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THE TURRENTINE NEWSLETTER

7599 Redwood Blvd. Ste. 103, Novato, CA 94945
(415) 209-WINE

The Cost of Time

by Steve Fredricks

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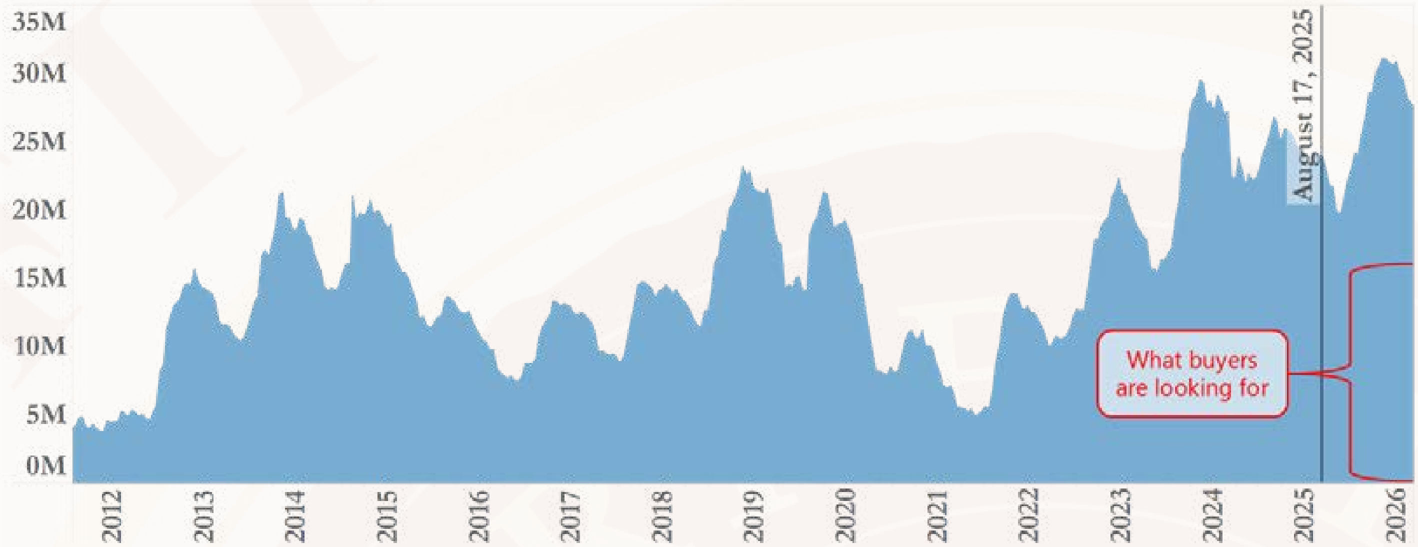
At the Unified Wine & Grape Symposium in January, we presented an analysis of the volume of older-vintage bulk wine sitting on the market with no clear path to a sale. The warning signs to sellers were evident and we have been consistently describing the challenges to clients, but the general hope was that strategic pricing and patience might correct their imbalance. Over the course of this year, we have marketed this wine to negociants and wineries who, in turn, have considered opportunities to use it at very aggressive prices, however, nearly eight months later, that hope is running into the striking clarity of the market—there is simply no interest. The industry remains heavily weighed down by older bulk wine inventory that has no viable market use. Growers and wineries are spending precious time trying to sell this older vintage wine to mitigate damage when time and energy should be on growing consumer demand at sustainable pricing. The longer the industry is weighed down by this inventory the longer the recovery will take.

Bulk Wine Market

by Steve Robertson, Marc Cuneo, and William Goebel

When wine has been offered for a year, two years, or even three years at significantly reduced prices without finding a buyer, it signals a fundamental shift in demand rather than a temporary lull. Of the roughly 28 million gallons currently offered for sale statewide, we estimate that only about 15 to 17 million gallons could possibly have a home in the future. The residual inventory consists largely of 2023 and older red wines, a good percentage of 2024 interior reds, pre-2025 whites, and select 2025 whites. It is apparent that the market has no interest these wines and is very unlikely to have interest in the future.

