

Preliminary 2023 Winegrape Crush Report at 3.67 Million Tons

by Turrentine Brokerage
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For Immediate Release

Novato, CA – The California Department of Food and Agriculture Preliminary *Grape Crush Report*, containing tons crushed and prices of wine grapes sold during the 2023 harvest, has been released. The *Crush Report* provides growers and wineries insight into the inventory position of the California wine business as a whole and influences market dynamics for the current bulk wine market and grape market.

The 2023 Crush Report, coming in at a total of 3.6 million tons, fails to capture the full story of the 2023 harvest. The crop would have been considerably larger if not for soft demand and disease pressure that caused some acres to go unharvested. Despite the size of the overall crop, most wineries found themselves with an excess supply amid challenging conditions in consumer sales. For specific details on 2023 harvest, see below:

Key Insights by Region

	Tons Crushed 2023	Tons Crushed 2022	Net Gain/Loss	Equivalent Gallons	% Chg	2023 % Δ to 5Y Avg
North Coast	576,744	451,856	124,887	20,606,000	28%	21%
Central Coast	523,755	426,816	96,940	15,995,000	23%	7%
Northern Interior	977,756	885,116	92,639	15,285,000	10%	3%
Southern Interior	1,491,654	1,557,538	-65,885	-10,871,000	-4%	-14%

	Tons Crushed 2023	Tons Crushed 2022	Net Gain/Loss	Equivalent Gallons	% Chg	2023 %Δ to 5Y Avg
Cabernet Sauvignon	646,941	562,518	84,423	13,930,000	15%	11%
Chardonnay	651,610	522,677	128,933	21,274,000	25%	7%
Pinot Noir	285,509	236,496	49,013	8,087,000	21%	9%
Sauvignon Blanc	162,765	127,076	35,689	5,889,000	28%	31%

Pinot Grigio	233,935	196,407	37,528	6,192,000	19%	2%
Zinfandel	288,410	308,669	-80,259	-13,243,000	-26%	-30%
Merlot	181,914	183,459	-1,546	-255,000	-1%	-11%
Petite Sirah	85,886	88,171	-2,285	-377,000	-3%	-9%

General/Statewide

“The combination of higher-than-average yields per acre in 2023 and the increasing concern over slowing consumer sales have resulted in the California wine market moving into an excess market cycle, as described in the *Turrentine Wine Business Wheel*. The 3.67 million ton 2023 harvest, as published in the CDFA Grape Crush Report, only confirms what the market has already been adapting to: lower demand for bulk wine and grapes and downward pressure on prices. The good news is that now the perceptions of bulk wine sellers and grape sellers are more aligned with the reality of the market which increases the probability of Turrentine bringing buyers and sellers together on deals to move the market forward and out of excess. –Steve Fredricks, President

The California wine business has weathered periods of excess before, and action by wineries and negociants is already under way to find ways to grow consumer demand. Meanwhile, the downward pressure on grape price has growers evaluating the tough decision to remove acres that are not economically viable. The current challenges to consumer demand coupled with lower risk tolerance may slow the efforts to evolve past the current excess versus previous periods of excess. –Steve Fredricks, President

As a result of the large 2023 harvest, bulk wine buyers have a selection of 2022 and 2023 vintage wines of various varietals and appellations that has not been seen in years to bring new options to consumers including low alcohol, no alcohol, sustainable, organic, and alternative packaging to increase sales of wine.” –Steve Fredricks, President

“The California wine industry, known for its quality wines and picturesque vineyards, has experienced a significant shift in supply and demand over the past few years. In 2019, the industry was heading towards a predictable and timely overage situation. However, the unforeseen impact of the pandemic resulted in unexpected challenges for the industry.

Consumer demand for wine increased in retail unexpectedly, coupled with fires and lower than expected crop yields, leading to shortages in most areas of California in 2021 and 2022. As a result, the industry faced unprecedented challenges in meeting the growing demand for their products.

