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California Wine Growers Face a Smaller Harvest

Bulk wine buyers remain cautious as weak sales, tight credit and shrinking vineyards keep the market under pressure

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California’s wine industry is entering spring with a slightly brighter mood, but the market remains under strain as growers, wineries and bulk wine buyers continue to navigate weak sales, tight cash flow and a smaller harvest than usual.

An unusually warm start to the season has pushed vine development ahead in several growing regions, according to the latest monthly report from Ciatti Company, a bulk wine broker. The report said the state’s 2025 grape crush was the smallest in 26 years, a sign of how sharply production has contracted after several difficult seasons. That lower crop has helped support prices in some segments, but it has not yet produced a broad recovery in demand.

The report described a market in which buyers are still cautious and often unwilling to commit unless the numbers work immediately. Even when opportunities appear time-sensitive, many companies are holding back because of financing limits and slower payments across the trade. The result is a market that remains thin and deliberate, with deals taking longer to close and volumes moving only when sellers are flexible on price or terms.

At the same time, California’s wine sector continues to shrink in visible ways. Vineyards are being removed or left idle, crush and storage facilities are being taken out of service, and some companies are merging or shutting down altogether. The report said this rightsizing is still underway and likely necessary before the industry can stabilize.

Ciatti said inventory of bulk wine available through its network continues to grow, with particular attention on Cabernet Sauvignon, Pinot Noir and Zinfandel. The company also reported ongoing activity in bulk wine and grape transactions, though it did not suggest that trading had returned to normal levels.

The broader backdrop remains difficult. Wholesaler depletion data from SipSource continues to show pressure on U.S. wine sales, and the report pointed to outside disruptions, including conflict in the Middle East, as another factor weighing on an industry already struggling to revive consumption. The report also noted renewed attention from health experts on moderate wine consumption, which some in the trade see as a counterweight to years of negative messaging around alcohol.

For now, though, the central issue is not sentiment but balance sheets. California’s vineyards may be moving into spring with better weather and a somewhat steadier tone, but the market for grapes and bulk wine is still being shaped by caution, limited credit and a long adjustment that is far from over.