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THE TURRENTINE NEWSLETTER



7599 REDWOOD BLVD. STE. 103, NOVATO, CA 94945
(415) 209-WINE



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Beyond the Peak of Excess

by Steve Fredricks

As we turned the calendars to 2026, the landscape felt familiar: excess inventories, a scarcity of buyers, and a relentless stream of negative headlines that keep the wine markets entrenched in a perception of "peak of excess." While it is true that some inventories remain swollen and activity in the bulk wine and grape markets is sluggish, significant actions (and reactions) to correct this oversupply have been underway behind the scenes for years. These actions are beginning to come to the forefront in the form of vineyard removals and, unfortunately, the closing of wineries and other associated businesses in the industry.

The combination of unsold tonnage and strategic vineyard removals has limited both recent crop sizes and reduced future supply potential. The 2024 crop, totaling 2.864 million tons, was the smallest in 20 years; 2025 is likely to be dramatically smaller. However, projecting actual tons crushed for 2025 is particularly challenging due to the high volume of uncontracted fruit, mothballed vineyards, quality rejections, and extensive acreage removals, leading to a wider range of forecasts than usual. Our grape brokers—with "boots on the ground" throughout the state—project the 2025 crop to fall between 2.0 and 2.4 million tons. This would mark potentially the smallest harvest since the mid-1990s.

Our projections for 470,000 bearing acres in 2025 were confirmed by the Land IQ survey in November. Out of necessity, we expect another 50,000 acres to be removed or mothballed in 2026 unless growers secure early contracts. With these additional removals, a 2026 crop size of roughly 2.75 million tons would be expected, assuming long-term average yields. However, with many vineyards recently mothballed or otherwise minimally farmed to reduce yields and costs, there could be considerably lower potential yields.

Though we may feel stuck in a period of excess, the results from difficult decisions made over the last two years to reduce inventory are continuing to work through the three-tier system. On the supply side, we are shifting away from oversupply, even if the spot bulk wine and grape markets have yet to fully realize or be impacted by it.

While this has been a painful but necessary correction, the large number of acres removed could swing the pendulum back towards shortage at some point in the next couple of years, particularly if consumer sales stabilize. Removals out of necessity compared to forward thinking strategy could lead to a turbulent transition, and the abundance of choice a buyer has had recently may dissipate. If significant removals continue to happen, and yields are smaller than historical averages this year, the 2026 crop could be a bellwether for all markets shifting further away from excess and towards shortage. As we move through the year, we will monitor and analyze bulk market supply and demand indicators as they can elicit data points of looming change. This issue of the Turrentine Market Update is centered more on the early bulk wine market as the grape markets were reviewed in early November.

Bulk Market

by Steve Robertson, Marc Cuneo, and William Goebel

The addition of 2025 vintage wines to the market have pushed the volume of bulk gallons actively for sale up to 25.5 million. Both the total and the new vintage volumes are comparable to last year at this time. Again, the 2025 crush could be the smallest in 30 years, and fewer growers pursued custom crush options. This combination should keep the 2025 vintage supply on the bulk market smaller than previous vintages.

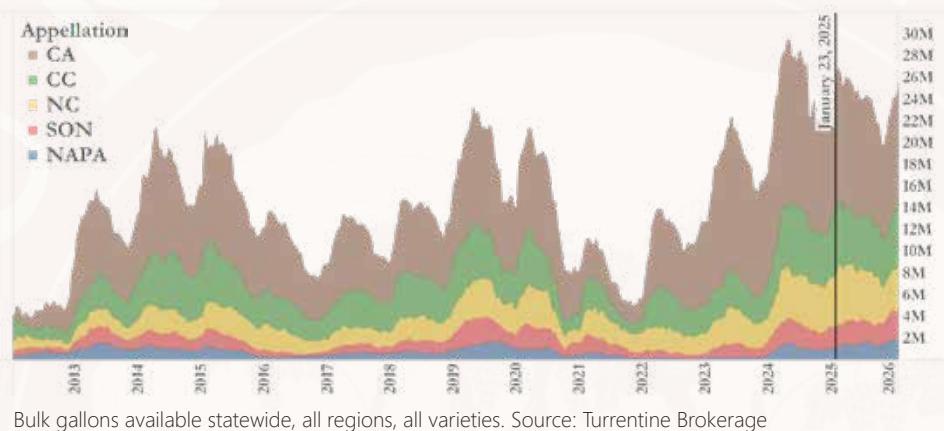
We project a peak supply of five to nine million gallons of 2025 vintage wine

to come to the market this year. This would be significantly below the 12.5 million gallons of 2024 vintage wine listed last year, and the 17.9 million gallons of 2023 vintage wine listed two years ago.