Figure 1 - California Statewide: Market Sellable Volume



Bulk gallons available statewide, all regions, all varieties. Source: Turrentine Brokerage

Carrying this non-viable bulk inventory creates a severe, ongoing strain for individual balance sheets and places a heavy burden on the industry. Some producers are attempting to mitigate the issue by blending older, unmarketable wine into future vintages or non-vintage programs. However, this practice merely elongates the burden on those businesses and the industry, extending the timeline of the problem rather than solving it. Consumer demand has demonstrably fallen, and while the industry has taken drastic, necessary actions to adapt by reducing future supply, crushing fewer grapes and removing vineyard acres to bring production closer in line with sales, the residual overproduction from prior years still must be worked through. After all, time is money.

Disposing of unsellable bulk wine is an incredibly difficult decision, presenting significant operational, emotional, and financial barriers for any business. The reality of removing this wine from the market boils down to three harsh but critical points of clarification:

1. **Controlled/Restricted Disposal Channels:** Bulk wine is difficult to dispose of in any form other than as a finished bottle on a retail shelf or through distillation into high-proof and fuel alcohol. There are no hidden secondary or export markets waiting to absorb this specific tier of surplus wine.
2. **Compounding Holding Costs:** Choosing to hold the wine means accepting a continuous financial drain. Storage fees and carrying charges accrue month after month, consuming valuable operational capital in the faint hope of a future sale that the market has so far declined to offer.
3. **Escalating Destruction Expenses:** In many instances, definitively removing this excess volume requires spending additional, out-of-pocket capital to have the wine physically destroyed. While this presents a painful short-term financial hurdle, it halts the bleeding of ongoing carrying costs and accelerates the broader market's recovery from oversupply.

If you are an opportunistic buyer for large volumes of $1.00 per gallon wine, please reach out to us soon.

Grape Market: A Compressed Timeline

While the bulk overhang persists as a historical anchor, the 2026 grape market is moving rapidly in the opposite direction. The growing season is in a massive hurry, and it is not waiting for buyers to catch up or find certainty in their sales and supply projections. Across California, the vines are running well ahead of the calendar. Harvest is already underway in multiple regions, with white varieties and early red varieties coming in fast, creating a season that is significantly compressing.

Simultaneously, the 2026 vintage is shaping up to deliver a lighter crop on a per-acre basis. Widespread shatter and heat have severely impacted cluster development across several varieties and appellations. We have observed this heavily in Sonoma Pinot Noir and Chardonnay, Sonoma and Napa Cabernet Sauvignon, North Coast Sauvignon Blanc, as well as Central Coast Sauvignon Blanc and Cabernet Sauvignon. Further complicating the lighter crop are the potential smoke impacts from the Woodside Fire on Sonoma County Pinot Noir. On a positive note, there were some issues earlier this summer with disease pressure, but recent warmer weather has naturally alleviated these concerns.

What does this mean for the operational reality of the season ahead? It points directly to a compressed harvest in which many varieties across multiple regions will likely reach optimal maturity all at once. The traditional flexibility to buy grapes on the spot market and schedule last-minute trucking will be limited this year as compared to the near limitless options of recent harvests. Buyers cannot safely assume that if they miss out on fruit from a primary region, replacement grapes will simply be available elsewhere or that producers will opt to make bulk wine. Successful sourcing will hinge entirely on the quality of available fruit, the grower's logistical ability to harvest and deliver on a tightened timeline, and the winery's physical capacity to receive fruit. With wineries and growers alike operating with lean staff, the pressure of a compressed timeline is heavily amplified. Additionally, another light crop this year is unlikely to improve demand or pricing for wines already listed on the market.

North Coast

by Christian Klier

Harvest is well underway in Sonoma County, the earliest start in four decades. The already small crop continues to shrink. Yields are notably light for Napa Valley Cabernet Sauvignon and Sauvignon Blanc, while widespread shatter had already significantly reduced the potential for Dry Creek Zinfandel, as well as Sonoma Pinot Noir and Chardonnay. Unfortunately, the Woodside Fire on the Sonoma Coast has led to smoke concerns for parts of Sonoma County Pinot Noir and wineries and growers are currently analyzing the level of impact. Mendocino County stands out as the lone exception to the small-crop trend across the North Coast. While mildew has made an appearance, we have not seen rot at this stage.

