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THE TURRENTINE NEWSLETTER



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Harvest & Bulk Update

By Steve Fredricks

The Dog Days of summer have given way to fall, and while there was some uncertainty whether California's hottest summer on record would accelerate the crop or cause vines to shut down and delay harvest, the answer has been resoundingly in favor of acceleration. Across all regions, harvest is in full swing, with whites largely wrapped up and focus now on reds.

In general, the 2024 crop will be smaller than last year's due to extended heat causing lighter yields per acre and acreage removals resulting in fewer bearing acres. Both make it very difficult to gauge how small the overall crop will actually be, but one thing is certain: even though yields are down, not all fruit will be sold due to wineries recalibrating supply to adapt to high inventories, weakening consumer demand, lower risk tolerance, and higher interest rates. This has left many opportunities for buyers for virtually all varieties throughout all regions in California.

The smaller supply and general conservative nature in 2024 could lead some buyers to a more balanced supply position after being long on 2023. Of course, this supply position will be heavily influenced by end-of-year casegood sales as well as first-half of 2025 sales projections.

Following are more specifics on the grape market and harvest by region, and a bulk market update.



North Coast

By Christian Klier

The North Coast harvest is well underway, with Sauvignon Blanc wrapped up and Chardonnay and Pinot Noir nearly there as well. A crossover in grape maturity led to reds and whites being harvested simultaneously, which has complicated the North Coast harvest. As a result, some buyers who showed late-season interest have not been able to be as opportunistic as they may have liked. There are still a few buyers out looking, and there are many opportunities for them at low prices.

As of now, Sauvignon Blanc across the North Coast was lighter than estimated, which did bring in buyers in for some late-season purchases, Pinot Noir is heavier than estimated, and Chardonnay is heavier in Mendocino County and in excess of demand in Sonoma County. It is still too early to really determine crop size for other red varieties, but if yields come in low enough for buyers, there are still grapes available. The good news for all is that quality reports have been positive throughout the North Coast.

San Joaquin Valley

By Mike Needham

Most white varieties (and Pinot Noir) have been harvested, and growers are now focused on later-season reds, with the expectation that harvest will wrap up by the second week in October. For the most part, all varieties and regions within the Valley are coming in lighter than average. White varieties are roughly 10% to 15% below average, but some older vineyards that struggled with the heat were down even further. Not only are clusters light, but juice yields have been reportedly light, as well. Most white grapes were harvested, even if it was for concentrate, at a very low price.

It is still early, but it appears that tonnage per acre on red varieties is trending similarly light as whites. Despite the lower yields and reduced acreage base, demand has been slow all season. There have been a few late-season deals for reds, including Petite Sirah and Cabernet Sauvignon, and southern interior Rubired, but the additional tons moved have been minimal. There will be a significant amount of unsold red grapes, and many growers appear to be dropping fruit rather than custom crushing to gamble on the bulk market.

Central Coast

By Audra Cooper

The Central Coast is wrapping up harvest for white varieties and is getting into the thick of harvesting reds. Harvest is likely to finish around the last week of October—possibly sooner depending on the weather.

Yields have been light to extremely light for what has been harvested so far. Growers are reporting that Sauvignon Blanc yields are between 30% to 50% below the five-year average. Pinot Noir is similarly down between 25% to 50%, depending on location, with cooler-weather sites faring better than warmer locations. Pinot Grigio and Chardonnay yields are a bit better but still 25% to 30% off early-season expectations. It is still early for Cabernet Sauvignon, but it could be the most impacted variety with early picks coming in 40% to 50% lower than early-season projections.

Despite low yields per acre, it is very likely that a number of tons will go unharvested even with some increased activity to supplement lost supply late in the year.