And yet, the total bulk supply could still exceed last year's figures due to record volumes of older vintage wines remaining on the market. We are currently listing 2.7 million gallons of 2024 and older vintage white wines with the few active Chardonnay buyers starting to transition to the 2025 vintage. As for reds, we are listing nearly 10 million gallons that are 2023 vintage or older (plus 2024 Pinot Noir and Grenache that have a similar lack of demand to other 2023 reds). This leaves roughly 13 million total gallons of wine that buyers could show interest in—not too dissimilar to historical volumes at this time of year.

Despite the large quantity of wine on the market, buyers should not assume that their specific needs are available to them. New vintage wine is less abundant, particularly if the buyer is looking for a specific variety and appellation that meets their quality standards. If you are interested in specific wines, please contact us.

Figure 1 - California Statewide Bulk Gallons Available

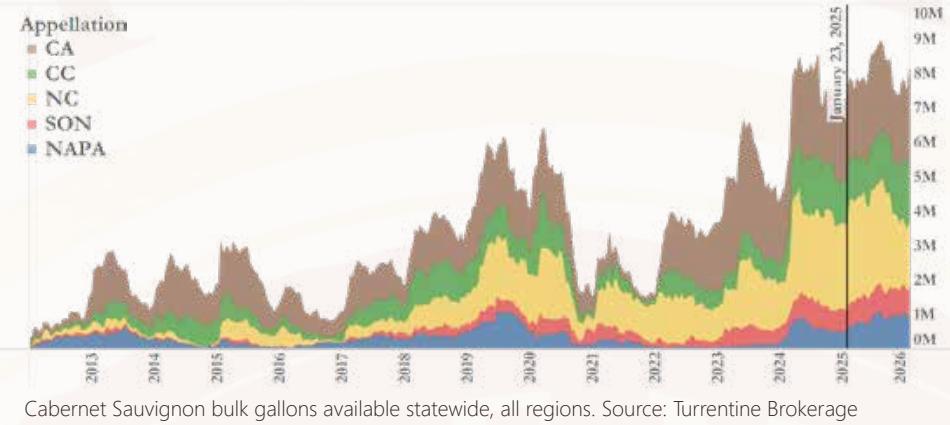


There has been some early-year demand from negociants and wineries for the extension of bulk contracts, but many buyers remain on the sidelines. To date, most activity has centered on the 2024 vintage for red wines, 2024 Chardonnay, and 2025 vintage Sauvignon Blanc, Pinot Grigio, and other whites.

Cabernet Sauvignon

- Napa Valley: There are 1,000,000 gallons of Napa Valley Cabernet Sauvignon actively for sale on the bulk market; 650,000 of these are from the 2024 vintage, which is where buyer interest is currently focused. While some buyers are active, desired volumes remain low, with recent sales ranging from \$10.00 to \$19.00 per gallon.
- Sonoma County: Supply has remained steady at approximately 800,000 gallons for most of the past year. This lack of fluctuation reflects relatively low demand, though infrequent deals have closed between \$6.00 and \$14.00 per gallon in recent weeks.
- North Coast: Supply has decreased considerably over the last year, sliding from a peak of 3.3 million gallons to 1.9 million today. There has been some interest from California Appellation buyers but, in general, buyer interest remains low. A few recent deals have been struck below \$6.00 per gallon.
- Central Coast: Currently, 1.9 million gallons are actively for sale, with 1.3 million originating from Paso Robles. Buyers continue to show interest exclusively in the Paso Robles appellation, with prices generally between \$5.00 and \$7.00 per gallon, however, there have been a few deals of higher quality lots at higher prices, but volumes have been small.
- California Appellation: Volumes total 2.5 million gallons, a remarkably steady figure over the last six months. This is split fairly evenly between the 2023 vintage (860,000 gallons) and the 2024 vintage (1,000,000 gallons). Despite some market inquiries, few sales have been completed.

