

State of the San Diego Wine Industry 2025



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(SDCVA).

All conclusions, errors and omissions are the sole responsibility of the author. We thank
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Executive Summary

With national wine sales softening, many boutique and independent wineries face an increasingly complex market environment. Wineries in San Diego County are no exception. In addition to national economic headwinds, local vintners must navigate rising insurance costs, evolving consumer preferences, and challenges related to workforce recruitment and retention.

This study seeks to understand how local wineries are responding to these conditions and what their expectations are for the future. Using survey instruments, third-party business databases, and geographic information systems (GIS) mapping tools, we conducted an economic analysis of San Diego County wineries for 2024.

Overall, we found that:

Sales & Growth

- We estimate that in 2024, San Diego County wineries generated \$51.7 million in gross sales for the year, a 5% decline over 2023 sales (\$54.5 million), similar to nationwide trends.
- While overall sales declined, median tasting fees remained lower than national averages, with most San Diego wineries charging \$20 compared to \$38 nationally.
- The San Diego County region is home to 172 active and planned wineries, a 3.6% increase from the prior year's count (166), reflecting steady industry reinvestment and interest.

Industry Workforce

- For a third year in a row, newer and expanding wineries led job growth in the sector, which rose to an estimated 829 jobs in 2024, a 3% increase over the prior year (802).
- San Diego winery wages remained flat in 2024, in contrast to declining wages in Napa and Sonoma, though still trailing those regions.
- Only 13% of wineries reported plans to reduce staff, indicating a relatively stable employment outlook despite economic pressures.

Harvest

- The newly designated San Luis Rey AVA, spanning 97,733 acres, was formally approved in August 2024, underscoring growing recognition of North County's winegrowing potential.
- Harvest quality in 2024 was rated "excellent" by 33% of wineries, the highest rating since 2017, with another 40% reporting a "good" harvest.

- 43% of local wineries plan to reduce grape purchases in 2025, diverging sharply from state and national trends, possibly due to increased estate grape production.
- The number of unique grape varieties grown rose to 57 in 2024, up from 48 in 2023, continuing to highlight the region's viticultural diversity.

