

22. Introduction to the United States of America

The United States of America (USA) is now both an important wine producer and importer, the latter due to a recent upsurge in interest in wine, thought to be in its younger adult population. The USA is the world's fourth largest producer of wine, some way behind Italy, France and Spain yet far in front of the next three producer countries, Argentina, Chile and Australia.

Within the USA, California accounts for 85 per cent of the wine produced, followed by Washington at around 5 per cent, New York at 3 per cent and Oregon at 2 per cent.¹ The total area planted to vine is around 400,000 ha,² spread across more than 30 states, with wine vinified in all 50 states in over 10,000 wineries.³

From the late fifteenth through the nineteenth centuries, Spanish, British, French and Dutch traders and settlers travelled across the Atlantic to what became part of the USA. They had many motivations, including the extraction of resources, wealth creation, trade, territorial expansion and advantage over European rivals, and the religious conversion of indigenous peoples. As a result over the centuries, indigenous peoples of north America lost their lands and sovereignty. Many were killed by exposure to European diseases or died in direct conflict, and were involuntarily moved to reservations or were enslaved to work in agriculture. Colonisers also imported millions of African people and enslaved them, primarily in agriculture.

Wine was part of the process of colonisation because Europeans sought to continue their culture by making wine in their newly conquered lands. Enslaved people were employed to labour in colonial Spanish vineyards in what is now southern California.

Europeans voyaging across the Atlantic to settle in the present-day USA sought to make wine since the late 1500s. None of the native species of vines found there could produce grapes that made wine deemed drinkable and so, from about 1620 onwards, cuttings from European *vinifera* vines were brought across. Despite cuttings of different varieties and plantings made all across the settled territories, all vines succumbed to indigenous diseases and pests, and climatic conditions to which they were unsuited.

By chance, a natural hybrid of a native vine, *Vitis labrusca*, and a variety of *Vitis vinifera* was discovered in Pennsylvania. Named the Alexander, it was the building block for the first successful commercial venture in the early 1800s. Once its hybrid nature, and that of other natural hybrids, was better understood, the potential for producing drinkable wine was there, even though most of these hybrids, such as Norton, Delaware and Catawba, still showed some unusual aromas not typically found in pure *V. vinifera*. Nevertheless, over the next 50 years, an industry of grape growing and winemaking grew up from close to the border with Canada down to Georgia and across west to Missouri, supported by government-funded research, analysis and supply. This included deliberate hybridisation to include desirable features or reduce undesirable ones.

Colonial activity as genocide

Contemporary scholarship argues that European colonial activity amounted to genocide, as defined by the United Nations:

'...genocide means any of the following acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such:

- a. Killing members of the group;*
- b. Causing serious bodily or mental harm to members of the group;*
- c. Deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part;*
- d. Imposing measures intended to prevent births within the group;*
- e. Forcibly transferring children of the group to another group.'*



This map shows the key wine producing states or provinces in the USA and Canada.

However, outside what was then the states of America, *V. vinifera* grapes were thriving in the Mexican territories of present-day New Mexico, Texas and California. After the ceding of these lands to the USA in 1848, followed immediately by the explosion in population caused by the California gold rush, the plantings of *V. vinifera* grew rapidly (a 50- to 100-fold increase from 1860 to 1900) to establish California as the dominant force in US wine production. The formation by the state's leading producers and retailers of the California Wine Association in 1894 brought trading stability to what could be a chaotic market and developed distribution networks across the states and beyond.

Ahead of national Prohibition in 1920, the US wine industry was producing around two million hL annually. Until its repeal in 1933, commercial production was limited to wine for sacramental and medicinal purposes only, although grape juice for home winemaking could be sold. This resulted in an increase of vine plantings, but the devastation of industrial winemaking. When Prohibition was repealed, the USA was deep into an economic recession and wine was an unaffordable commodity for most people and so it generally fell out of fashion compared to spirits and beer.

In the 1940s and 1950s, large companies such as Roma Wines of Fresno and Gallo of Modesto emerged in the USA. These large volume companies created strong brands by using European place-named wines such as 'California Sherry', 'California Burgundy' and 'Pink Chablis' to appeal to the post-war consumer. Brands were enhanced using celebrity spokesmen and showing wine as a key component to a modern, elegant lifestyle. Gallo remains today a major brand owner in the US wine market.

However, it was not until the late 1960s that the USA saw a revival in public interest in wine, both from makers and from consumers. New wineries proliferated; in California broadly doubling in number every 11 or 12 years from 240 in 1970 to nearly 4,000 by 2014. Efforts were made to better match grape varieties to suitable locations and improve winemaking practices so that the portfolios of wines offered were smaller, better quality and more interesting.

Consumers reciprocated by investing in their interest, both in the value of sales and acquiring wine knowledge.

This boom was equally felt beyond California, in states affected even more strongly over the past 50 years. Eastern states, such as Ohio, New York and Virginia, saw pastures and old vineyards transformed by new plantings of *V. vinifera* and new French hybrids such as Seyval Blanc, supported by newly developed fungicides and pesticides. Mid-west states, such as New Mexico and Texas, revived and expanded while more northern states, such as Michigan, Minnesota and Wisconsin, discovered an affinity with cold climate varieties such as Riesling and the hybrid Brianna. North of California, Washington's Yakima Valley and Oregon's Willamette Valley were the first to attract interest from winemakers keen to make cooler, more elegant styles.

