



2025

DIRECT TO CONSUMER

Wine Shipping Report

2024 YEAR IN REVIEW

SOVOS
ShipCompliant

**WINE
BUSINESS**
| ANALYTICS

DIRECT-TO-CONSUMER WINE SHIPPING IN 2024

A challenging year with significant declines in volume and value

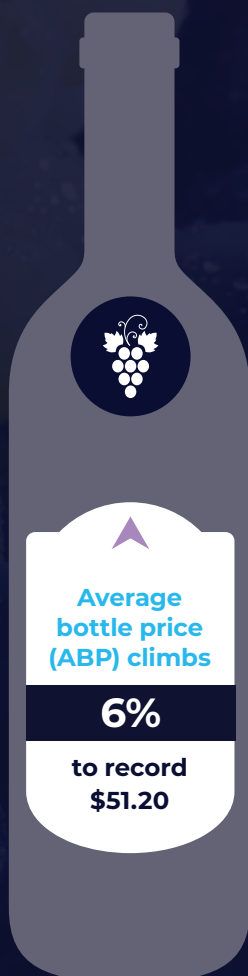
Largest recorded drops in volume and value



Rate of price increases slows

+6% ABP increase
down from +7%
in 2023

ABP increase remains
above 2011-2019
average of +1%



Premiumization sputters

Shipment volume
growth of wines priced
\$80+ stalls at +2% vs.
+5% in 2023

**Largest wineries
drive declines**



-18% volume and -7% value YoY for wineries
producing 500,000+ cases/year as ABP
increases 13% to \$22.53

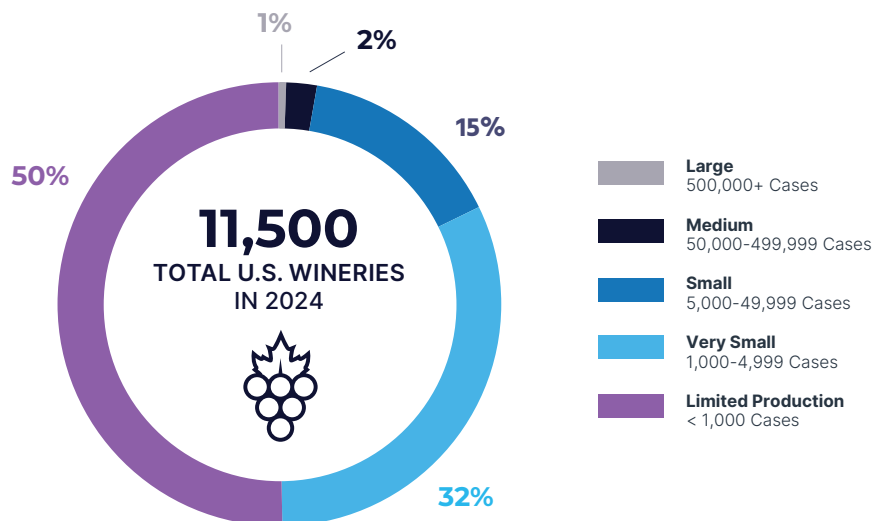
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Creation of the DtC Report

This report is an annual collaboration between Sovos ShipCompliant and WineBusiness Analytics. It analyzes anonymized direct-to-consumer (DtC) shipment data from more than 1,300 U.S. wineries, totaling more than 31 million shipments in 2024. Using the WineBusiness Analytics model, the data is projected to represent the entire U.S. winery market excluding DtC purchases picked up or carried out from wineries. Each shipment is edited for submission for governmental tax and reporting requirements and elements like varietal are validated against standardized tables.

The data is submitted to a proprietary model that applies weighting to ensure aggregated transactions accurately reflect winery size, location and average bottle price. The model is built on a database of 11,500 wineries updated monthly by WineBusiness Analytics, representing more than 99% of U.S. wineries. Statistical techniques are used to identify outliers and data anomalies. For more information about the methodology, refer to the Methodology section at the end of this report.



Overview

The direct-to-consumer shipping channel faced a challenging year in 2024, with significant declines in shipment volume and value—the steepest recorded for each metric since this report began in 2010. The total volume of DtC shipments dropped to 6.4 million cases, down 10% from 2023. Similarly, the value of these shipments fell 5% to \$3.94 billion. These outcomes can be understood against the context of the overall wine and beverage alcohol markets in 2024, which faced global headwinds resulting in larger than anticipated decreases across categories. Meanwhile, the average bottle price (ABP) shipped rose by 6% to a record \$51.20.

One silver lining is the continued slowdown in the rate of price increases (6%), which declined from 7% in 2023, 9% in 2022 and 12% in 2021. This downward trend reflects a broader easing of inflation. Still, the 6% year-over-year (YoY) increase remains well above the historical average of 1% from 2011 to 2019.

The concerns behind the falloff in winery shipments, however, overshadow the slowdown of ABP rate increases. The sharp decline in shipments of lower-priced wines (up to \$40 per bottle) played a significant role in the channel's downturn, with this category experiencing a 15% decrease in 2024, following an 11% drop in 2023. While direct-shipped wines are often associated with higher prices, it's worth noting that more than half of the shipment volume in the DtC channel comes from wines priced \$40 or less, making this category's struggles particularly impactful.

At the other end of the spectrum, growth in shipments of ultra-premium wines priced at \$80 and above slowed dramatically. In 2023, another challenging year for the industry, this segment still managed a 5% increase in shipment volume. However, growth in the category stagnated in 2024, with volumes rising by only 2%.

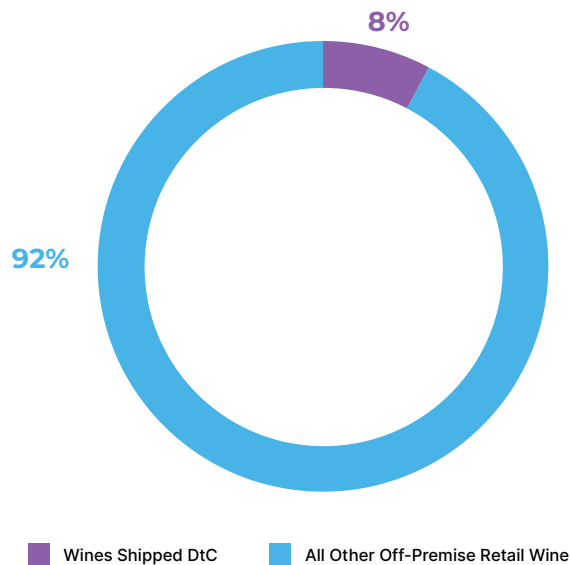
These declines align with trends in the U.S. off-premise wine market, which also experienced reduced sales, as did most beverage alcohol categories across the board. Additionally, the DtC channel is increasingly influenced by broader economic, cultural and social factors, losing the relative insulation it once had. Unlike earlier years when changes in state laws created spikes in shipments by opening new DtC markets, wineries can no longer rely on these boosts to offset declines.



Overview (Cont'd)

In 2024, DtC shipments from wineries to consumers in the U.S represented 8% of the total value of all off-premise sales of domestically made wines. According to Jon Moramarco, managing partner at market research firm bw166, total estimated off-premise sales of domestic table and sparkling wines in 2024, including wines shipped direct-to-consumer, was \$51 billion, compared to \$51.4 billion in 2023.

DtC as Percent of Total Off-premise Sales of Domestically Made Wines



As outlined in the report, the downturn in DtC shipments in 2024 left no category untouched. Large and small wineries, red and white wines, wineries from all regions and wines across every price point were affected by a retreat from the DtC shipping channel. Despite these challenges, most U.S. wineries will continue to depend on this distribution channel. The insights presented in this report aim to help them navigate the turbulent conditions they face today.



2024 Highlights

Record declines in volume and value

In 2024, the DtC channel experienced the largest YoY declines in both wine shipment volume (down 10%) and value (down 5%) seen in this report's 16-year history.

Declining price inflation

The average price per bottle shipped increased by 6%, continuing a four-year trend of smaller price increases. However, this increase remains well above the pre-pandemic average annual change.

Struggling low end of the DtC shipping channel

Wines priced at \$40 or less saw a significant 15% decline in shipment volume as continued economic pressures, including inflation, drove many consumers away from wine clubs and deterred winery visits.

Deceleration of premiumization

Once a bright spot as the overall wine shipping channel slackened, the ultra-premium end of the DtC shipping channel (\$80 bottle price and above) slowed in 2024, producing only a 2% increase in shipments.

Largest wineries drive declines

Wineries producing 500,000 cases or more annually played an outsized role in the declines the DtC channel witnessed in 2024. These large wineries increased their average price per bottle shipped by 13% and experienced an 18% decline in shipments from 2023. Their shipments represent 16% of the entire DtC channel's volume.

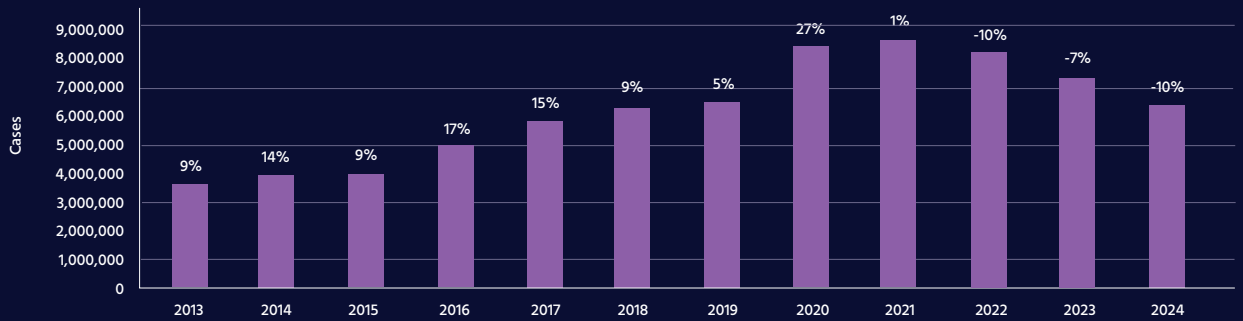
Non-West Coast wineries avoid price increases

Of the seven winery regions tracked, only the Rest of U.S. (wineries outside the West Coast) did not increase prices, instead seeing no change in the average price per bottle shipped from 2023.