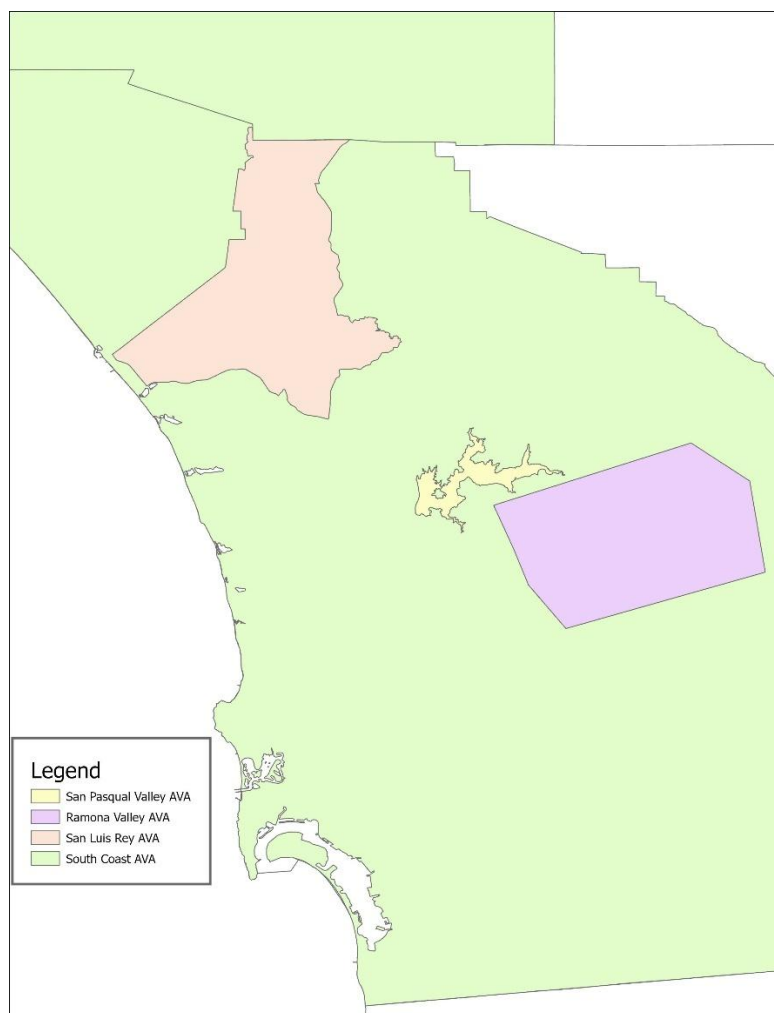
Other Issues

- Wineries are adapting to market conditions through a mix of cost containment, direct-to-consumer sales growth, and product diversification strategies.
- Despite a complex operating environment, 43% of vintners reported having a positive year, outpacing national winery sentiment as measured by Silicon Valley Bank.
- The impact of "Dry January" appears to be lessening, with 36% of wineries reporting stable or increased sales activity compared to January 2024.
- Insurance remains a top industry concern: 40% of wineries reported premium increases, and a growing number are relying on the California FAIR Plan.

Industry Overview

San Diego's winemaker community is truly countywide, with vineyards, production facilities and satellite tasting rooms dotted across the region. For more than 40 years, the favorable local environmental conditions for grape growing have been recognized with official American Viticultural Area (AVA) designations by the U.S. Alcohol and Tobacco Tax and Trade Bureau, with the establishment of the South Coast AVA (1985), Ramona Valley AVA (2005) and San Pasqual AVA (1981) (see Figure 1). The newest AVA was approved in August 2024 in San Diego's North County area stretching from Oceanside to Fallbrook, known as the San Luis Rey AVA, which is illustrated in Orange in Figure 1. This AVA, which is 97,733 acres, is distinguished by its topography, climate and soils, and as of August 2023 was home to 44 commercial vineyards on 256 acres, with an additional 29 acres of planned vineyards.

Figure 1: AVAs in San Diego County, March 2025



For this report, we evaluated winegrower license data from the California Department of Alcoholic Beverage Control (ABC), which often includes duplicate and inactive businesses, meaderies, cideries, and out-of-county wineries. We maintained our prior year's scrutiny of license holders that have not opened an establishment, to verify their business status as "planned" versus "inactive." As of March 2025, our analysis shows that 172 unique active and planned wineries are located in San Diego County, a 3.61% increase from 2024 levels (166). While some local wineries have shuttered and not renewed their ABC license, we would note that there are 19 ABC Type 2 winegrower licenses that have been issued or reissued in San Diego County since March 2024, an indication of continued industry interest and reinvestment.

2025 Annual Survey

With an industry slowdown, and changes to the economic climate, we were particularly interested to see how San Diego wineries were managing operations, and their outlook for the future. To investigate these questions and others, we partnered with the San Diego County Vintners Association (SDCVA) to distribute a 15-question survey to its members. We also directly distributed the survey electronically from our proprietary contact list of wineries and winery owners in the region, sourced from online industry directories, and winery social media accounts and websites. The survey was distributed from mid- to late-February 2025 over multiple rounds. Overall, we received 30 survey responses, generating a 17% response rate. Our survey participation rate was representative of the industry by size, type and geography.

Sales

Sales volume remains one of the most direct indicators of industry health. One of the principal questions we included in the survey was asking respondents to estimate their total gross annual sales revenue. The responses received were compiled, and data for non-participating wineries was supplemented using company sales data (actual and modeled) from Dun & Bradstreet, a best-in-class proprietary business record database. Due to data limitations and the growing number of industry participants, we decided to update our sales estimate methodology for greater accuracy. For all remaining establishments in our sample frame without a sales estimate, we modeled sales figures from infrequent survey participants to determine our high range value. From our data evaluation, we estimate that in 2024, San Diego County wineries generated a combined \$51.7 million in gross sales for the year, a 5% decline over 2023 sales (\$54.5 million) (see

Table 1). This dip ends a two-year streak of strong sales growth and reflects national industry headwinds, including falling demand in some wine segments and competition from alternative alcoholic beverages; nationally, wine sales fell an estimated 6% from data gathered from 20 U.S. wholesalers.¹ While some local wineries experienced record years, most reported flat or declining revenues.

