Is Wine the Next Generation's Typewriter?
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60-Year-Old Lodi Zinfandel Vines Pulled Out on Alpine Road (July, 2025)

I normally write about how wonderful Lodi is and how great our Zinfandel is doing, but if you visit Lodi (or any other wine region for that matter), you can't ignore the current devastation in the wine industry. I thought I would give you my take and what this downturn in the wine industry means for Lodi, for Jenner Family Estates, and for you.

The End of Wine?

Humans have been drinking wine for more than 8,000 years (that we know about), but if you follow the wine business today, it's easy to believe that wine is quickly becoming a relic of the past, similar to the typewriter. For over a century, the typewriter was an essential continuously used fixture in every office and just about every home until about forty years ago. When I grew up, every student was required to take a typing class before high school. I challenge you to find a forty-year-old today who has ever used a typewriter and a thirty-year-old who even knows what a typewriter is. If you're a Star Trek fan, you know the episode where Picard returns to his family's chateau in France around the year 2360 to find his older brother toiling in one of the last vineyards on Earth struggling to grow real grapes and make real wine in a world dominated by "synthahol." Today, global wine consumption appears to be plummeting with no end in sight, so is that where we're heading?

The Boom

When we started Jenner Family Estates in 2013, the wine industry in Lodi was booming, and had been for a decade. Indeed, when I did the research for *Lodi Wine and Food* in 2017 and 2018, everyone in the industry was filled with optimism and our growth potential appeared to be limitless. New vineyards and wineries were popping up everywhere, and so many people in Lodi were realizing their dream of having their own vineyard and winery. From our house, we had a 360-degree view of beautiful thriving vineyards. Though we used some of our grapes to make our own wine, neighbors usually bought the rest at a great price. Adjusted for inflation, the average price of a bottle of wine doubled from 2000 to 2020. Before 2000, a $15 bottle of Lodi wine was considered overpriced. In 2023, tasting room patrons were paying $42 for our *Harold's Reserve* Zinfandel.

The Bust

Fast forward to 2025. You can't drive down any road around Lodi without seeing huge plot of bare land that was a producing vineyard just one or two years ago, a plot of bare land with piles of dead grape vines awaiting incineration, or an abandoned vineyard overgrown with weeds and dried up unpruned vines. Half the vineyards around our house were pulled out last year, and a beautiful 60-year-old Zinfandel vineyard down the street disappeared this summer. My brother pulled out his 10 acres of Zinfandel this year, leaving our 1.5-acre Block V as the last Jenner vineyard from our 110 years of farming winegrapes in Lodi. The latest estimate is that we've pulled out 20% of *all* Lodi vineyards in the past two years, though most people think it's more like 25%, with thousands of acres now awaiting removal. Lodi's mayor is about to issue a proclamation naming Lodi the "Zinfandel Capital of the World," though that honor is dubious with 30% of our Zinfandel vineyards removed in the past couple of years and probably another 10% to 20% scheduled to be pulled this winter. And that will probably not be the end of it.

An Abandoned Old Vine Zinfandel Vineyard in Lodi (2025)

It's not just in Lodi. The same thing is happening in every wine region. For example, this year, I could have bought ultra-premium Napa Cabernet sauvignon grapes for the same price that my Zinfandel grapes sold for just five years ago. I could have got prized Sonoma County grapes for the price of driving over and picking them. Just two years ago, these same grapes sold for **three to twenty times** the price of similar Lodi grapes. Tanks at most large wineries are still full of bulk wine from 2024 and 2023, and wineries have canceled every contract they can to keep more grapes from being delivered. Depending on the wine region, probably 10% to 30% of vineyards this year will go unharvested. So, what's happening? Is this just a temporary market glitch that will correct itself or is wine in permanent decline?

Searching for the Cause

The logical place to look first is wine consumption. Yes, 2024 U.S. wine consumption was down a whopping **18%** from its peak in 2021. However, 2024 consumption is only down 2% from when we started Jenner Family Estates in 2013. It's still double what it was in 1992 and *triple* what it was in 1970. These numbers could describe a correction in a market that has been steadily growing since the end of prohibition. Wine consumption made a similar dip in the early 1990s after a sizeable jump during the 1980s (remember white Zinfandel?). Consumption also suffered a brief downturn the year after World War II following a huge increase during the war years. It's worth noting that the Lodi *grape* industry exploded during prohibition, shipping millions of tons of "table grapes" to people all over the east coast (I wonder what they did with all those grapes?).