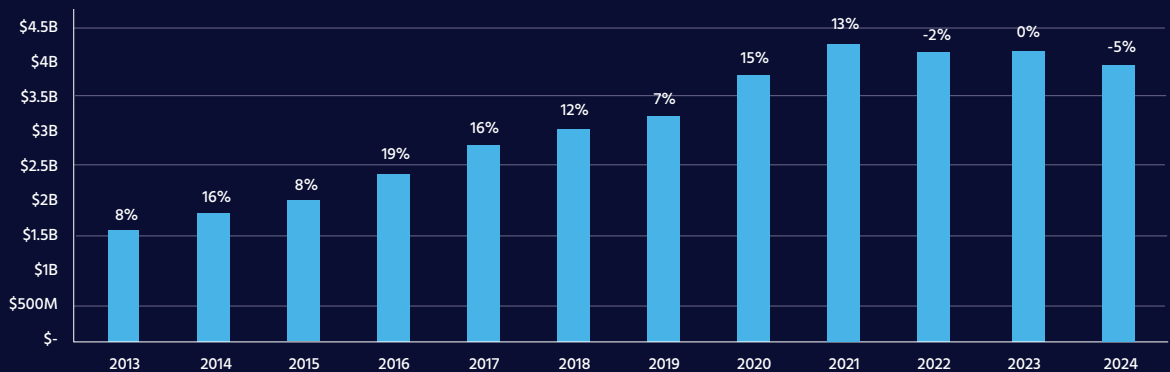
Pinot Noir and Sauvignon Blanc stand out

Though no category of wine experienced significant volume gains, Pinot Noir and Sauvignon Blanc performed best among the most commonly shipped wines.

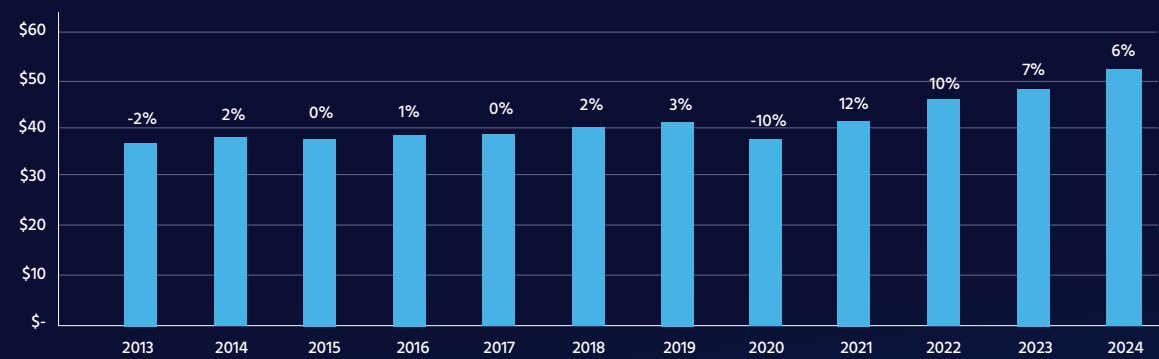
Volume of Shipments with Annual Change 2013-2024



Value of Shipments with Annual Change 2013-2024



Average Price Per Bottle Shipped with Annual Change 2013-2024





2024

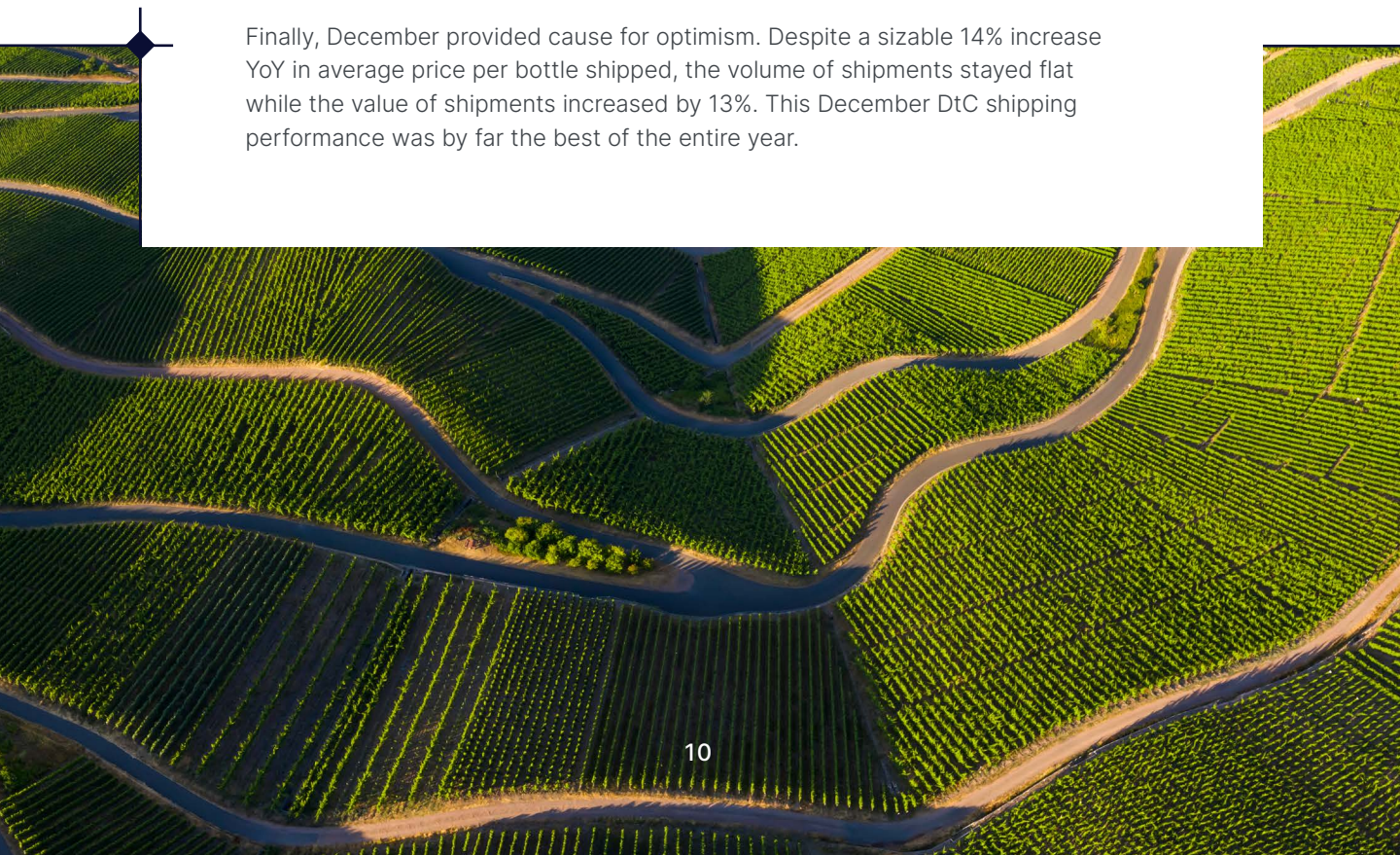
Month-by-Month Analysis

The familiar seasonal pattern of DtC wine shipments continued in 2024. March through May shipments accounted for 29% of total volume, while September through November represented 33%. Summer's heat pushed down shipments in June, July and August to 16% of total volume for 2024.

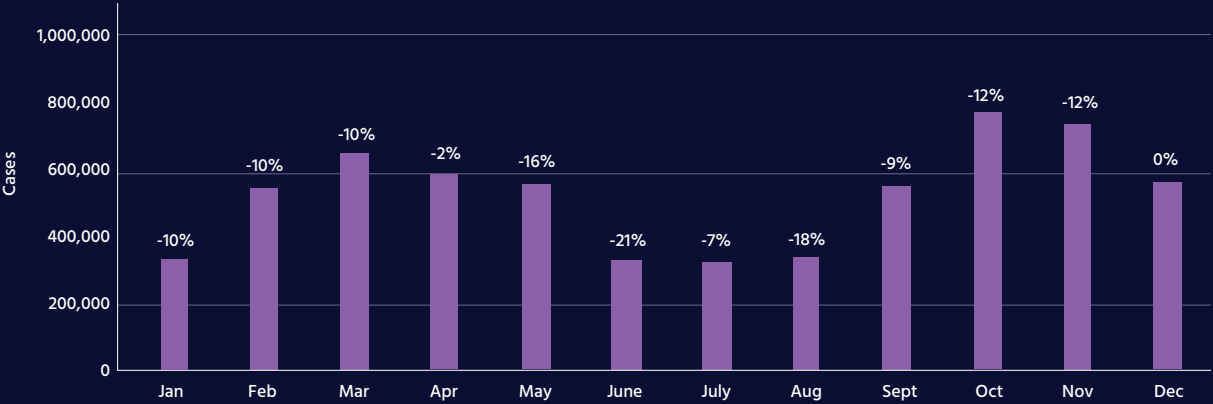
June and August experienced particularly steep declines, with YoY shipments falling 21% and 18%, respectively. The June downturn continues a multi-year trend, with shipments for the month down 42% since 2021.

Each month saw price increases over 2023 except for January, where the average price per bottle shipped dipped by 2%. However, this unique drop in price did not lead to increased volume, as total shipments in January fell 10% compared to the previous year.

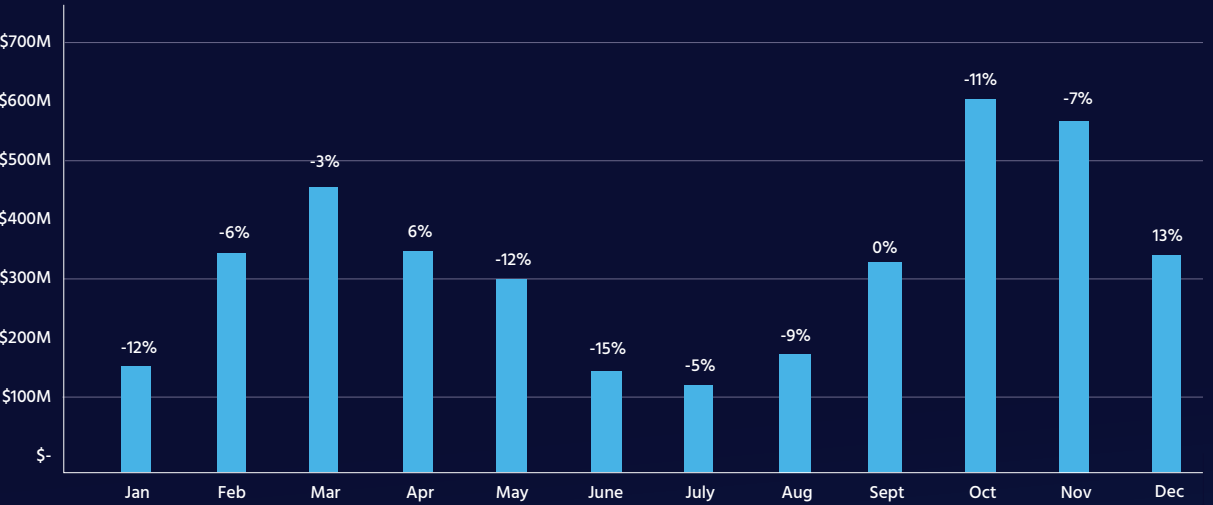
Finally, December provided cause for optimism. Despite a sizable 14% increase YoY in average price per bottle shipped, the volume of shipments stayed flat while the value of shipments increased by 13%. This December DtC shipping performance was by far the best of the entire year.



