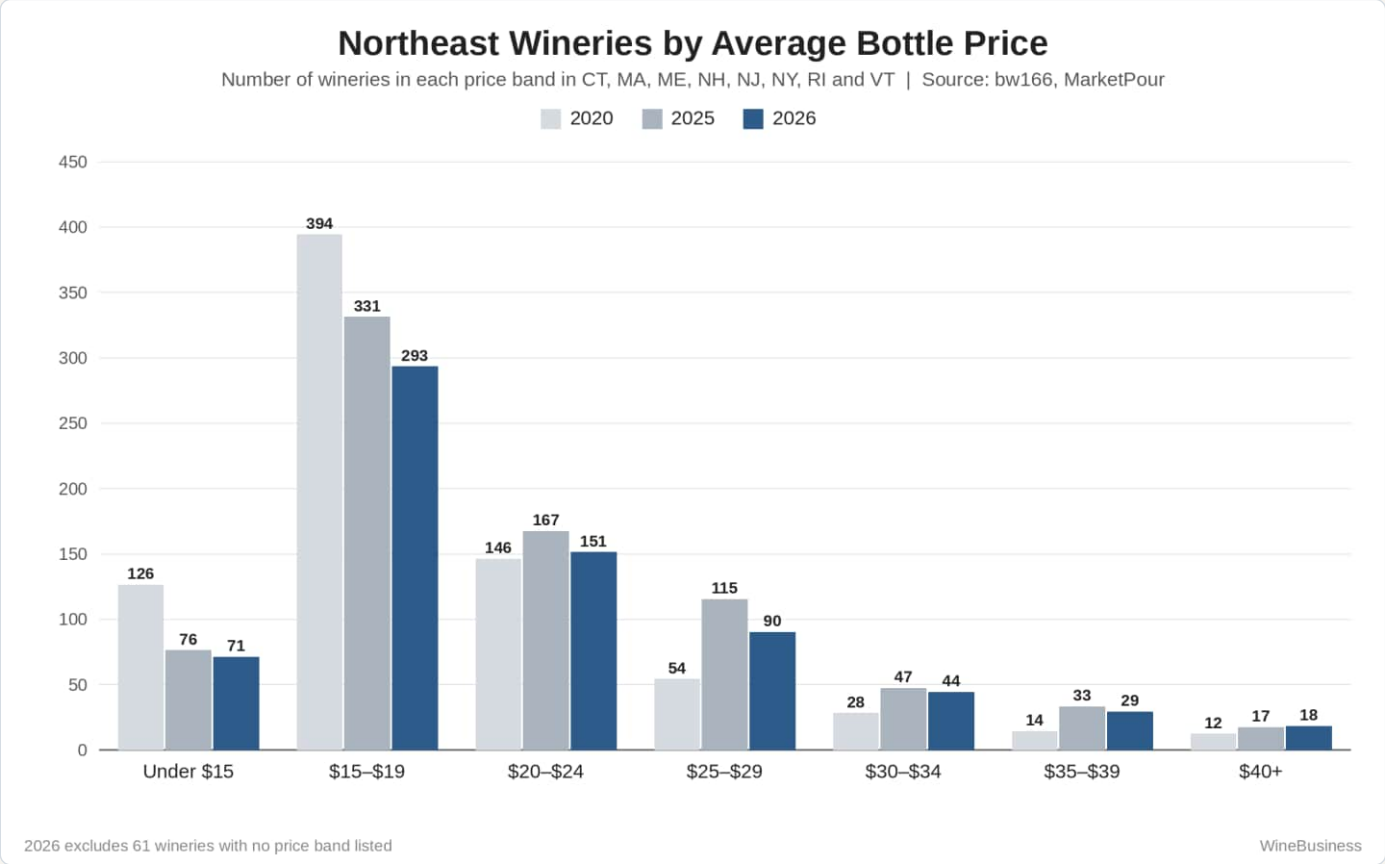
The eight Northeast states had 757 wineries in 2026, 4% fewer than in 2025.