Table 1: Estimated Gross Sales for San Diego County Wineries, 2021-2024

2021	2022	2023	2024
\$44,172,206	\$49,136,052	\$54,598,624	\$51,759,495

We would also note that this is the first year we asked respondents to share their average tasting fee. Responses ranged from \$10 to \$30, but the median and mode response was \$20. This is contrast to the average tasting fee identified in 2023 by the Silicon Valley Bank’s (SVB) annual wine industry survey, which was \$38.²

Harvest

The Wine Institute’s 2024 California Harvest Report identified that vintners across the state reported a “high quality vintage” for the year, despite some regions experiencing reduced yields³. Our survey confirmed similar findings. On the issue of harvest yield, we received mixed responses, though “average” received the greatest response rate (31%), a shift from recent years that saw “above average” or “below average” the most popular answer choice (see Chart 1). On the issue of harvest quality, we saw strong indications of exceptional grape quality – 1/3 of our survey participants (33%) chose “excellent” as their answer choice, which is the highest rating since 2017 (see Chart 2). It is also worth noting that 40% of vintners indicated a “good” harvest quality. Together, these results point to strong vintage potential for wines made from the 2024 harvest.

¹ Reynolds, Ash. January 19, 2025. Wine sales drying up as Americans turn elsewhere. NBC News. <https://www.nbcnews.com/data-graphics/data-shows-wine-decline-consumers-spending-less-drinking-less-rcna187628>

² Silicon Valley Bank. 2025 State of the US Wine Industry. Projected Grape Needs for 2025, Chart 17, Page 24. <https://www.svb.com/globalassets/library/uploadedfiles/wine/svb-state-of-the-us-wine-industry-report-2025.pdf>

³ Wine Institute at the University of California, Davis. 2024 Harvest Report. Accessed March 15, 2025. https://wineinstitute.org/wp-content/uploads/2024/11/WineInstitute_Harvest_2024_report.pdf

Chart 1: Harvest Yield, San Diego County, 2019-2024

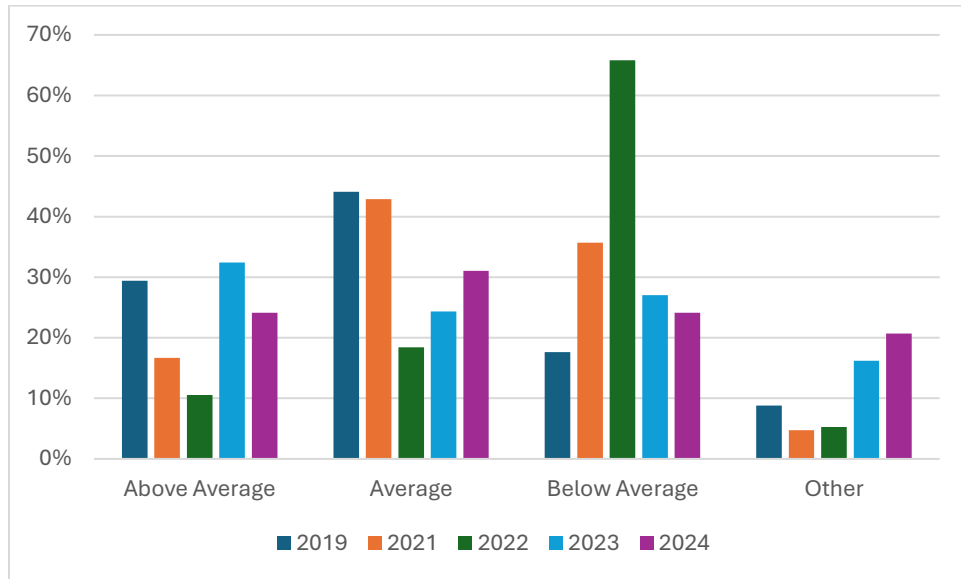
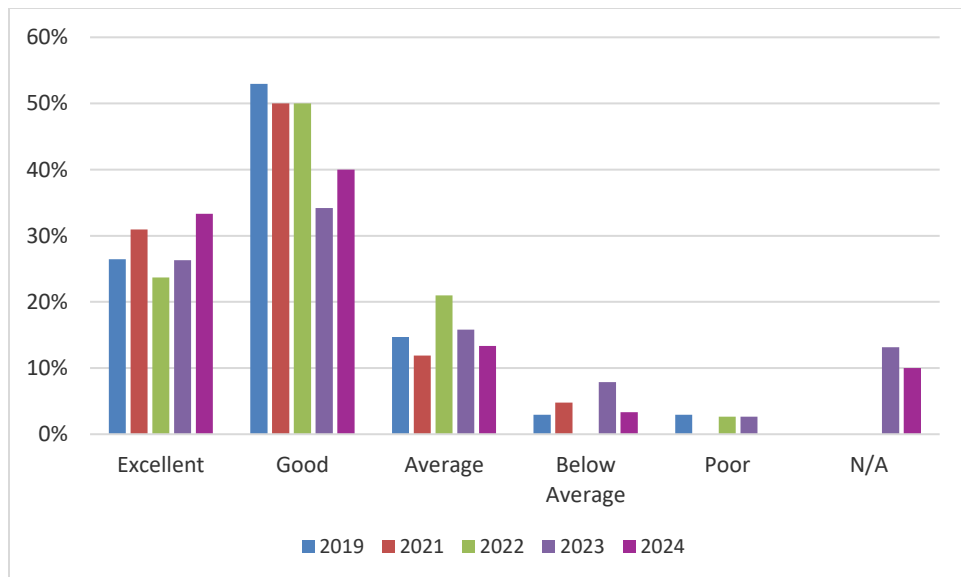
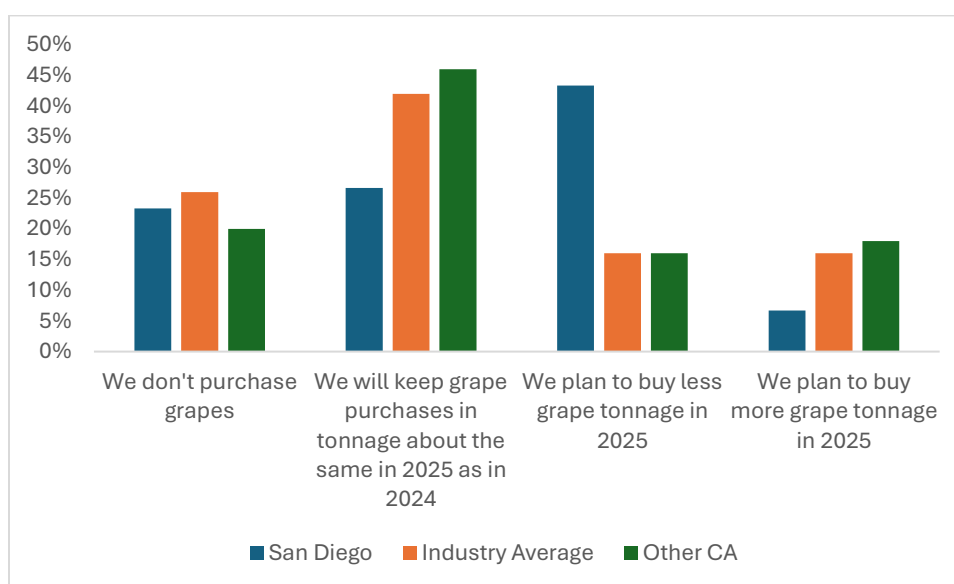


