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RNDC to cut 1,756 jobs as it exits California wine and spirits market

Major distributors gain new clients while wineries seek partners amid industry shakeup following RNDC’s withdrawal from the state

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Republic National Distributing Company (RNDC), the second-largest distributor of premium wine and spirits in the United States, will lay off more than 1,700 employees as it prepares to exit California. The company filed Worker Adjustment and Retraining Notification Act (WARN) notices on July 1, confirming that 1,756 jobs will be cut effective September 2, the same day RNDC plans to officially end its operations in the state.

The decision follows a series of contract losses for RNDC in California. Earlier this year, major clients such as Brown-Forman and Tito’s Handmade Vodka shifted their distribution agreements to Reyes Beverage Group. Treasury Wine Estates, another significant partner, stated in a stock exchange filing that RNDC’s departure from California would not affect its financial results for the year ending in June. The company is now evaluating new distribution arrangements for its brands in California but will continue working with RNDC in other states.

RNDC announced its withdrawal from California in June, citing business challenges. A spokesperson said the move was difficult but necessary and would impact many roles within the state. The company has a broad presence across the U.S., serving both on- and off-premise customers through a network built on supplier relationships and efficient delivery.

As RNDC prepares to leave California, nearly 200 wineries that previously relied on the distributor have been seeking new partners. According to data from WineBusiness Analytics, many of these wineries have already secured new distribution agreements. Breakthru Beverage Group and Southern Glazer’s Wine & Spirits (SGWS) have emerged as the primary beneficiaries, picking up a significant share of RNDC’s former wine portfolio in California. About a quarter of surveyed wineries reported moving to Breakthru, while 22% chose SGWS.

Other distributors have also gained new clients. Regal Wine Co. and Winebow each added at least a dozen wineries to their portfolios following RNDC’s exit announcement. Some wineries, such as Dunn Vineyards, opted for self-distribution within California to maintain greater control over their products and volumes.

Breakthru Beverage Group has been investing heavily in its California operations over the past two years. John Sladek, Executive Vice President for Breakthru California, said the company has secured several key supplier partnerships as a result of RNDC's market exit. Breakthru is now distributing brands like Delicato Family Wines, Ridge Vineyards, Schramsberg Vineyards & Davis Vineyards, and Alexander Valley Vineyards in California. Treasury Wine Estates also named Breakthru as its exclusive distributor in the state starting September 1.

SGWS has also expanded its reach by signing new agreements with Shafer Vineyards, Trinchero Family Estates, Bogle Family Wine Collection, and Wagner Family of Wine. Shafer CEO Chris Avery described the transition to SGWS as an important step for the winery's future in California.

The redistribution of clients among distributors is expected to impact industry rankings for 2025. SGWS held the top spot last year with representation of over 1,000 wineries across 43 states. RNDC was second with nearly 1,000 wineries in 37 states at the start of this year but will lose ground due to its California exit. Breakthru was third with more than 500 wineries in 16 states.

Regal Wine Co., based in Santa Rosa, picked up several high-profile clients including Cakebread Cellars and Domaine Carneros after RNDC's departure. Winebow also added notable brands such as Pine Ridge Vineyards and Seghesio Family Vineyards.

Despite leaving California, RNDC will continue to serve clients in other markets where it remains established. The company has reiterated its commitment to supporting supplier portfolios outside of California.

The changes come amid leadership shifts at RNDC as well. In February, President and CEO Nick Mehall stepped down after three years at the helm. Chief Operating Officer Bob Henrickson was appointed interim CEO in March.

The full impact of these changes on the U.S. wine distribution landscape will become clearer later this year when updated rankings are published by industry analysts. For now, wineries and distributors are adjusting quickly to ensure continued access to one of the country's largest wine markets following RNDC's departure.