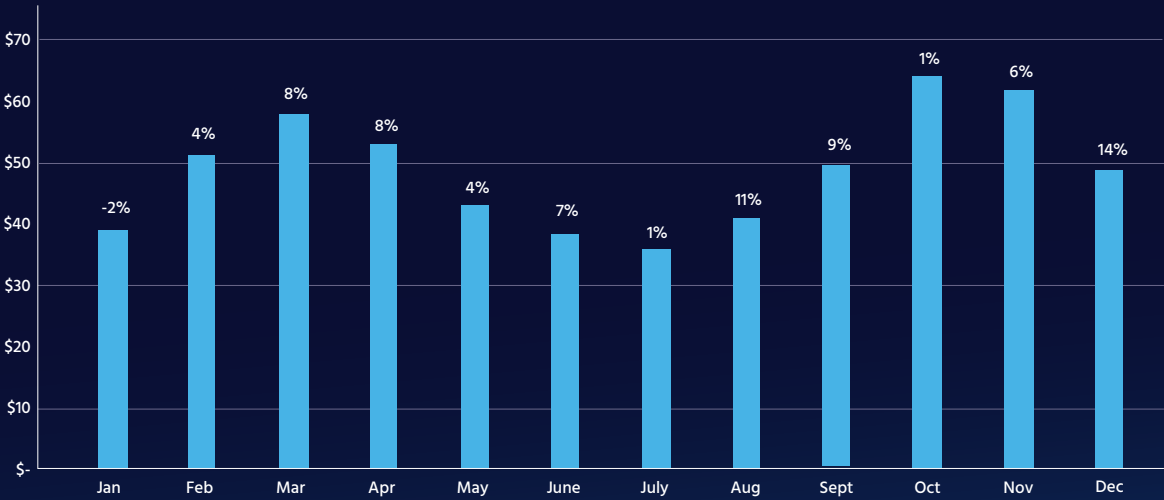
Volume of Shipments by Month with Annual Change



Value of Shipments by Month with Annual Change



Average Bottle Price by Month with Annual Change





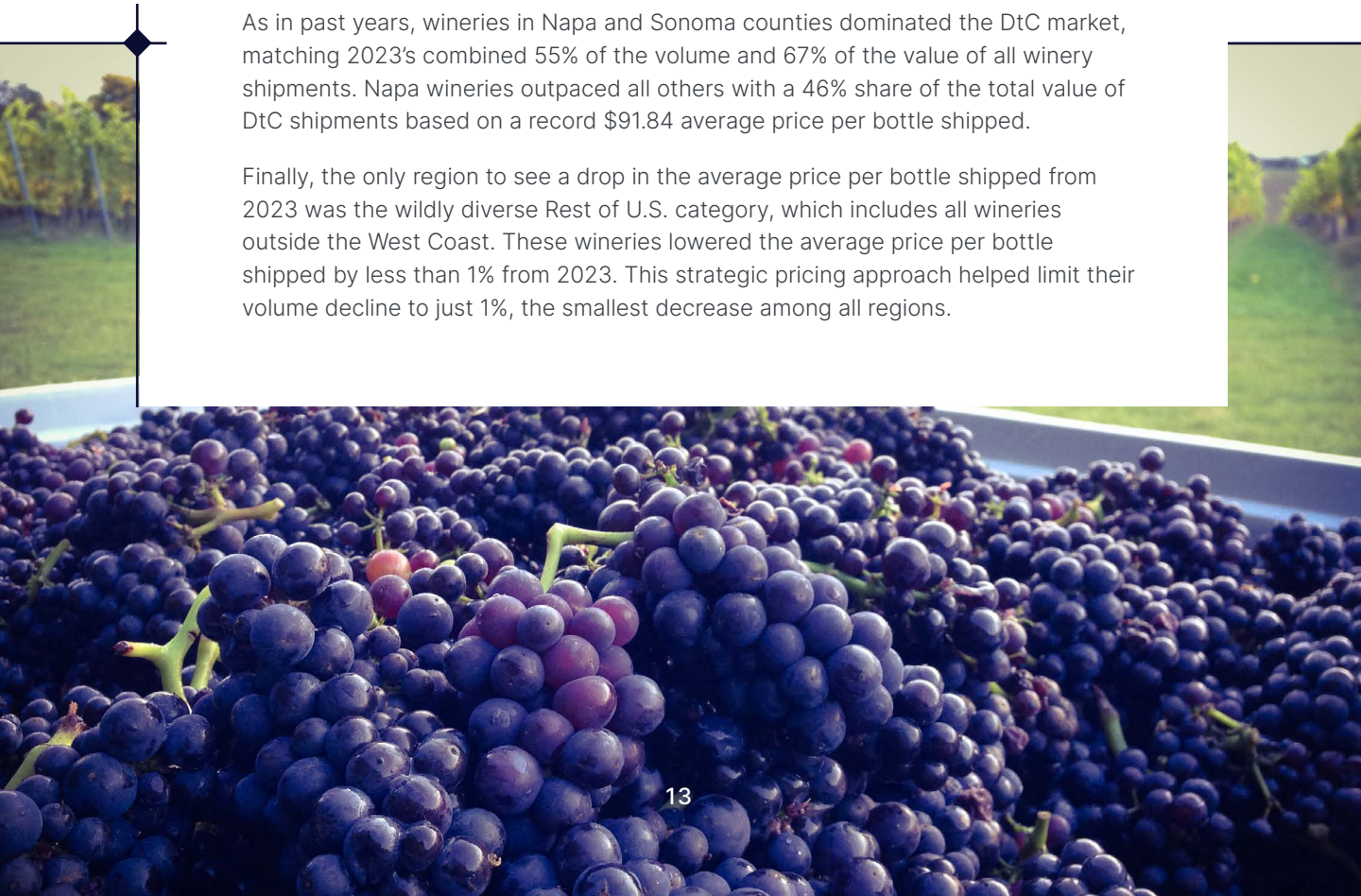
Analysis by Winery Region

For the first time since this report's inception in 2010, all seven regions tracked experienced declines in both the volume and value of DtC winery shipments in 2024. No region showed any positive movement during the year.

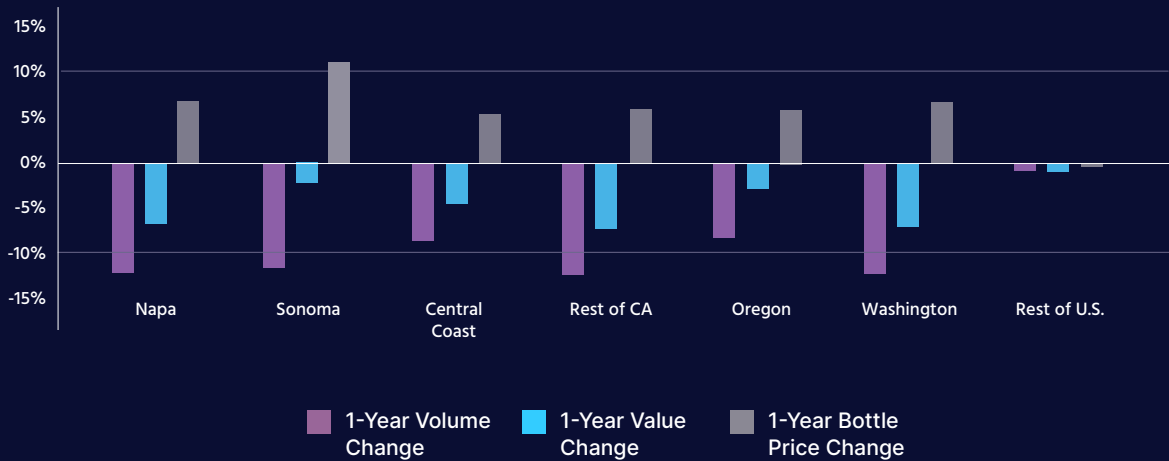
The steepest losses came from the Rest of California and Washington State, which each lost 13% of their volume from 2023, along with 8% and 7%, respectively, of the value of shipments. This underperformance of the entire DtC shipping channel came despite the upward trend in average price per bottle shipped from this region mirroring the 6% overall increase. This suggests a relative weakness in demand for wines from the two regions.

As in past years, wineries in Napa and Sonoma counties dominated the DtC market, matching 2023's combined 55% of the volume and 67% of the value of all winery shipments. Napa wineries outpaced all others with a 46% share of the total value of DtC shipments based on a record \$91.84 average price per bottle shipped.