Chart 2: Harvest Quality, San Diego County, 2019-2024



We also explored wine grape needs for this year, particularly in light of slowing retail sales and California’s wine grape oversupply.⁴ We asked respondents what their projected grape needs were for 2025, and provided four answer choices that mirrored a question asked of wineries in the annual Silicon Valley Bank industry survey.⁵ Overall, more than four out of 10 (43%) plan to buy less grape tonnage this year, a sharp contrast to SVB respondents nationally or in “Other California,”⁶ few (16%, respectively) of which made the same answer choice. It may be that San Diego vintners have invested and expanded their estate-grown grapes, reducing their reliance on bulk grape purchases. More investigation is needed.

Chart 3: Projected Grape Needs for 2025, Survey Respondents



We next asked respondents which wine grape varieties they grew, cultivated and/or sold in 2024 (see Table 2). The top varieties grown, cultivated, or sold in 2024 included Cabernet Sauvignon (77%), Syrah (62%), Malbec (54%), and Sangiovese (54%) — consistent with prior years, reflecting

⁴ Kathleen Willcox. What does California’s grape oversupply mean for the trade? The Drinks Business. September 20, 2024. <https://www.thedrinksbusiness.com/2024/09/what-does-californias-grape-oversupply-mean-for-the-trade/>

⁵ Silicon Valley Bank. 2025 State of the US Wine Industry. Projected Grape Needs for 2025, Chart 29, Page 36. <https://www.svb.com/globalassets/library/uploadedfiles/wine/svb-state-of-the-us-wine-industry-report-2025.pdf>

⁶ California wineries that are not located in Napa, Sonoma, San Luis Obispo or Santa Barbara Counties.

San Diego’s Mediterranean climate and winemakers’ growing expertise in these grapes (see Table 2). Overall, respondents indicated 57 unique varieties were grown, cultivated or sold, an increase from 2023 (48 varieties) and on the high end of the response range from prior reports (45-62). All but one of these varieties (Viognier) are red.