What about tariffs? The recent tariffs are causing some damage to the wine industry. The largest importer of California wine *was* Canada. After President Trump talked about making Canada the 51st state and imposed huge tariffs on Canadian exports, Canadians boycotted American goods and removed all California wines from their shelves. Then, the Canadian government prohibited California wine from sale in Canada. Hopefully, this situation will mostly be temporary (though some market share will never recover), but this alone isn't enough to make farmers pull vineyards.

There are tariffs on *imported* wine that have been around for a long time, and President Trump dramatically increased those tariffs. Conventional wisdom says that the new Trump tariffs would be great for California wine, making it even more competitive with cheap foreign imports. Not so. There is a loophole in the U.S. tax law that allows wine importers to apply for a nearly 100% refund of the tariffs they pay, including the new Trump tariffs. On top of that, our government alcohol regulations allow up to 25% of a wine produced in the U.S. to be from another country—if the label has the appellation specified as "American." The result is that large wineries can import foreign wine for a fraction of what it costs them to make wine from American grapes, thereby increasing their profits. Of course, you won't find cheap imported wine in a bottle labeled "Lodi" or "Napa Valley," but remember that more than 90 percent of Lodi grapes go into low priced wines, and we're seeing more of these bottles labeled with the "American" appellation rather than "Lodi" or "California." This "duty drawback" is causing some harm to the Lodi winegrape industry, but it has been around throughout most of our boom years.

California winegrape growers are feeling these pressures on their grape prices and, more importantly, grape demand. **Demand, more so that price, is the main driver behind the vineyard removals**. It's one thing to lose a little money on a harvest, it's quite another thing to not get *any* money for multiple harvests. In a recent interview, Steve Felten (owner of Klinker Brick Winery), put it in simple terms: "Nobody's buying." His tasting room wine sales are down 50% from pre-COVID levels. Lodi winegrape farming families that also own wineries only use a few percent of their grapes to make their own wine. They normally sell the rest to large wineries. One of our prominent Lodi vineyard/winery owners recently told me, "Thank God for the winery. We couldn't make it on farming alone." Even in the Napa Valley, the latest thing I've heard is that more and more wineries are generating the bulk of their *profits* from renting out their tasting room venues for weddings and events. They break even on wine sales if they're lucky.

This Time is Different

The thing you hear from just about every Lodi winegrape farmer (some fifth and sixth generation) is that they've seen market corrections before, but "this time is different." The evidence is the proliferation of empty plots of land. If you have a bad year or two, you take the loss and write it off on your taxes. Sometimes you don't harvest or maybe drop the fruit to keep the vines healthier. When you pull a vineyard out, it's more of a permanent thing. It costs a small fortune just to pull the vines out, dispose of them, deep rip the soil, and level the empty field. If you later want to replant, it takes three years before you get your first real crop. There have been times that I've seen fewer vineyards around Lodi. When I was growing up, at least half of the farming land around Lodi was planted in orchards (almonds, walnuts, peaches, and cherries). However, I've never seen so many *empty* fields, and I've never seen *any* abandoned vineyards.

Dr. Chris Bitter, Senior Wine and Grape Analyst at Terrain (an agricultural forecasting group) recently published an analysis of the wine industry downturn. He concluded that the current industry decline is mostly permanent. He cited five structural factors (things that aren't based on market fluctuations) that affect the wine industry:

- *Demographic changes*. The U.S. population is aging (us old people have to worry about medication interactions with alcohol). Our population is also becoming more diverse, with lower wine drinking rates in the ethnic groups that are growing.
- *Cannabis*. Now that recreational pot is legal in half the states, younger people are replacing alcohol with cannabis for a variety of reasons, including social pressures, family alcoholism history, and a belief that cannabis is a healthier alternative.
- *GLP-1 drugs*. These drugs alter brain chemistry to make alcohol less appealing, and they are exploding in popularity.
- *Less in-person socializing*. Alcohol has been the focal point for socializing for millennia, but Americans today are spending less leisure and professional time with other people, opting for more screen time or just being alone.
- *Changing attitudes about alcohol and health*. There is an increasing focus on health and wellness. More than half of Americans now believe that *any amount* of alcohol is bad for them.