Figure 2 - Cabernet Sauvignon Bulk Gallons Available

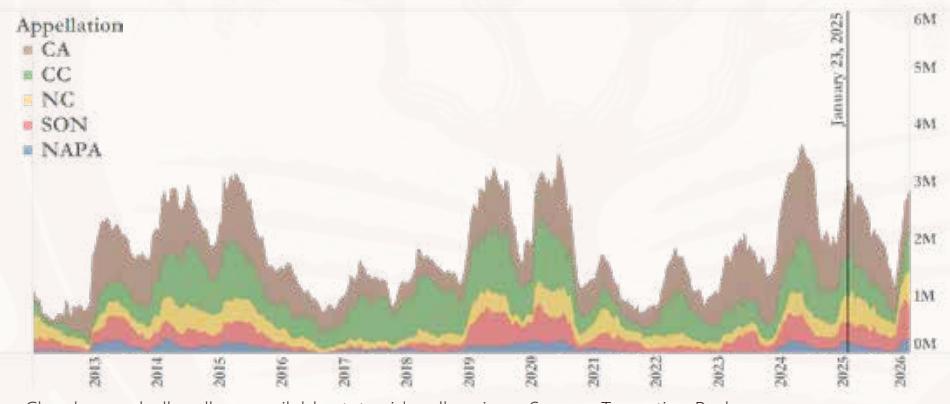


Cabernet Sauvignon bulk gallons available statewide, all regions. Source: Turrentine Brokerage

Chardonnay

- Sonoma County: Available volume has jumped to nearly 600,000 gallons with the addition of 350,000 gallons from the 2025 vintage. Buyers are targeting the 2024 and 2025 vintages, showing early interest in Chardonnay for smaller quantities with prices ranging from \$8.00 to \$12.00 per gallon.
- North Coast & Central Coast: Combined volumes now stand at 1.3 million gallons, bolstered by 900,000 gallons of new vintage wine. Significant volumes of older vintages remain on the market, but buyers have shown little recent interest in coastal

Figure 3 - Chardonnay Bulk Gallons Available



Chardonnay bulk gallons available statewide, all regions. Source: Turrentine Brokerage

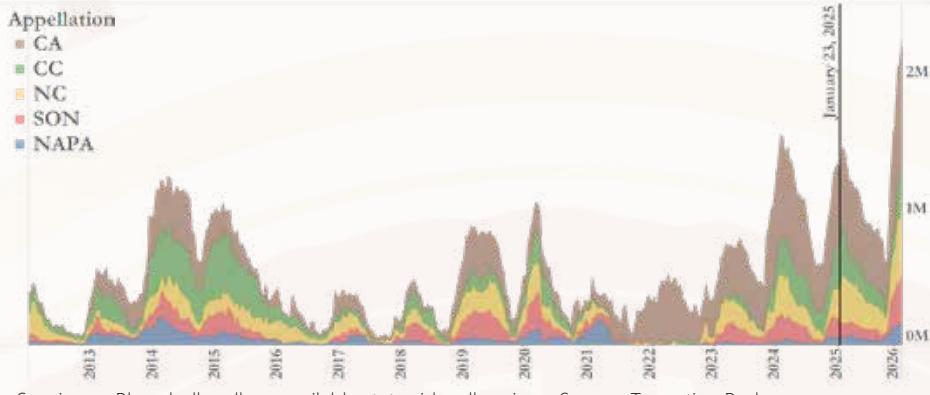
Chardonnay. When buyers do materialize, it will most likely be for 2025 vintage lots.

- California Appellation: Volumes are quite modest, with just 700,000 gallons for sale across all vintages—nearly half of the supply listed at this time last year. Limited buyer interest has focused on the 2025 vintage at prices below \$5.00 per gallon.

Sauvignon Blanc

- Statewide Sauvignon Blanc bulk gallons actively for sale have eclipsed 2.2 million gallons for the first time in Turrentine Brokerage's history due, in large part, to new acres. Of this, 1.6 million gallons are from the 2025 vintage, leaving significant older inventory on the market with no buyer interest. Early activity for the 2025 vintage is centered on Sonoma County (sub-\$9.00 per gallon) and California Appellation (sub-\$6.00 per gallon), but supply exceeds demand.

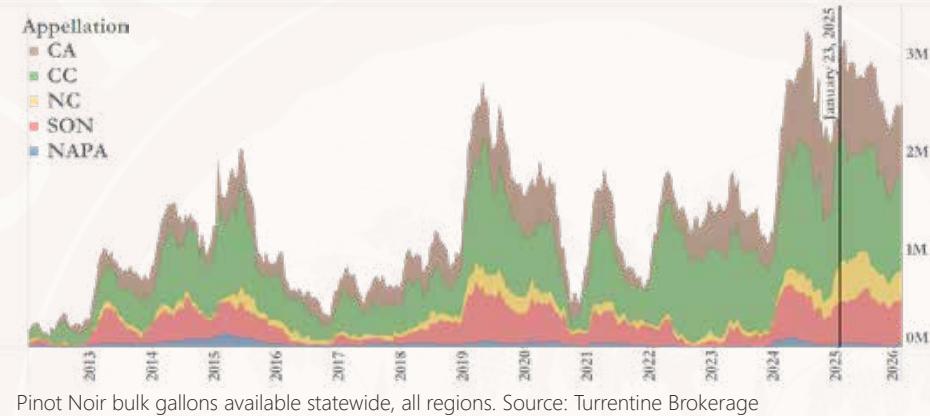
Figure 4 - Sauvignon Blanc Bulk Gallons Available



