

■ A publication of American AgCredit

# Winescape®

SUMMER 2025

*This issue:*

- *Details disappointing wine sales data for early 2025*
- *Outlines trends in alcohol consumption*
- *Identifies opportunities for wine to win market share*



## A Slow Start to 2025

Economic uncertainty continues to dampen consumer confidence and wine demand, with no apparent threats to an abundant grape crop.

Wine sales are off to a slow start in 2025 and the glimmers of progress evident in the second half of 2024 have mostly dissipated.

I had initially expected to see progress continue in 2025, particularly in the premium and luxury segments, due in part to an improvement in consumer sentiment that began after the November election. This looks overly optimistic now.

Consumer sentiment has plummeted over the last several months, though the hard economic indicators have generally remained positive.

Nonetheless, I expect the labor market to soften and progress on inflation to stall as we move into the back half of the year, though the outlook remains extremely uncertain. Thus, wine sales are not likely to improve anytime soon.

Consequently, the grape market has continued to soften. This is despite the fact that there will be likely less excess fruit this year because many growers have pulled or mothballed vineyards.

The vineyard market also remains slow, and values appear to have declined substantially from their prior peak in most regions.

In the Trending Topic Section, I share insights on alcohol consumption. Alcohol sales and tax data suggest that alcohol consumption is declining, though this trend is not yet well established due to data lags and pandemic-related distortions. Survey evidence also indicates that the number of Americans that are drinking is sinking.

This is only partly a Gen Z issue. Zoomers report drinking at noticeably lower rates than Millennials did at the same age. But drinking rates have fallen, albeit more slowly, for all but the 65+ age category. The decline has also been greater for men than women, and for Non-Hispanic white people.

Changes in demographic-specific drinking rates coupled with differential rates of population growth are altering the composition of the alcohol consumer base. Older Americans and multicultural consumers represent a growing share of the potential audience for wine.

Falling alcohol consumption implies that wine will need to take market share to maintain its sales volume. Shifts in the composition of the alcohol consumer base present both opportunities and threats for wine producers, as wine has traditionally under-indexed with multicultural consumers.

Look forward to the next, Fall 2025 issue of Winescape, in which I will focus on the factors that are weighing on alcohol consumption and whether this is likely to be a temporary or longer lasting phenomenon.

(Information about the data and sources behind the analysis in this report can be found in the Appendix on [Page 15](#)).



### ABOUT THE AUTHOR

Chris Bitter, Ph.D., is Terrain's senior wine and grape analyst, focusing on generating research and insights in the areas that impact the business of vineyards and wineries. With more than 20 years of experience as an

economist and market analyst, Chris is a former faculty member of the University of Washington's Runstad Center for Real Estate Studies. In 2016, he left his academic position to launch Vintage Economics, a market research and consulting firm focused on the wine industry.

Chris earned his Ph.D. in economic geography with a minor in agricultural and resource economics from the University of Arizona. His research has been published in a variety of national and international publications, including the Journal of Wine Economics, and he has delivered presentations at wine industry conferences around the globe.

# Hope Deferred

Following signs of progress in 2024, the slump in wine sales deepened in early 2025. Exports are down, as well.

Wine Sales Dashboard: Sales Trends by Channel and Price Segment

For more on the dashboard, see the Appendix on [Page 15](#)

|                                                     | Year-Over-Year Change | Trend |
|-----------------------------------------------------|-----------------------|-------|
| <div>\$\$\$</div> <div>Retail: Value</div>          | ↓                     | ✓     |
| <div>\$\$\$</div> <div>Retail: Premium</div>        | ↘                     | ✓     |
| <div>\$\$\$+</div> <div>Retail: Super-Premium</div> | ↘                     | ✓     |
| <div>\$\$\$</div> <div>Retail: Luxury</div>         | ↘                     | —     |
| <div>👤</div> <div>Direct-to-Consumer</div>          | ↓                     | ✓     |
| <div>🌐</div> <div>Export</div>                      | ↓                     | ✓     |

## Market Update: A Disappointing Start to 2025 for Wine Sales

The wine market’s slump deepened in early 2025. This is disappointing given glimmers of progress in 2024, particularly at the higher end of the market. Uncertainty around tariffs and the overall economy in the first four months of this year appeared to weigh heavily on consumer confidence and wine demand.

Based on my analysis of NIQ data, off-premise retail sales fell by 5% in value and 6% in volume during the first four months of the year versus the same period a year ago. Distributor depletions also eroded and continued to track below retail sales. On a brighter note, April was the strongest month of the new year for both retail sales and depletions.

The middle- and upper-price segments continue to hold up better than the lower end, but all segments are declining in dollar terms. Luxury sales have

shown less deterioration in 2025, though this appears to be due to discounting.

The direct-to-consumer (DTC) channel has not fared any better. Community Benchmark figures indicate that total DTC revenues fell by 6% and visitor counts were off by 8% during the first four months of the year compared to the same period in 2024. DTC shipment volumes were down by double digits.

Finally, U.S. wine exports declined 18% in value in the first quarter, though they increased in volume as bulk exports remained resilient. Plummeting sales to Canada, down 32%, the most important buyer of American wine, is a big source of the problem. Additionally, wine sales to China, our third-largest market behind Canada and the EU, are down 84% for the quarter.



Wine Market Outlook:  
The Wine Sales Picture Is Not Likely to Improve in the Near Term

The labor market remained resilient in the first quarter and inflation moderated following a hot finish in 2024. Nonetheless, this may represent the calm before the storm as the negative impacts of tariffs and government cost cutting could have an impact on the economy. While uncertainty is extreme, a softening labor market and rising prices are worth watching out for in the near term, though the Terrain team still believes that the odds of a recession are less than even.

Consumer sentiment, which had begun to improve following the November election, has plummeted to its second-lowest level since records began in 1960. However, the consumer confidence index, an alternative measure of how consumers are feeling about the economy, did improve in May, though it remains well below its level in late 2024.

Despite low confidence, consumers, particularly those with higher incomes, are still on reasonably sound financial footing as unemployment remains low and wages are still growing in real terms. Thus, we don't

expect the bottom to fall out of consumer spending – but households are apt to curb their spending on discretionary items and luxury goods.