It's worth saying a little more about alcohol and health. The recent jump in the number of Americans who believe that any alcohol is bad is primarily the result of a sophisticated and well-funded anti-alcohol movement. Scientists associated with this movement have recently published studies concluding that *any* alcohol is bad for you. You have probably heard about these studies in the news media. However, if you delve into the actual literature, it turns out that these studies are mostly about underage drinking, drinking and driving, and treatment of alcoholism. In these contexts, any amount of alcohol is certainly bad.

The USDA and HHS recently convened an expert panel to review their current alcohol guidelines and concluded that **moderate consumption, which they define as no more than two drinks per day for men and one for women, offers health benefits and lower overall mortality.** They found that those recent reports that say that alcohol risks begin with the first sip were written by substance abuse experts who are funded by neo-prohibitionists. The USDA and HHS shelved those reports and will not include them in their 2025 guideline, which will remain the same as their 2020 guideline. However, the recent anti-alcohol movement and their social media presence have been very effective in changing American attitudes.

Those Darn Kids!

An idea that gets a lot of press in the wine industry these days is that millennials (20 and 30 somethings) are destroying the wine industry because they're not embracing wine like the baby boomers did, and they're turning to other drinks like cocktails, hard seltzers, craft beers, and whatever. Those of us who actually interact with millennials in wine-related settings tend to disagree. In a recent interview, Stuart Spencer, Executive Director of the Lodi Winegrape Commission, dismissed the idea when asked about younger people not drinking their fair share of wine. He thought they were being unfairly scapegoated. My personal experience is that most of the 20 and 30-somethings I've met while selling wine know a lot more about wine than I do. They are much more traveled and have had wine experiences that I can only dream about.

Case in point is Samantha Sommelier (Samantha Capaldi) or "Sam Som." Sam is a 20-something Phoenix-based Certified Sommelier and social media influencer who offers virtual and in-person private wine tastings along with a wine club that distributes curated wine selections. She hosts trips to wine regions around the world and even has her own wine label. I had the pleasure of serving Jenner Family Estates wines to about thirty of Sam's wine club members at our winery earlier this year. Almost all of them were under forty and traveled from all over the country just to spend twenty-four hours tasting in Lodi. Some were about to go to Italy with Sam for a wine tour. I'm not too worried about millennials embracing wine as they get older. It is true that while they embrace wine at least as much if not more than we did at that age, they drink *less* wine. A lot of wine business publications today revolve around how to get millennials to drink more wine, but let's be honest. Do we really want our young people to emulate a generation whose theme song was *We Are the People Our Parents Warned Us About*?

Samantha Sommelier Wine Club Members Visiting Lodi Crush Winery (May 2, 2025)

What Does It All Mean?

The recent decline in the wine industry is likely permanent. This is not some temporary downturn caused by supply and demand hiccups, though the situation may temporarily get a little better for the winegrape growers and wine producers still standing after a critical mass of vineyards get pulled and wineries close their doors. No one is sure where or when it will all end.

In the **short term**, this is good for wine drinkers. I define "short-term" as the time it will take for wineries to clear out their current inventory, which is on the order of two to four years. With a few exceptions (Screaming Eagle, Sine Qua Non, Harlan Estate, etc.), you're going to find higher quality wines at lower prices. You'll be able to get wines that were previously allocated at harvest to people on waiting lists. Even as production costs rise significantly, there will still be such an oversupply that wineries will offer discounts and shipping deals on their best wines that were unheard of just three or four years ago. You will also probably see a lot of older vintages that were once offered as higher priced "library" wines sold for the same retail price as current vintages (or maybe even sold for less).

Wine drinkers are also likely to pay less for tasting. It used to be in Lodi that if there was a tasting fee (which was a rarity in the early days), you got that comped if you bought a bottle. Then it changed to having to buy at least one bottle for each tasting fee. Then, some wineries stopped comping tasting fees altogether. I think just about every Lodi winery will soon go back to comping your entire group if you buy at least one bottle. Many wineries are now in a situation where getting something for their wine already in inventory is better than getting nothing. For those of you wanting more personalized wine experiences (for example, meeting the winemaker), more wineries will be willing to make special arrangements if they think you might be a case buyer. Also, you will probably see more winery owners back in the tasting rooms as money to hire tasting room associates dries up.