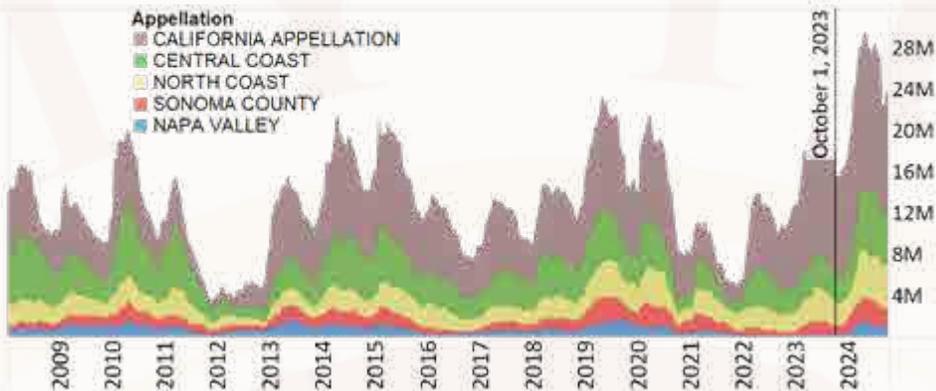
For the greater part of the year, grape sellers had not intended on custom crushing their unsold grapes; however, with a light harvest, there are a moderate number of sellers now reconsidering or changing their decision, especially for reds in the North Coast and Central Coast.

Bulk Market

By Steve Robertson, Marc Cuneo, and William Goebel

Bulk gallons actively for sale were on a delayed and slower than normal downward trend starting mid-August, which bottomed out at 22.4 million gallons in early September but recently increased again to 24 million gallons. This added volume is very rare at this time of the year, considering it is not from the new vintage—a continuing sign of challenging retail sales and sellers looking to reduce inventory due to slow consumer sales.

Figure 1 - California Statewide Bulk Gallons Available



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

The volumes listed also continue to lean heavily towards reds. Typically, reds actively for sale are around 70% of total availability—they are currently at 80%. As for whites, there are still 4 million gallons available, with the 2024 vintage wines coming to the market soon. Many of these wines, excluding some lots of Chardonnay, will be more difficult to sell as 2024 wines become available, even at very low prices.

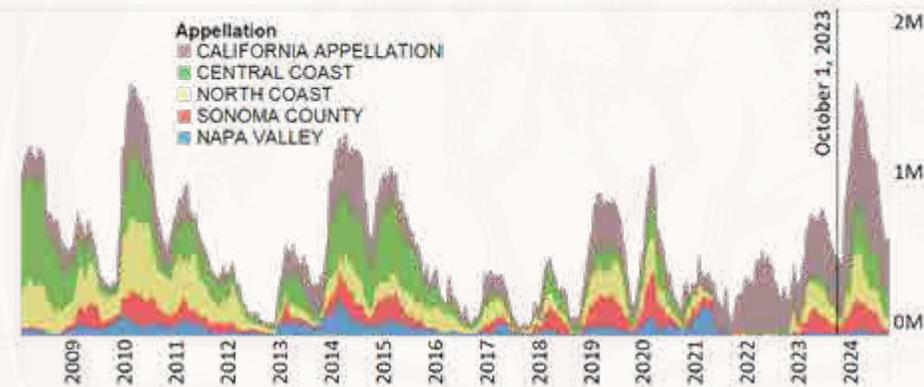
There are still nearly 17 million gallons of 2023 vintage wine available, in addition to the nearly 5.3 million gallons of 2022 available. This is a significant volume that will be carried over with the new vintage beginning to be listed on the market and continues the trend of wines staying on the market longer.

Do not assume that what you are looking for will still be available when you are ready to buy. Stay in contact with your Turrentine Broker.

Sauvignon Blanc & Pinot Grigio

- Based upon the lighter yields per acre, the bulk market is likely to be more active for 2024 vintage Sauvignon Blanc and Pinot Grigio than it was for 2023. Our early conversations with sellers confirm fewer of them are projecting to have bulk wine to sell and fewer gallons will be offered for sale.
- Please contact us if you have V24 Pinot Grigio or Sauvignon Blanc for sale.
- If you need Pinot Grigio or Sauvignon Blanc contact us early to get on the list to see samples.