This economic backdrop does not bode well for wine sales, especially in the premium and luxury segments. Retail wine sales are likely to remain soft. There could be some trading down, though this may be offset by consumers switching to lower-cost alcoholic beverage categories. DTC sales and visitor counts are also apt to remain soft.

The outlook for growth in exports also has eroded due to a backlash against American wine in key regions, including Canada and Scandinavia.

The economic backdrop for wine sales is likely to improve in 2026, though this is far from assured. There should be more clarity regarding economic policy, which will ease the current decision-making paralysis for businesses, and some of the administration's actions may ultimately prove to be stimulative for economic growth.

Key Economic Indicators

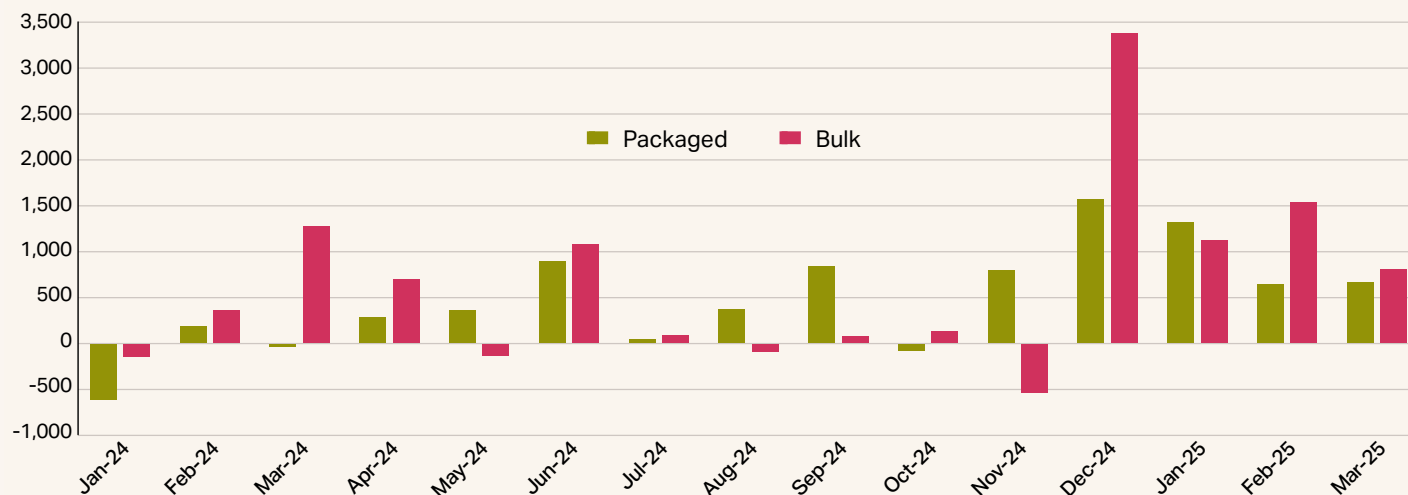
|                                                                                                                   |                                                                                                               |                                                                                                                            |                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| <div>Change in GDP (real)</div> <div><div>-0.3%</div><div>Q1 2025</div><div>2.5%</div><div>Q4 2024</div></div>    | <div>Unemployment Rate</div> <div><div>4.2%</div><div>Q1 2025</div><div>4.1%</div><div>Q4 2024</div></div>    | <div>Change in Consumer Prices</div> <div><div>2.6%</div><div>Q1 2025</div><div>3.5%</div><div>Q4 2024</div></div>         | <div>Change in Consumer Spending (real)</div> <div><div>1.8%</div><div>Q1 2025</div><div>4.0%</div><div>Q4 2024</div></div> |
| <div>Consumer Sentiment Index</div> <div><div>57.0</div><div>Q1 2025</div><div>74.0</div><div>Q4 2024</div></div> | <div>Change in Employment</div> <div><div>1.0%</div><div>Q1 2025</div><div>1.6%</div><div>Q4 2024</div></div> | <div>Change in Average Weekly Earnings</div> <div><div>4.9%</div><div>Q1 2025</div><div>4.0%</div><div>Q4 2024</div></div> | <div>Consumer Loan Delinquency Rate</div> <div><div>4.9%</div><div>Q1 2025</div><div>4.1%</div><div>Q4 2024</div></div>     |



Sources: FRED, Terrain

## Imports Have Surged Since November

Year-Over-Year Change (Thousand 9L Cases)



Note: The bulk total excludes Canadian imports, which are destined for non-wine products.  
Sources: USITC, Terrain

## Grape Market Outlook: Softening Wine Sales Continue to Weigh on the Grape Market

Bulk wine and grape sales remain slow. The pick-up in activity that was evident at the beginning of the year has subsided, particularly for grapes, due to heightened economic uncertainty and weak first-quarter wine sales.

An abundance of reasonably priced bulk wine continues to weigh on grape demand. This is especially true in the coastal regions, where inventory is more excessive. Most of the activity thus far in 2025 has been sporadic contract re-signs. Uncontracted fruit remains copious, and many growers are farming minimally or mothballing vineyards. Vineyard removal activity also continues at a steady pace.

Though it is still early, no major problems with the 2025 crop are apparent and timing looks to be near normal. Moisture levels are ample throughout most of California, and the weather forecast for June and July suggests that temperatures are likely to be warmer than average and precipitation near or below normal in California's key growing regions.

Given the muted near-term outlook for wine sales and benign growing conditions, I am not expecting to see much improvement in grape demand prior to harvest, unless there is a decisive change in one of these variables.

Tariffs remain a wildcard, but I don't expect them to have a major impact in the near term. Imports, which have surged over the past four months, should slow, but more-targeted and substantial tariffs would be needed to decisively shift the balance in favor of domestic growers. There should be more clarity by July when the 90-day reciprocal tariff pause ends.

Vineyard sales remain subdued, but our American AgCredit appraisal team now has enough evidence to conclude that commercial vineyard values have fallen by 10% to 35% from the prior peak in most regions. The main exception being the prime segment of Napa Valley where values look to be holding steady.

# The Moderation Movement

Fewer Americans are drinking alcoholic beverages, with younger adults and white men leading the trend.

