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Vodka Outperforms Every Major Spirits Category in New U.S. Forecast

SipSource expects vodka to keep shrinking through 2027, but less sharply than brandy, cognac, rum and Irish whiskey.

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Vodka sales are still falling, but new industry forecasts suggest the category is now in a stronger position than most of the major spirits segments in the United States and abroad.

That shift stands out because vodka remains the largest spirits category by volume in the U.S., with about 31% of total distilled spirits sales, yet it has been under pressure for several years. Preliminary 2025 data released by IWSR in April 2026 showed global vodka volumes down 3% and value down 1%. In the U.S., where weakness has been visible since 2022, Tito’s Handmade Vodka, the country’s largest vodka brand, posted its first volume decline on record in 2024, slipping 1.5% to 12 million cases.

On its face, that is a story of contraction. But a more recent forecast from the Wine & Spirits Wholesalers of America’s SipSource platform, published in July, points to a different reading of the market. Among the seven major spirits categories tracked by SipSource, vodka is the only one expected to perform better than the broader spirits market through the rest of 2026 and into 2027. The category is still projected to remain negative, according to the outlook, but its decline is expected to be less severe than that of brandy, cognac, rum and Irish whiskey.

The contrast matters for producers, distributors and retailers because it suggests vodka is no longer simply part of a broad downturn. Instead, it appears to be moving into a relative recovery phase inside a weak spirits environment. Analysts say that distinction is important for companies deciding where to invest marketing dollars, how to manage inventories and which price tiers offer the best chance of stability.

The latest figures cited by Refine Drinks, drawing on IWSR and SipSource data, show that vodka’s recent performance cannot be understood through one headline number alone. While global volume fell faster than value in 2025, the gap between the two indicates some resilience in pricing and mix. A 3% drop in volume against a 1% decline in value implies that average value per unit improved by roughly 2%, even as total sales weakened.

That pattern suggests consumers who remain in the category may be trading within vodka rather than leaving it entirely. It also points to uneven performance across brands and channels. Industry observers have increasingly noted that premiumization is no longer working in a uniform way across spirits. In vodka, some higher-priced labels have held up better than lower-end products, while in other cases established mainstream brands have benefited from consumers seeking familiarity and value.

The U.S. market remains central to that story because of vodka’s scale there. No other spirits category matches its share of total volume sold. Even modest changes in vodka demand can affect wholesalers, chain retailers, bars and restaurants across the country. For on-premise operators, vodka also remains one of the most versatile base spirits in cocktails, from martinis and Moscow mules to espresso martinis and simple highballs. That broad utility has helped preserve its place on drink menus even as consumer interest has shifted toward tequila, ready-to-drink beverages and agave-based cocktails over the past several years.

Still, vodka’s current position reflects a reset rather than a return to growth. The category has lost some momentum as younger drinkers explore other spirits with stronger identity cues tied to origin, production method or flavor profile. Vodka’s long-standing appeal as a neutral spirit made it easy to mix and widely accessible, but that same neutrality has also made it harder for some brands to stand out in a crowded market shaped by storytelling and premium positioning.

The decline at Tito’s underscored that pressure. For years, Tito’s had been one of the strongest performers in American spirits, helped by its domestic identity, broad distribution and strong presence in both retail and hospitality. Its 1.5% drop in 2024 was modest by historical standards, but significant because it marked the first time the brand had posted a volume decline. For many in the trade, that result confirmed that even leading vodka labels were no longer insulated from softer demand.

What has changed since then is not that vodka has returned to expansion, but that competing categories have weakened more sharply. Cognac has faced pressure from slower luxury spending and softer export demand. Rum has struggled with uneven premium growth. Irish whiskey has cooled after years of rapid expansion. Brandy has also remained under strain. Against that backdrop, vodka’s outlook now looks comparatively stable.

That relative stability could influence shelf strategy at liquor stores and promotional planning at large chains during the second half of 2026 and into next year. If wholesalers see vodka as less volatile than other categories still posting steeper declines, they may prioritize core brands with dependable turnover rather than chase

riskier gains elsewhere. Suppliers may also lean more heavily on line extensions, flavor innovation or packaging changes aimed at protecting share without relying on deep discounting.

For bars and restaurants, vodka’s resilience may support continued menu placement even if overall spirits demand stays soft. Operators often favor products with broad consumer recognition and flexible use across multiple cocktails. In periods of weaker discretionary spending, those traits can matter more than novelty. A spirit that works across price points and drinking occasions can help venues manage costs while keeping menus approachable.

The broader lesson from the latest data is that vodka is no longer best described only as a declining category. It is declining, but at a slower pace than much of the rest of the market, and that makes it commercially important again in a different way. The category’s size means any improvement relative to peers carries weight across the beverage alcohol business.

Refine Drinks said this change in position is what makes vodka notable now: after being one of the categories hit hardest by recent weakness in spirits, it is emerging as the segment with the best relative prospects among major distilled categories for what remains of 2026 and for 2027. SipSource did not provide full percentage forecasts in its open-access release, but its ranking alone marks a significant shift in sentiment around a spirit long seen as mature and under pressure.

For producers operating in vodka, that does not remove the need for caution. The market remains negative overall, consumer spending remains selective and competition inside every price band is intense. But compared with where the category stood just a year ago, vodka now appears less like a laggard and more like a defensive position in an unsettled spirits market.