



EST. 1973

JANUARY, 2025

THE TURRENTINE
NEWSLETTER



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2025: Clean Slate

By Steve Fredricks

It is a new year and, like an Etch A Sketch, we're hoping that the supply markets have been shaken enough over the last couple years to wipe the slate clean and allow wineries to more actively source supply in 2025. The smaller 2024 crop will help move the market cycle forward by bringing markets towards balance through reduced supply, but unlikely to greatly alter recent market dynamics until consumer demand stabilizes or increases.

As always, Turrentine has early information on key market trends from what was delivered in our grape transactions as well as analysis of early bulk market supply and demand. Based upon the information we have, so far, these early data points indicate that wineries' and growers' efforts to reduce oversupply have been successful. We have more bulk buyers in the market and more wine is selling than last year at this time. Moreover, the conversations with wineries are more about getting deals done and less about listing their grapes for sale.

Detailed tonnage figures will be released in the Preliminary Crush Report on February 10th. Regardless of total crop size, as always, it will be important to drill down by region and variety to know what may or may not be impactful. Following the Crush Report release, we will release our key takeaways to the markets for bulk wine and grapes in 2025.

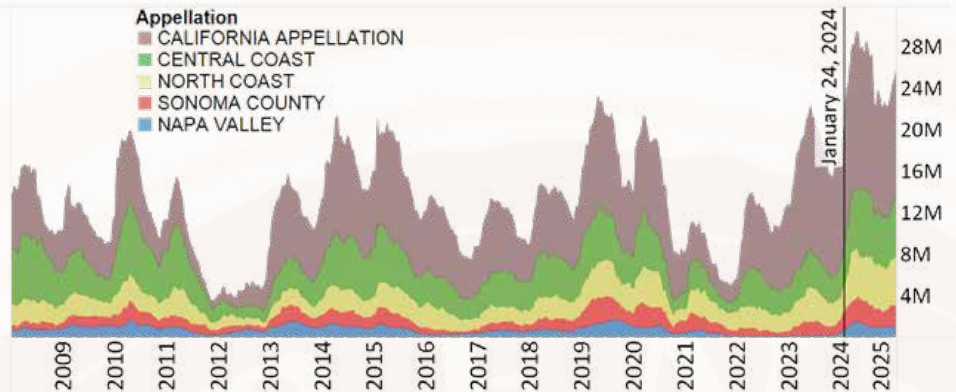
In addition to the upcoming Crush news, it will be good to see everyone at the Unified Symposium this year and share more of our market insights. We will be in our regular spot at Booth #515, so please come say hello. Also, come and see Audra Cooper present at the Industry Hot Topics session on January 29th at 1PM.

Bulk Market

By Steve Robertson, Marc Cuneo, and William Goebel

Bulk gallons actively for sale in the new year have steadily increased to nearly 25 million, skewed heavily to reds. The increase has come from 4.4 million gallons of 2024 vintage wine listed on the market, but 2023 and older vintage gallons have remained flat since November. Last year at this time (and despite the later harvest), there were 5.2 million gallons of 2023 vintage wine available. We are confident this is an early sign of fewer gallons of 2024 vintage supply making its way to the bulk market. However, even if the 2024 vintage brings just half the gallons to the bulk market as were listed for the 2023 vintage, it is still likely that more gallons could be available than last year at some point in the next several months.

Figure 1 - California Statewide Bulk Gallons Available



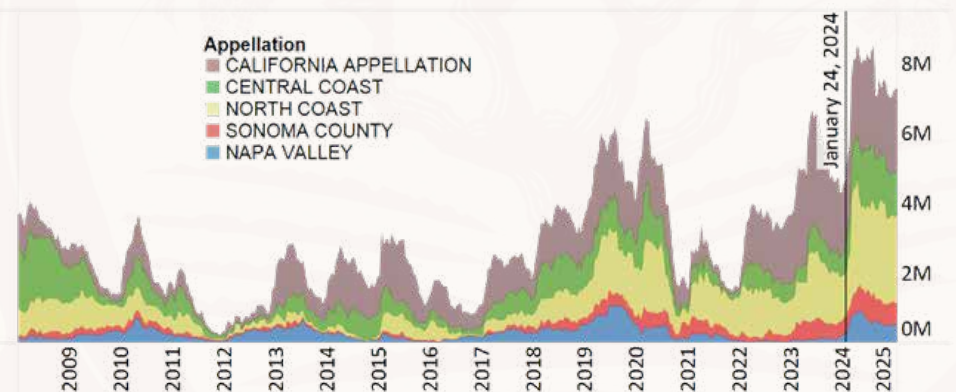
Bulk gallons available statewide, all regions, all varieties. Source: Turrentine Brokerage

