

## Squeezed By Tariffs, California Winemakers Fret About Future

Juliet, a California boxed wine brand that only produces in the Golden State and sells in 10 states domestically, would on paper appear to be the type of small U.S. business that would see little impact from President Donald Trump's tariffs.

But two components of Juliet's packaging—a tube and the pouch designed to keep the wine free in the box for up to four weeks—are sourced from vendors abroad. And that's turned into a big problem that vexes Juliet co-founder Allison Luvera.

“Finding solutions for those two packaging components over the next three years, that's a high, high priority for our business,” Luvera tells me during a virtual conversation. “We are a business who wants to avoid raising prices to consumers, if possible.”

Scot Bilbro, a second generation winemaker and owner of Sonoma-based winery Old Vine Ranch, says he still exports to Germany, the U.K. and Japan, but that most of his focus has turned to the U.S. “We've always primarily been focused on domestic sales,” Bilbro tells me during an in-person interview in Manhattan. “We're continuing to focus there and waiting for disruption to theoretically settle.”

### Tariffs Leave A Sour Taste For Wine Producers

Tariffs remain a huge question mark for businesses in America and abroad, with a [145% tariff](#) imposed on Chinese imports, but a more modest [10% baseline rate](#) on about 60 countries as Trump seeks to renegotiate trade pacts.

Juliet launched in 2022 initially as a direct-to-consumer brand that's now sold in major retailers including Costco, Safeway, and will soon be available in Whole Foods. All six of the varietals, including a pinot noir and sauvignon blanc, are sourced from the central coast of California. Luvera says she feels fortunate and acknowledges that many other small businesses aren't so lucky.

“If we feel we’re going to see moderate, negative impacts just having a small portion of our products sourced overseas, then the issue is going to be much, much broader and much more severe for many of our fellow founders where the majority of their supply chain is outside of this country,” says Luvera.

Earlier this month, Luvera co-authored an open letter with 38 women founders and CEOs in the consumer goods space, calling on the Trump administration, U.S. trade representative Jamieson Greer and members of Congress to work toward a solution where small businesses wouldn’t be “collateral damage” in a global trade war.

“Recent and proposed tariffs on consumer goods and key components, such as packaging materials, pose a disproportionate threat to small businesses like ours,” the letter stated. “These trade measures will not only increase costs for our companies but ultimately lead to higher prices for American consumers. Unlike large corporations, small businesses lack the leverage to renegotiate supply chain contracts, the margins to absorb steep costs increases, or the capital required to rapidly reconfigure global supply chains. In many cases, domestic manufacturing alternatives don't exist.”



Scot Bilbro, a second generation winemaker and owner of Sonoma-based winery Old Vine Ranch, says he still exports to Germany, the U.K. and Japan but that most of his focus has turned to the domestic market as he awaits tariff-related disruptions to settle.

The signatories of the letter represent businesses that generate \$800 million annually and includes Meenakshi Lala, CEO of online florist Urbanstems; fashion designer Rebecca Minkoff; and Aishwarya Iyer, founder and CEO of olive oil, honey and vinegar brand Brightland.

Luvera says within the wine industry, even for California wine producers that only sell domestically, they will still see an impact as distribution partners, retailers, restaurants and hotels are stung by tariffs that

impact the price of imports like champagne, burgundy and prosecco. “We’re going to see the negative impacts,” says Luvera of the halo effect. “Everything is very interconnected in terms of the global ecosystem that’s been set up over the past decades.”

## Oh, The Woes In Canada

“We make a ton of wine in California and lots of other regions in the U.S.,” says Bilbro. “I believe really, really strongly in American wine. But I believe in the heritage and history of all those other wine regions as well.”

Tariffs, he says, destabilizes the business for key partners like Vintus, a wine wholesaler and importer that Bilbro works closely with for distribution and sales and marketing support. It also makes it harder for consumers like Bilbro to enjoy all the wines he loves and learns from, including those produced abroad.

Bilbro’s largest international export market for Old Vine Ranch was Canada and due to the concerns about tariffs, that business has completely stopped.



Winemaker Scot Bilbro launched a new wine brand this year, called Old Vine Ranch, despite all the tariff-related market disruptions.

Canada accounts for 35% of all U.S. wine exports, worth \$1.1 billion in retail value, according to industry policy advocacy group the Wine Institute. As Trump threatened 25% tariffs on Canada and Mexico—his commitment to those tariffs has since vacillated many times over the past few months—the Wine Institute warned the instability would hurt the wine industry, which has faced a domestic sales slowdown in recent years.

“When our industry is disrupted, the impact reaches far beyond the winery—affecting farmworkers, distributors, small businesses, restaurants and entire communities across the country,” the Wine Institute said in a statement released earlier this month.

Bilbro says he’s personally taken a step back from following the daily swirl around tariffs too closely. “What we have done is accept the reality of significant disruption, particularly with our primary export partner,” he says.

He recalls an internal meeting he held with his winery’s managers at the end of 2024 where Bilbro could feel the negative morale that employees were feeling as the challenges that wineries were facing felt to pile up. “We’ve been putting a lot more focus on our employees,” says Bilbro, including spending money to support his employee base and the local community. The winemaker also launched a new wine brand this year, called Old Vine Ranch.

“We decided that we’re not going to feel like we need to have as much certainty in order to move forward,” says Bilbro. “It’s really easy to go through a litany of negatives. What we’ve been doing is reframe the conversation and focus on the positive, focus on growth, and focus on opportunity.”