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Vodka Is Set to Outperform the U.S. Spirits Market Despite Continued Declines

SipSource forecasts vodka will fall less sharply than rival categories as the broader market remains in negative territory through 2027.

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Vodka is expected to hold up better than the broader U.S. spirits market over the next 12 months, according to a new forecast from SipSource, the data platform of the Wine & Spirits Wholesalers of America, even as the category remains in decline.

The quarterly outlook, released this week and reported by The Spirits Business, tracks rolling 12-month depletion growth rates in nine-liter cases from the second quarter of 2026 through the second quarter of 2027. It covers seven major categories: brandy and Cognac, rum, Tequila and agave spirits, vodka, American whiskey, Irish whiskey and Scotch whisky. The forecast excludes ready-to-drink products.

SipSource said core spirits depletions fell by 4.19% in the 12 months ending in March 2026. It expects that decline to ease only modestly, to 3.91% by the fourth quarter of 2026 and 3.68% by the second quarter of 2027. That points to a market that may be stabilizing, but still operating in negative territory well into next year.

Within that weaker backdrop, vodka is projected to outperform the core spirits market. SipSource did not say vodka would return to growth. Instead, it indicated that the category is likely to decline less sharply than the market as a whole.

Other categories are expected to face more pressure. SipSource forecasts that rum, Irish whiskey, and brandy and Cognac will underperform the broader core spirits market. All three, along with vodka, are expected to remain in decline through 2026 and into early 2027.

Agave spirits are expected to stabilize, with stronger results in mid-tier price bands, though overall growth is still projected to stay negative. Scotch and American whiskey are also forecast to improve gradually as the market moves toward 2027. SipSource said those gains are likely to be led by “affordable luxury” tiers, which it expects to do better than other price segments during the forecast period.

Francis Creighton, president and chief executive of WSWA, said the latest numbers suggest some improvement may be starting after a difficult stretch for spirits suppliers and distributors. “While the spirits market continues to be pretty tough, the latest forecast suggests conditions may finally begin to stabilise over the coming year, albeit while remaining in negative territory,” he said. He added that the data underscores the need for disciplined planning and targeted consumer engagement as companies manage ongoing pressure.

Recent sales data helps explain why even a relative outperformance by vodka still comes with caution. According to the Distilled Spirits Council of the United States, vodka revenue fell by 3% last year to $7 billion. Volume declined by 2.2% to 72.5 million nine-liter cases.

That leaves vodka in an unusual position. It remains one of the country’s largest spirits categories by volume and value, but it is no longer insulated from broader weakness in alcohol demand. At the same time, its scale and familiarity may help it weather current conditions better than some competing segments.

The forecast also arrives as ready-to-drink beverages continue to reshape drinking habits. IWSR said last month that RTDs surpassed vodka in global value last year, a sign of how quickly convenience-led formats have gained ground with consumers. SipSource’s outlook does not include RTDs, but their rise remains part of the wider competitive pressure facing traditional spirits categories in the United States.

For producers, wholesalers and retailers, the projections could influence inventory decisions, pricing strategy and promotional planning over the next year. In a soft market, a category expected to decline less than others may attract more attention from buyers looking for steadier turnover, while weaker outlooks for rum, brandy and some whiskey segments could lead companies to be more cautious about stock levels and discounting.

The report suggests that any recovery in U.S. spirits will likely be uneven by category and price point rather than broad-based. For now, SipSource’s view is that vodka may fare better than much of the field, even if better still means another year of contraction.