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U.S. Craft Spirits Sales Fell 8% in 2025, Extending a Three-Year Slump

Producers sold about 1 million fewer cases, with full-time employment down by 7,343, according to a new industry report.

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U.S. craft spirits producers sold about 1 million fewer nine-liter cases in 2025 and cut 7,343 full-time jobs as the industry posted its third straight annual decline, according to a new report from the American Craft Spirits Association and compliance and consulting firm Park Street.

The 2026 Craft Spirits Data Project, presented on Oct. 6 and summarized publicly on Oct. 7, said U.S. craft spirits sales fell to 11.7 million nine-liter cases in 2025 from 12.7 million in 2024, an 8% drop. Total sales value declined to $7.3 billion from about $7.58 billion, a 3.7% decrease.

The gap between the decline in volume and the smaller decline in sales value suggests that the average dollar value per case increased by roughly 4.7%. That does not necessarily mean identical products became more expensive. It can also reflect shifts in product mix, packaging, or where bottles were sold.

The report points to a broad retrenchment across the sector. Full-time domestic employment fell to 21,285 workers in 2025 from 28,628 a year earlier, a 25.6% drop. Total industry investment dropped to $526 million from $811 million, down 35.1%. The number of active craft distillers also slipped, reaching 2,131 in August 2026 compared with 2,282 in August 2025, a 6.6% decline.

The findings cover retail sales, employment and investment during 2025, along with a count of active producers as of August 2026. The annual project is based on industry surveys and market estimates rather than a census, and some totals are rounded.

The new numbers extend a slide that began after the category’s recent high. In 2022, U.S. craft spirits producers sold 14.07 million nine-liter cases worth $7.9 billion. Since then, the industry has lost about 16.7% of its sales volume and about 7.6% of its sales value.

Craft spirits also lost ground within the broader U.S. spirits market last year. The category’s market share by volume fell to 4.2% in 2025 from 4.5% in 2024. Its market share by value dropped to 7.3% from 7.5%. The value share remains higher than the volume share because craft spirits are sold at higher average prices than the overall spirits market.

The pullback has been especially hard on smaller producers. The report said 1,956 small craft distilleries were operating in 2025, down 24.1% from 2,577 in 2023. Small producers made up 89.2% of all craft distillers but accounted for only 10.4% of sales volume. At the other end of the market, the 36 largest craft distilleries represented just

1.6% of producers but generated 54.8% of volume.

That imbalance helps explain why local sales channels have become more important. Small distilleries sold 50.6% of their volume directly at their own sites and another 44.3% within their home states, leaving only a small share sold beyond their local markets. Across the whole craft category, direct sales at distilleries accounted for 26.1% of volume in 2025, up from 25.3% in 2023 and far above the 14% share recorded in 2015.

Even so, the report said no sales channel grew in absolute terms last year. The change was in the mix. The tasting room channel took a larger share of a shrinking market, while out-of-state sales continued to weaken. Sales outside a producer’s home state represented 51% of craft spirits volume in 2025, down from 51.9% in 2023 and 54% in 2020.

The trade group said producers are running into a tougher distribution environment as wholesalers narrow portfolios, retailers work through excess inventory, and export markets soften. ACSA also argues that market-access rules continue to limit direct shipping and other ways small distillers could reach customers.

Exports also moved lower. U.S. craft spirits exports fell 13.4% to 123,000 nine-liter cases in 2025 from 142,000 in 2024. The total was also below the 179,000 cases reported for 2023. Export sales now equal just over 1% of domestic volume, and the report said they are concentrated mainly among larger producers.

The contraction in the sector can also be seen in state-by-state counts. California remained the largest craft distilling state with 159 active producers in August 2026, followed by New York with 148, Pennsylvania with 147, Texas with 125 and Washington with 86. Together, those five states accounted for more than 31% of active craft distillers in the country.

Employment has fallen faster than sales. The report said the average distillery workforce declined from 10.3 employees in 2023 to 9.7 in 2025. Investment has also continued to slow after peaking at higher levels earlier in the decade. In addition to the drop in total spending to $526 million last year, average investment per producer fell to

$239,800 from $288,900 in 2024.

The report includes several projections for 2030 that depend on the direction of the broader U.S. spirits market and whether craft producers can hold or regain market share. In the weakest scenario outlined in the study, if craft spirits remain at a 4.2% volume share, annual sales would fall to 9.7 million nine-liter cases by 2030. Other scenarios place sales at 11.4 million to 11.6 million cases, still below 2025 levels.

ACSA said its policy efforts this year are focused on what it describes as barriers to market access, including wholesaler consolidation, restrictions on tasting-room and event sales, limits on Sunday sales in some states, and rules on direct-to-consumer shipping. According to the association, 41 states still prohibit interstate direct-to-consumer shipping of spirits, while the nine states and the District of Columbia that allow it impose varying restrictions.