Table 2: Top Ten Grape Varieties Grown, Cultivated and/or Sold in 2024

Answer Choices	Responses
Cabernet Sauvignon	77%
Syrah	62%
Malbec	54%
Sangiovese	54%
Grenache	50%
Merlot	50%
Petite Sirah	50%
Cabernet Franc	46%
Tempranillo	46%
Viognier	46%

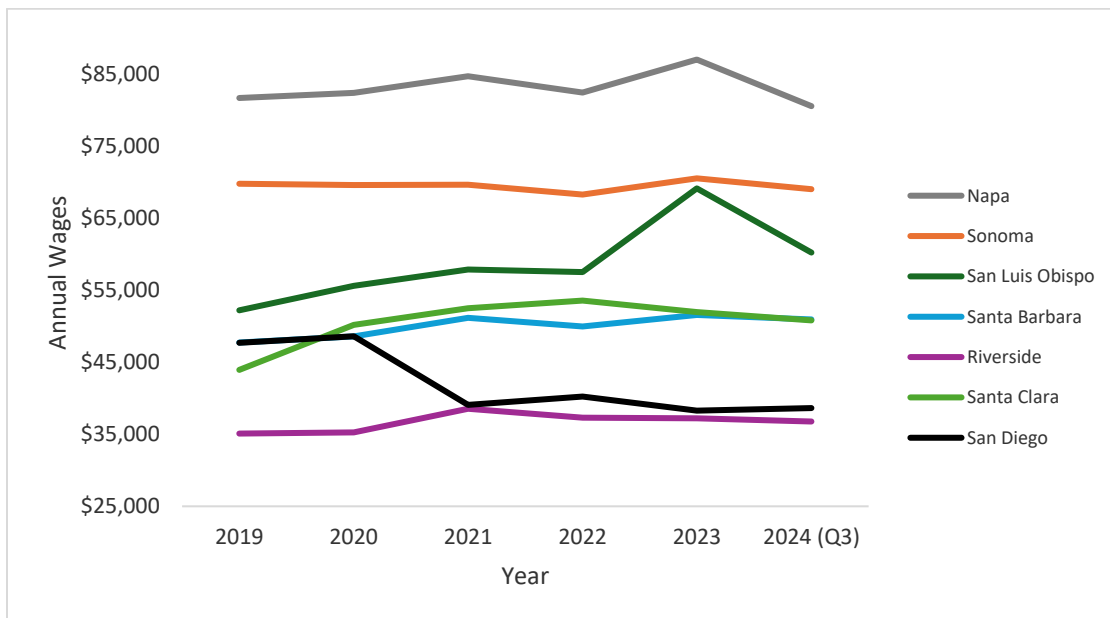
Workforce and Wages

Job growth in the region’s wine industry continued into 2024, though at a slower pace than previous years. Newer and expanding wineries continue to lead industry job growth in the region, with the total number of industry jobs in San Diego County rising to 829 in 2024, a 3% increase over the prior year (802). We would note this is a significantly smaller year-over-year increase compared to 2023-2024 when jobs increased 13% from 709.5. This contrasts with the double-digit growth recorded in 2023 (13%) and may signal a plateauing of the post-pandemic rebound.

Due to the limited survey response rate this year, we have insufficient data to analyze the change in industry jobs by occupation. However, we would note that overall, most job growth is likely due to an increase in part-time positions, hospitality jobs, and some of the largest wineries in the region adding positions.

In terms of wages, San Diego County continues to lag behind other major wine regions, though its wage trends appear more stable. Chart 4 shows that while average wages fell in counties like Napa and Sonoma, San Diego wages remained flat, ending at just over \$38,000 annually in Q3 2024. Stagnant wages remain a concern, particularly given the region’s high cost of living.