Only New Jersey and Connecticut added wineries.

Massachusetts has lost 15 since 2020.

Source: bw166, MarketPour

Northeast wineries are charging more



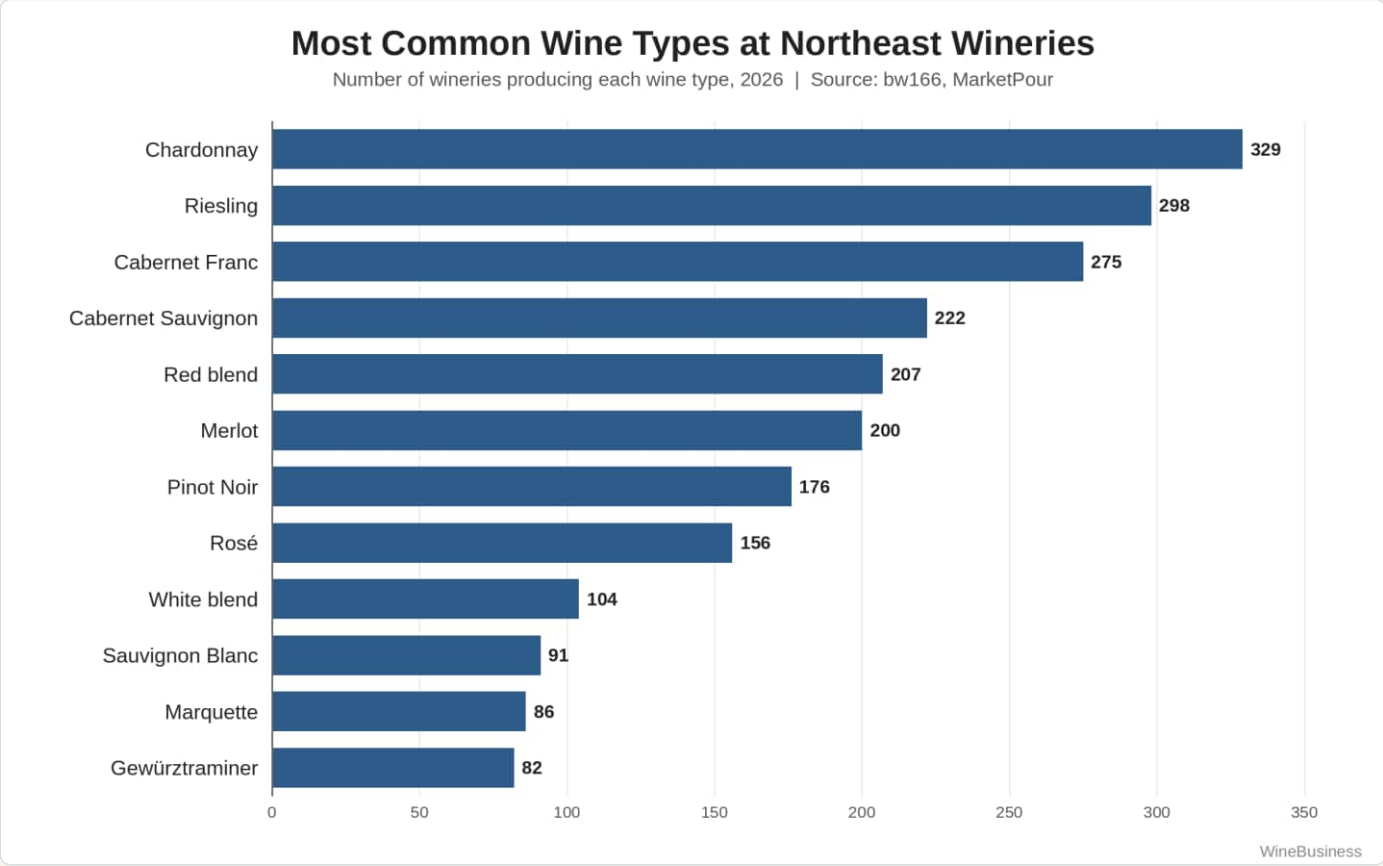
26% of wineries with a listed price averaged $25 or more in 2026, up from 14% in 2020.