Now, in 2023, the California wine industry finds itself in a dramatic oversupply situation in most areas of the state. This shift is due to a combination of factors, including the overall state of the economy and other negative influences. It is anticipated that this oversupply will continue for approximately three years, affecting most areas of California. The industry is adapting to these changes and working to find solutions to mitigate the impact of this oversupply. Despite the challenges, California winemakers remain committed to producing high-quality wines and serving their loyal customers.” –Brian Clements, Vice President

“In 2023, the California wine grape growing season presented numerous challenges for grape growers and wineries alike, with cooler temperatures, increased rainfall, and other weather-related difficulties testing the resilience of those involved in the production side of the wine business.

Despite the obstacles faced, farmers persevered in growing their wine grapes, navigating the complexities of harvesting fruit and delivering to wineries under trying circumstances. On the winery side, vintners worked tirelessly to manage a late and compacted harvest, striving to ensure that grapes were brought in at the highest possible quality standard.

The California wine industry, known for its adaptability and determination, rose to the occasion, with most varieties being delivered at optimal levels of maturity and flavor. In fact, the overall cooler temperatures experienced throughout the growing season have led many to believe that the 2023 vintage may be one of the best in recent memory.” —Brian Clement, Vice President

North Coast

“The increase of approximately 20,000 tons of Napa Valley Cabernet Sauvignon in 2023 along with reports of excellent quality highlight opportunities for new brands or wineries that left the market the last few years. The increase in overall supply is due to redevelopment of older acres and redevelopment of acres from other varieties to a healthier more productive vineyard supply.. —Steve Fredricks, President

“The 2023 Cabernet Sauvignon harvest in the North Coast exceeded the previous record crop of 2022, with Napa, Lake and Mendocino regions yielding an abundance of grapes. Lake County saw a significant increase of tons crushed from the previous year at 31,809 tons, up 10,000 tons. Napa saw a remarkable harvest that will go down in the record books as the largest in history at 92,261 tons. The season was marked by generous winter and spring rains, which rejuvenated the soil following years of drought. The healthy crop in 2023 was further supported by lower yields in previous years due to drought and frost events. Initial concerns regarding crop size based on cluster counts and pruning wood from the previous season were dispelled as the crop thrived with optimal soil moisture and cool temperatures. A prolonged ripening period allowed the berries to grow in size without facing dehydration risks. The 2023 harvest was ultimately a success, with minimal fruit weight loss, thanks to the ideal conditions that persisted throughout the season.” —Christian Klier, North Coast Grape Broker

“In 2023, Napa Valley Cabernet Sauvignon experienced unprecedented demand from buyers, leading to record-high prices. Wine grape growers were relieved to see moisture back in the soil, and reservoirs filled with water at the beginning of the growing season. Unlike the previous year, spring frost was milder, allowing growers to feel confident about having enough water for irrigation throughout the season. Although concerns about berry shatter during bloom and berry set initially surfaced, these worries were eased as the clusters filled out. Harvest kicked off in northern Napa County, where warmer days prevailed, resulting in little concern about fruit meeting minimal Brix requirements. However, as the harvest progressed towards the central and southern parts of Napa, older vineyards affected by viruses struggled to reach the minimum Brix levels. In past years, wineries had been willing to negotiate prices for vineyards with low Brix, but the larger crop in 2023 eliminated this flexibility. Buyers had the option to purchase ripe fruit to replace those that did not meet their Brix requirements. Sonoma County experienced similar growing conditions across all varieties, including Chardonnay and Pinot Noir.” — Christian Klier, North Coast Grape Broker

“The Chardonnay harvest in Sonoma County was notably delayed, marking one of the latest and largest in recent memory at 79,239 tons, a 34% increase from the previous year. Surprisingly, most Chardonnay in Mendocino County was already ripe and harvested before Sonoma County’s Chardonnay crop. The delayed ripening in Sonoma County was attributed to a particularly cool and mild growing season, prompting growers to stay vigilant against disease pressure. The climate conditions were ideal for the development of mildew and rot, but growers were proactive in taking necessary precautions to safeguard the fruit.