While supply actively for sale remains high to begin the year, the number of active buyers in the market and the number of gallons brokered through Turrentine Brokerage has increased compared to last year at this time; however, this doesn't necessarily mean prices are increasing. The bottom of the market seems to have firmed up, but prices are still low. Meanwhile, at the higher-end, lower asking prices are starting to get deals done now that buyers can blend and bottle 2023 vintage red wines straight to retail. It is worth noting that times of oversupply intersect with cutting expenses. As such, efforts to improve wine quality may be curtailed leading to a lower percentage of lots actively for sale that meet your quality standards. The earlier you are in the market, the higher the probability you will be able to find what you need.

Cabernet Sauvignon

- Supply of Napa Valley Cabernet Sauvignon actively for sale has remained steady around 500k gallons for the last few months. Buyers are now focused on 2023. Recent sales have been between \$10.00 to \$25.00 per gallon with price largely a function of quantity and quality.
- Sonoma County supply has remained similarly steady, with roughly 650k gallons actively for sale for the last several months. There continues to be very little demand, and the prices for recent sales have been between \$8.00 to \$15.00 per gallon.

Figure 2 - Cabernet Sauvignon Bulk Gallons Available



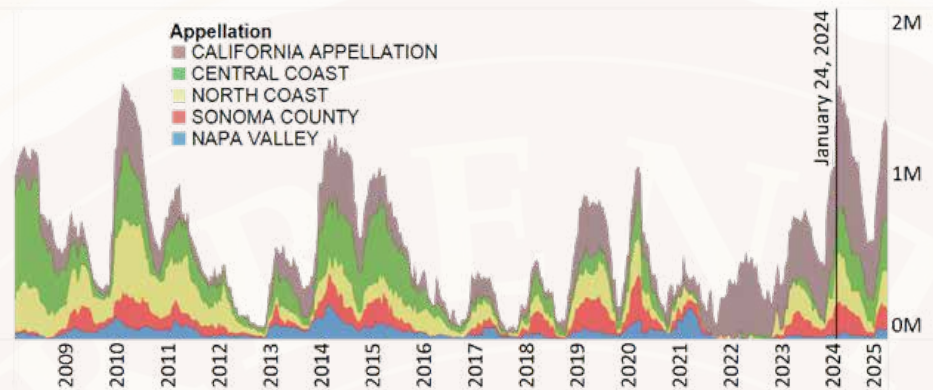
Cabernet Sauvignon bulk gallons available statewide, all regions. Source: Turrentine Brokerage

- North Coast Cabernet Sauvignon bulk actively for sale continues to be in excess of demand with 2.5 million gallons on the market. Buyers have generally been only interested when wines are priced comparable to California Appellation.
- Central Coast supply is also historically high at 1.2 million gallons available, and so far buyers have only been interested in value deals. There have been a few deals for 2023 vintage Paso Robles lots, but demand has continued to be soft, even at the lower price points. The very light yields per acre in Paso Robles in 2024 indicate fewer sellers of 2024 wine compared to 2023 wine.
- California Appellation supply recently increased to 2.4 million gallons actively for sale. Buyers have been difficult to find, and despite the low asking prices, volume deals are infrequent. Fortunately, the early indicators are that wineries will have fewer gallons of 2024 wines available for sale.

Sauvignon Blanc

- Due to the combination of recent increases in bearing acres leading to more tons and moderating consumer sales growth, bulk supply of Sauvignon Blanc exceeds demand in all regions.
- Sonoma County Sauvignon Blanc volumes increased to 150k gallons in mid-December and have remained steady since. Buyers have been slow to act on the 2024 vintage as they were slow to purchase 2023 wines.
- North Coast and Central Coast Sauvignon Blanc volumes have increased to 215k and 310k gallons, respectively. There has been minimal activity thus far for these new listings, and recent sales have been between \$4.00 to \$8.00 per gallon.
- California Appellation Sauvignon Blanc supply is now north of 600k gallons with gallons continuing to increase. There have been deals done, but not enough to impact what has been listed. Recent sales have been between \$3.00 to \$6.50 per gallon for 1 to 3 truckload volumes.