## The Moderation Movement Part One: Trends in Alcohol Consumption

Following nearly three decades of uninterrupted growth, alcohol consumption in the U.S. looks to be declining. The demographics of the alcohol consumer also are evolving. Both trends have important repercussions for the wine industry.

In this piece, the first in a two-part series, I frame the problem by assessing the evidence that alcohol consumption is declining and by examining changes in demographic-specific alcohol use rates and the composition of the alcohol consumer base.

In part two in the upcoming Fall 2025 issue of Winescape, I assess the range of factors that are potentially driving the decline in alcohol consumption

and whether they are likely to be temporary or longer lasting phenomena.

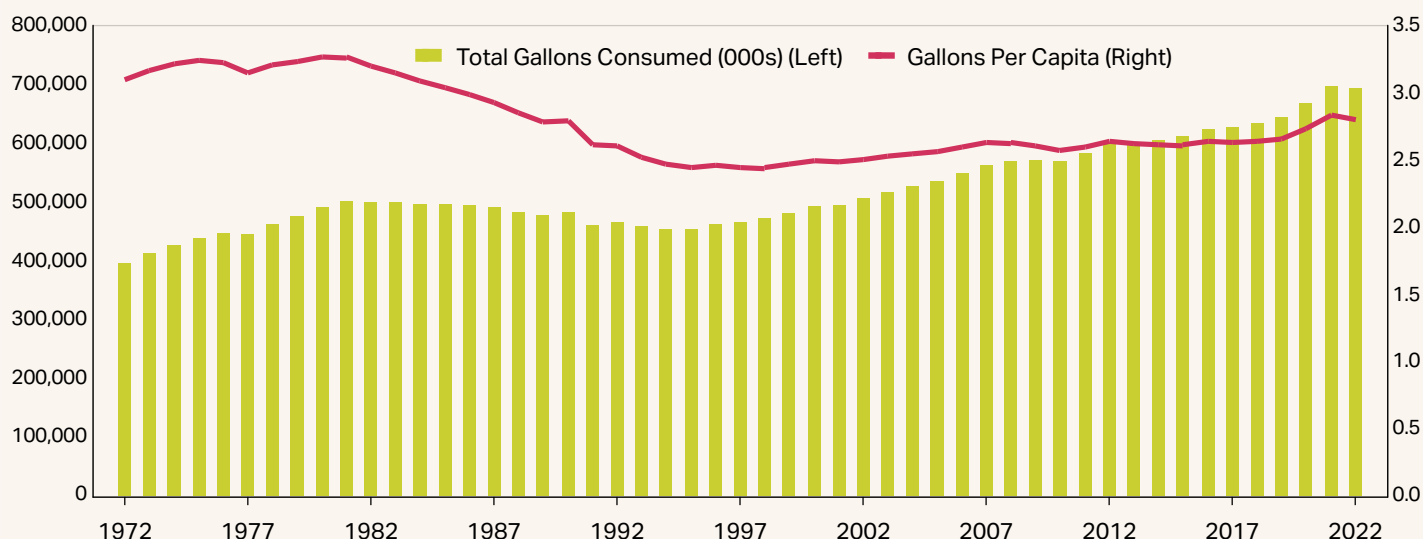
### EVIDENCE IS MOUNTING THAT ALCOHOL CONSUMPTION IS DECLINING

U.S. alcohol consumption grew steadily from the mid-1990s to the early 2020s. However, per capita consumption began to flatten in the late 2000s, though total consumption continued to grow slowly due to an expanding drinking-age population.

That's according to the National Institute for Alcohol Abuse and Alcoholism (NIAAA), the most definitive source of statistics on U.S. alcohol consumption. As part

## Alcohol Consumption Dropped in 2022 for the First Time in Decades

U.S. Alcohol Consumption



of its core mission, NIAAA constructs annual estimates of total and per capita consumption based on a comprehensive review of relevant information sources. It relies on retail sales data, whenever possible, as they are the most accurate consumption indicator. It also incorporates other sources of information such as shipment and production data when sales figures are missing or deemed insufficient.

Consumption surged during the pandemic then fell in 2022 in both per capita and absolute terms, though both metrics were still tracking ahead of their pre-pandemic levels. This represents only the second annual decline since 1994.

The NIAAA data are only available through 2022; therefore, they do not yet provide conclusive evidence that alcohol consumption has continued to decline. Unfortunately, data for 2023 have been delayed due to restructuring within the Department of Health and Human Services and there is no timetable for their release. However, the following relevant information sources suggest the downward trend in alcohol consumption has continued, and likely accelerated, since then.

## 1. Alcohol Sales Data

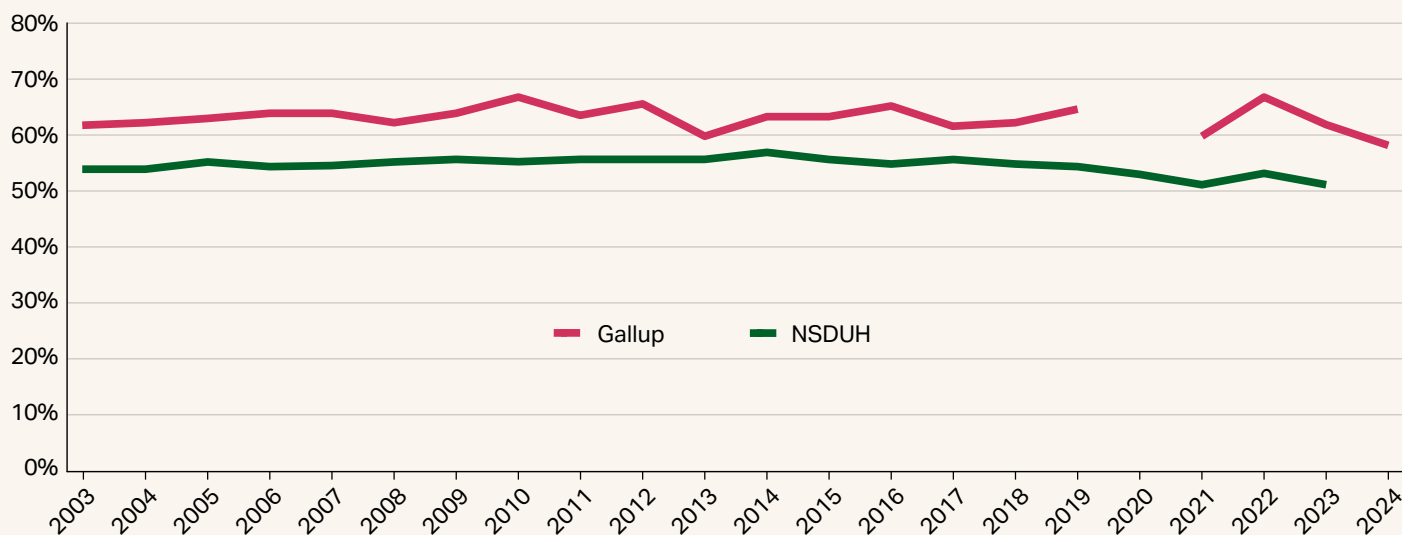
More-timely data is available for alcohol sales. There is no single comprehensive source of alcohol sales data; however, the sources with the broadest coverage, including NIQ (off-premise retail sales) and SipSource (distributor depletions), indicate that sales volumes have declined across the beer, wine and spirits categories in 2023 and 2024, and that slump has continued into 2025. While these data are not comprehensive, I am not aware of any source of sales data that implies that alcohol sales volumes grew over the past two years.