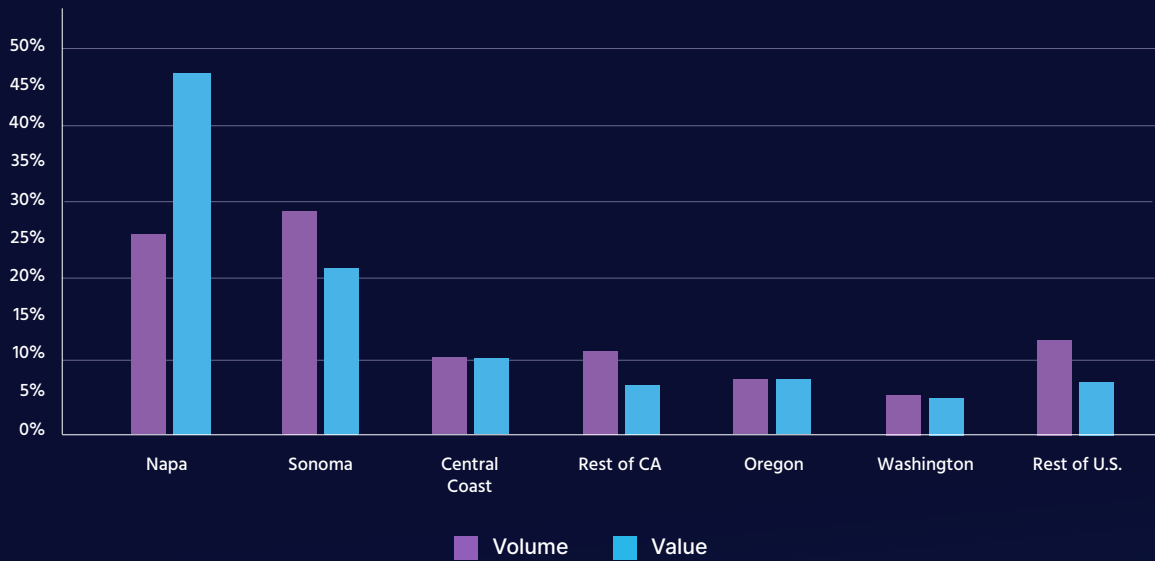
Finally, the only region to see a drop in the average price per bottle shipped from 2023 was the wildly diverse Rest of U.S. category, which includes all wineries outside the West Coast. These wineries lowered the average price per bottle shipped by less than 1% from 2023. This strategic pricing approach helped limit their volume decline to just 1%, the smallest decrease among all regions.



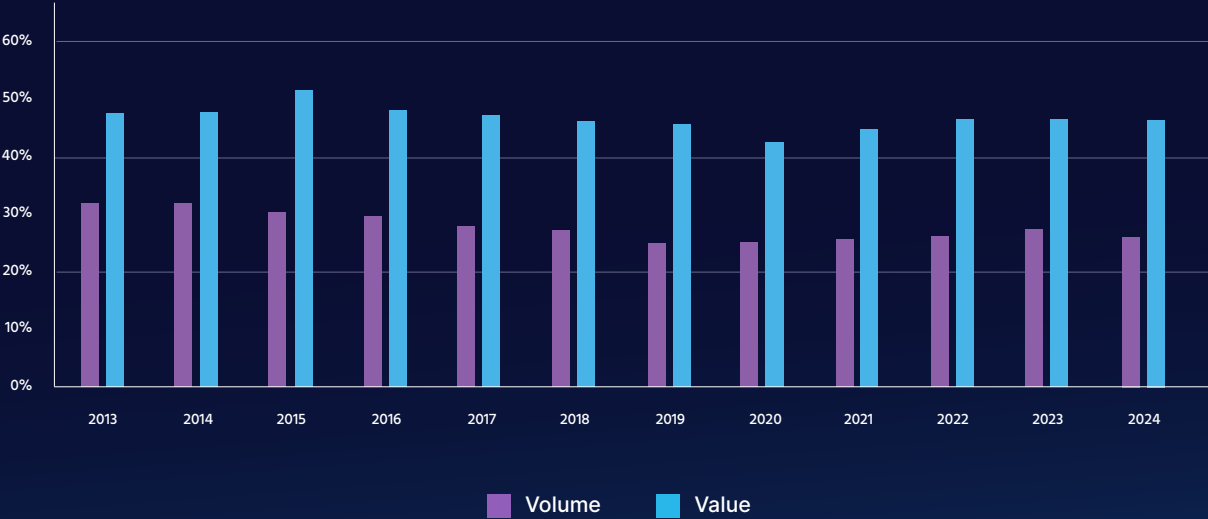
Change in Volume, Value & Price by Region



Share of Total Volume & Value by Region



Napa: Share of Volume & Value, 2013-2024



Napa County

The price of Napa wines continued to climb steadily in 2024, with the average price per bottle shipped reaching \$91.84—a 6% increase over 2023 and a 32% rise compared to the pre-pandemic year of 2019. Yet despite the 6% increase in ABP, Napa wineries shipped 12% less wine compared to 2023, resulting in a 6% reduction in total shipment value. These outcomes positioned Napa as a middle performer among the regions in 2024.

Even with these declines, Napa's influence on DtC wine shipping remains undeniable, driven primarily by Cabernet Sauvignon. In 2024, Napa wineries shipped \$923 million worth of the varietal to consumers across the country, accounting for more than 23% of the DtC channel's total value. Additionally, the average price per bottle of Napa Cabernet

Sauvignon shipped DtC climbed 10% to \$145.49, underscoring its premium status.

The other Napa powerhouse wine is the Red Blend, which accounted for 13% of all shipments from the region's wineries. However, these wines did not fare well in 2024. Despite a 6% decrease in the average price to \$120.02 per bottle, the volume of Red Blend DtC shipments declined by 12%. This in turn led to a 17% decrease in the value of Red Blend shipments.

One standout performer in 2024 was Napa Cabernet Franc. Napa wineries shipped 37,000 cases of Cabernet Franc at an average price of \$98.90. This wine saw a 7% increase in shipment volume despite a 9% hike in average price, resulting in a 17% increase in shipment value—a bright spot for the region.

| | |
|---------------------------------|-----------------|
| Total Value | \$1,829,396,122 |
| Total Volume in Cases | 1,659,924 |
| Avg. Price Per Bottle | \$91.84 |
| Value % of Total | 46% |
| Change in Value | -6% |
| Volume % of Total | 26% |
| Change in Volume | -12% |
| Change in Avg. Price Per Bottle | 6% |



Sonoma County

Sonoma wineries saw the largest average bottle price increase among all tracked regions, climbing 10% to \$36.50 in 2024. However, this came at a cost, as shipment volume declined 12% and shipment value fell 2%. Despite these declines, Sonoma remains a leader in the DtC channel, accounting for 29% of all winery shipments.

Since 2021, Sonoma wineries have implemented the most aggressive price increases among the regions, which has coincided with a 31% decline in shipment volume from 2.7 million cases in 2021 to 1.8 million cases in 2024.

Sonoma is one of the regions that demonstrates the strength of Pinot Noir. The varietal

continues to be Sonoma's flagship wine, accounting for 19% of the region's DtC shipment volume and 29% of its value. In 2024, Sonoma wineries increased the average price of Pinot Noir by 14% to \$55.55. Shipment volume for Pinot Noir dropped by 10%, resulting in a 2% increase in total value—showing the wine's relative strength in a challenging market.

Sauvignon Blanc also provided some good news for Sonoma County, representing 7% of the region's total shipment volume. Regionally, wineries raised the price per bottle of Sauvignon Blanc by 5% on average. 2024 signaled growing demand for this varietal, as shipment volume increased by 2% and total value increased by 8% over 2023.

| | |
|---------------------------------|----------------------|
| Total Value | \$809,408,929 |
| Total Volume in Cases | 1,847,834 |
| Avg. Price Per Bottle | \$36.50 |
| Value % of Total | 21% |
| Change in Value | -2% |
| Volume % of Total | 29% |
| Change in Volume | -12% |
| Change in Avg. Price Per Bottle | 10% |



California Central Coast

The Central Coast region encompasses wineries located in Monterey, Santa Cruz, San Benito, San Luis Obispo and Santa Barbara counties. By 2019, the wineries in this area had become so prominent as to warrant separation from the Rest of California category as a distinct tracked region.

Central Coast wineries share similarities with Sonoma County in the wide variety of wines they produce and ship. In 2024, the region experienced a 5% increase in the average price per bottle shipped while shipping 9% fewer bottles compared to 2023. This resulted in a 5% decrease in the total value of DtC shipments from the Central Coast.

Red Blend, Pinot Noir, Other Red, Cabernet Sauvignon and Chardonnay together account for 61% of DtC shipments from the Central Coast region. Pinot Noir, which represented 18% of all shipments in 2024, showed relative resilience. While the average price per bottle of Central Coast Pinot Noir increased by 10% over 2023—double the regional average—shipment volume remained flat YoY. This led to a 10% increase in value, highlighting the steady demand for Pinot Noir shipments.

Finally, Central Coast wineries saw demand for their Sauvignon Blanc increase in 2024. Despite a 7% YoY increase in average price per bottle, shipment volume surged 18%, contributing to a notable 26% increase in shipment value.

| | |
|---------------------------------|----------------------|
| Total Value | \$396,766,828 |
| Total Volume in Cases | 659,698 |
| Avg. Price Per Bottle | \$50.12 |
| Value % of Total | 10% |
| Change in Value | -5% |
| Volume % of Total | 10% |
| Change in Volume | -9% |
| Change in Avg. Price Per Bottle | 5% |



Rest of California

The Rest of California region encompasses wineries located outside the Central Coast, Sonoma County and Napa County, including Temecula, Lodi, Central Valley, Sierra Nevada and Mendocino County. In 2024, this region experienced the steepest decline in shipment volume among all regions tracked, with a 13% drop. This decline in shipments came with a 6% increase in the average price per bottle shipped and led to an 8% decrease in the value of shipments. Combined, the diverse Rest of California region accounted for 11% of total DtC shipping volume in 2024.

Unlike Napa's Cabernet Sauvignon or Oregon's Pinot Noir, no single wine dominates shipments from the Rest of California. The top five wines—

Red Blend, Cabernet Sauvignon, Other Red, Zinfandel and Chardonnay—together made up 52% of the region's total shipment volume in 2024.

Two wines stood out with stronger-than-average performance. Syrah shipments showed remarkable resilience, with only a 2% decline in volume despite a 13% increase in the average price per bottle. This resulted in an 11% increase in the total value of Syrah shipments. Sauvignon Blanc also performed well, benefiting from a 2% reduction in its average price per bottle, which led to a 9% increase in shipment volume and 7% growth in shipment value.

| | |
|---------------------------------|----------------------|
| Total Value | \$238,883,131 |
| Total Volume in Cases | 691,795 |
| Avg. Price Per Bottle | \$28.78 |
| Value % Of Total | 6% |
| Change in Value | -8% |
| Volume % Of Total | 11% |
| Change in Volume | -13% |
| Change in Avg. Price Per Bottle | 6% |



Oregon

Oregon represents a very small percentage of the DtC wine market, accounting for only 7% of all wine shipments and 7% of the channel's total value in 2024. While the state has gradually diversified its wine offerings, it remains dominated by Pinot Noir, which increased its share of Oregon's total wine shipments from 55% to 57%.

Moreover, Pinot Noir shipments slightly outperformed other Oregon wines with a 5% increase in average price per bottle shipped leading to a relatively small 5% decrease in volume of shipments from 2023. The average price of a bottle of Oregon Pinot Noir shipped through the DtC channel is now \$60.73—the highest on record.