Figure 3 - Sauvignon Blanc Bulk Gallons Available



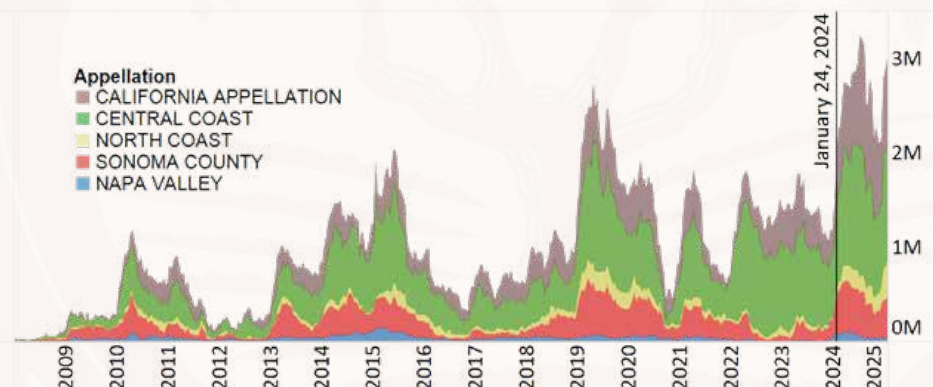
Sauvignon Blanc bulk gallons available statewide, all regions. Source: Turrentine Brokerage

- California Appellation Sauvignon Blanc supply is now north of 600k gallons with gallons continuing to increase. There have been deals done, but not enough to impact what has been listed. Recent sales have been between \$3.00 to \$6.50 per gallon for 1 to 3 truckload volumes.

Pinot Noir

- Sonoma County Pinot Noir volumes are relatively modest at 400k gallons actively for sale, but this is still too much for buyers to absorb. The buyers that are in the market are only interested in smaller lots.
- North Coast and Central Coast demand is similarly soft with a few recent deals of 2023 vintage done between \$5.00 to \$7.00 per gallon. If a seller has to move a large volume, prices for 2023 or 2024 lots will likely be much lower. Between the two regions, supply is

Figure 4 - Pinot Noir Bulk Gallons Available



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

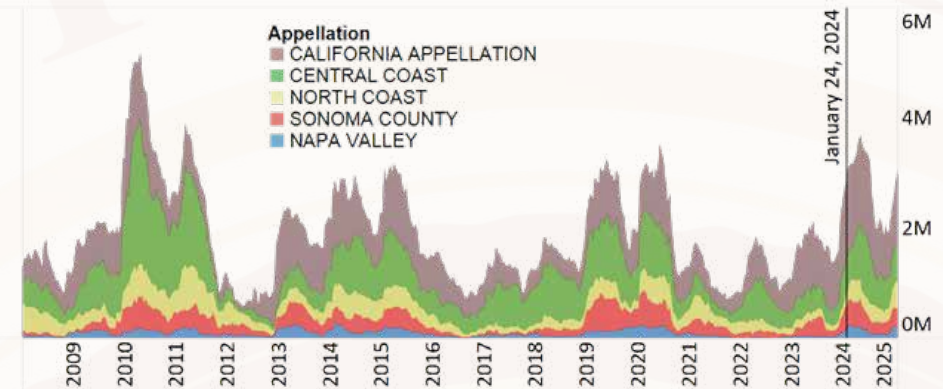
heavily skewed towards the Central Coast with 1.2 million gallons available compared to the 350k available in the North Coast.

- There are now nearly 900k gallons actively for sale of California Appellation Pinot Noir and supply continues to exceed demand with recent sales between \$4.00 to \$5.00 per gallon.

Chardonnay

- There are currently 340k gallons of Sonoma County Chardonnay actively for sale, with very little demand to speak of. Buyers have mostly moved to the 2024 vintage at this point, but are moving slowly to commit to any purchases.
- North Coast supply is now at 500k gallons available and Central Coast listings total 600k gallons. Like Sonoma County, the market for 2024 vintage Chardonnay has been slow to start throughout the coast, but we expect prices to be sub-\$5.00 per gallon, particularly for larger volumes.
- California Appellation Chardonnay supply has spiked to 1.1 million gallons with little demand for 2023 or 2024 vintage lots. Sellers are offering significantly smaller volumes of 2024 wine compared to 2023 wine.