However, it may not all be good for wine tourists. I think that wine tasting on weekdays, especially in Lodi, will soon become difficult. I remember when some of today's most popular Lodi tasting rooms were open by appointment only. The owner's cell phone was posted on the door and you needed to call to get them to come over or schedule another day and time. As late as 2017, when I started researching my book, only a handful of Lodi tasting rooms were open during the early part of the week. Most were only open Friday through Sunday, and a few on Thursday. By 2020, many tasting rooms were open seven days a week. You will probably start seeing a lot of tasting rooms cut back on their hours, and some may even go back to appointment only. In the Napa Valley, almost all wineries have transitioned to selling tasting time slots online—with often astronomical tasting fees that are not refundable with purchase. For now, with the recent significant reduction in wine sales and tourism, dropping in on a Napa Valley tasting room without an appointment seems to be *en vogue*, and wineries appear to be comping more tasting fees for wine buyers, but I'm not sure how long that will last.

In the **long term**, I don't think this industry downturn will bode well for young wine lovers. Here are my predictions:

1. The biggest change I think you will see long term will be a **reduction in selection**. When we were in our 20s and even 30s, we had a pretty limited selection of good (not great) wines unless we visited the winery, where we could buy their reserve wines. Our Cabernet sauvignon was Beringer Knight's Valley (still about $30 a bottle forty years later). There was Mateus Rosé and of course Sutter Home White Zinfandel. Today, you can buy literally thousands of great wines from every wine region in the world through the internet. You also have Total Wine where you can pick up a great wine for dinner every night for a year and not get a bottle from the same winery twice. As we go into the future, there will be fewer wineries, and those still operating will make fewer wines. For example, one Lodi winery started their tasting room with two wines. Today, they have more than twenty. In five years, they might have six or eight.

2. I think **a lot of your favorite boutique wineries (and even some larger ones) will disappear**. In our 20s, there were a handful of wine regions on the west coast with a few wineries each that we were able to visit. Today you can visit dozens of wine regions each having dozens or even hundreds of wineries. Over the next few years, I can see many boutique and small wineries giving up and closing their doors, though some may stay in business for a while selling only online. In the 1980s, the joke was that you could "taste Lodi in a day." We had about five tasting rooms. Today, there are about ninety. Five years from now, I think there will be more like fifty, and that number will decrease as time goes on. Even with the tremendous amount of family wealth behind many of our small wineries and tasting rooms, and as passionate and talented as this new generation of winemakers is, the profits are just not going to be there.

3. There will probably be **fewer national and regional wine brands**. We've already experienced several years of head-spinning acquisitions of dozens of small, medium, and large brands by a handful of big conglomerates, and I expect that to continue. Even now, it's an interesting exercise to research your favorite Napa Valley winery and find out who actually owns it. These conglomerates tend to shed less popular or less profitable labels whenever they have market issues, and I believe those market pressures will get much worse over the next decade.

4. Along with a dramatic reduction in wine selection, even with modern social media and internet enabled sales technology, I think you will still see **a corresponding reduction in wine experiences and authenticity from producers**. The independent winemakers and winery owners who survive this downturn will have much less time to spend with their customers and wine club members, and the few experiences they offer will cost a lot more.

5. I also think that **the current trend toward organic and sustainable wines could reverse** in the next few years. Though most of us, at least in Lodi, are permanently moving rather rapidly toward sustainable, carbon neutral, and mostly organic practices, the certification process itself for "organic" or "sustainable" is very expensive and may be one of the things we need to trim from (or not add to) our production costs. Most farming and winemaking practices, especially for ultra-premium wines, will still be virtually organic or sustainable, but you will not be assured of that through certification.

Is There Any Good News?

Wine is not going anywhere. As long as there are humans, there will be wine. **It's just a question of what the wine will be like and who will be able to get it**. When Bill Harlan created his first winery, while most business people created 5-year plans, he created a 200-year plan. This at a time when he didn't have a wife or children. He eventually got both, and his two children eventually migrated into the wine business on their own. His son started by creating his own wine label and using grapes from the family's young vines that usually went unharvested. This was a low-end, bargain wine priced at $300 per bottle (Harlan Estate wines typically sell for around $1,600). He now sells everything he makes. Bill is almost a quarter of the way into his 200-year plan, and the results so far are beyond what he had ever hoped for.