After Pinot Noir, Chardonnay is the next most-shipped wine from Oregon, accounting for 12% of the state's DtC shipping volume. Chardonnay also performed slightly better than the Oregon and broader DtC channel averages, with an 8% increase in the average price per bottle shipped and a 4% decline in shipment volume. These shifts resulted in a 4% increase in the total value of Chardonnay shipments.

On a small volume base, Oregon Sauvignon Blanc demonstrated remarkable growth. Shipments totaled just 4,700 cases, but the average price per bottle rose by 16% to \$25.26. This increase in price, combined with an 8% climb in shipment volume, resulted in a 25% jump in the value of Oregon Sauvignon Blanc shipments compared to 2023, highlighting its growing appeal in the DtC market.

| | |
|---------------------------------|----------------------|
| Total Value | \$264,357,248 |
| Total Volume in Cases | 424,587 |
| Avg. Price Per Bottle | \$51.89 |
| Value % Of Total | 7% |
| Change in Value | -3% |
| Volume % Of Total | 7% |
| Change in Volume | -8% |
| Change in Avg. Price Per Bottle | 6% |



Washington State

Washington State accounts for the smallest share of DtC wine shipments among all regions tracked, contributing just 5% of total volume in 2024. After outperforming all other regions in 2023, the state's wineries slightly underperformed in 2024. The average price per bottle shipped from Washington State wineries increased 6% to \$42.32, one of the largest YoY price changes ever recorded for Washington DtC wine shipments. However, the volume of shipments declined 13%, leading to a 7% reduction in value.

The primary driver of this decline was Red Blend, which along with Cabernet Sauvignon is the most commonly shipped wine from Washington, making up 23% of total volume.

Despite a modest 4% increase in the average price per bottle shipped, Red Blend shipments fell by 19% in volume, resulting in a 16% decline in shipment value. Cabernet Sauvignon performed slightly better, with a 10% decline in shipment volume and a 6% decrease in shipment value compared to 2023.

Chardonnay was 2024's standout performer for Washington State, representing 5% of the state's DtC shipment volume. Even with an 18% increase in the average price per bottle shipped over 2023, Chardonnay shipments increased 7% YoY, leading to a 26% increase in total value.

| | |
|---------------------------------|----------------------|
| Total Value | \$172,969,251 |
| Total Volume in Cases | 340,590 |
| Avg. Price Per Bottle | \$42.32 |
| Value % of Total | 4% |
| Change in Value | -7% |
| Volume % of Total | 5% |
| Change in Volume | -13% |
| Change in Avg. Price Per Bottle | 6% |



Rest of United States

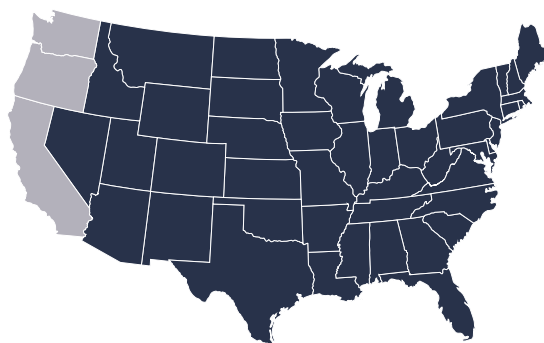
The Rest of U.S. region is geographically the largest tracked, covering all wineries outside the West Coast, including those in New York, Texas, Idaho, Virginia and Michigan. This diverse category accounts for 12% of the DtC channel's shipment volume but only 6% of its value. It is also the only region to report no significant increase in the average price per bottle shipped in 2024 compared to 2023.

Over the past five years, this region has shown remarkable price stability. While other regions saw price increases ranging from 23% (Rest of California) to 47% (Central Coast) from 2020 to 2024, the Rest of U.S. experienced just a 13% increase during the same period.

In 2024, wineries in this region decreased their average price per bottle shipped by less than 1% compared to 2023. This price stability contributed to a much smaller-than-average 1% decline in shipment volume, with the total value of shipments also falling by 1%.

The scant reduction in average price per bottle can largely be attributed to Red Blend, which accounts for 23% of the region's total shipment volume. These wines saw a significant 15% decrease in their average price per bottle in 2024. This large price reduction spurred a 23% increase in shipment volume and a 5% increase in the total value of Red Blend shipments.

| | |
|---------------------------------|----------------------|
| Total Value | \$224,140,000 |
| Total Volume in Cases | 781,579 |
| Avg. Price Per Bottle | \$23.90 |
| Value % of Total | 6% |
| Change in Value | -1% |
| Volume % of Total | 12% |
| Change in Volume | -1% |
| Change in Avg. Price Per Bottle | 0% |



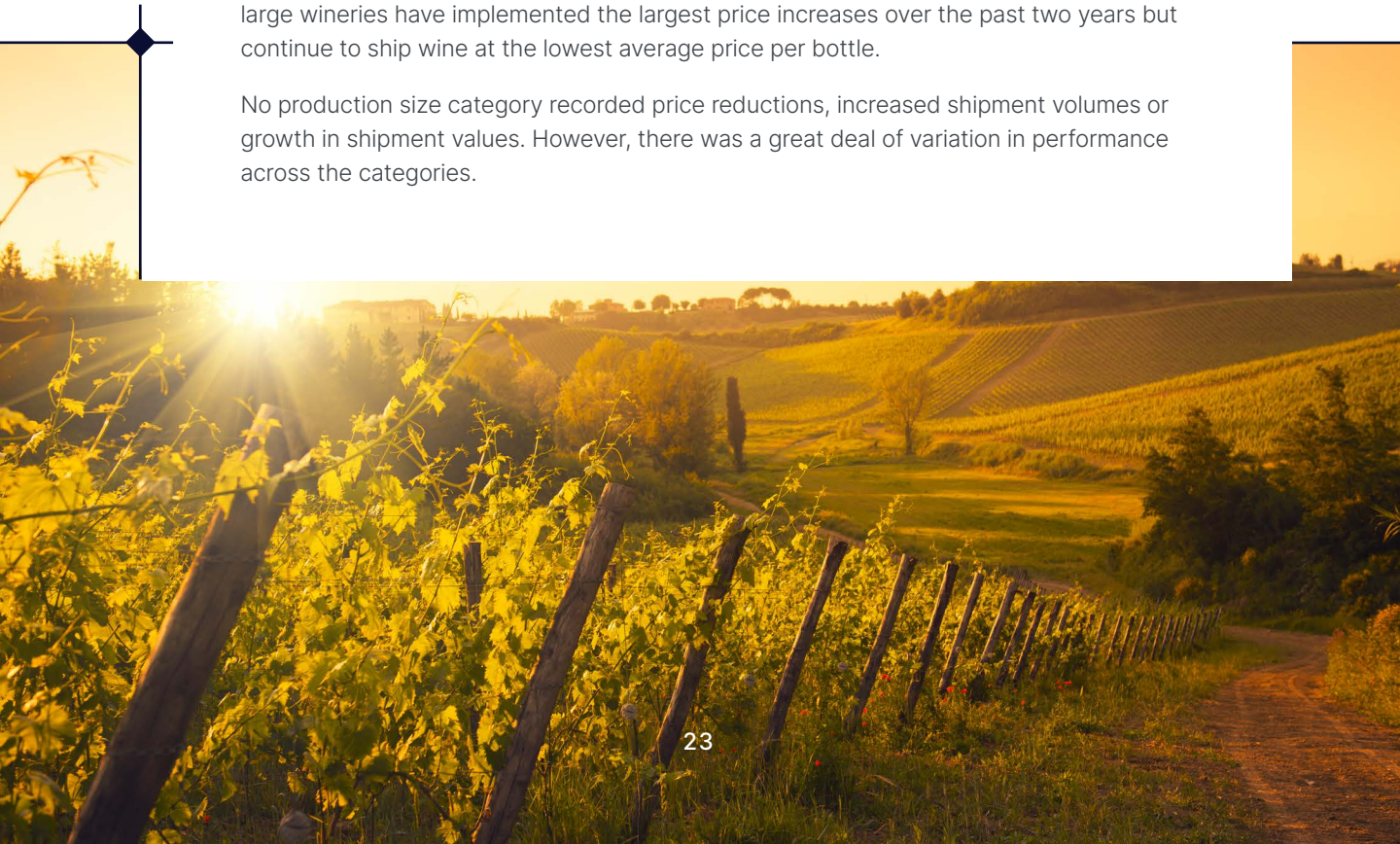


Analysis by Winery Production Size

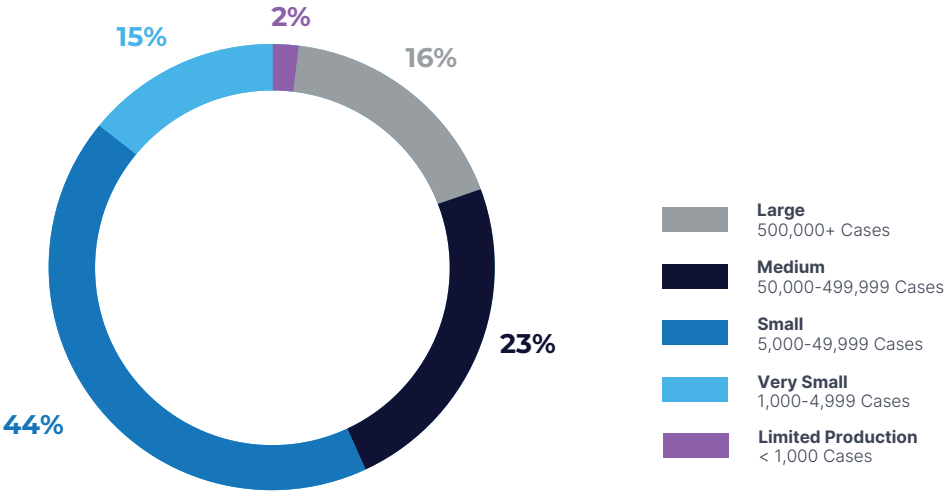
Just over 60% of the wine volume shipped through the DtC channel originates from small, very small or limited production size wineries. These smaller wineries have always relied more heavily on direct shipping than larger wineries, which primarily distribute through the three-tier system to off- and on-premise markets. It is worth noting, however, that the largest wineries in the United States have tripled their share of the DtC channel over the past decade.

Interestingly, for the second consecutive year, wineries producing 500,000 or more cases annually demonstrated the worst performance among DtC wine shippers. These large wineries have implemented the largest price increases over the past two years but continue to ship wine at the lowest average price per bottle.

