vinetur

U.S. craft spirits sales fell for a third straight year in 2025

Volume dropped 8% to 11.7 million cases, leaving closures above openings for the first time.

Thursday, October 8, 2026



U.S. craft spirits sales fell for a third straight year in 2025, extending a downturn that is now reaching production, exports, and new investment as smaller distillers face a tougher path to market.

The American Craft Spirits Association said sales declined 3.7% last year to $7.3 billion, while volume dropped 8% to 11.7 million 9-liter cases. The group’s figures, reported by Shanken News Daily, show the category losing ground in both size and value after several years of pressure on independent producers.

The slowdown also reached the number of operating businesses. As of August, the United States had 2,131 active craft distilleries, according to the association. It was the first time closures exceeded new openings, a shift for a segment that had spent years expanding across the country. The change suggests weaker demand is now being felt not only in sales results but also in the number of companies able to stay open or launch new facilities.

Craft spirits also gave up a small amount of market share within the broader U.S. spirits business. The segment accounted for 4.2% of total spirits volume in 2025 and 7.3% of total spirits value, both slightly below the prior year. Those figures indicate that craft labels remain a meaningful part of the market, but they are no longer gaining share the way they once did.

The association said smaller producers are finding it increasingly difficult to get their products in front of consumers through traditional routes. That pressure is visible in the growing role of tasting rooms. Direct sales at distillery tasting rooms made up 26% of the craft spirits business last year, up from 14% in 2015. The increase points to a heavier reliance on on-site purchases rather than wider distribution through wholesalers, retailers, and national chains.

That distribution challenge matters beyond craft distilling itself. In the broader beverage sector, smaller wine, beer, and spirits producers often compete for the same shelf space, distributor attention, and consumer spending. When a large share of sales shifts back to tasting rooms, it can be a sign that access to the market is tightening for independent brands and that growth is becoming harder to sustain without direct-to-consumer traffic.

Exports were another weak point in 2025. Total craft spirits exports fell 13% to 123,000 cases. The association linked part of that decline to pressure from trade disputes involving the U.S. administration. For an industry made up largely of smaller

businesses, export setbacks can carry added weight because overseas sales often represent one of the few available routes to scale beyond a local or regional footprint.

Investment also dropped sharply. Total investment by craft distillers fell to $526 million in 2025 from $811 million a year earlier. That decline suggests producers pulled back on expansion plans, equipment spending, or other capital projects as the operating environment became more difficult. Lower investment can also affect suppliers, contract partners, and local communities that have benefited from distillery growth over the past decade.

The combination of softer sales, lower exports, and reduced spending points to a period of strain for a segment that had previously been one of the more dynamic parts of the U.S. alcohol business. Premium and local products had helped many small distillers build loyal followings, but those advantages appear to be under pressure as consumers become more selective and the cost of reaching them rises.

The latest data did not break out performance by individual spirit categories, regions, or company size. But the broad decline in volume, sales, active distilleries, exports, and investment shows the pressure is not limited to a single measure. With tasting rooms taking a larger share of business and closures now outpacing openings, many producers appear to be relying more heavily on local, direct sales while putting broader expansion plans on hold.