Though other alcoholic beverages have historically taken market share away from wine from time to time, wine is different. As Harlan says, "wine is an art of man and nature that delights, enriches, and inspires like other art forms and leaves a deeper trace in our memory." Alecia Moore, owner/winemaker at Two Wolves winery in the Santa Ynez Valley, said it in more simple terms: "You can't go to Coors Light and meet the person who put that juice in the can. You can't go to the place where it was bottled and hear a cool story from one or two or three hard working people who worked with mother nature to put that thing in a can. With wine, it always comes back to the story." Like Harlan, Moore's wine ($50 to $100 per bottle) also sells out before it is made. She is still fairly young and will probably be making great wine for least another three decades. Of course, she has an amazing story behind her wine.

As we get into the 2030s and beyond, great wine from a great vineyard with a great story may be harder to get. Not harder to find, just harder to get. Prices may be a lot higher than they are today, and competition for the best wines might get tougher. A *lot* of people in the world today have a *lot* of money, so there will always be *expensive* wine. However, those of us in the wine industry are optimists. We have to be optimistic to work in a business that's such high risk with such low reward. I tend to believe that whatever changes or innovations occur in the alcohol industry, there will always be demand for great wine at a great price. People crave the exclusivity that wine offers in that most wines are made in limited quantities and are drinkable for a limited period of time. As Alecia Moore says, "wine makes you pay attention to it, because it's ethereal. It's a living thing and continues to live in the bottle. Once it's gone, it's gone forever."

Another reason I believe that wine will not go away is that human beings are fascinated with things that are tied to a place and a time. Beer and spirits can be made pretty much anywhere at any time, and almost all of them can be made in a matter of days or weeks. When was the last time you sipped from can of Coors Light and said, "Ahh, it was a good week." Wine can only be made in certain places, at certain times, and by certain people. A wine is inextricably tied to a particular plot of land, the particular weather at that place and during that particular season, and the people who farm those particular grapes and make that particular batch of wine. We may not sell as much wine in the future, but I don't believe people will ever stop striving year after year to grow that perfect grape and make that perfect wine.

How Will This Affect Jenner Family Estates?

We are not currently affected by the industry downturn, mainly because we only have one year of sales data. We can't really do any year over year comparisons. We have to wait until next year to get the bad news. Fortunately, we are not a profit-driven company. We have no shareholders, no investors, and no debt. Sure, we would like to make enough to pay the bills and pay for any new wines we make, but our purpose is to give our Friends and Family Wine Club members great wine experiences. We will continue to focus on that as long as we're around.

Though for red wines there is a two-year lag between harvest and first bottle sold, being so small, it's easier for us than it is for most wineries to adjust our production based on our current inventory and sales. For example, we didn't harvest in 2024 so that we could spend that time and money standing up the winery and national sales operation. We will probably skip the 2026 harvest as well, unless we triple our sales or reduce our inventory by 30% over the next nine months.

We can also make adjustments to our sales model, if needed. For example, because wine buyers these days expect better value, last month we released **Sheldon's Big Bold Red Wine** at a retail price less than 60% of our other wines. This blend comes from the same wines that went into our Basque Brothers red wine blend, but our cost to produce this particular wine was a little lower, and we wanted to offer an entry level, daily drinking Zinfandel. Another example is our discounts. We plan to continue free shipping or delivery nationwide, but we may have to change or eliminate one or two of our discounts over time, depending on our sales.

We are also opening up new sales channels, including being one of the first California wineries to offer **Direct-to-Consumer shipping to Mississippi**. It's quite a process to get a Mississippi DTC wine permit, but we're moving along pretty well and hope to be shipping there in November. We're not sure what the market there will actually be, but there are a lot of wine lovers in Mississippi with a life-long frustration of not being able to buy the wine they want. It took a lot of them working very hard for over a decade to get the law changed. We have a physical presence in Mississippi, which could help generate sales there.

We are also developing a couple of wholesale distributor channels. We already supply one retailer in Lodi. Sales to retailers are extremely difficult for a micro producer like us, but unlike most wineries, a single account can run through our inventory pretty quickly. These will be difficult, time-consuming ventures, but again, in this realm, a single account could make our year.

The bottom line is that, **for the foreseeable future, at Jenner Family Estates, you can buy great wine at great prices and have great wine experiences**. We're working very hard to keep it that way. At some point, we may be forced to consider calling it quits—but not today.