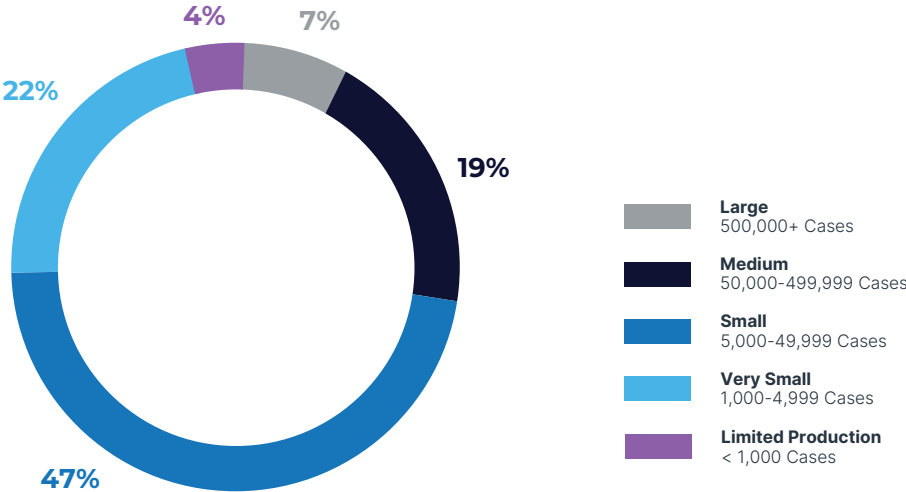
No production size category recorded price reductions, increased shipment volumes or growth in shipment values. However, there was a great deal of variation in performance across the categories.



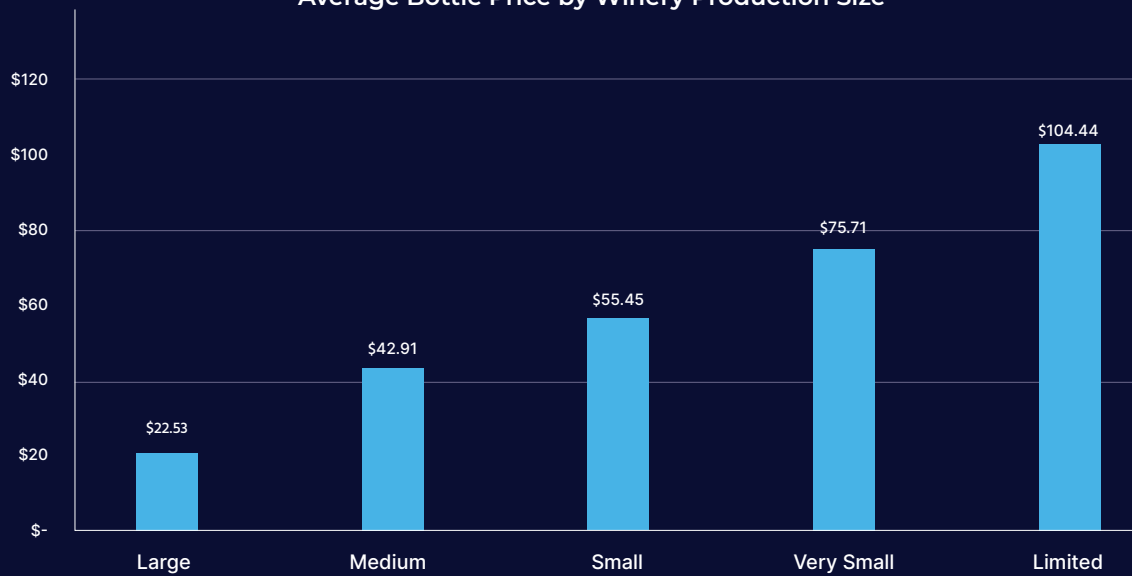
Share of Volume by Winery Production Size



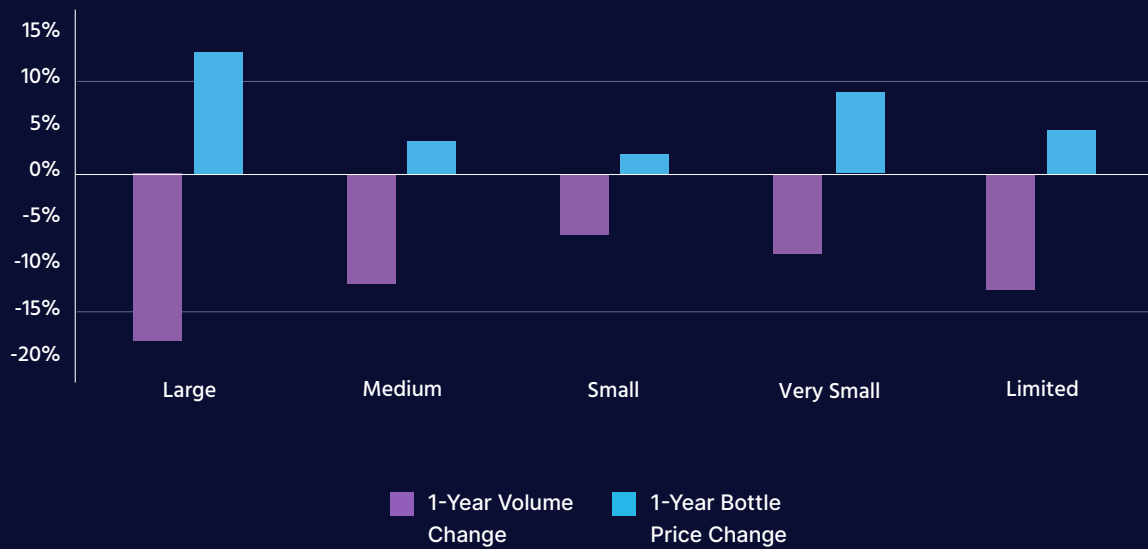
Share of Value by Winery Production Size



Average Bottle Price by Winery Production Size



One-Year Volume & Average Bottle Price Changes by Winery Production Size



Large Winery Size

(500,000 or more cases produced annually)

Large wineries took significant price increases in 2024 for wines shipped through the DtC channel. The average price per bottle rose 13% compared to 2023, resulting in an 18% drop in shipment volume and a 7% decline in shipment value.

Despite the price hike, these wineries still ship the lowest-priced wines among all winery production sizes, at an average of \$22.53 per bottle. While their share of the DtC market has contracted, large wineries still account for 16% of total shipment volume—three times the share they held a decade ago.

| | | | |
|-----------------------|----------------------|---------------------------------|-------------|
| Total Value | \$280,216,015 | Change in Value | -7% |
| Total Volume in Cases | 1,036,248 | Volume % of Total | 16% |
| Avg. Price Per Bottle | \$22.53 | Change in Volume | -18% |
| Value % of Total | 7% | Change in Avg. Price Per Bottle | 13% |

Medium Winery Size

(50,000 - 499,999 cases produced annually)

Medium-sized wineries, like their larger counterparts, sell most of their production via the three-tier system. However, the wider range of production within this category means a greater emphasis on direct sales and shipping.

The medium-sized wineries were hit relatively hard by 2024's shipping downturn. Despite a modest 3% increase in the average price per bottle shipped, shipment volume dropped 12% and shipment value fell 9%. Medium-sized wineries account for 23% of total DtC channel volume and 19% of value, making them a substantial part of the market impacted by consumer pullback in 2024.

| | | | |
|-----------------------|----------------------|---------------------------------|-------------|
| Total Value | \$766,578,056 | Change in Value | -9% |
| Total Volume in Cases | 1,488,798 | Volume % of Total | 23% |
| Avg. Price Per Bottle | \$42.91 | Change in Volume | -12% |
| Value % of Total | 19% | Change in Avg. Price Per Bottle | 3% |

Small Winery Size

(5,000 - 49,999 cases produced annually)

Small wineries make up the largest share of the DtC channel, accounting for 44% of shipment volume and 47% of shipment value in 2024. The overall health of this production category is critical to the stability of the DtC shipping channel.

Although impacted by the consumer pullback in 2024, small wineries fared well compared to other production size categories. Shipment volumes declined by less than 7%—below the overall 10% channel decline—due to the relatively small increase in the average price per bottle shipped (2%). This resulted in a 5% decrease in the total value of their shipments.

| | | | |
|-----------------------|-----------------|---------------------------------|-----|
| Total Value | \$1,866,721,874 | Change in Value | -5% |
| Total Volume in Cases | 2,805,489 | Volume % of Total | 44% |
| Avg. Price Per Bottle | \$55.45 | Change in Volume | -7% |
| Value % of Total | 47% | Change in Avg. Price Per Bottle | 2% |



Very Small Winery Size

(1,000 - 4,999 cases produced annually)

Very small wineries, with an average price per bottle shipped of \$75.71, account for 22% of the DtC channel's total value and 15% of its volume. These boutique-sized wineries sell most of their production directly to consumers and rely more on these DtC shipments than other production size categories.

In 2024, this category showed slight signs of relative strength. Despite a larger-than-average 9% increase in the average price per bottle shipped, shipment volume decreased by only 8%, leading to only a minute decline in 2024 shipment value. This resilience may stem from the fact that buyers of higher-priced wines are less affected by inflation's impact on disposable income.

| | | | |
|-----------------------|----------------------|---------------------------------|------------|
| Total Value | \$857,638,358 | Change in Value | 0% |
| Total Volume in Cases | 944,006 | Volume % of Total | 15% |
| Avg. Price Per Bottle | \$75.71 | Change in Volume | -8% |
| Value % of Total | 22% | Change in Avg. Price Per Bottle | 9% |

Limited Production Winery Size

(Up to 999 cases produced annually)

Limited production size wineries, with their tiny production levels, rely almost entirely on the DtC channel to sell their wines. They ship at the highest average price among all categories, \$104.44 per bottle, and represent just 2% of the DtC channel's total shipment volume.