IWSR compiles retail sales data from multiple data providers to estimate total annual beverage alcohol sales. They indicate that sales volumes fell by 2.6% in 2023. The preliminary estimate for 2024 suggests that there has been no progress since then.

IWSR data also suggest that declining alcohol consumption is a global phenomenon. Global alcohol sales fell by 1% in 2023, the first decline in 30 years. They fell by an additional 1% in 2024.

## Self-Reported Drinking Rates Have Declined

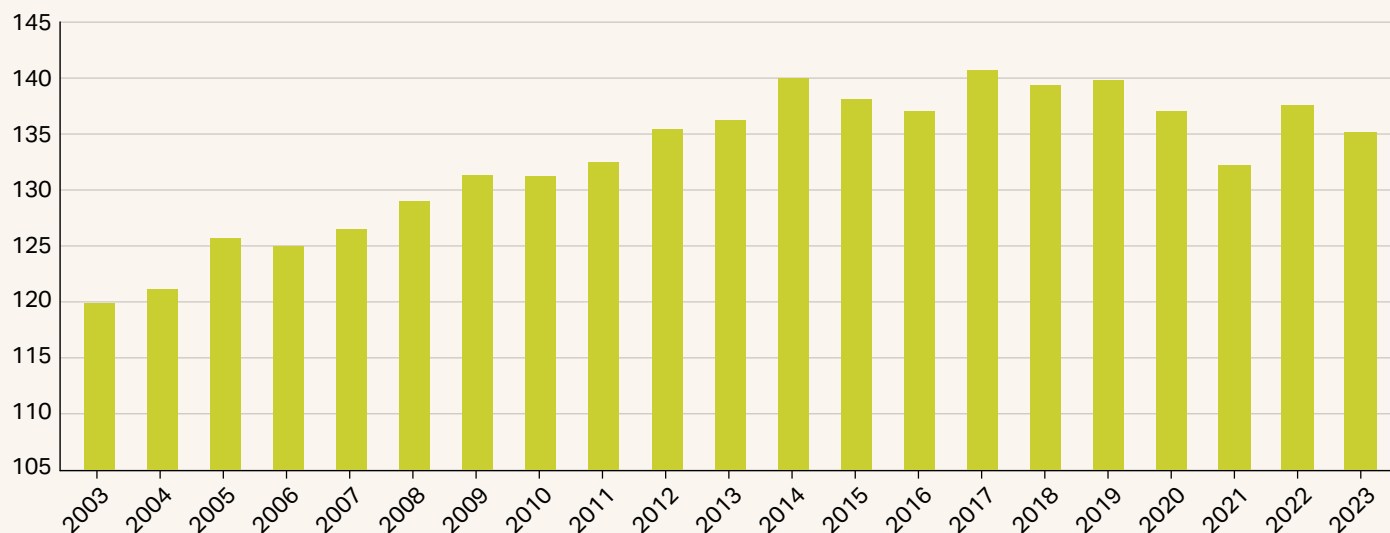
Share of Adults that Reported Drinking



The Gallup poll asks "Do you have occasion to use alcoholic beverages?"  
The NSDUH survey asks "During the past 30 days, did you drink alcohol?"  
Sources: Gallup poll, National Survey on Drug Use and Health, Terrain

## The Number of Regular Drinkers Appears to Be Declining

Estimated Number of Americans Who Drank During the Past Month (Millions)



Sources: The National Survey on Drug Use and Health, Terrain

### 2. Alcohol Tax Data

Alcohol tax statistics are more comprehensive and reasonably accurate due to strict regulations governing alcohol sales. However, taxes are generally paid when alcohol enters the U.S. or is shipped by domestic producers to market, rather than when it is sold to consumers. Thus, changes in inventory levels at distributors and retailers can cause retail sales and tax-paid shipments to deviate over shorter time frames.

Data from BW166, which estimates per capita and total alcohol servings based on tax data, depict a similar trend to the NIAAA data of flat per capita consumption coupled with slowly growing total consumption prior to the pandemic. These data show a greater surge during the pandemic followed by a steeper subsequent decline. Moreover, they indicate that consumption has fallen to below its pre-pandemic level.

These data add to the evidence that alcohol consumption is declining, though they may overstate the magnitude of the decline due to inventory-related issues.

### SURVEYS ALSO SUGGEST THAT FEWER AMERICANS ARE DRINKING

Surveys do not attempt to estimate aggregate alcohol consumption, but they can provide valuable insight into trends in alcohol use. Several prominent surveys indicate that fewer Americans are drinking than in the past. For example, the Gallup Poll shows that the percentage of Americans “who have occasion to use alcoholic beverages” fell to 58% in 2024, the lowest figure in at least 25 years, though there has been considerable volatility from year to year.