Chart 4: Average Annual Industry Wages, by County, 2019-2024 (Q3)



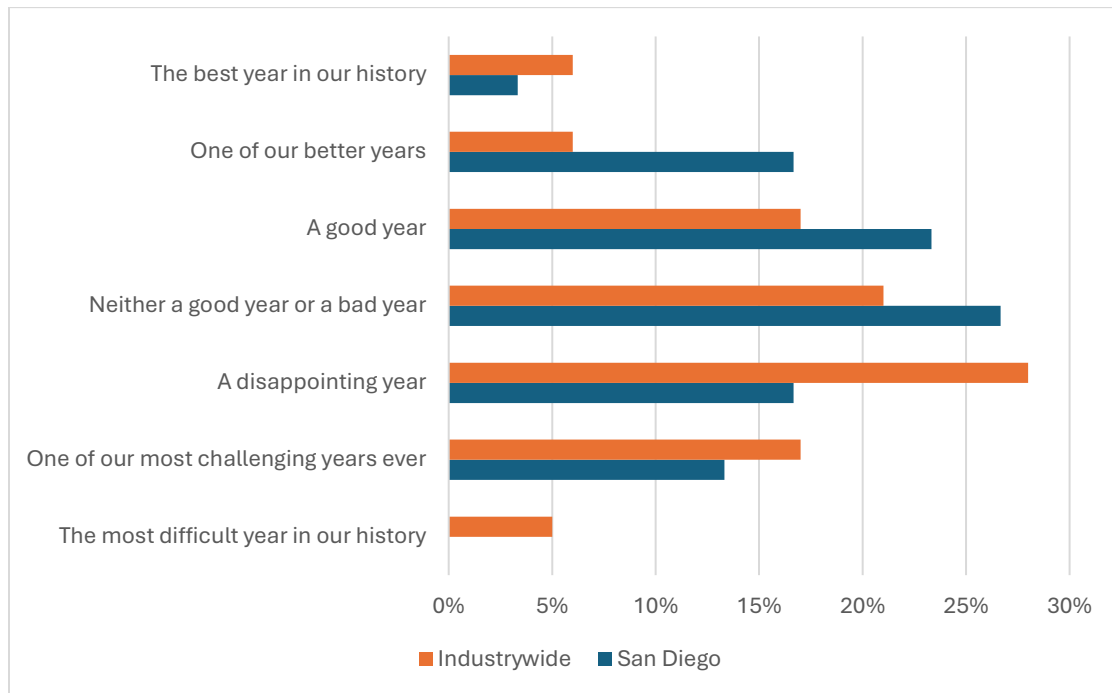
Business Operations

Wineries in San Diego County continue to operate in a complex environment marked by inflationary pressures, shifting consumer preferences, and regional climate concerns. Despite a modest sales decline, a majority of wineries surveyed indicated that they had a positive or steady year in 2024. We asked survey participants a simple question, “how was your year?” This is the same question that the annual Silicon Valley Bank asked its 600 participants in its US Wine Industry Survey conducted in October 2024 to gauge short-term financial health and industry change⁷. In comparing our sample response to those from the Silicon Valley Bank (see Chart 5), San Diego vintners gave more positive remarks than vintners nationwide; 43% selected one of three positive answer choices compared to 29% of SVB respondents. It may be that, while industry sales are soft generally, other wine regions and larger wineries may have more exposure to marketplace changes,

⁷ Silicon Valley Bank. 2025 State of the US Wine Industry. Accessed March 1, 2025. Pages 9-10. <https://www.svb.com/globalassets/library/uploadedfiles/wine/svb-state-of-the-us-wine-industry-report-2025.pdf>