Buyers came to the market to make a few purchases as a reaction to the light crop for Sauvignon Blanc. Other varieties are coming in light as well, but it has not yet driven additional interest. Some sellers believe buyer actions for Sauvignon Blanc are indicative of what will happen with Cabernet Sauvignon, but there are far more Cabernet Sauvignon tons available, and it is unlikely that prices will significantly increase leading up to harvest. Growers should be ready to accept any and all offers as the risk of not selling their fruit far outweighs the low percentage benefit of a minimal improvement in price.

Central Coast

by Eddie Urman

Harvest is well underway across the Central Coast, running shockingly early — many sites are more than a month ahead of a normal year. Chardonnay for still wine is being picked, all sparkling has already come in, and some Paso Robles reds are starting to come off the vine as well.

The tons actively for sale have come down significantly in recent weeks due to the apparent lighter yields per acre as well as buyers coming to the market to make a few purchases. Buyers are finding that fruit meeting their quality and price expectations is far more limited than they originally assumed. Market activity has become a cherry-picking exercise, with buyers chasing the higher-quality options that remain — and those options are growing scarcer by the week.

The white grape market has been active over the past two weeks, with Pinot Grigio, Albariño, Sauvignon Blanc, and other alternative whites moving in a just-in-time fashion, as buyers wait until the last moment to react to the lighter crop and sourcing needs. Pinot Grigio has experienced the greatest amount of activity and is now sold out. Pinot Noir has seen limited interest from buyers for Santa Lucia Highlands and Arroyo Seco. Paso Robles Cabernet Sauvignon is still limited in deal activity, but as the lighter crop is confirmed by harvesting, that knowledge could bring more activity. Price nonetheless remains low: while the crop is light, the region is not short on any major variety, and enough availability remains to keep downward pressure on price.

San Joaquin Valley

by Mike Needham

The San Joaquin Valley harvest is the earliest on record, running ten days to a full month ahead of schedule depending on location and variety. Most of what has come in so far has picked out lighter than estimates, a trend showing up across Sauvignon Blanc, Pinot Grigio, and White Zinfandel, as well as varieties picked for sparkling. Given the heat spell the valley endured in late-July and early-August, it is unlikely that reds buck the trend and come in on the heavier side.

Market activity did pick up on Sauvignon Blanc, Pinot Grigio, and White Zinfandel—a variety that has not seen this level of interest in years. The Pinot Grigio market has cleaned up, much as it did last year, though availability remains on everything else. Wineries that moved early on these varieties appear to have wanted to confirm the size of the crop before committing to additional supply, and buyers remained cautious about not carrying excess inventory. However, with the lighter crop taking shape, some wineries are starting to come back to the market to round out their needs.

Strategic Recommendations & Action Plan

One concept runs through both channels of this market, and it is not price. It is time. The wine already made has been on the market long enough for the market to render its verdict, and every additional month of storage charges costs additional money to preserve an outcome that is not coming. Meanwhile, companies are urgently trying to generate cash flow, and the crop is arriving early, which shortens the runway on every buying and selling decision that normally gets made in September and in some cases, October and early-November.

Given these timing challenges, the advantage belongs to those who are timely and stay engaged. Three actions matter most:

1. **Execute Immediate Inventory Disposition:** If you have marketed older bulk wine for six to twenty-four months without a viable offer, ask honestly what makes a future offer more likely than a past one. Stop paying compounding storage fees — initiate destruction or distillation and clear the balance sheet.
2. **Secure Grape Contracts Ahead of the Crush:** For buyers, do not assume spot-market grapes will be easily secured or logistically viable at the last minute in a compressed harvest. Lock in commitments and logistics before the window opens rather than scrambling once it starts to close.
3. **Leverage Expert Market Intelligence:** Inventory is widely seen as a liability right now, but in a season this uncertain it can just as easily be an asset for select vintages, varieties, and regions. Don't assume that what you want will be available when you need it in the future. Engage with us early and stay in continual contact.