Wineries averaging under $15 fell 44%.

$15 to $19 is still the largest band.

Source: bw166, MarketPour. 2026 excludes 61 wineries with no price band listed

What Northeast wineries make



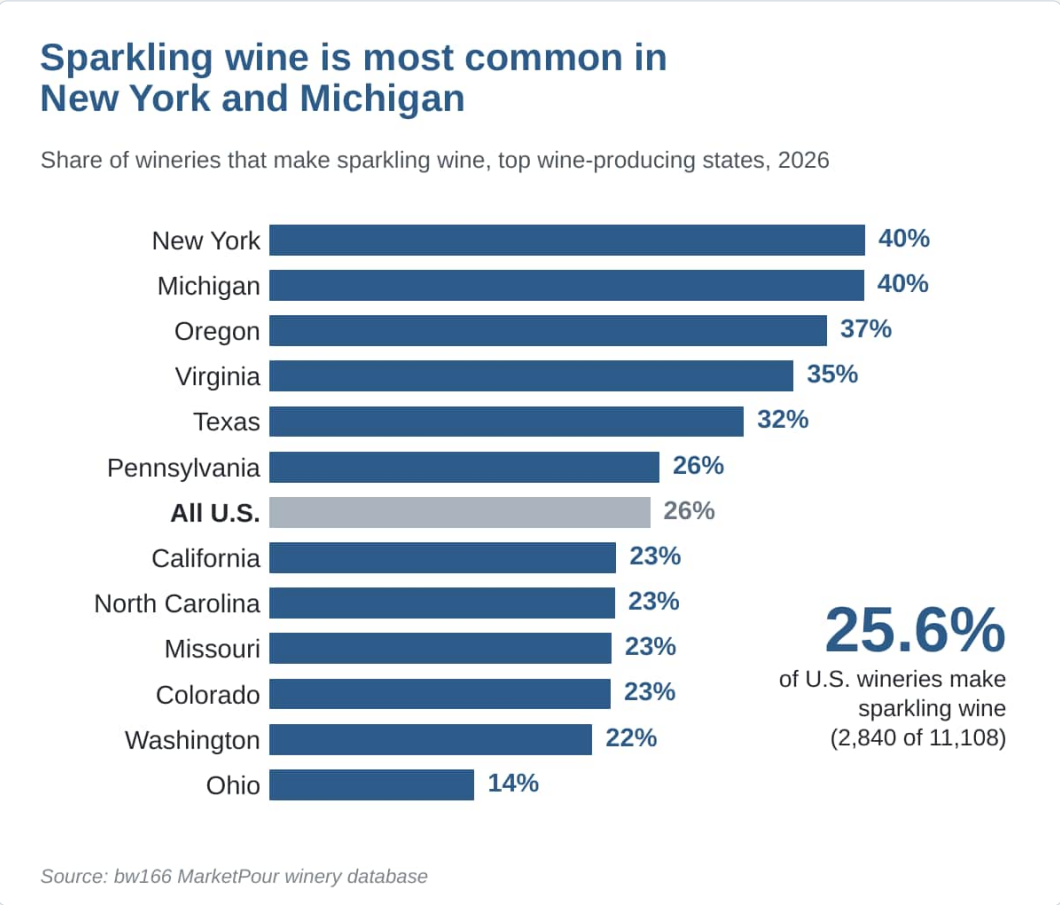
Chardonnay, Riesling and Cabernet Franc are each made by more than a third of the region's wineries.

Aromatic whites, lighter reds and sparkling are among the few growth areas in wine.

Riesling DTC shipments from the East grew 6% by volume and 12% by value in 2025.