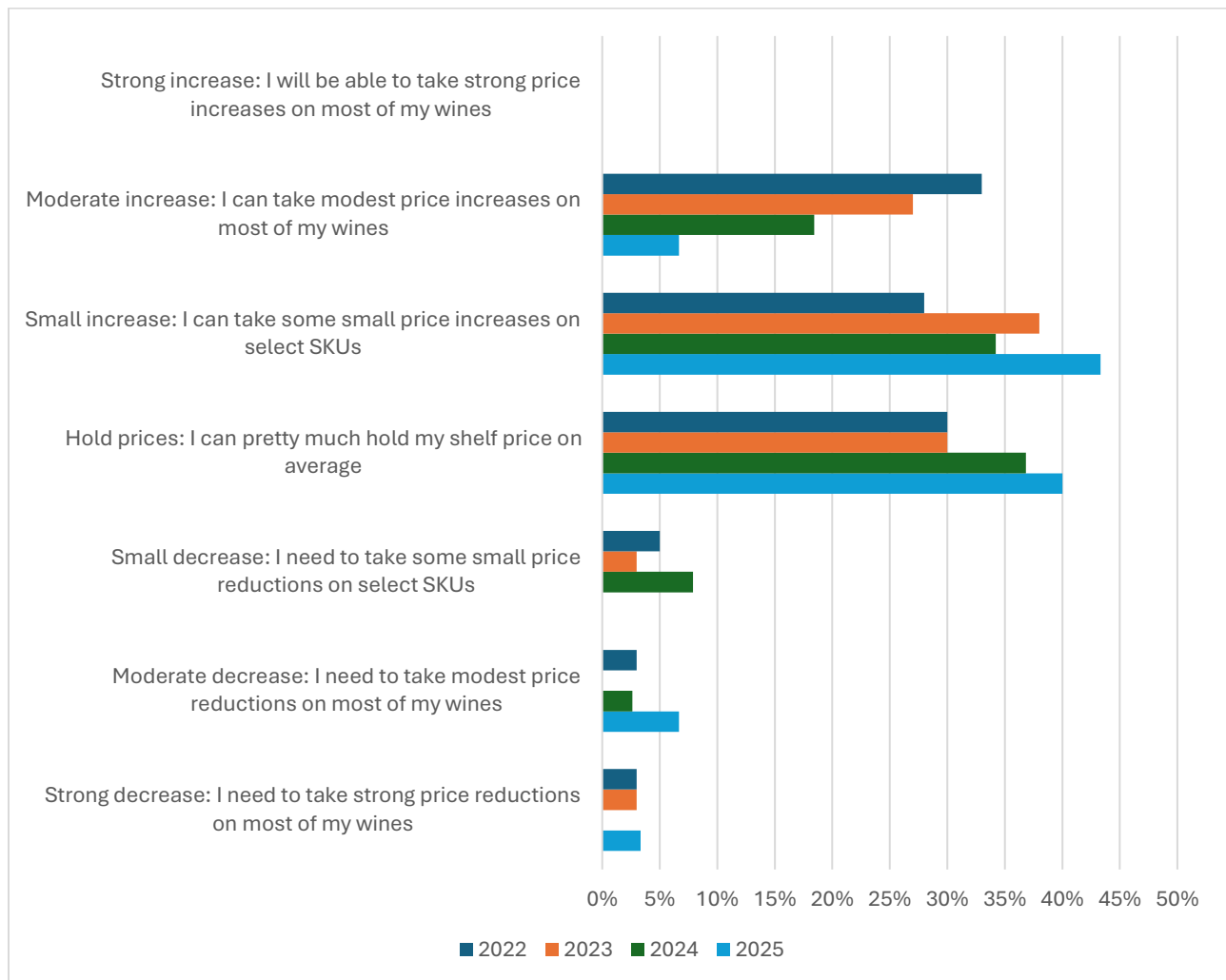
liabilities or financial pressures, or less prepared generally for sales downturns or resilient than San Diego wineries.

Chart 5: Responses to the Survey Question “How was your year?”



Responses to pricing expectations reflect a stable outlook with measured confidence (see Chart 6). Similar to prior surveys, we asked vintners about their expected net retail price changes for wine this year. The most common response observed was a "small increase" (43%) in 2025, followed by "hold prices" (40%) — a continued sign of market stabilization. We also note the steady decline in "moderate increase" responses to this question, which is now at 7%, down from its peak at 33% in 2022 during the novel coronavirus pandemic.

Chart 6: Survey Responses to the Question “Select the statement that most closely matches your belief about the expected net retail price changes for your wines this year.”



Survey data in Table 3 highlights key operational strategies wineries anticipate needing in the next six months. The most frequent responses were increasing marketing or sales (60%), similar to prior surveys. Over the years, fewer respondents have indicated plans for new employees or capital expenditures, and this survey reaches the lowest response for either answer choice (13% and 20%, respectively). Notably, 30% of wineries selected "none of the above," continuing a trend from last year that suggests a growing segment of vintners are in a stable business posture.

Table 3: Survey Responses to “In the next six months, do you think this business will need to do any of the following? Please select all that apply:”

Answer Choices	2022	2023	2024	2025
Obtain financial assistance or additional capital	11%	13%	11%	3%
Identify new supply chain options	32%	18%	16%	17%
Develop online sales or websites	32%	34%	26%	17%
Increase marketing or sales	49%	66%	61%	60%
Identify and hire new employees	35%	26%	18%	13%
Make a capital expenditure	30%	32%	26%	20%
Cancel or postpone a planned capital expenditure	14%	8%	11%	13%
Identify potential markets for exporting goods or services	3%	3%	5%	10%
Permanently close this business	3%	0%	5%	3%
None of the above	16%	18%	29%	30%

We added a new survey question this year, which attempts to capture a more accurate look at how wineries are reacting to market and economic conditions (see Table 4). Overall, the responses we received suggest wineries are focused on growing sales while modestly cutting back on operating expenses. Nearly half of wineries plan to expand wine club or subscription offerings (50%), while many are also focused on increasing DTC sales (43%) or reducing production (37%). Notably, only 13% of respondents indicated plans to reduce staff, suggesting workforce contraction may be tapering.

