vinetur

California growers warn vineyard removals could trigger a grape shortage by 2027

More than 38,000 acres were removed in 10 months, pushing the state closer to balance after years of oversupply.

Monday, October 5, 2026



California wine growers have spent the past two years pulling out vineyards to deal with weak sales and a grape glut, but some industry operators now say the cuts may be getting close to the point where oversupply could turn into a shortage.

The debate has sharpened after another run of small harvests, a large amount of idle vineyard land and continued vine removals across the state. The question is whether California, after years of producing more wine grapes than the market could absorb, is now reducing its vineyard base too far while demand appears to be leveling at a lower rate.

Peter Ekman, chief executive of Spring Mountain Vineyard in St. Helena, has emerged as one of the clearest voices arguing that the market may be closer to balance than many growers believe. Ekman, who has led the Napa Valley property since 2023, said the scale of vineyard removals he has seen on his regular drive to work pushed him to examine whether the industry was overcorrecting.

Ekman has written a 16-page analysis arguing that the state may already have removed enough acreage to bring grape supply in line with reduced wine demand. He said growers should be cautious about taking out additional vineyards unless the vines are too old or no longer productive. In his view, demand for grapes could reappear as soon as 2027 if removals continue at the current pace.

His argument comes after a deep slump in wine consumption. Industry participants say U.S. alcohol consumption has fallen to a 90-year low for a second straight year, while wine sales have declined each year since 2021. That downturn has hit grape demand hard in California, the country’s largest wine-producing state.

More than 38,000 acres of vineyards were removed between Oct. 1, 2024, and Aug. 1, 2025. In addition, thousands of tons of grapes were left unpicked in recent seasons because wineries did not want or need the fruit. Those decisions helped drive historically light harvests in 2024 and 2025. This year, a warm winter brought an unusually early harvest, and yields have so far remained small.

Ekman estimates that California’s productive vineyard area could fall to between 400,000 and 420,000 acres by the end of this year. His estimate partly relies on a projection from Allied Grape Growers, a cooperative that represents about 400 California growers, that about 40,000 acres of vines will have been removed by the end of 2026. He also assumes that 5% to 8% of the state’s reported vineyard acreage, or roughly 17,000 to 42,000 acres, is idle or abandoned. He has described that part of the

analysis as an assumption rather than an officially reported figure.

That would place California near, or in some scenarios below, earlier benchmarks for market balance. Jeff Bitter, president of Allied Grape Growers, said nearly a year ago that the state might match supply with demand at about 425,000 vineyard acres. He now says the target has moved lower because wine demand continued to weaken over the past year. In his current view, real balance may not come until the state has fewer than 400,000 acres of vineyards.

Even so, Bitter said it is fair to say the state is getting closer to equilibrium between grape-bearing acreage and current demand. He added that the market still faces what he called an inventory hangover from earlier vintages. Millions of gallons of unsold wine remain in storage, keeping the market softer than acreage figures alone would suggest.

That stock overhang is one reason many growers are still under pressure. Even if the vineyard base is shrinking toward a more sustainable level, wineries have old inventory to work through before they need to buy more grapes in large volumes. Bitter said that as long as those supplies remain elevated, growers are likely to face another significant year of vineyard removals.

Others in the trade also see a risk that the market could swing too far in the other direction. Glenn Proctor, a partner at the wine and grape brokerage firm Ciatti, said there is a high chance the industry will remove too many vines before it becomes clear that the correction has gone far enough.

He compared the current moment to earlier cycles in California wine. In 2012, slow consumer spending after the Great Recession helped create a grape surplus. When demand later improved, limited new planting and two small harvests helped push up grape prices and bulk wine prices. Proctor said the state had similar shortage cycles every six to 10 years going back to the 1970s.

If a shortage does develop, California’s bulk wine stocks could soften the blow for a time. Proctor said the state holds roughly 35 million gallons of bulk wine inventory that could help bridge the gap between winery demand and a tighter grape supply. That would not eliminate pressure on prices, but it could slow the effect of a sudden shortfall

in fruit.

The issue matters beyond vineyards because California plays a central role in the wine supply chain for the broader beverage business. A sharp change in available grape tonnage could affect grape contracts, bulk wine pricing and the cost of supply for wineries that depend on California fruit for still wine, sparkling wine and private-label production. If the state cuts capacity too deeply, the adjustment could eventually be felt in availability and pricing across parts of the wine market.

Ekman has a direct stake in that outcome. At Spring Mountain Vineyard, an 845-acre property that was heavily damaged in the 2020 Glass Fire, he has been overseeing a $100 million restoration under ownership by a New York investment firm. He has said grapes are expected to account for 85% to 95% of the business in the future, which makes the timing of any market rebalancing especially important for the company.

Still, even some of those who worry about a future shortage say the market remains too unstable for confident predictions. Proctor said there is a case that California may already have removed more vines than necessary, but he cautioned that demand for wine and grapes is still falling steadily enough to make firm calls risky. Until those markets flatten, he said, it is difficult to know whether the industry has finally reached the bottom or whether more contraction is still ahead.