Source: bw166, MarketPour; DTC figure from the 2026 Direct-to-Consumer Wine Shipping Report

Sparkling is most common in New York and Michigan



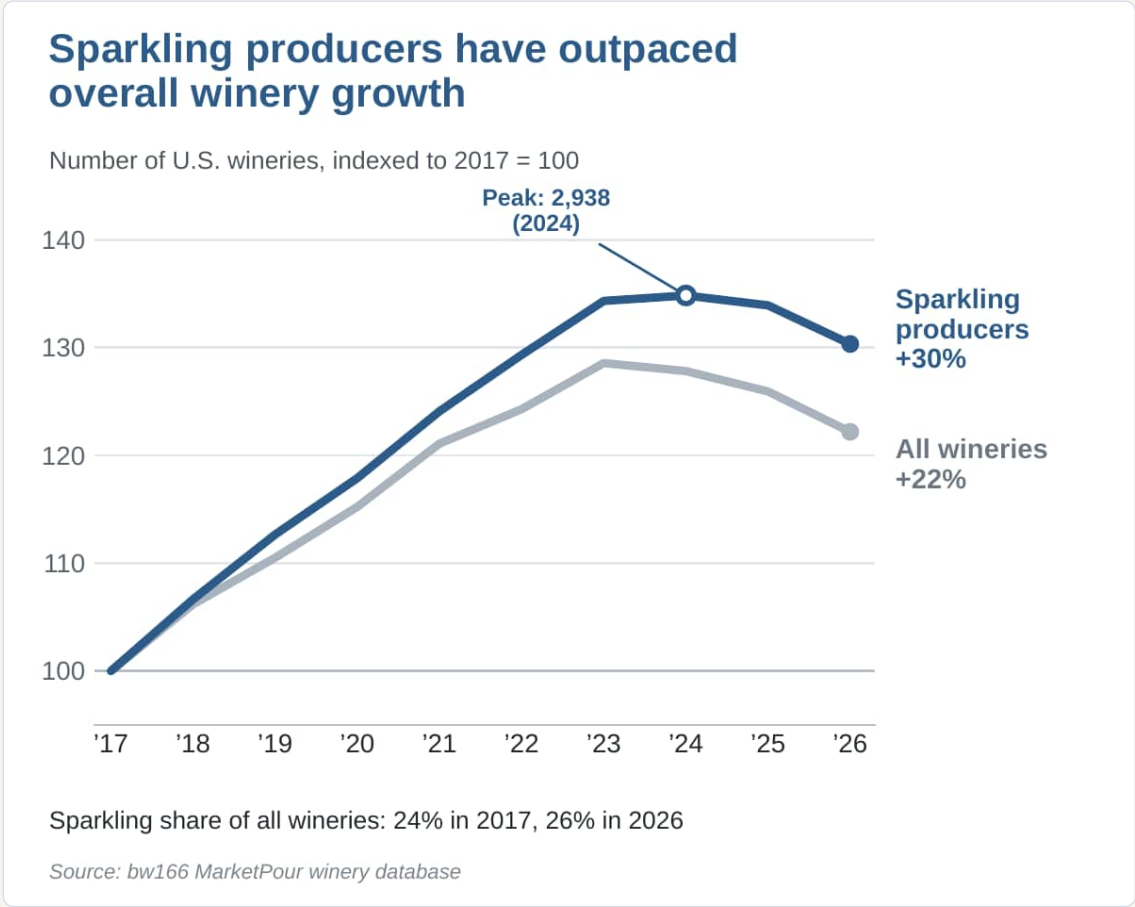
Source: bw166 MarketPour winery database, 2026

40% of wineries in New York and Michigan make sparkling wine.

Virginia (35%) and Pennsylvania (26%) are at or above the national rate.

Nationally, 26% of wineries make sparkling, and their number has grown 30% since 2017, versus 22% for all wineries.

Sparkling producers have outpaced the industry



The number of U.S. wineries making sparkling wine rose 30% since 2017, versus 22% for all wineries.

