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Spirits Overtook Beer in U.S. Alcohol Revenue in 2025

Ready-to-drink cocktails drove much of the shift as Americans bought less alcohol by volume but kept spending heavily

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Americans are drinking less by volume, but they are still spending heavily on alcohol, and the fight for each drinking occasion is getting sharper across beer, wine, spirits and ready-to-drink cocktails.

The clearest sign of that shift is in market value. Spirits took 42.4% of U.S. alcohol revenue in 2025, ahead of beer at 41.8% and well above wine at 15.7%, according to the Distilled Spirits Council of the United States. But beer remains the country's dominant drink in physical volume, while much of spirits growth now depends on canned cocktails and other RTD products rather than traditional bottles alone.

That split helps explain the current U.S. market. Consumers are not moving together toward one category. They are spreading their purchases across different uses: beer for sports and social gatherings, cocktails for bars and restaurants, RTDs for convenience, tequila and premium spirits for aspirational purchases, and low- or no-alcohol products for moderation. NielsenIQ estimates the combined on- and off-premise alcohol market at $222 billion over the latest 52-week period it tracked, with 49% of spending still taking place in bars, restaurants and other on-premise venues.

The latest full-year data show pressure almost everywhere except in a few fast-growing niches. Wine fell to 298 million 9-liter cases in 2025, down 5%, dropping below 300 million cases for the first time in two decades, according to figures reported by Shanken News Daily using NIQ data. Spirits reached 318.1 million 9-liter cases, up 1.9% in volume, but revenue slipped 2.2% to $36.4 billion. Beer also weakened. The Brewers Association said total U.S. beer production and imports fell 5.7% in 2025.

RTDs remain the main growth engine. NielsenIQ says they accounted for more than 12% of total alcohol dollars in its measurement for 2025. WSWA's SipSource reports that spirit-based RTDs already make up 26% of spirits volume and 10% of spirits revenue within its tracking system. In the first quarter of 2026, SipSource said spirit-based RTDs rose 30% in dollar sales even as core spirits remained under pressure.

That makes RTDs one of the few areas where growth is still broad enough to reshape the market. The category has moved beyond hard seltzer's early boom years into a more premium phase built around vodka sodas, canned cocktails and tea-based drinks with real spirits credentials. High Noon remained the largest spirits brand by volume in

2025 at about 24 million cases, though it declined 3.3%. Surfside jumped to about 10.5 million cases, up 124%, while Cutwater rose to roughly 6.5 million cases, up 61%, according to Market Watch and industry reports cited in the source material.

Wine is facing the hardest stretch. The category has now posted five straight annual volume declines, and early 2026 data suggest more weakness ahead. SipSource reported wine volume down 8.3% and revenue down 5.3% in the first quarter. Direct-to-consumer wine shipping also had a poor year in 2025, falling 15% in volume and 6% in value, according to Sovos' annual shipping report.

The weakness is visible even among leading brands. Barefoot remained the top wine label by retail value at $1.225 billion in 2024, but its retail sales fell 4.8% in the following measured period. Josh Cellars and La Marca Prosecco were among the few major labels still growing, with gains of 0.8% and 4.1%, respectively. The pattern suggests that mainstream table wine is losing momentum faster than sparkling wine and some mid-priced premium offerings.

Beer still has unmatched scale, but it is no longer carrying the same growth story it once did. Publicly available industry rankings place Michelob Ultra as the leading beer brand by volume in 2025 and Modelo Especial as the leader by dollar sales. Other major brands include Bud Light, Coors Light, Miller Lite, Corona Extra and Busch Light. Yet overall beer demand remains soft, especially in mainstream segments.

There are pockets of resilience inside beer. Imported premium lagers continue to hold up better than domestic mainstream labels, and draft beer has gained importance in bars and restaurants. NielsenIQ said draft accounted for 53.1% of on-premise beer volume and 49.9% of value in recent tracking, showing that consumers are still willing to pay for freshness and experience when they go out.