These wineries faced notable challenges throughout 2024. In a year full of underperformances, this category of the smallest wineries followed suit. Despite only increasing ABP by 5%, they experienced a 12% decline in shipment volume compared to 2023, resulting in a 9% decrease in shipment value.

| | | | |
|-----------------------|----------------------|---------------------------------|-------------|
| Total Value | \$164,767,206 | Change in Value | -9% |
| Total Volume in Cases | 133,467 | Volume % of Total | 2% |
| Avg. Price Per Bottle | \$104.44 | Change in Volume | -12% |
| Value % of Total | 4% | Change in Avg. Price Per Bottle | 5% |



2024

Analysis by Varietal

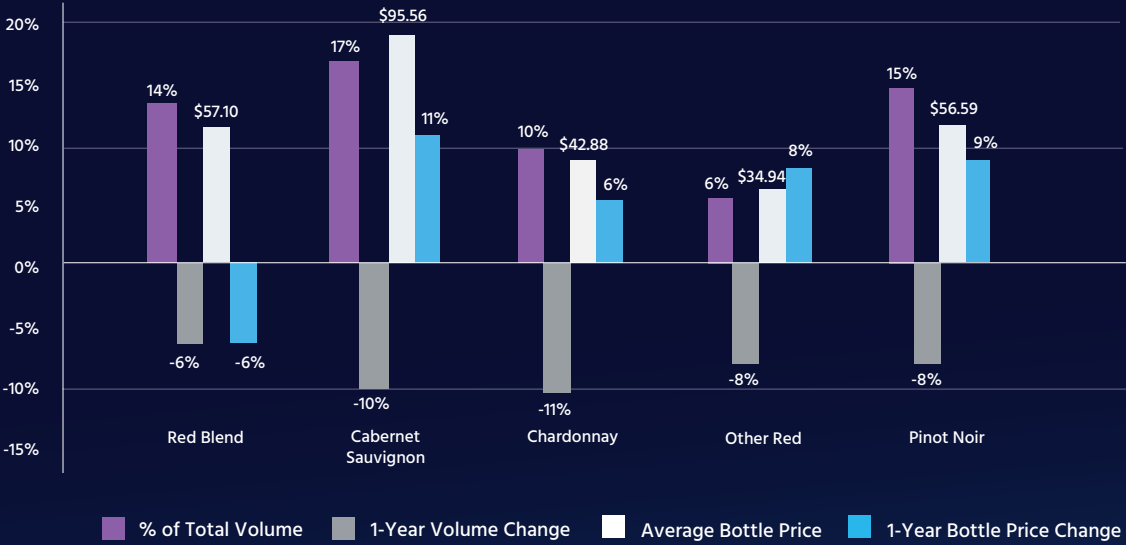
The types of wines that are unboxed at consumers' homes have stayed remarkably consistent for over a decade. The six most shipped wines of 2024—Cabernet Sauvignon, Pinot Noir, Red Blend, Chardonnay, Other Red and Zinfandel—accounted for two-thirds of total shipment volume and nearly 80% of the DtC channel's total value. This is practically identical to the top six wines recorded in 2015.

None of these top wines escaped the overall decline in volume and none saw an increase in DtC shipment value. Among them, however, Cabernet Sauvignon demonstrated relative strength. While the average price per bottle rose by a considerable 11%, the volume of Cabernet shipments only declined by a channel average of 10%. Pinot Noir also performed well, with a 9% increase in the average price per bottle and only an 8% decrease in shipment volume.

Sauvignon Blanc was the clear standout among the 21 wines tracked in this report. Representing 5% of DtC shipping volume, Sauvignon Blanc producers raised the average price per bottle by 5% over 2023. Despite this, shipment volume grew by 1% and shipment value rose by 6%. While these results may seem modest, they stand out in what was arguably the most challenging year on record for DtC wine shipments.



Top Wine Types Shipped by Volume:
Percent of Total, Change in Volume, Price & Change in Price





Analysis by Destination of Shipments

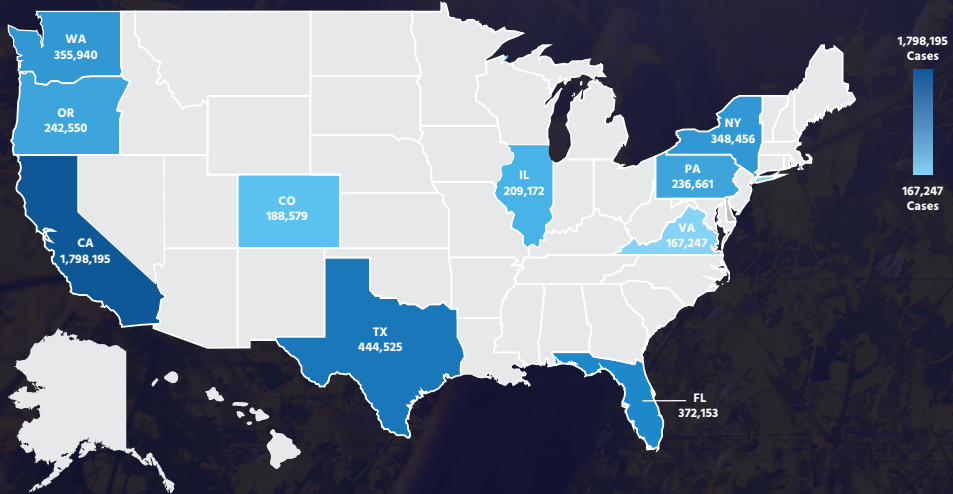
Wine drinkers in California, Texas, Washington, Florida and New York received 52% of all DtC wine shipments in 2024. California, with its proximity to most U.S. wineries, remained the top destination state, receiving 28% of all shipments. This top ranking was unchanged from 2023 and in fact from the inception of this report in 2010.

When analyzing shipments per capita, a different pattern emerges. The top five destinations per capita were Oregon, California, Washington, District of Columbia and Colorado. The first three, all prominent wine-producing regions, reflect strong local support for their wineries. The lowest per capita destination states were West Virginia, Alabama, Kentucky, Alaska and Indiana.

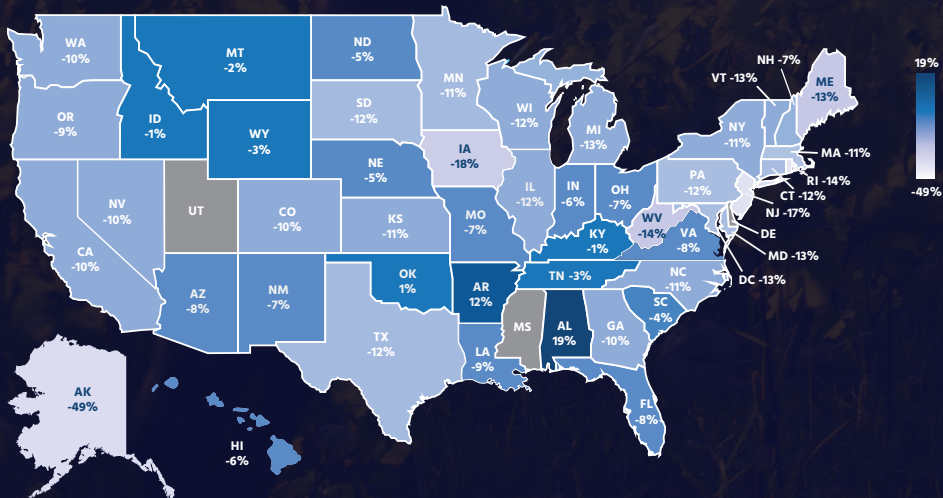
Unlike earlier years, DtC wine shipping in 2024 saw little to no growth from new states opening their markets due to legal changes. This kind of boost had in past years played a major role in augmenting DtC wine shipments as states slowly but consistently reformed their laws in the wake of the 2005 *Granholm v. Heald* Supreme Court decision. With only a few states still banning or substantially limiting shipments, the channel now responds more to macroeconomic and cultural trends, similar to other mature industries.

Alabama, which began allowing direct shipments in 2021, experienced a 19% increase in shipment volume in 2024, likely a lingering effect of the law change. Conversely, Alaska saw a dramatic 49% decrease in shipment volume due to a new winery licensing requirement that took effect in January. No new licenses were issued until August, causing significant delays and confusion that led many wineries to halt shipments to the state.

Total Volume of Shipments, Top 10 States



One-Year Volume Change by State





2024

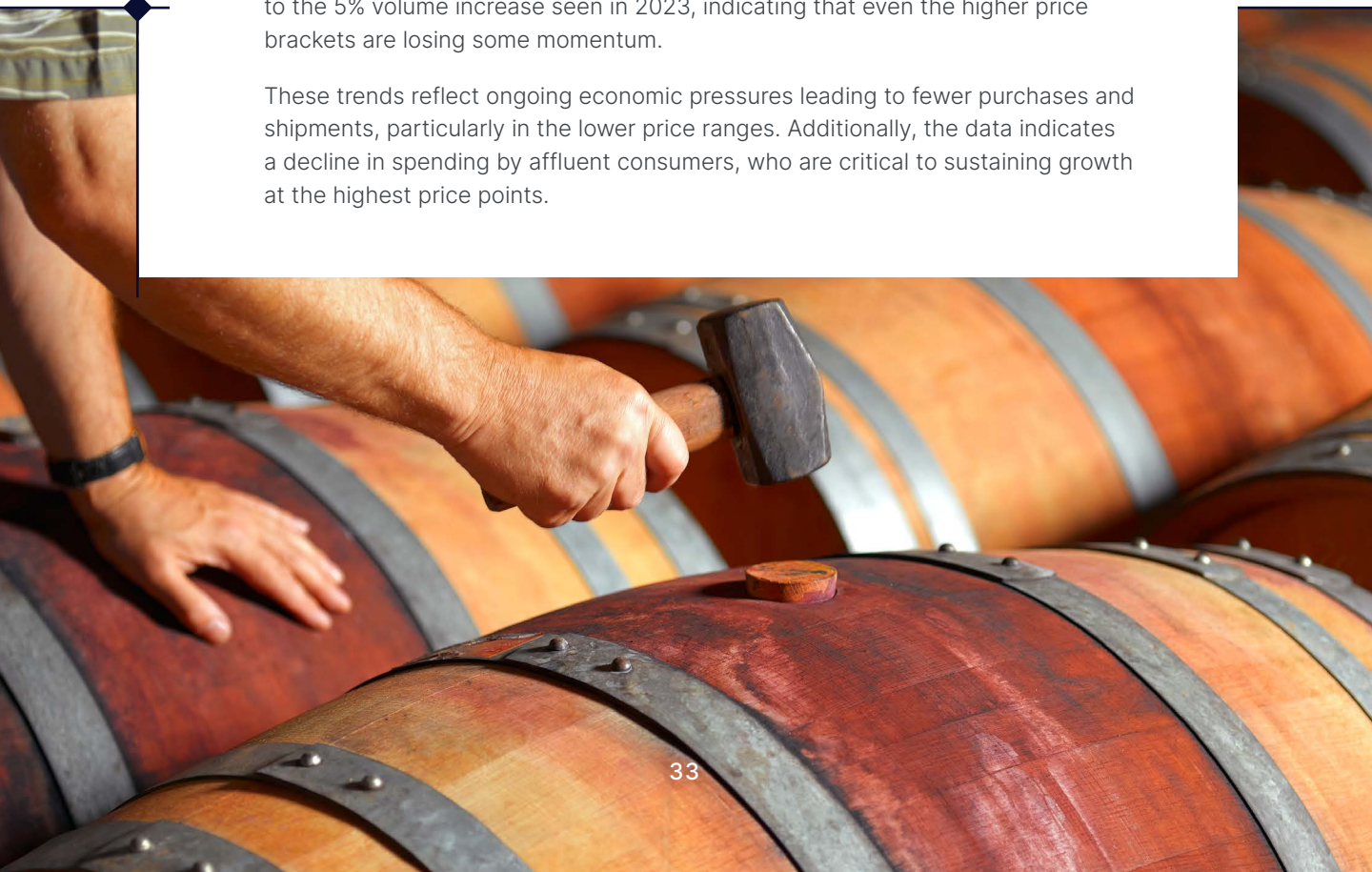
Analysis by Price

Examining the 2024 DtC shipping channel by price categories and price bands, we see that for the third year in a row, the lower price categories performed the worst. This trend was offset only slightly by stability in the upper price categories.