Throughout the growing season, the Chardonnay crop continued to expand in size, leading to concerns that it might not reach minimum Brix requirements. However, as harvest approached, the fruit ripened, revealing a bountiful crop. There was an abundance of Chardonnay beyond contracted tons, attracting ample buyers seeking additional tons. The extended growing period allowed the berries to mature fully, resulting in a healthy and abundant crop.

Unlike Chardonnay, there was less demand for excess tonnage of Pinot Noir, leaving many growers facing tough decisions on whether to process the fruit themselves or leave it on the vine. As the harvest season progressed, Chardonnay, Pinot Noir, and Cabernet Sauvignon were all reaching ripeness simultaneously, creating logistical challenges for wineries.” –Christian Klier, North Coast Grape Broker

“Lake and Mendocino Counties experienced a slightly cooler growing season compared to Sonoma and Napa, but not to the same extent. The harvest was later than the previous year, but still within the normal range. After a record-breaking harvest of Cabernet Sauvignon in Lake and Mendocino in 2022, demand in this region was sluggish in 2023. Buyers seemed to be satisfied with their purchases from the previous year, leading to low interest in the fruit from both Counties.

Wineries that received Cabernet Sauvignon from Lake and Mendocino reported exceptional quality and praised the wines as excellent. There was robust demand for Mendocino County Chardonnay in 2023, with buyers uncertain if their Sonoma County Chardonnay would fully ripen. As the Chardonnay harvest commenced in Mendocino County, plentiful crops emerged, and any excess tons brought to the market towards the end of the season quickly found buyers.

Meanwhile, Lake County continued to experience high demand for Sauvignon Blanc, and delivered a bountiful crop of 20,038 tons, a 31% increase. There were surplus contracted tons of Sauvignon Blanc from Lake County offered for sale, and demand for this fruit remained strong as the harvest drew to a close.” –Christian Klier, North Coast Grape Broker

Central Coast

“In 2023, the total tons crushed in the Central Coast increased by 23%, reaching an impressive 533,755 tons. Due to a lack of growth in casegoods sales, the demand for Central Coast wine grapes decreased, resulting in unharvested fruit at the end of the season. If all the tonnage had been picked, the total for the Central Coast would have been significantly higher, potentially making 2023 the harvest in the history of the Central Coast.” –Audra Cooper, Director of Grape Brokerage/Partner

“The total value of the Central Coast wine grape crop increased by 27%, for a total \$855,295,831. This increase in value can be attributed to the significant jump in yields over 2022, as well as the amount of grapes that were under multi-year contracts or sold during the active period of the market in the first half of 2023.” –Audra Cooper, Director of Grape Brokerage/Partner

“Paso Robles, like many other parts of the state, experienced a late, cool, and extended growing season, resulting in the latest harvest in recent history. A critical point in the growing season was the exceptionally long and tumultuous bloom period, leading to significant shatter within the grape clusters. Initially, many believed that Paso Robles Cabernet Sauvignon would only yield an average crop, due to the challenging weather conditions. However, Mother Nature surprised everyone by providing ideal conditions for berry sizing late in the summer and well into harvest, resulting in a huge crop of 95,085 tons. This marked the largest crop of Paso Robles Cabernet Sauvignon on record. Had all tonnage been harvested prior to the November frost events, the crop would have been astronomical.” –Audra Cooper, Director of Grape Brokerage/Partner

