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# Costco is ending its Kirkland beer partnership with Deschutes Brewery

The retailer’s only private-label beers are expected to disappear from many warehouses by early fall after less than two years

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Costco is ending its joint beer line with Oregon’s Deschutes Brewery, bringing to a close a private-label partnership that had produced two Kirkland Signature beers and had quickly gained attention for low prices and industry awards.

Peter Skrbek, Deschutes’ chief executive, confirmed the decision in a July 1 memo to distributors, according to Beer Business Daily. The line includes Kirkland Signature Helles-Style Lager and Kirkland Signature Vintage Ale. Production is expected to begin winding down as soon as this month, and the beers are likely to disappear from many Costco warehouses between September and October, according to trade reports cited by VinePair.

The move affects the only beers currently sold under Costco’s Kirkland brand. While the retailer has a broad range of private-label spirits and other alcohol products, the Helles-style lager and the vintage ale were its only beer offerings in that lineup.

Costco and Deschutes began working together in December 2024. The partnership soon drew notice in the beer market because it paired a national warehouse retailer with a well-known craft brewer at a price point closer to mass-market imports than to many craft brands. A 12-pack sold for $13.99, a level that reviewers said made it competitive with mainstream beers while still carrying craft credentials.

The Helles-Style Lager also won recognition at the World Beer Cup in consecutive years. It received a silver medal in 2025 and a bronze in 2026. Brewed in the German helles style, the beer has a pale color, malt-forward profile, floral hop notes and 4.5% alcohol by volume.

According to Brewbound, Skrbek told distributors that Costco plans to continue purchasing beer that has already been produced. He also said he “wouldn’t be too surprised if the lager makes a return at some point,” suggesting the exit may not necessarily be permanent.

The decision matters beyond one discontinued label because Costco’s scale can shift beer volumes quickly across the retail market. The end of a private-label beer program at one of the country’s largest warehouse chains could redistribute sales and margins among suppliers, and it may affect how brewers and retailers approach future sourcing agreements in the U.S. off-premise channel.

For Deschutes, the partnership came during a period of improving sales. The brewery posted a 9% increase in volume sales in the same year it launched the Costco collaboration, after reporting an 11% year-over-year decline in volume sales the previous year. Since then, its business has continued to grow. According to Circana, the market research firm, Deschutes’ year-to-date dollar sales are up 8.3% and its volume sales are up 9.3% compared with 2025.

In his memo, Skrbek said the brewery expects continued growth in the second half of 2026. That may soften the impact of losing shelf space tied to Costco’s private-label beer business, though it also removes a high-volume retail relationship that had given Deschutes broad exposure through one of the largest chains in the country.

The Independent reported that it had contacted Costco and Deschutes for comment. Neither company had publicly provided further details on why the line was being discontinued or whether another brewing arrangement could replace it later.