Similarly, the National Survey on Drug Use and Health (NSDUH), the largest and most respected alcohol use survey, suggests that fewer Americans are drinking. It surveys nearly 70,000 people annually. The percentage of legal drinking age adults who reported consuming alcohol in the past 30 days began decreasing in the mid-2010s and the pace of decline has accelerated since 2019. It now stands at 52%, a three-percentage point drop from its pre-pandemic level.



The NSDUH survey also extrapolates the results to the entire U.S. population, so it is possible to derive an estimate of the total number of alcohol consumers, which should be correlated with alcohol consumption. The number of past-month drinkers, which approximates the number of regular alcohol consumers, plateaued during the mid- to-late 2010s, then declined by 4.6 million between 2019 and 2023.

The survey evidence is consistent with the contention that alcohol consumption is declining. However, several cautions are in order when interpreting survey results.

First, responses do not always mirror real-world behavior, particularly in the case of alcohol use, which tends to be under-reported. Even so, there is no evidence that under-reporting has increased over time, though this is certainly possible.

Second, there can be issues of comparability over time. NSDUH temporarily reduced its sample size and switched from in-person to online interviews in 2020 due to the pandemic and has used a combination of the two since. Therefore, the pre-2020 and post-2020 results are not strictly comparable. Even so, the question pertaining to past month drinking has not been altered, so the results should provide a reasonably accurate depiction of trends in alcohol use.

### ALL SIGNS ARE POINTING IN THE SAME DIRECTION

While the evidence is still circumstantial, all signs are pointing in the same direction: following decades of steady growth, alcohol consumption now appears to be declining, albeit versus an elevated level during the pandemic. The picture will become clearer when the NIAAA releases updated figures.

The key question is: Will alcohol consumption continue to decline going forward? The drivers of the moderation movement are difficult to disentangle, and I will address this topic in depth in the fall issue of Winescape.

To set the stage for this, it is first important to understand who is drinking less, as this can provide

clues as to which factors are most significant. The NSDUH survey collects detailed demographic information from respondents, and its sample size is large enough to produce reasonably reliable estimates for population subgroups.

An examination of the NSDUH data suggests that the decline in alcohol use has not been even; rather, it has been concentrated among specific demographic groups.

### WHO IS DRINKING LESS?

While the NSDUH data does not directly measure changes in alcohol consumption, it can provide insight into how drinking rates have changed for various demographic groups over time. Given the survey limitations discussed previously, I view these to be directionally accurate estimates of differences across groups as opposed to precise measures of change over time.

The NSDUH survey indicates that the decline in self-reported alcohol use has been most pronounced for three broad demographic groups: young adults, men, and Non-Hispanic white people.

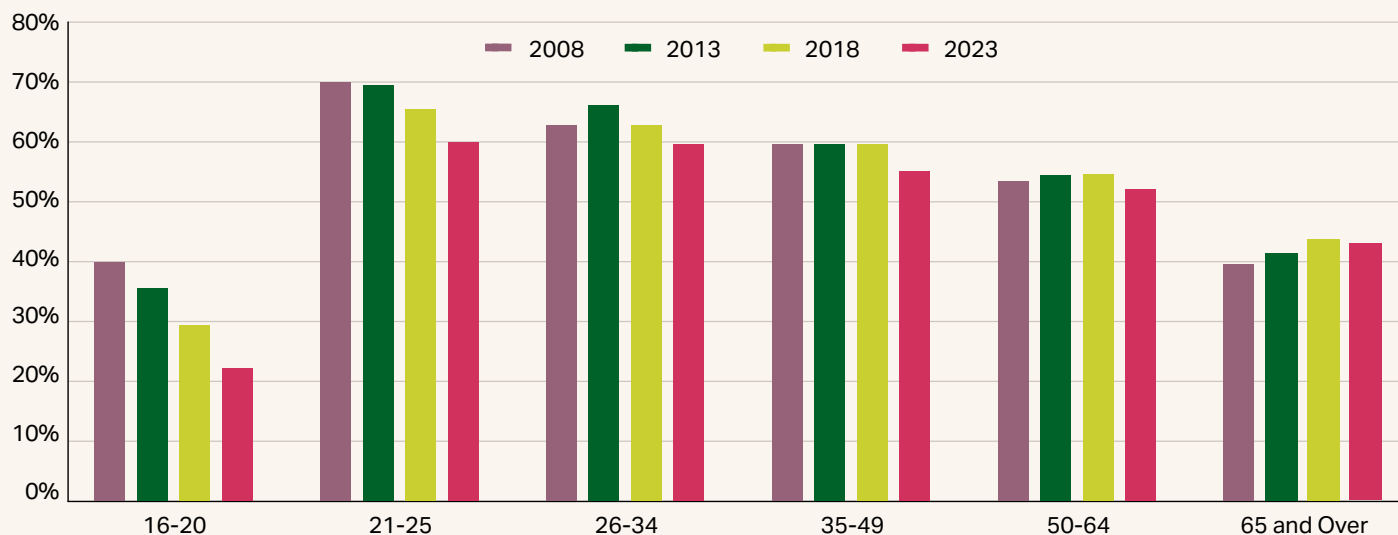
### GEN Z IS ONLY PART OF THE STORY

The popular press has sensationalized the point that Gen Z (aged 11 to 26 in 2023) is showing less interest in drinking than prior generations when they were the same age. While this does appear to be true, Gen Z is not the sole factor: self-reported alcohol use has fallen for all but the 65+ age cohort over the past 10 years.

Looking at the past 30-day drinking rates disaggregated by age shows that the decline in alcohol use has been most pronounced for the youngest age cohorts, and that the magnitude of the drop diminishes progressively with each successive age band. This suggests that changing alcohol use patterns have a generational component.

## Young Adults Report Drinking at a Much Lower Rate than in the Past

Past Month Drinking Rates by Age



Sources: The National Survey on Drug Use and Health, Terrain

*If it continues to drink at significantly lower rates than prior generations as it ages, Gen Z will exert increasing downward pressure on alcohol consumption.*

Past-month drinking rates have declined by 14 percentage points for 16- to 20-year-olds over the past decade and by 10 percentage points for 21- to 24-year-olds. These age bands were occupied by Millennials 10 years ago – and are now comprised of Zoomers (Gen Z). Thus, a smaller share of legal drinking age (LDA) and under-age Zoomers report drinking than the Millennials did when they were of the same age. So, Gen Z clearly is leading the abstinence trend.