Figure 2 - Sauvignon Blanc Bulk Gallons Available

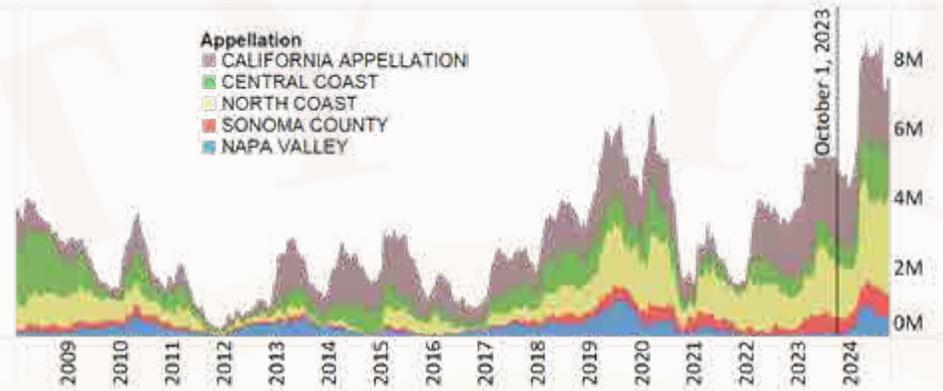


Sauvignon Blanc bulk gallons available statewide, all regions. Source: Turrentine Brokerage

Cabernet Sauvignon

- Napa Valley gallons actively for sale have hovered around 550,000 gallons since July, and demand remains generally soft. Most of the volume actively for sale is now V23. More sellers have indicated a willingness to accept prices near \$20 or lower, but this has not yet spurred additional interest. As harvest ends and we move into 2025, the market will likely get more active for V23.

Figure 3 - Cabernet Sauvignon Bulk Gallons Available



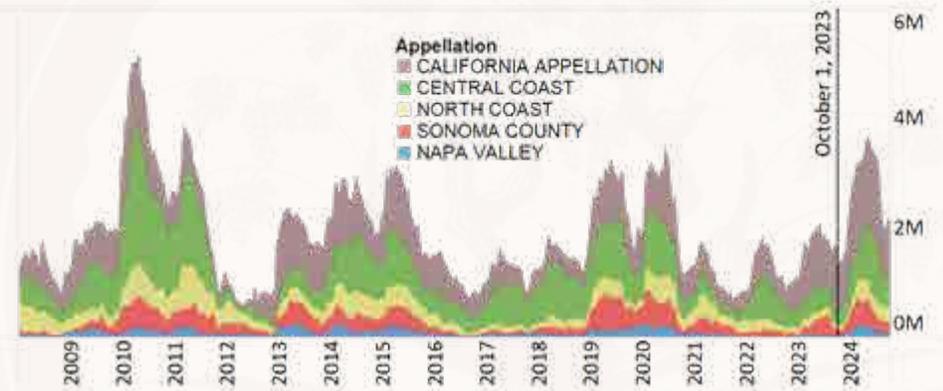
Cabernet Sauvignon bulk gallons available statewide, all regions. Source: Turrentine Brokerage

- There continues to be downward pressure on asking prices for Sonoma County Cabernet Sauvignon, and some sellers are now willing to accept single-digit offers. Despite the lower prices, buyers have not yet shown any interest in the opportunity.
- Buyers of North Coast Cabernet Sauvignon have only shown minimal interest for lots competitively priced with California Appellation. There are now 2.8M gallons available of V22 and V23 wines, many of which are grower-owned.
- Demand is focused on V23 for Paso Robles Cabernet Sauvignon, but buyers remain reluctant to secure V23 supply as of yet. With the Paso Robles Cabernet Sauvignon crop appearing to be very light, bulk demand could strengthen.
- There were a few opportunistic buyers of California Appellation Cabernet Sauvignon which reduced available volumes, but with 2M gallons still actively for sale, there are more opportunities to be had.

Chardonnay

- Lighter yields per acre will mean fewer lots and smaller volumes of V24 for sale.
- Volumes actively for sale statewide are not historically high, but they are a bit elevated when compared to averages over the last decade, particularly for Central Coast and California.
- With buyers in harvest-mode and without urgent needs for V23 lots, the market for Chardonnay has been generally stagnant statewide. We expect buyers to regain some interest in the remaining V23 and V24 lots when they come to the market.