At Unified we laid out the problem. The problem has not changed, and the calendar has not been generous. The light yields per acre will not increase the need or price of the older vintage wine on the market. What needs to happen now are decisions — on inventory that has sat too long, and on fruit while quality options remain open. Turrentine Brokerage has brokers on the ground in every growing region and real-time visibility into supply and demand across both the grape and bulk wine markets. Put that to work before the season decides for you. Please give us a call!

2025 Crop Contest Grand Prize Winner

Statewide Total

Kyle Peterson, Winehaven Winery

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Statewide Chardonnay	Tony Leonardini *Delicato Family Wines*	Central Coast Chardonnay	Rodney Schatz *Peltier Winery*
Napa Valley Chardonnay	Eric Isotalo *Complete Welders Supply*	Lodi/Delta Chardonnay	Nathan Lopez *Trinchero Family Estates*
Sonoma County Chardonnay	Ali Holloway *Joel Gott Wines*	Statewide Cabernet Sauvignon	Jason Domingos *JD Farming Inc.*

Napa Valley Cabernet Sauvignon	Tom Payette *Winemaking Consultant*
Sonoma County Cabernet Sauvignon	Daryn Miller *Monterey Pacific*
Central Coast Cabernet Sauvignon	Niels Udsen *Castoro Cellars*
Lodi/Delta Cabernet Sauvignon	Oded Shakked *Longboard Vineyards*
Statewide Merlot	Jeff Osterman *O'Neill Vintners*
Napa Valley Merlot	Michelle Contreras *Delicato Family Wine*
Sonoma County Merlot	Julie Lumgair *Art Nouveau Wines*
Central Coast Merlot	Ryan Stapleton *Patz & Hall*
Lodi/Delta Merlot	Josh Hnizdor *Lava Cap Winery*
Statewide Zinfandel	Matt Standing *Dehlinger Winery*
Napa Valley Zinfandel	Jeff Quirici *Gallo*
Sonoma County Zinfandel	Bernie Orsi *Orsi Vineyards*
Central Coast Zinfandel	Julia Cattrall *Integrated Beverage Group*
Lodi/Delta Zinfandel	Bruce Fry *Mohr-Fry Ranches*

Congratulations to all the winners!

Market Opportunities

Turrentine Brokerage is always working to find opportunities for our clients. We believe firmly in a personalized approach tailored to each client's specific needs and unique position.

Give us a call at (415) 209-WINE

Grape Market

Available

- Napa Valley Cabernet Sauvignon
- Napa Valley Chardonnay
- Napa Valley red blenders
- Sonoma County Cabernet Sauvignon
- Sonoma County Chardonnay
- Sonoma County Sauvignon Blanc
- Sonoma County red blenders
- North Coast Cabernet Sauvignon
- North Coast Chardonnay
- North Coast Sauvignon Blanc
- North Coast red blenders
- Central Coast Grenache Blanc in truckload quantities
- Central Coast Grüner Veltliner in truckload quantities
- Central Coast Chenin Blanc in truckload quantities
- Santa Rita Hills Pinot Noir
- Central Coast Sauvignon Blanc in truckload quantities
- High-quality Paso Robles Cabernet Sauvignon
- Cabernet Sauvignon throughout the San Joaquin Valley
- Chardonnay throughout the San Joaquin Valley
- Merlot throughout the San Joaquin Valley
- Zinfandel throughout the San Joaquin Valley

Bulk Market

Available

- '24/'25 Napa Valley Cabernet Sauvignon
- '24/'25 Paso Robles Cabernet Sauvignon
- '25 Sonoma County Chardonnay
- '24/'25 Sonoma County Pinot Noir
- '25 Coastal Chardonnay
- '25 Sauvingon Blanc, 1.4 million gallons available

TURRENTINE BROKERAGE

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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

Turrentine Brokerage | 7599 Redwood Boulevard, Suite 103, Novato CA 94945
Tel: 415.209.9463