“Paso Robles, as a prominent wine region, has reached another peak of recognition and popularity, leading to an increase in grape demand and market momentum in recent years. However, like other regions, there was a late spring downturn in the grape market due to the stagnation in casegoods growth, resulting in a Turrentine Brokerage spot market weighted average price of \$1,009 per ton for Cabernet Sauvignon. The District 8 weighted average price of \$1,828 per ton did not reflect a soft market due to the amount of grapes contracted under multi-year agreements in prior markets as well as the amount of fruit

not sold. It is worth noting that District 8 comprises San Luis Obispo and Santa Barbara Counties, with appellations like Santa Ynez Valley contributing to the production of Cabernet Sauvignon grapes, which is reflected in the District 8 weighted average price alongside Paso Robles.” –Audra Cooper, Director of Grape Brokerage/Partner

“In 2023, District 7 harvested 65,550 tons of Pinot Noir and 94,921 tons of Chardonnay. If not for mildew caused by unfavorable weather conditions and the lack of demand for grapes on the open market, the production would have been significantly closer to the historical records set in 2019. The weighted average price for Chardonnay of \$1,305 per ton, effectively remaining unchanged from the prior year, and the Pinot Noir weighted average price increasing by 8% does not tell the full story of 2023.” –Audra Cooper, Director of Grape Brokerage/Partner

“Pinot Noir production in various regions of the Central Coast, such as Santa Barbara County, Edna Valley, and SLO Coast, is currently experiencing an oversupply. In 2023, District 8 saw a total production of 27,435 tons of Pinot Noir, which exceeded demand from wineries, though it did not set a new record.” –Audra Cooper, Director of Grape Brokerage/Partner

“The Central Coast Sauvignon Blanc harvest once again came in at a record high in volume due to higher than average yields as well as newly bearing acreage. The price per ton increased in Monterey County, San Luis Obispo County, and Santa Barbara Counties by an average of 31%.” –Audra Cooper, Director of Grape Brokerage/Partner

Central Valley

“One of the reasons why California wine grapes remained on the vine in 2023 was the decline in case sales, which was attributed to a lack of consumer demand. The other limitation on crop size was disease pressure and the inability for all sites to meet Brix parameters. If all grapes were harvested, this could have potentially been the largest grape crop in California’s long history.” —Mike Needham, California Interior Grape Broker/Partner

“The wine industry is excited about the positive feedback from winemakers on the quality of the 2023 vintage. With exceptional color, mouthfeel, and structure, the wines are sure to impress consumers. Now, the challenge lies in attracting new customers to experience these great wines.” —Mike Needham, Broker/Partner

“If every Chardonnay grape had been harvested in the San Joaquin Valley, the Chardonnay crop would have been significantly larger. The vineyards that had frost damage in 2022 came back with a strong crop in 2023. Districts 17 and 11 produced 206,397 tons of Chardonnay grapes, a 47% increase from the previous year. Numerous rejections stemmed from disease pressure caused by challenging weather conditions during the growing season. Chardonnay grapes, known for their delicate, thin skin, are especially susceptible to adverse weather—which was prevalent in 2023.” —Mike Needham, California Interior Grape Broker/Partner

“Last year in District 11 (Lodi), Cabernet Sauvignon production reached 193,916 tons, marking a 4% increase from 2022. This increase was achieved despite a fair amount of tonnage unharvested due to lack of demand, delay in ripening, and/or not meeting minimum Brix requirements.” —Mike Needham, California Interior Grape Broker/Partner

About Turrentine Brokerage

Turrentine Brokerage, founded in 1973, serves as trusted and strategic advisors to growers, wineries, and financiers and specializes in the strategic sourcing of wine grapes and bulk wine from the major growing areas across the globe. Working with thousands of wineries worldwide, and with over 2,000 growers, this experienced team has negotiated transactions between buyers and sellers valued at more than \$3 billion over the past decade.

Turrentine Brokerage is available to provide comment and analysis on this report

Turrentine Brokerage's team of expert grape and wine brokers and analysts will be on hand to provide insight and answer any questions regarding the potential impact of this development on growers, wineries, and consumers. They will be available all-day Friday, February 9th and throughout the following week.

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