Figure 5 - Chardonnay Bulk Gallons Available



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

Conclusion

It is encouraging to see more buyers returning to the market early this year, and we hope the trend continues. However, there's still much work to be done for the market and prices to improve. To help the wine industry rebound, we need to work together to boost consumer sales. This means continuing to innovate, making wine more appealing, and more accessible to consumers. We already know we have the quality and styles to compete, we just need to improve our marketing and perception with consumers. Some ways we can achieve this are by:

- **Promoting wine in moderation:** Emphasizing responsible consumption.
- **Countering anti-alcohol messages:** Highlighting the positive aspects of wine.

Until we can turn the tables and resume the trend of increasing consumer demand, we are destined to continually chase the markets downward through supply reduction. With positive momentum, however, we can then see a return of sustainable pricing and a continuation of the traditional wine business cycles.

There will be a lot of information released over the course of the next month, but without action, this information is useless. To find the best way that you and your company can take action in the bulk wine and grape markets, reach out to us here at Turrentine Brokerage. Let's raise a glass to 2025, a year of action and new beginnings, and see if we can create a masterpiece on this clean slate!

2024 Crop Contest

Enter your best guess in the category '2024 Statewide Total Wine Grapes' for a chance to win a plaque and a YETI Tundra Ice Cooler!

The actual number for the 2024 Statewide Total Wine Grapes will be taken from the Final Crop Report, Table 2, Total Wine Grapes. Winner will be chosen by selecting the closest number without going over. Other category winners will receive a 1st place plaque and a bottle of Champagne!

Please turn in all entries by January 31, 2025.



LAST CHANCE

[ENTER NOW](#)

Unified Wine & Grape Symposium

SAFE Credit Union Convention Center
Sacramento, CA
unifiedsymposium.org

Come see us at
Booth #515



...also, come see Audra Cooper present

Industry Hot Topics
January 29th from 1:00 to 2:15



WiVi Central Coast | March 13, 2025
Paso Robles Event Center

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D R I V E

**A Strategic Planning and
Teamwork Seminar +
Workshop for the Wine
Industry**

March 26, 2025

Pavilion on the Lake
9315 Pismo Avenue
Atascadero, CA 93422

Get Tickets

BRYAN FOSTER WILL BE ATTENDING:



WINE PARIS

**10 FEBRUARY
2025
- PARIS EXPO
12 PORTE DE
VERSAILLES**

March 16-18
2025

Düsseldorf
Germany



**DISCOVER
THE TASTE
OF TOMORROW.**

**Turrentine will be represented by:
Steve Fredricks, Bryan Foster, & William Goebel**



Share & Pair Sundays

By Come Over October™

Following the success of *Come over October*, the folks at Come Together are announcing [Share & Pair Sundays](#).

What is the campaign about?

Share & Pair Sundays is a 2025 Spring-to-Summer campaign that celebrates the delicious marriage of wine and food. The campaign encourages consumers to get together on Sundays to enjoy wine, food, and friends. Share & Pair Sundays begins March 23 (the first Sunday of Spring) and goes through May 25. Ten Sundays in all.

For more information about how you can participate and support, please visit:

www.cometogetherforwine.com

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

Bulk Market

Needed	Available
'24 Pinot Grigio from all regions	'24 Sauvignon Blanc from all regions
'24 Sonoma County Chardonnay	'24 Chardonnay from all regions
'24 California Appellation Malbec	'24 Central Coast Pinot Noir
	'24 California Appellation Pinot Noir
	'22/'23 Napa Valley Cabernet Sauvignon
	'22/'23 Sonoma County Cabernet Sauvignon
	'21/'22/'23 Lake and Mendocino County Cabernet Sauvignon
	'23 North Coast Sauvignon Blanc
	'21/'22/'23 Central Coast Cabernet Sauvignon
	'22/'23 California Appellation Chardonnay
	'22/'23 Willamette Valley Pinot Noir
	'21/'22/'23 Central Coast Pinot Noir
	Spirits: Brandy, Whiskey, & High-Proof



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