Nonetheless, the decline in alcohol use in this age range began well before the range was occupied by Gen Z. Underage drinking has been falling steadily for decades and the decrease in drinking rates for 21- to 24-year-olds began when it was comprised of Millennials. Moreover,

there have been noticeable drops in alcohol use for the 26-34 and 35-49 age cohorts over the last decade, and drinking rates for 50- to 64-year-olds also have slipped over the past five years.

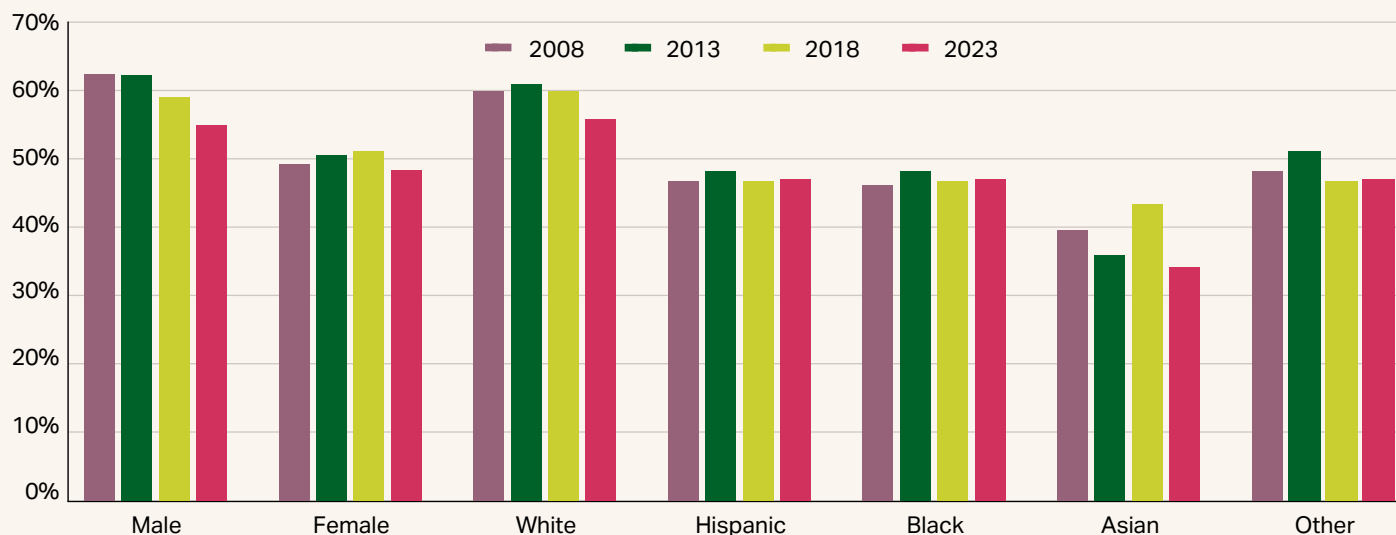
Because of its youth, Gen Z still represents a relatively small share of the drinking age population, so it has not yet had a substantial impact on overall drinking rates. However, if it continues to drink at significantly lower rates than prior generations as it ages, Gen Z will exert increasing downward pressure on alcohol consumption.

Conversely, alcohol use by mature adults aged 50 to 64 has been steadier, though it did begin to decline as Gen X entered this age range, and survey participants who are 65 and older report slightly higher alcohol use rates than they did 10 years ago. The increase in drinking rates for older Americans coincides with the Boomers ascent into this age category beginning in 2011.

Taken together, the age-specific data indicate that each successive generation is drinking less than the prior, though the drop appears to be particularly pronounced for Gen Z.

## Men and Non-Hispanic Whites Report Larger Drops in Alcohol Use

Past Month Drinking Rates by Sex and Race



Sources: The National Survey on Drug Use and Health, Terrain

### MEN AND NON-HISPANIC WHITE CONSUMERS ARE LESS LIKELY TO DRINK THAN IN THE PAST

The reduction in reported drinking rates has been more severe for men than women, though men are still more likely to be drinkers. The share of men that reported consuming alcohol in the past month has declined by seven percentage points over the last 10 years – which compares to just a two-point drop for women.

*The share of men that reported consuming alcohol in the past month has declined by seven percentage points over the last 10 years – which compares to just a two-point drop for women.*

In terms of race, Non-Hispanic white people are more likely to drink than are other racial/ethnic categories, but alcohol use rates are beginning to converge because

drinking rates among white people have declined while those for Black and Hispanic Americans have held steady. The share of Asian Americans who are drinking also looks to be declining, though the figures are more volatile because sample sizes are smaller.

