



## US WINERY REVENUE IMPACT FROM COVID-19\*

The COVID-19 pandemic will impact U.S. wineries differently depending upon their primary channels of distribution. The first chart breaks down wineries by size and their revenues from each channel **prior** to COVID-19. The second chart estimates revenues for 2020 based on the impact of shutdowns. The third chart reflects the resulting economic impact and percentage loss or gain. The estimated additional loss of \$1.4 billion in winegrape sales is not included here.

Smaller wineries rely more heavily on sales from their tasting rooms and from restaurants, and these channels will likely take longer to recover. Half of this lost business may be recovered within 3 months after the shutdowns are lifted. The lifting of shutdowns is estimated to be late May 2020. Full revenue recovery is not expected until three to six months after a vaccine is widely available.

### Revenue Impact on US Wineries from COVID-19 (USD Millions)

| ANNUAL WINERY REVENUE PRIOR TO COVID-19 |                      |                        |                        |                 |               |               |
|---|----------------------|------------------------|------------------------|-----------------|---------------|---------------|
| Winery Size<br>9L Cases                 | Sold to<br>Retailers | Sold to<br>Restaurants | Direct-to-<br>Consumer | Tasting<br>Room | Total         | # of Wineries |
| Over 500K                               | 9,182                | 1,519                  | 233                    | 260             | <b>11,194</b> | 56            |
| 50K to 500K                             | 3,071                | 720                    | 693                    | 828             | <b>5,312</b>  | 246           |
| 5K to 50K                               | 803                  | 616                    | 1,442                  | 1,110           | <b>3,971</b>  | 1,015         |
| 1K to 5K                                | 198                  | 227                    | 755                    | 994             | <b>2,175</b>  | 2,773         |
| Under 1K                                | 41                   | 90                     | 102                    | 566             | <b>799</b>    | 6,420         |
| <b>TOTAL</b>                            | <b>13,296</b>        | <b>3,172</b>           | <b>3,225</b>           | <b>3,758</b>    | <b>23,451</b> | 10,510        |

Source: bw166. \*Number of wineries sourced from Wines and Vines Analytics.

| ESTIMATED ANNUAL WINERY REVENUE WITH SHUTDOWN ORDERS |                      |                        |                        |                 |               |  |
|--|----------------------|------------------------|------------------------|-----------------|---------------|--|
| Winery Size<br>9L Cases                              | Sold to<br>Retailers | Sold to<br>Restaurants | Direct-to-<br>Consumer | Tasting<br>Room | Total         |  |
| Over 500K  | 10,100               | 304                    | 210                    | 52              | <b>10,666</b> |  |
| 50K to 500K  | 3,378                | 144                    | 624                    | 166             | <b>4,312</b>  |  |
| 5K to 50K  | 883                  | 123                    | 1,298                  | 222             | <b>2,526</b>  |  |
| 1K to 5K   | 218                  | 45                     | 680                    | 199             | <b>1,142</b>  |  |
| Under 1K   | 45                   | 18                     | 92                     | 113             | <b>268</b>    |  |
| <b>TOTAL</b>   | <b>14,626</b>        | <b>634</b>             | <b>2,903</b>           | <b>752</b>      | <b>18,914</b> |  |

Source: bw166.

| ANNUAL WINERY REVENUE IMPACT |                      |                        |                        |                 |                |               |
|------------------------------|----------------------|------------------------|------------------------|-----------------|----------------|---------------|
| Winery Size<br>9L Cases      | Sold to<br>Retailers | Sold to<br>Restaurants | Direct-to-<br>Consumer | Tasting<br>Room | Total          | % Impact      |
| Over 500K                    | 918                  | (1,215)                | (23)                   | (208)           | (528)          | <b>-4.7%</b>  |
| 50K to 500K                  | 307                  | (576)                  | (69)                   | (662)           | (1,000)        | <b>-18.8%</b> |
| 5K to 50K                    | 80                   | (493)                  | (144)                  | (888)           | (1,445)        | <b>-36.4%</b> |
| 1K to 5K                     | 20                   | (182)                  | (76)                   | (795)           | (1,033)        | <b>-47.5%</b> |
| Under 1K                     | 4                    | (72)                   | (10)                   | (453)           | (531)          | <b>-66.4%</b> |
| <b>TOTAL</b>                 | <b>1,330</b>         | <b>(2,538)</b>         | <b>(323)</b>           | <b>(3,006)</b>  | <b>(4,537)</b> | <b>-19.3%</b> |

Source: bw166.

\*This document provides background for the US Wine industry COVID-19 loss estimate press release issued on April 16, 2020.

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