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California's bulk wine market shows early signs of recovery after years of oversupply

Three harvests below 3.0 million tons and inventory rebalancing have tightened some categories, but buyers still keep overall prices under pressure

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California’s bulk wine and winegrape market is showing early signs of a turn after years of oversupply, according to Ciatti Company, which said lower harvest volumes and inventory adjustments have begun to ease the imbalance that has weighed on prices and buying decisions.

In its November 2026 California Report, published Thursday, November 12, Ciatti said the state’s wine industry appears to be moving away from a prolonged fear of oversupply and toward more tentative concern that some categories could face tighter supply later. The company said overall sentiment is healthier than it was in November 2025, helped by internal inventory rebalancing and three consecutive California harvests below 3.0 million tons.

The report did not describe a broad recovery across the market. Instead, it pointed to selective firming in some asking prices for certain bulk wines in specific areas. Ciatti said some suppliers with inventories that are now more in line with demand may be holding back to see whether their remaining stocks are worth more than they were before the 2026 harvest.

At the same time, the company said caution still dominates day-to-day business. Buyers remain hesitant to commit, and pricing overall is still under pressure. That combination suggests that the market is not yet in a strong upward cycle, even if some of the worst oversupply conditions have started to recede.

The shift is important for the beverage industry because the bulk wine market often acts as a working supply valve for wineries and branded wine programs. Companies use bulk wine to cover volume needs, support labels across different price tiers and manage inventories without relying only on their own grape supply. When bulk inventories shrink or asking prices begin to rise in specific segments, that can influence grape buying, supply contracts and stock planning across wine portfolios.

Ciatti said activity is not improving evenly across all regions or varietals. In the public preview of the report, the company said one area was seeing improved demand from buyers that need supply for brands, and that one varietal had been a focus of demand. The preview did not identify the region or the varietal.

The company also said the tone around bottled wine, or case-good, sales has become somewhat more positive, but it questioned whether the available sales data yet show a clear direction. The November 2026 report reviewed the latest SipSource wholesaler depletion data, which tracks shipments out of distributor inventories. Ciatti said distributors are operating with leaner, just-in-time stocks, making the October-through-December selling period especially important for judging likely bulk-wine demand and, by extension, grape demand in early 2027.

That matters because wineries often delay purchasing decisions until they have a clearer picture of consumer sales and distributor needs. If holiday sell-through improves and distributors keep inventories tight, wineries may need to re-enter the bulk market more actively and later secure fruit for upcoming vintages. If demand remains soft, buyers may continue to wait, limiting how far prices can move even in categories where supply has tightened.

The report also updated Ciatti's monthly inventory charts by total gallons and by varietal and broke listed stocks down between coastal and interior regions. It said those figures were compared with inventory levels in earlier Novembers during the recent rebalancing period. In addition, Ciatti said the report reviewed the California Association of Winegrape Growers' 2026 California Winegrape Mapping Project and assessed how those findings align with the regional distribution of bulk inventory currently listed with the company.

Even in the limited public preview, Ciatti's guidance to clients suggested that market participants are preparing for a more active period of repositioning. The company urged bulk-wine suppliers to register newly made 2026-vintage wines and any available 2025-vintage lots. It also encouraged grape suppliers to register potential 2027 availability early so buyers can be matched with fruit sooner and growers can gain more certainty for farm planning.

Ciatti also advised prospective buyers of 2027 grapes to contact its brokerage team and recommended that buyers of 2025 and 2026 bulk wines signal their needs so samples can be provided quickly, reflecting a market where caution remains high but where some sellers and buyers are beginning to act on the possibility that the supply balance in California wine is changing.