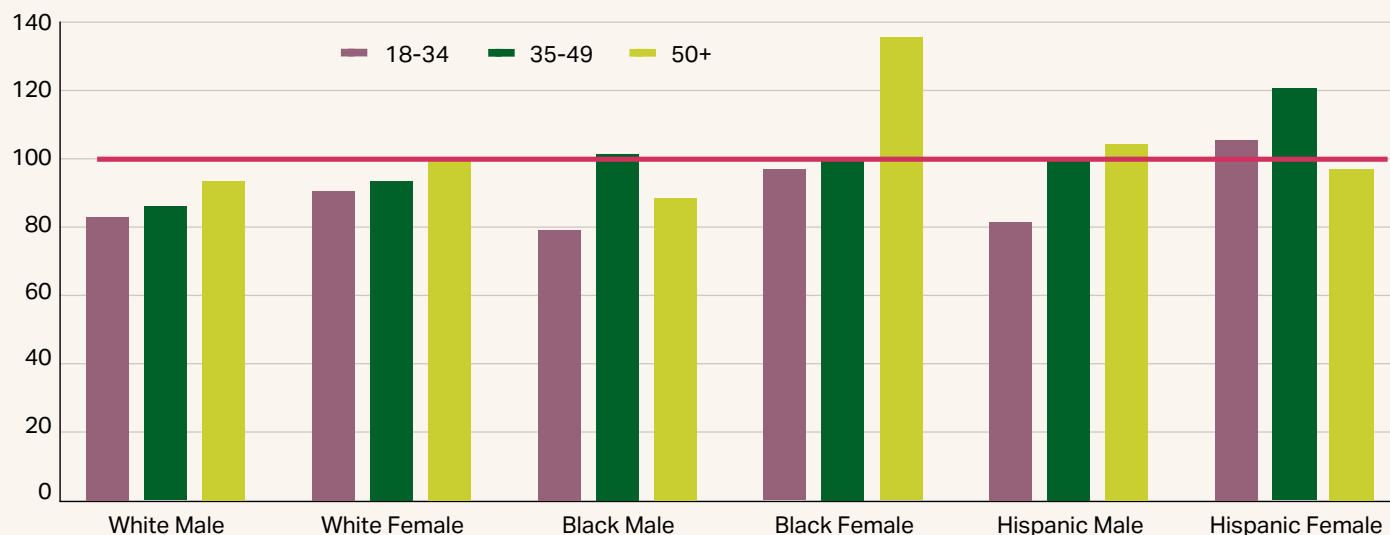
### FEWER YOUNG MEN ARE DRINKING, BUT MORE HISPANIC AND BLACK WOMEN ARE

More nuanced insights into alcohol use trends can be derived by cross tabulating these data. I indexed the past-30-day drinking rates in 2023 for the 18+ population to their 2013 levels for each group. Values below 100 indicate that drinking rates have declined over the past 10 years, while those above 100 signify increases. Note that this level of disaggregation also reduces sample sizes and increases margins of error, particularly for the smaller population subgroups.

The most important finding from this analysis is that adult men under the age of 35, of all races, report drinking at much lower rates compared to those of the same age 10 years ago. Past-month drinking rates for young men fell

## Young Men of All Races Report Drinking at Much Lower Rates than in the Past

Past Month Drinking Rates Indexed to 2013 Levels (=100)



Sources: The National Survey on Drug Use and Health, Terrain

from 70% in 2013 to 57% in 2023, while those for young women fell only modestly from 59% to 56%.

A final key takeaway is that Black and Hispanic women are reporting higher drinking rates than in the past. This is primarily due to surging alcohol use by Black women over the age of 49 and Hispanic women aged 35 to 49, though margins of error are larger for these small demographic segments.

### THE COMPOSITION OF ALCOHOL CONSUMERS IS EVOLVING

The shifts in demographic-specific drinking rates, combined with differential rates of population growth, are altering the alcohol market.

While the estimated total number of drinkers in 2023 was roughly the same as it was 10 years earlier, some demographic groups have increased their weight in the alcohol consumer base while others have declined.

Most importantly, multicultural consumers now comprise 34% of regular alcohol drinkers versus 28% a decade ago.

This represents an absolute increase of 7.3 million, which is juxtaposed by a similar drop in the number of Non-Hispanic white drinkers. The increase in the number of multicultural alcohol consumers has been driven mainly by faster population growth, while the decline in white alcohol consumers is a product of declining drinking rates coupled with stagnant population growth. (More on global demographic changes can be found in Terrain's report series, [The Big Shrink](#)).

*Some demographic groups have increased their weight in the alcohol consumer base while others have declined.*

The number of alcohol consumers over the age of 65 has also grown, by nearly 7 million, as the U.S. population has aged and alcohol use rates have ticked up slightly for older adults. Older Americans now represent 19% of alcohol consumers, up from 14% a decade earlier. Conversely, the number of young adults between the ages of 18 and 25 has declined by more than 4 million.



## Alcohol Consumer Demographics Are Evolving

|          |                | Number of Drinkers |             |             | Share of All Drinkers |      |      | Change in Drinkers<br>2013 to 2023 |         |
|----------|----------------|--------------------|-------------|-------------|-----------------------|------|------|------------------------------------|---------|
| Category | Segment        | 2013               | 2018        | 2023        | 2013                  | 2018 | 2023 | Absolute                           | Percent |
| Age      | 18 to 25       | 20,846,000         | 18,691,000  | 16,801,000  | 16%                   | 14%  | 13%  | -4,045,000                         | -19%    |
|          | 26 to 34       | 24,753,000         | 25,188,000  | 24,082,000  | 19%                   | 18%  | 18%  | -671,000                           | -3%     |
|          | 35 to 49       | 36,399,000         | 36,573,000  | 35,472,000  | 27%                   | 27%  | 27%  | -927,000                           | -3%     |
|          | 50 to 64       | 33,231,000         | 34,014,000  | 32,155,000  | 25%                   | 25%  | 24%  | -1,076,000                         | -3%     |
|          | 65 and over    | 18,134,000         | 22,600,000  | 24,832,000  | 14%                   | 16%  | 19%  | 6,698,000                          | 37%     |
| Sex      | Male           | 71,217,000         | 70,940,000  | 69,145,000  | 53%                   | 52%  | 52%  | -2,072,000                         | -3%     |
|          | Female         | 62,143,000         | 66,126,000  | 64,197,000  | 47%                   | 48%  | 48%  | 2,054,000                          | 3%      |
| Race     | White          | 95,497,000         | 94,819,000  | 88,224,000  | 72%                   | 69%  | 66%  | -7,273,000                         | -8%     |
|          | Hispanic       | 17,206,000         | 19,019,000  | 21,416,000  | 13%                   | 14%  | 16%  | 4,210,000                          | 24%     |
|          | Black          | 13,441,000         | 13,909,000  | 14,709,000  | 10%                   | 10%  | 11%  | 1,268,000                          | 9%      |
|          | Others         | 7,215,000          | 9,320,000   | 8,992,000   | 5%                    | 7%   | 7%   | 1,777,000                          | 25%     |
| Total    | 18+ Population | 133,360,000        | 137,006,000 | 133,343,000 | 100%                  | 100% | 100% | -17,000                            | 0%      |



Based on reported past 30-day drinking rates; all non-age figures pertain to adults 18 and over.  
Sources: The National Survey on Drug Use and Health, Terrain

Digging deeper into the data, the picture becomes more nuanced. There are several specific pockets of growth. For example, there are nearly 2.5 million more Hispanic women drinkers spread across the three age groups, and they now comprise 7% of the total drinking population. Other growth segments include Hispanic men over the age of 34 (2.2 million) and Black women 50 and over (1.1 million).