Cider remains small but steadier than many expected. Beverage Industry, citing Circana data, reported cider sales up 2% in 2025, led by Angry Orchard with growth of 3.6%. The category does not have the scale of beer or RTDs, but it has avoided some of the sharper declines seen elsewhere.

Demographic data show a market that is increasingly uneven rather than uniformly shrinking. The National Institute on Alcohol Abuse and Alcoholism estimates that 50.6% of U.S. adults age 18 and older drank alcohol in the past month in 2024, including 53.5% of men and 47.7% of women. Binge drinking rates were higher among men at 24.9%, compared with 18.7% for women.

Among adults ages 18 to 25, binge drinking stood at 26.7%, with young women nearly matching young men. By race and ethnicity, monthly drinking prevalence was highest among white adults at 54.5%, followed by Hispanic or Latino adults at 47.3%, Black adults at 45.1% and Asian adults at 35.5%. In binge drinking, Hispanic or Latino adults were slightly higher at 24.8% than white adults at 21.8% and Black adults at 22.3%.

Income is becoming one of the strongest dividing lines in what Americans buy. NielsenIQ says households earning $100,000 or more over-index in craft beer, super-premium products, hard seltzer and cider, while lower-income households are cutting back more sharply, especially on beer. That supports a broader industry view that Americans are trying to drink better rather than drink more, but only within tighter budget limits.

Regional differences also remain strong. NIAAA data for alcohol consumed per adult age 21 and older show the West leading the country in pure alcohol consumption per capita at 3.07 gallons in 2023, followed by the Northeast at 2.79 gallons, the Midwest at 2.73 gallons and the South at 2.64 gallons. The West also leads in wine and spirits consumption per person.

Price pressure is shaping nearly every category this year. IWSR says premiumization stalled in many markets during 2025 as inflation, weaker discretionary income and moderation changed buying habits. In the United States, WSWA says both ends of the price ladder are under strain: low-end products continue to struggle, while very high-end bottles have been under pressure for more than two years. Mid-priced products are proving more defensive.

Federal economic data help explain why consumers are acting this way. The Bureau of Economic Analysis said disposable personal income rose 0.7% in May from the previous month, but alcohol companies say cumulative inflation has continued to squeeze

discretionary spending after years of higher costs for food, housing and other basics. The Bureau of Labor Statistics said consumer prices for alcoholic beverages were up 2.1% year over year in May, while alcoholic beverages away from home rose 3%. USDA expects food-away-from-home prices to rise another 3.6% this year.

Health policy is also changing how alcohol is discussed and sold. In January 2025, the U.S. surgeon general issued an advisory linking alcohol use causally to at least seven types of cancer and calling for better consumer information. Updated federal dietary guidelines then adopted a simpler message: consume less alcohol for better overall health.

That shift could soon appear on labels as well as in public messaging. The Alcohol and Tobacco Tax and Trade Bureau proposed new rules that would require an “Alcohol Facts” panel listing alcohol per serving, calories and nutrients on wine, spirits and malt beverages, along with allergen disclosures for major food allergens where relevant. If adopted, those rules would change packaging across much of the industry.

At the state level, regulation has focused more on access than taxation lately. Illinois made cocktails-to-go permanent starting July1 this year after pandemic-era temporary rules proved durable with consumers and operators alike. California also tightened direct-shipping requirements for craft distillers sending spirits to consumers.

Trade policy remains another source of uncertainty for producers and importers alike. DISCUS said earlier this year that tariffs and trade barriers were still affecting key export markets and supply chains for imported products sold domestically as well as abroad.

For now, the most accurate answer to what Americans are drinking is not one beverage but a portfolio: a lot of beer by volume, more spending on spirits by value, most innovation centered on RTDs, continued weakness in wine, modest stability in cider and growing interest in low- or no-alcohol alternatives.

The near-term winners appear to be brands that can offer clear flavor profiles, prices consumers can justify and distribution across stores, bars and digital channels at once. In a market defined by moderation, inflation and fragmentation rather than simple growth, scale alone is no longer enough to guarantee momentum.