Challenges still remain, some being caused by irregular climatic conditions and some by the still restrictive nature of laws in some states regarding the sale of alcohol across state borders. That said, the difference in the last 50 years of US wine production and consumption compared to the previous 50 years is quite remarkable.

AMERICAN VITICULTURAL AREAS (AVAS)

Many of the well-known US wine regions are organised into American Viticultural Areas (AVAs) – designated grape growing regions that have unique geological and geographical features. These areas are proposed via petition by local grape growers and winemakers, and reviewed by the federal government (US Department of Treasury's Alcohol Tobacco, Tax and Trade Bureau (TTB)). There are no AVA-based regulations on grape growing and winemaking.

Most AVAs are located in a single state. A few AVAs overlap into multiple states when the boundaries follow geologic features of rivers and drainage basins; for example, Oregon and Washington State share the Columbia Valley AVA, Columbia Gorge AVA and Walla Walla Valley AVA. Of the 267 AVAs in the USA, 55 per cent are in California.⁴

It is typical for producers within a larger AVA (usually established 20–30 years ago) to subsequently appeal to the TTB to create smaller AVAs with distinct microclimates or terrain within the larger area. The terms 'sub-AVAs' or 'nested' AVAs are frequently used interchangeably, though the term 'nested' is not used in federal regulations.

The US also has appellations of origin that are defined by political boundaries, such as the name of a county, state or country. In order for a wine to be designated with an appellation of origin defined by a political boundary, federal law requires that a minimum of 75 per cent or more of grapes used to make the wine be from that appellation, and that the wine be fully finished within the state in which the county is located (see more below in [Labelling Laws](#)).

LABELLING LAWS

Federal labelling laws apply to wines sold in the US domestic market. Grape variety and origin may be listed in accordance with certain minimum standards:

- If the label states a variety, then a minimum of 75 per cent of the wine must be produced from that variety. The appellation of origin must be stated with the variety. Two or more varieties may be stated on the label if the percentage of each variety is listed.
- If the label states an appellation of origin, then a minimum of 75 per cent of the grapes must come from the stated county, state or country of origin. Where appellations overlap with neighbouring states, the label must reflect the percentage of the wine derived from each variety from each state. Two county appellations may appear on a label if both counties are in the same state, but the percentage of grapes from each county must

also be listed. A vintage may only be stated if a minimum of 85 per cent of the wine was produced in the stated vintage.

- If the label states an AVA, then a minimum of 85 per cent of the grapes must come from that AVA. Two AVAs may appear on a label, but only if they are nested. The wine must be fermented and fully finished in the state where the AVA is located. A vintage may only be stated if a minimum of 95 per cent of the wine was produced in the stated vintage.

Some states have more stringent labelling requirements than the federal government's regulations. For example, Oregon requires 100 per cent of all grapes to be grown in Oregon in order to list the state as the origin. If an Oregon AVA is listed on the label, then 95 per cent of the grapes must have been grown in that AVA.

THE US WINE MARKET TODAY

The US is the world's largest wine market. It has the highest value import sales (6.2 billion euro) and global consumption by volume (33 million hL) but a low per capita rate (11 L). It is the fourth largest producer of wine (24.1 million hL) after Italy, France and Spain, but ninth in export volume (3.3 million hL) as the majority of production is consumed domestically.⁵

There are 11,500 wineries across the country, with many wine companies each owning a large portfolio of winemaking facilities. However, the 50 largest wine companies in the US represent more than 90 per cent of US wine sold domestically by volume. By far the largest are E & J Gallo (100 million cases) and The Wine Group (51 million cases), followed by Trinchero Family Estates (20 million cases).⁶

Wine is made in all 50 states, but those suffering from extreme climatic conditions (usually cold or humidity) are able to buy in grapes or must from other states.

With the end of Prohibition, the regulatory control over the distribution and sale of alcohol beverages was transferred from the federal government to the states. The states adopted the three-tier system preventing direct sales between the producer and retailer. The federal government also ceded control of beverage alcohol sales to the individual states. Drastically different laws over the 50 US states can make importing, distributing and selling alcohol in multiple states very complicated (see the section on The USA's Three-Tier System in D2: Wine Business for further details).

An increasing number of states allow the wine producer to sell directly to the consumer. This can be an important route to market, particularly for small to medium-sized wineries. Hence, many wineries have well-equipped cellar doors to encourage such sales, as well as wine clubs in which consumers pay a certain fee for the opportunity to buy their wines for a reduced price or perhaps to buy exclusive wines.

References (all websites retrieved June 2023)

- 1 [*U.S. Wineries – Annual Production \(Cases\) 2022 Production*](#), Wines Vines Analytics
- 2 [*State of the Vitiviniculture World Market, State of the sector in 2022*](#), OIV. The figure includes vineyards for wine grapes, table grapes and raisins.
- 3 [*U.S. Wineries – Annual Production \(Cases\) 2022 Production*](#), Wines Vines Analytics
- 4 [*Established American Viticultural Areas*](#), TTB
- 5 [*State of the Vitiviniculture World Market, State of the sector in 2022*](#), OIV
- 6 [*U.S. Wineries – Annual Production \(Cases\) 2022 Production*](#), Wines Vines Analytics and [*Review of the industry. WBM 50 largest wineries*](#), Wine Business Monthly