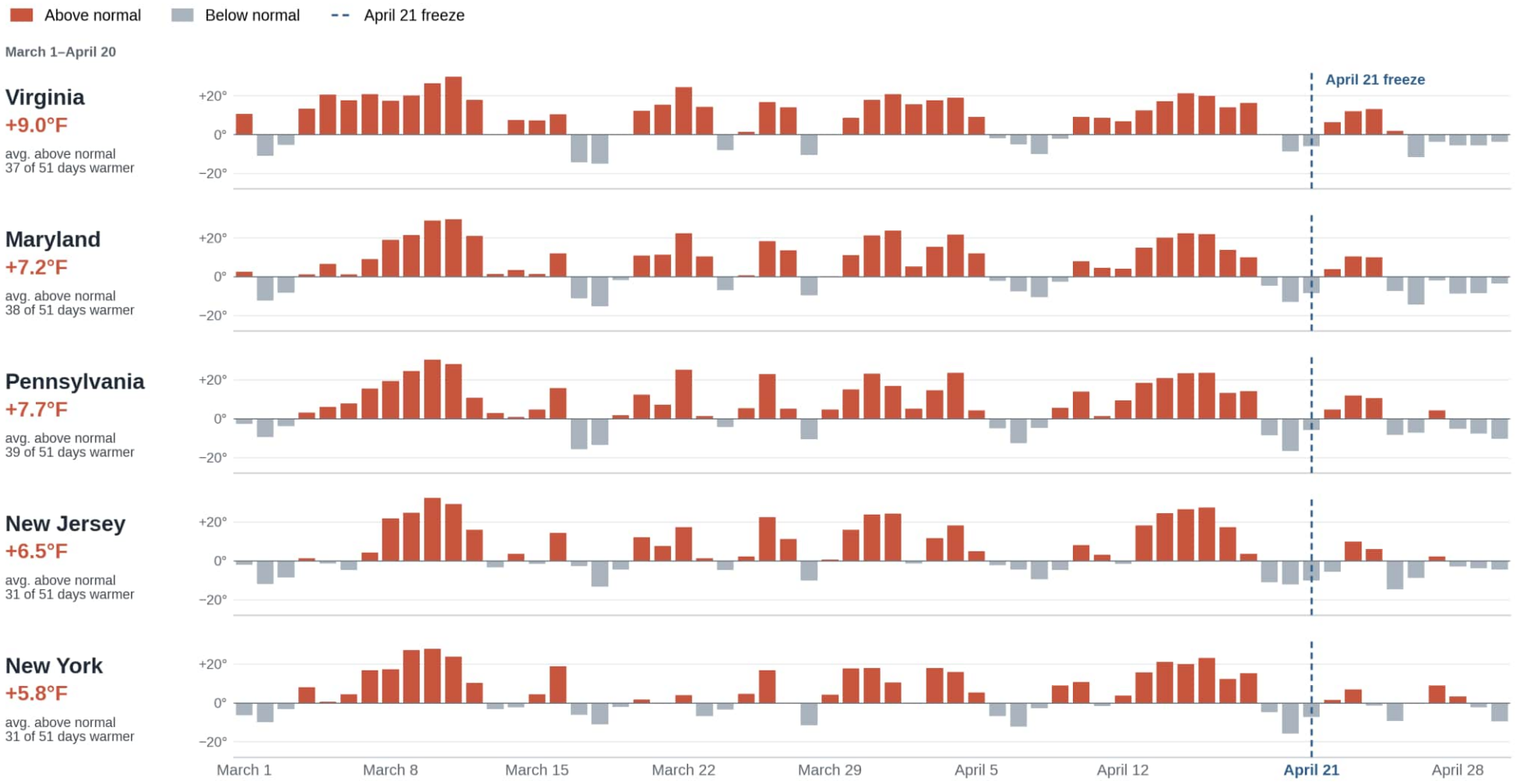
Sparkling sales in food stores still rose 2.4% in value.