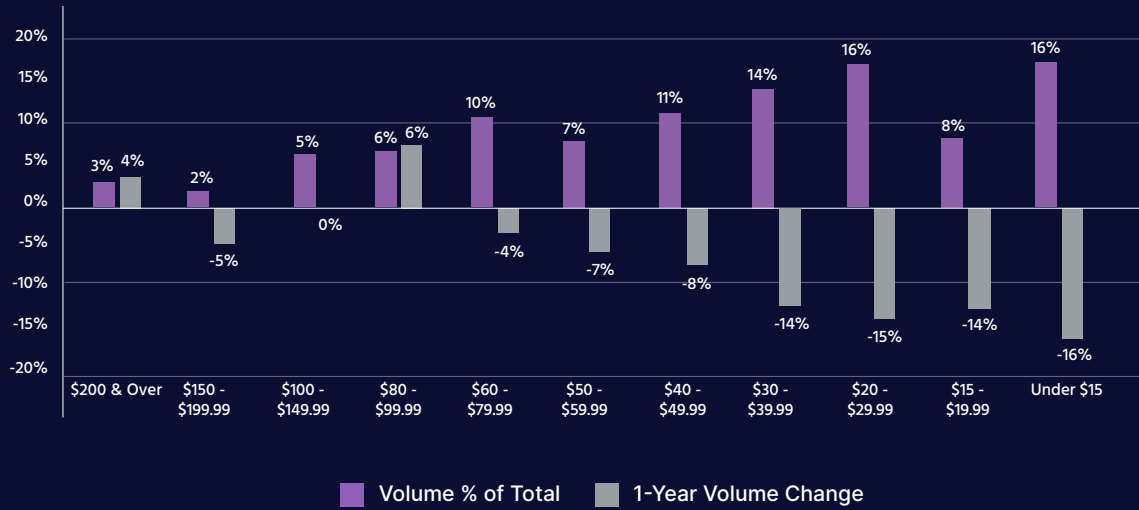
Wines priced up to \$40 per bottle saw a 15% decline in shipments from 2023. This category of wines makes up 54% of all DtC wine shipments, but only 23% of total shipment value. In 2023, this category also saw an 11% volume decline from 2022, suggesting ongoing struggles at the lower price points.

Conversely, wines priced at \$80 or more saw a 2% increase in shipment volume. While this category represents just 16% of total volume, it accounts for 47% of the channel's value. However, the 2024 growth rate marked a slowdown compared to the 5% volume increase seen in 2023, indicating that even the higher price brackets are losing some momentum.

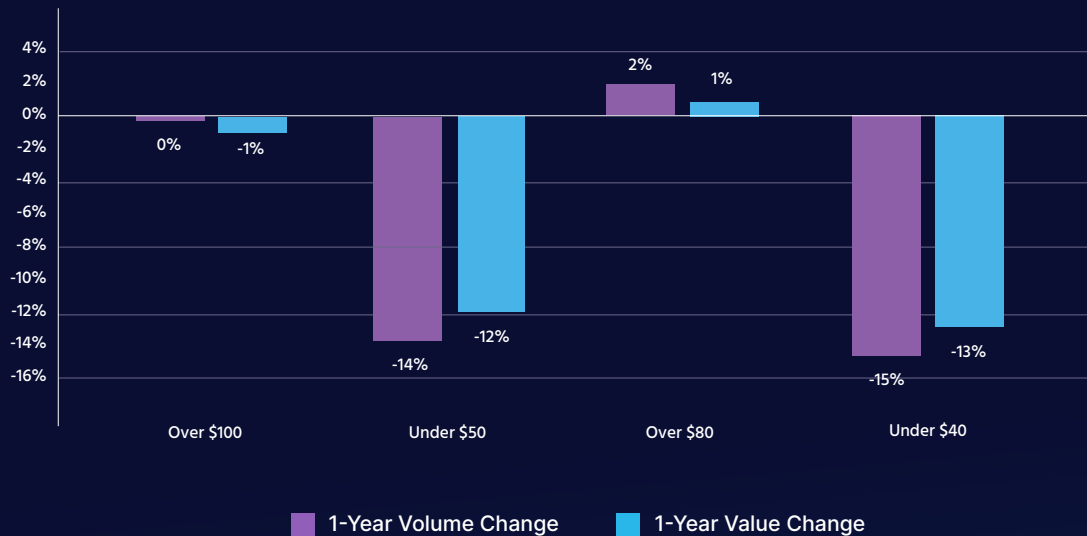
These trends reflect ongoing economic pressures leading to fewer purchases and shipments, particularly in the lower price ranges. Additionally, the data indicates a decline in spending by affluent consumers, who are critical to sustaining growth at the highest price points.



Share of Volume & Change in Volume by Price Category



Change in Volume & Value by Avg. Bottle Price >\$100, <\$50, >\$80 & <\$40





Conclusions and Forecasts

The most striking takeaway from the 2024 DtC wine shipping data is the significant decline in shipment volume despite smaller price increases compared to 2023. This drop in volume—greater than the previous year—signals a notable decrease in demand for winery products. The factors driving this downturn are familiar and include:

- Inflationary pressures reducing household spending.
- Increased competition from other alcoholic and non-alcoholic beverages.
- The rise of cannabis products as alternatives to alcohol.
- Cultural wellness trends leading to reduced alcohol consumption and increased adoption of low/no-alcohol options.
- Anti-alcohol messaging questioning wine's role in a healthful lifestyle.

Among these factors, economic conditions are the most likely to shift favorably, potentially increasing demand for winery products. However, the health of the broader economy will determine whether the DtC sales channel has reached its low point.

With the above comments in mind, we offer the following forecasts for the 2025 DtC wine shipping channel:



1. Reduced Price Increases

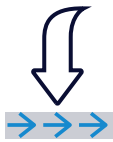
A slowdown in inflation alongside increased winery inventories will likely lead to smaller average price increases for DtC-shipped wines.



2. Tariff Instability

The threat of tariffs on imported wines may not appear on its face to impact the winery DtC shipping channel. However, tariffs are likely to put additional financial pressure on domestic wineries, particularly those that operate in part via the three-tier system.

Tariffs will undoubtedly place financial constraints on both retailers and wholesalers who may respond by cutting back on their own purchases, including domestic products. For domestic wineries impacted by this, it means more reliance on a DtC channel that is experiencing deceleration.



3. Reaching Bottom?

If the downturn in the DtC shipping channel has reached a bottom, then 2025 should stabilize with smaller losses or flat shipment volumes. Signs of recovery could appear by midyear, but this depends on wineries successfully increasing tasting room visits, which were down in almost all regions in 2024.



4. Market Headwinds Continue

The low/no-alcohol movement, driven by moderation and health mindfulness, is unlikely to fade in 2025, exerting ongoing pressure on wine sales and DtC shipments. Anti-alcohol messaging from media and other sources is expected to continue and possibly intensify. Cannabis will also remain a growing competitor, further impacting demand.



5. Uncertain Investment Climate

While many wineries may turn to technology and personnel investments to boost DtC sales, high interest rates remain a barrier. With the Federal Reserve signaling only modest reductions in the Federal funds rate for 2025, the cost of investment will likely remain higher than hoped for.

To navigate the evolving DtC market, wineries must remain agile in addressing both immediate challenges and long-term shifts. Stabilization in 2025 hinges not only on external economic conditions but also on how effectively wineries adapt to consumer preferences and market headwinds. With discretionary spending constrained, wineries must evaluate pricing strategies carefully.

Methodology

This report is an annual collaboration between Sovos ShipCompliant and WineBusiness Analytics. It analyzes anonymized, detailed shipment data from more than 1,300 U.S. wineries' monthly shipments to consumers each month. Each shipment is edited for submission for governmental tax and reporting requirements. Additionally, elements such as varietal are validated by standardized tables.

The data is submitted to a proprietary model that applies weighting to ensure that aggregated transactions reflect winery size, location and average bottle price. The model is built on a database of 11,500 wineries updated monthly by WineBusiness Analytics. This database is a near census of U.S. wineries (>99%). The model incorporates recognized statistical techniques to identify outliers and data anomalies.

Data Specifications

| | |
|-------------------------------|-------------|
| Number of shipments annually: | 31 million+ |
| Wineries reporting: | 1,300+ |
| Winery database: | 11,500 |

Bonded and virtual wineries are included in the report; wines sold and shipped through online retailers, flash resellers and affinity clubs are not.

Definitions

A Bonded winery is licensed by the Alcohol and Tobacco Tax and Trade Bureau (TTB); additional bonded locations of a winery, such as storage facilities under the same management, are not counted. Virtual wineries have a unique physical location (which may be another entity's winery), produce one or more brands, and have their own winemaker and management (these may be shared with other entities). A shipment is defined as a specific wine shipped to a specific consumer. Multiple products to the same location are counted as multiple shipments.

Projection Model

The model is stratified by size (cases produced), location and average bottle price. The model accurately projects this very large sample to all wineries in the United States.

Acknowledgments

The 2025 Direct-to-Consumer Wine Shipping Report is a collaboration between Sovos ShipCompliant and WineBusiness Analytics.

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