Figure 4 - Chardonnay Bulk Gallons Available

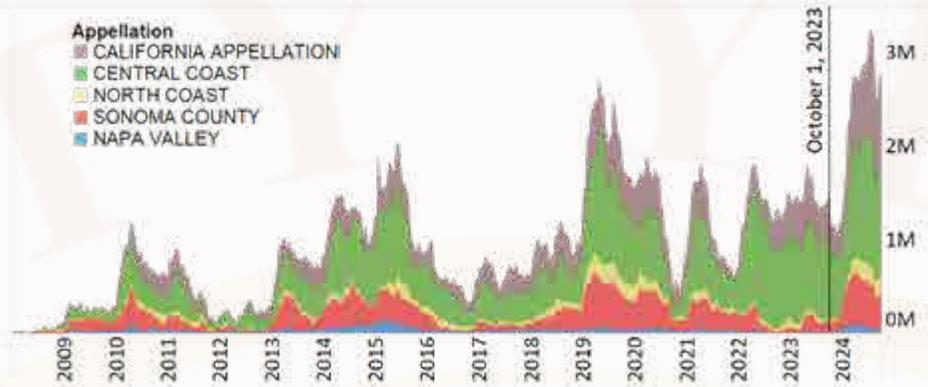


Chardonnay bulk gallons available statewide, all regions. Source: Turrentine Brokerage

Pinot Noir

- Supply statewide is at 2.8 million gallons—this is significantly more than has ever been listed at this time of the year. Last year, just 1.4 million gallons were listed at this time. A significant percentage of this supply is California Appellation.
- Demand for Pinot Noir remains quite low. There has been some limited activity since the last newsletter for Russian River Valley lots between \$10 to \$12 per gallon, but deals throughout the rest of the state have been sub-\$5 per gallon.

Figure 5 - Pinot Noir Bulk Gallons Available



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

Conclusion

As we come up on the end of harvest, there are still many opportunities for buyers, and growers with unsold fruit are willing to listen to any and all offers. Despite the late-season interest from opportunistic grape buyers, there will be significant unsold tonnage this year, even for well-managed vineyards.

2024 has been a correction year, and corrections are rarely comfortable, but there is promise on the horizon. Acreage removals will limit the structural crop potential moving forward, and the smaller yields per acre in 2024 will only help return bulk wine and grape markets to balance. But until consumer sales stabilize, the industry will continue to chase downward demand with removals. These corrections could lead to some buyers returning to their normal side of the market next year, but there is still work to be done.

If you have any interest in remaining grapes or looking to source early 2024 vintage bulk wine lots, please reach out to your broker so we can make sure you get the best options available.

Turrentine on the Road



**Bulk Wine &
Grape Update
from
Mike Needham
& Marc Cuneo**

**November 12th at the
Stanislaus County Fairgrounds**



**Christian
Klier**



**Marc
Cuneo**

Will be presenting at

2024 WINEXPO
TRADE SHOW & CONFERENCE

**December 5th, Sonoma County
Fairgrounds**

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.



[**ENTER NOW**](#)

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 red blenders
North Coast Cabernet Sauvignon
North Coast Chardonnay
North Coast red blenders

Cabernet Sauvignon throughout the San Joaquin Valley
Merlot throughout the San Joaquin Valley
Zinfandel throughout the San Joaquin Valley
Paso Robles Cabernet Sauvignon
Paso Robles Petite Sirah
Paso Robles Zinfandel/Primitivo, including some westside
Santa Ynez red blenders, small lot and truckload quantities
Sta Rita Chardonnay, great opportunity to get into vineyards for the future

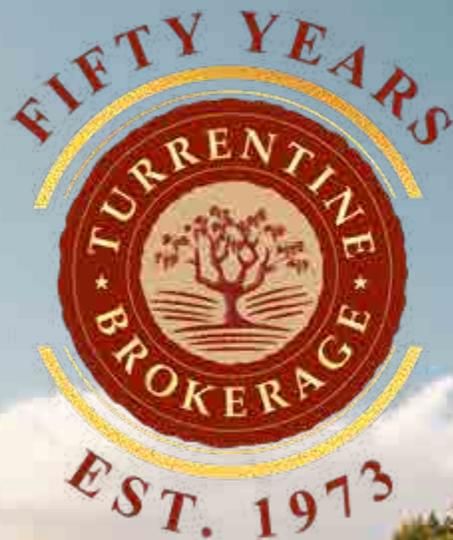
Bulk Market

Needed

'24 Pinot Grigio from all regions
'24 Sauvignon Blanc from all regions

Available

'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
Brandy



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