Sparkling now accounts for 11% of food-store wine dollars, and its volume held steady (+0.3%) while table wine fell 4.5%.

Sources: bw166 MarketPour winery database; NIQ food store data via Gomberg Fredrikson Report, six months to June 2026

A warm March and April set up the freeze

Daily high temperature vs. normal, March 1–April 30, 2026 (°F above or below the daily average). Weeks of unusual warmth pushed vines to early budbreak; statewide-average highs reached the mid-80s to 90°F on April 15–16, just days before the April 21 freeze.



Each state value is the average of its NWS/FAA airport weather stations (Virginia 67, Maryland 22, Pennsylvania 46, New Jersey 16, New York 48). Normal = each station's daily climatological average high. Station averages approximate but are not NOAA's official statewide values. Source: Iowa Environmental Mesonet (NWS/FAA ASOS data), retrieved Oct. 7, 2026.

2026 harvest: a freeze split the region

13

States covered by USDA emergency crop-insurance procedures

Including four in the Northeast

75%

Median vineyard damage reported by New Jersey growers

Garden State Wine Growers Association survey

15–30%

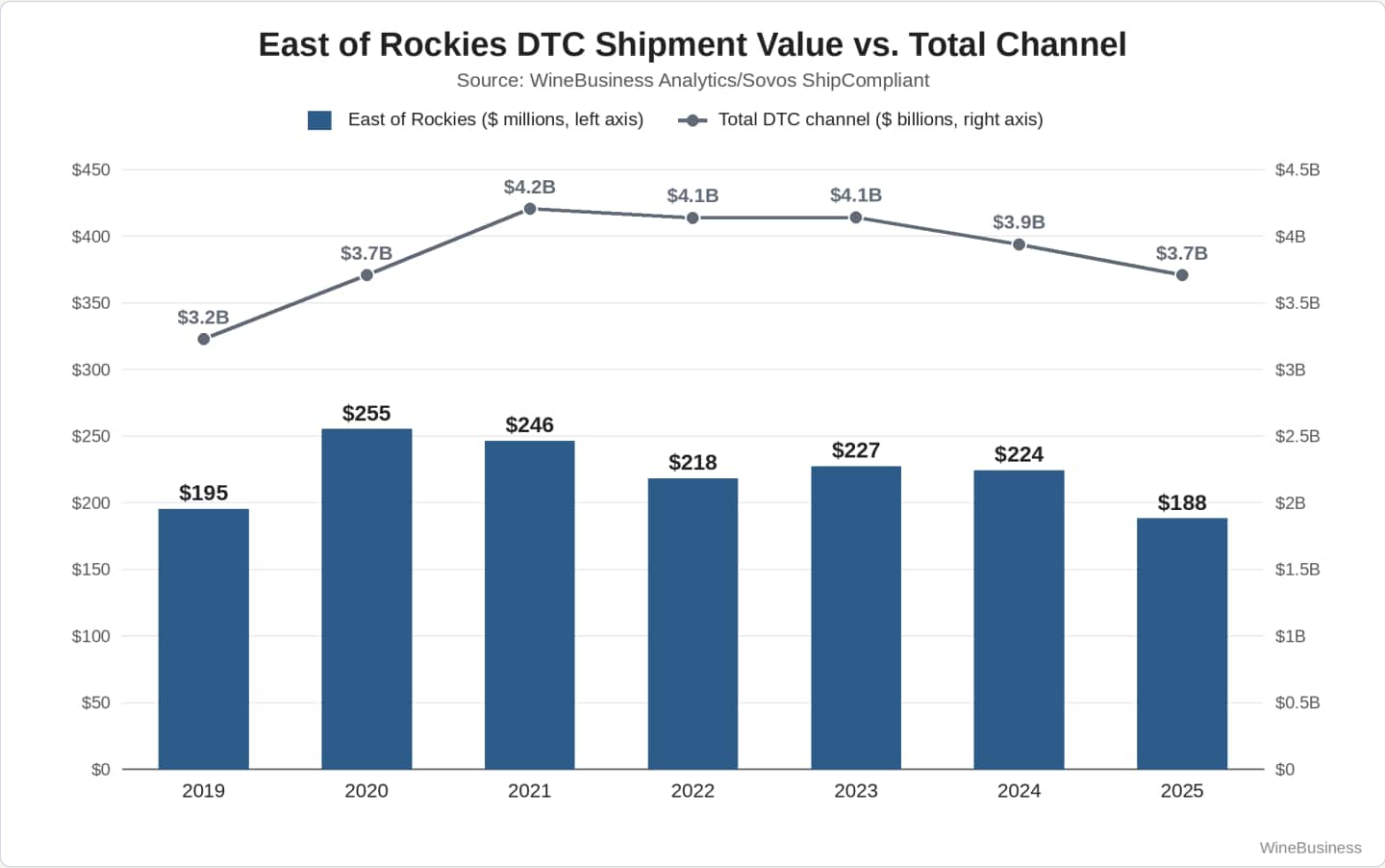
Yield losses expected by some Finger Lakes growers