Conversely, the number of alcohol consumers who are white men under the age of 50 declined by 5.4 million, while the number of white women in this age range fell by 3.1 million.

A final point to note is that the demographic-specific estimates of monthly alcohol consumers are not measures of total alcohol consumption because the frequency of drinking and number of drinks consumed per drinking occasion vary across groups. However, it is possible to derive a rough approximation of total drinks consumed by combining the responses to the questions pertaining to these topics in the NSDUH survey.

These figures suggest that men who drink alcoholic beverages consume substantially more than women drinkers and that white drinkers consume moderately more than multicultural alcohol consumers. Thus, the share of total alcohol consumption attributable to demographic segments such as Hispanic and Black women is lower than their share of total alcohol consumers.

### KEY TAKEAWAYS

The evidence is mounting that alcohol consumption has begun to decline, though the trend is still not well established due to data lags and pandemic-related distortion. This is obviously a troubling development for wine producers: if it continues, wine will need to take market share to avoid declining sales volumes.

Survey evidence suggests that Gen Z is part of the trend, but self-reported drinking rates have fallen for all but the 65+ age category in recent years, though less forcefully. Past-month drinking rates have also declined more for men than women—young men in particular—as well as

| Estimated Change in the Number of Drinkers 2013 to 2023 |                 |            |           |                   |          |     |
|---------------------------------------------------------|-----------------|------------|-----------|-------------------|----------|-----|
|                                                         | Absolute Change |            |           | Percentage Change |          |     |
|                                                         | 18 to 34        | 35 to 49   | 50+       | 18 to 34          | 35 to 49 | 50+ |
| 1 - Male, White, Not Hispanic                           | -3,157,000      | -2,275,000 | 439,000   | -21%              | -17%     | 2%  |
| 2 - Female, White, Not Hispanic                         | -1,818,000      | -1,316,000 | 855,000   | -14%              | -11%     | 4%  |
| 3 - Male, Black, Not Hispanic                           | -302,000        | 289,000    | 98,000    | -11%              | 16%      | 4%  |
| 4 - Female, Black, Not Hispanic                         | -50,000         | 90,000     | 1,144,000 | -2%               | 5%       | 66% |
| 5 - Male, Hispanic                                      | -474,000        | 1,055,000  | 1,160,000 | -10%              | 34%      | 54% |
| 6 - Female, Hispanic                                    | 785,000         | 926,000    | 758,000   | 24%               | 42%      | 48% |
| 7 - Male or Female, Other Races                         | 305,000         | 304,000    | 1,167,000 | 9%                | 13%      | 68% |



Note: Based on reported past 30-day drinking rates.  
Sources: The National Survey on Drug Use and Health, Terrain

for Non-Hispanic white people. Conversely, Hispanic and Black women appear to be drinking at higher rates than in the past.

These patterns provide clues as to why alcohol consumption is declining and whether it will continue to do so, a point that I will return to in part two of this series in the Fall 2025 Winescape issue.

*It is vitally important for wine producers to understand these shifts because they highlight potential threats as well as areas of opportunity.*

Variation in changes in demographic-specific drinking rates coupled with differential rates of population growth also are altering the demographics of alcohol consumers. For one, the number of younger drinkers is shrinking while the number of older drinkers is growing rapidly. Alcohol consumers are also becoming more diverse. The number of multicultural drinkers is climbing, particularly among Hispanic

consumers, while the number of white alcohol users is declining.

The changing demography of alcohol consumers represents a challenge for wine, as it has traditionally under-indexed with multicultural consumers. This trend may be part of the explanation for wine’s declining market share.

It is vitally important for wine producers to understand these shifts because they highlight potential threats as well as areas of opportunity. Specifically, it is crucial for the wine industry to find ways to connect more effectively with multicultural alcohol consumers, as they represent an expanding share of its potential audience.

See part two of this series in the next edition of Winescape for an in-depth analysis of the factors that are driving the moderation movement, whether it is likely to persist, and its implications for the wine market.



# Appendix

## Data and Methods

### INFORMATION SOURCES

There is no single, comprehensive source of information on the U.S. wine and grape markets. Rather, there are many different sources that capture specific slices of these markets. The analysis in this report represents a synthesis based on the review of multiple points of data and information.

These include statistical data from private data vendors, reports from industry service providers, U.S. government data, and internal data collected by American AgCredit’s appraisal and underwriting teams. I assess the relevance and reliability of each source and weight it accordingly in the analysis.

The report also incorporates anecdotal information gleaned from conversations with market participants, including wineries, growers and various market intermediaries.

This approach enables “Winescape” to deliver a relevant and nuanced perspective on wine and grape market trends as well as an informed outlook.

### THE WINE SALES DASHBOARD

The dashboard provides a directional view of wine sales trends, reflecting the fact that none of the market segments and sales channels are measured with precision.

The year-over-year change column is a directional indicator of the percentage change in wine sales for the most recent six-month period relative to the same period a year earlier. I focus on the six-month period because the quarterly data can be volatile.

| Year-Over-Year Change | ↑ | Substantial increase |
|-----------------------|---|----------------------|
|                       | ↗ | Modest increase      |
|                       | → | Little to no change  |
|                       | ↘ | Modest decline       |
|                       | ↓ | Substantial decline  |

The trend column provides an indication of whether the rate of change in sales has improved or deteriorated over the past 12 months. For example, if sales in the value segment are falling on a year-over-year basis, but at a slower rate than in the past, the trend is improving and an up arrow is assigned.

| Trend | ↗         | —      | ↘             |
|-------|-----------|--------|---------------|
|       | Improving | Stable | Deteriorating |

The retail price segments are defined as follows:

| Retail Price Segments | \$\$\$  | Value         | Less than \$11  |
|-----------------------|---------|---------------|-----------------|
|                       | \$\$\$  | Premium       | \$11 to \$19.99 |
|                       | \$\$\$+ | Super-Premium | \$20 to \$49.99 |
|                       | \$\$\$  | Luxury        | \$50 and up     |