Table 4: Survey Responses to the Question “What actions do you plan to take this year in response to market conditions and the economic climate? Please select all that apply.”

Answer Choices	
Expand wine club or subscription offerings	50%
Increase direct-to-consumer sales efforts	43%
Maintain current staff levels	43%
Reduce production	37%
Increase social media and digital marketing efforts	37%
Invest in marketing and branding	33%
Increase focus on tasting room or direct-to-consumer sales	33%
Reducing operating expenses	33%
Implement cost-cutting measures (e.g., reducing expenses, renegotiating contracts)	30%
Offer discounts or promotions to drive sales	30%
Develop new partnerships with restaurants or retailers	23%
Expand or adjust distribution channels	17%
Introduce new wine varieties or products	13%
Reduce staff or workforce	13%
Change employee roles or responsibilities	13%
Delaying capital investments (e.g., equipment, expansion)	13%
No planned changes	13%
Other (please specify)	13%
Increase staff	10%
Adjusting pricing strategy	10%
Increase staff to support new initiatives	7%
Delay or reduce vineyard maintenance activities	7%
Lease or sell vineyard land	7%
Explore new markets and export opportunities	7%
Expand production	3%
Remove grapevines	3%
Replant with different grape varieties	3%
Increase use of sustainable or drought-resistant practices	3%
Reduce staff	3%
Seeking new financing or investors	3%

Other Issues

One of the major issues facing wineries in California is the cost and availability of insurance, particularly those located in more wildfire-prone areas, or those located in the wildland-urban interface. Our survey last year identified that most (59%) respondents said their insurance rates increased over the prior year, a figure which decreased this year (40%) (see Table 5). We would also note that a growing number of respondents indicated they now have insurance coverage under the California FAIR Plan, a last resort basic insurance plan that has soared in popularity due to more insurance companies leaving California or significantly raising rates. Nearly a quarter (23%) of respondents indicated that their insurance provider or rates have not changed, suggesting a more stable insurance climate.

Table 5: Survey Responses to the Question “Has your wildfire insurance coverage changed since January of the prior year? Please select all that apply.”

Answer Choices	2023	2024	2025
My insurance rates increased	54%	59%	40%
I was denied insurance coverage	22%	24%	20%
I changed my insurance company	16%	19%	3%
I now have coverage from the California FAIR Plan	22%	30%	33%
I currently do not have wildfire insurance	19%	19%	23%
My insurance provider and rates have not changed	14%	11%	23%

Dry January continues to be a mixed bag for local wineries (see Table 6). While more respondents this year reported stable or increased sales activity compared to January 2024, a combined 33% still saw some level of sales decline. However, 36% reported either similar or improved sales activity, suggesting that the impact of Dry January may be lessening in San Diego County compared to other regions.

Table 6: The Impact of Dry January on San Diego County Wineries, 2024-2025

Answer Choices	2024	2025
Significantly less sales activity	18%	13%
Somewhat less sales activity	34%	20%
About the same sales activity	18%	23%
Somewhat more sales activity	16%	23%
Significantly more sales activity	5%	13%
Not Sure/Don't Know	8%	7%

About San Diego County Vintners Association

The San Diego County Vintners Association (SDCVA) is a membership organization that supports and promotes the extensive winegrowing community throughout San Diego County (south of Temecula). With 172 operating and planned wineries throughout the county, San Diego continues to gain attention from wine enthusiasts across the country. The SDCVA welcomes visitors to San Diego County – *where California wine began*. www.sandiegowineries.org

About the Author

Vince Vasquez is President and CEO of Polycraft Institute, a public policy think tank based in Carlsbad, California. Professionally, Vince has worked as a public policy researcher for more than 20 years. He has authored more than 40 policy papers on a range of economic and workforce issues, including craft brewing and the wine industry. Vince has a bachelor's degree in political science from the University of California, San Diego, a master's degree in business administration from National University, and has completed coursework in viticulture and enology at MiraCosta College.

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The San Diego County Vintners Association (SDCVA) is a non-profit member association dedicated to supporting the San Diego viticulture and winemaking community, educating local wine enthusiasts and embracing sustainable agricultural practices in the county.