Long Island reported average yields

A warm spring pushed vines weeks ahead of an April 20–21 freeze.

Sources: USDA; Garden State Wine Growers Association; grower interviews

East of the Rockies DTC shipments



- Value fell 16% to $188 million in 2025, after leading all regions in 2024.
- The channel overall fell 6%.
- The region’s share of the channel slipped from 6% in 2019 to about 5%.

Source: WineBusiness Analytics/Sovos ShipCompliant

East of the Rockies DTC in 2026 so far

$81.3M

Shipment value, January to June

Down 11%

254,795

Cases shipped

Down 17%

$26.58

Average bottle price

Up 6%, less than half the national average

Source: WineBusiness Analytics and Sovos ShipCompliant, year to date through June 2026

Most Eastern DTC wine leaves in the visitor's hands

94%

Of tasting room sales value carried out, not shipped

All respondents: 77%

90%

Median share of club wine picked up

All respondents: 60%

Shipment data captures only a small slice of the Eastern DTC business.

Source: 2026 WineBusiness Tasting Room Survey; Virginia and New York make up more than half of Eastern respondents

Signs of strength in Eastern tasting rooms

+5%

Average club membership growth in 2025

All respondents: +1%

Even

Median tasting room visits, about 10,500

2025 vs. 2024

45%

Grew DTC revenue in 2025

43% saw it fall

95%

Have not cut tasting fees

Nor plan to

Source: 2026 WineBusiness Tasting Room Survey, wineries east of the Rockies

Room for improvement

Measure (median)	East of Rockies	All respondents
Basic tasting fee	$16	$25
Elevated tasting fee	$30	$50
Tasting room purchase	$60	$90
Wine club order	$90	$179
Club share of DTC sales	20%	40%
Visitors added to mailing list	5%	20%

Source: 2026 WineBusiness Tasting Room Survey

What Eastern wineries expect in 2026

Biggest challenges to growing the tasting room



Most effective with new and younger consumers



Source: 2026 WineBusiness Tasting Room Survey, wineries east of the Rockies; multiple answers allowed

Planning for 2027

Persistent challenges

- Shrinking demand, worst for lower-priced wine
- Fewer DTC shipments and smaller orders
- Freeze losses and vine damage, site evaluation?
- Economy, tourism and younger consumers
- Wine competing on multiple fronts
- Consumer lifestyle changes

Opportunities

- Distinctive regional styles: Riesling, Cabernet Franc, sparkling
- Redevelop, replant with market
- Growing clubs and strong carry-out sales
- Capturing visitor data to sell beyond the tasting room
- Self-distribution to local restaurants; events and hospitality

Thank you, questions?

Andrew Adams
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See you at the Eastern Winery Exposition, March 9–11, 2027, in Lancaster, Pa.