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California growers removed 38,000 vineyard acres, prompting fears of a future shortage.

Another 40,000 acres could come out by 2026, leaving the state close to a disputed 425,000-acre threshold.

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California’s wine industry, after several years of cutting back production to deal with too many grapes and too much wine in storage, is now starting to debate a different risk: whether the pullback could go too far and leave the state short of vineyard

acreage if demand improves.

The shift in tone follows a sharp reduction in planted acreage. Growers removed more than 38,000 acres of vines, about 15,400 hectares, between October 2024 and August 2025, according to the state's 2025 acreage study. Industry estimates cited by the San Francisco Chronicle on Monday say another 40,000 acres, or about 16,200 hectares, could be taken out before the end of 2026.

If that full estimate is realized, California's vineyard footprint would fall from roughly 477,000 acres in August 2025 to about 437,000 acres. That would leave the state only 12,000 acres above a 425,000-acre level that some in the industry now describe as the amount needed to meet current demand.

That possibility has raised concern among some growers and winery executives who until recently were focused on the opposite problem. California has spent years working through an oversupply that left grapes without buyers and pushed many farmers to remove vines that no longer made economic sense. The new question is whether the correction, once fully carried out, could leave too little productive acreage, especially because vineyards cannot be restored quickly.

Peter Ekman, chief executive of Spring Mountain Vineyard, argues in a new industry analysis that the state could drop below the 425,000-acre threshold and move into shortage. His view, according to the Chronicle, is based on the pace of removals and the time it would take to bring new vineyards into production if consumer demand strengthens.

But that warning is far from settled industry fact. Jeff Bitter, president of Allied Grape Growers, told the Chronicle that the market may actually need even less than 400,000 acres to reach balance. That would put his estimate about 25,000 acres below the threshold cited by Ekman and would suggest that even after another wave of removals, California could still have enough vineyard land for current sales.

The disagreement matters because acreage has become one of the clearest signals of how deeply the industry is still adjusting to weaker wine demand. California remains the center of U.S. wine production, and decisions to pull out vines affect farm income,

winery supply planning and local economies across major grape-growing regions.

The numbers now being discussed also come with important limits. The 38,000-acre reduction is drawn from an official 2025 acreage study, but the additional 40,000 acres is an estimate, not a final count. The shortage argument itself is also based in part on a business memorandum that has not been fully published. That means the warning is better understood as an emerging industry debate than as a confirmed shift in statewide supply conditions.

Another reason for caution is the amount of wine still in storage. Inventories built up during the years of oversupply can delay the point at which vineyard acreage and consumer demand come back into line. Even if planted area falls sharply, wineries may still be able to meet sales for some time by drawing down existing stocks. That could make any shortage slower to appear than the acreage numbers alone would suggest.

At the same time, growers say replacing lost acreage is not simple. Replanting a vineyard takes time, money and patience, and newly planted vines do not produce a full commercial crop right away. That means a strong future recovery in demand, if it comes, could meet a supply base that is slower to respond than in other agricultural markets.

The concern is especially notable because it marks a possible turning point in the industry’s outlook. For several seasons, the dominant issue was excess supply. Farmers faced low returns, wineries carried unsold inventory, and large vineyard removals were treated as a necessary correction. Now some executives are asking whether the state is moving from an obvious surplus toward a much tighter market than expected.

That does not mean a shortage is imminent. The available figures do not amount to a new official census, and the range of private estimates remains wide. The current debate is really over where balance lies: closer to 425,000 acres, as Ekman contends, or below 400,000 acres, as Bitter suggests. Until more complete acreage data and inventory figures are available, that question is likely to remain open.

What is clear is that the scale of removals has become large enough to change the conversation. California had about 477,000 acres of vineyard land as of August 2025. A further reduction of 40,000 acres would cut that base to roughly 437,000 acres, bringing the state much closer to the acreage levels now being discussed as the line between oversupply and shortage.

For growers, wineries and grape brokers, that creates a more complicated market than the one they were confronting just a few years ago. Some still see too much supply relative to today’s wine sales. Others see a correction that may already be approaching its limit. The stakes are high because once vines are removed, rebuilding production is far slower than cutting it.