Pinot Noir

- Statewide volumes have dipped to 2.5 million gallons, though this remains far above current demand. Recent activity has been limited to small lots of Russian River Valley or any lots available, coastal or interior, that meet buyers' standards at less than \$5.50 per gallon. Even reduced asking prices have failed to entice buyers, leaving 2.3 million gallons of 2024 and older vintages struggling to find a home.

Figure 5 - Pinot Noir Bulk Gallons Available



Conclusion

The bulk market still feels entrenched in excess, but indicators are showing a transition from oversupply based on the smaller 2025 vintage. Times aren't easy right now, yet we must remember that we are all ambassadors for the wine industry. As a New Year's resolution, let's collectively commit to a conscious effort to project positivity and confidence to those outside of the industry. After all, change could be just around the corner, and moreover, people like to back a winner.

This isn't about ignoring the data or wearing rose-colored glasses; it's about changing the conversation we present to the world. For too long, the "doom and gloom" of oversupply has dominated our trade conversations, which can inadvertently dampen consumer enthusiasm. By shifting our focus, we remind our customers why wine is a product worth celebrating. Positivity is infectious; if we act as confident stewards of a stabilizing market rather than victims of a cyclical one, we invite

the rest of the world to share that confidence. Let's make 2026 the year we stop talking about what we have "too much of" and start talking about the exceptional quality, diversity, opportunities, and bargains available to the consumer.

Dr. Liz Thach wrote it well in a recent Forbes article, "As practiced by civilizations around the world for more than 8,000 years, moderate wine consumption can help create a relaxed, celebratory, and joyful atmosphere with family, friends, and new acquaintances." Let us lean farther into these types of positive narratives in 2026.

We are looking forward to seeing you at Unified. Come see Steve Fredricks present at the State of the Industry discussing the bulk wine, grape, and international markets and how we can change the narrative on January 28th. Also, stop by Booth #515 and say hello and we can talk about what you're looking to buy or sell, and discuss strategies in 2026.

2025 Crop Contest Entries Last Call

Enter your best guess in the category '2025 Statewide Total Wine Grapes' for a chance to win a YETI Tundra Ice Cooler! [Click here to learn about our Grand Prize](#). Other category winners will receive a 1st place plaque and a bottle of sparkling wine!

Winners will be selected by selecting the closest entries to Table 2 of the Final Grape Crush Report without going over.

[**ENTER NOW**](#)



Turrentine on the Road



REFRAME THE NARRATIVE

BY THE INDUSTRY, FOR THE INDUSTRY

JANUARY 28TH, 2026
Booth #515

SEE **STEVE FREDRICKS**
PRESENT THE LATEST SUPPLY
AND DEMAND TRENDS AT THE
STATE OF THE INDUSTRY



Also, come see the Turrentine co-created session titled '**New Benchmarking for Vineyard Budget Success: Insights and Practical Applications**' on Wednesday at 1PM



In Attendance: Bryan Foster
William Goebel
Steve Fredricks

09
11 Feb.
2026
PARIS EXPO
PORTE DE VERSAILLES



GROW WEST®

CHRISTIAN KLER WILL BE PRESENTING:

2/24- HOPLAND
2/25- HEALDSBURG
2/26 ST. HELENA

Come see:
Audra Cooper
William Goebel
& Eddie Urman

CENTRAL COAST
Insights

Central Coast Insights | March 11, 2026
Paso Robles Event Center



WiVi Central Coast | March 12, 2026
Paso Robles Event Center



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Steve Fredricks, President
(415) 847-0603

Audra Cooper, Vice President
(805) 400-9930

BULK WINE BROKERS

Steve Robertson, Broker/Partner
All California & Interstate Regions
(415) 827-0110

Marc Cuneo, Broker/Partner
North Coast, Interior & International
(707) 217-1369

William Goebel, Broker/Partner
Central Coast & North Coast
(415) 798-5515

GRAPE BROKERS

Mike Needham, Broker/Partner
California Interior
(209) 443-0022

Christian Klier, Broker
North Coast
(707) 867-8212

Eddie Urman, Broker
Central Coast
(805) 634-8221

STRATEGIC BRANDS

Bryan Foster
National Sales Manager of Strategic Brands
(707) 849-9948