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Election results lift alcohol stocks on hopes Congress eases import tariffs

No tariff rollback has been announced, leaving importers exposed to higher costs in a weakening U.S. alcohol market

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A change in control of Congress after the November 3 midterm elections has raised expectations in the alcohol industry that some U.S. tariffs on imported wine and spirits could be eased, though no tariff rollback has been approved and no new policy has

been announced.

Investors responded quickly to that possibility. In trading after the election, shares of Diageo, the British drinks group behind Guinness and Smirnoff, and Brown-Forman, which makes Jack Daniel’s and Chambord, rose more than 5%, according to Fast Company. Shares of Anheuser-Busch, Molson Coors Beverage Co., Boston Beer Co., and Constellation Brands also moved higher on November 4. Constellation imports major Mexican beer brands into the U.S., making it especially sensitive to changes in trade policy.

The market reaction reflects the pressure the industry has been under from tariffs and weaker demand. In October, the U.S. moved ahead with a plan to ban nearly $1 billion in imports from Canada, including dairy products, motorcycles, and alcoholic beverages, Fast Company reported. That step was meant to answer Canadian tariffs on U.S. goods. A 50% tariff had already reduced imports across many of those categories.

Alcoholic beverages account for most of the roughly $967 million in Canadian imports expected to be affected by that ban, the report said. That has made the trade fight especially important for distillers, brewers, importers, wholesalers, and retailers that depend on cross-border supply chains.

The dispute had already widened in 2025, when Canadian stores pulled U.S. alcohol from their shelves after the Trump administration announced a 25% tariff on almost all imports from Mexico and Canada. The Distilled Spirits Council, a U.S. trade group, said at the time that the tariffs would cause “great harm” to American companies and workers and warned that Canadian retaliation could deepen the damage.

Any relief from those duties could matter well beyond stock prices. For wine importers and spirits distributors, even a partial tariff reduction could change landed costs, pricing decisions, and supplier negotiations for foreign producers selling into the U.S. market. That could alter trade conditions for international wine suppliers in particular, although the scope of any future change remains unclear.

The tariff issue comes as the industry is also dealing with a broad decline in alcohol consumption. Gallup polling found that 54% of U.S. adults said in 2025 that they drink alcohol. That was down from 67% in 2022 and 1 percentage point below the previous record low Gallup recorded in 1958.

That change in drinking habits has added to pressure on companies already facing higher costs. Beer, wine, and liquor prices rose sharply in 2026, making consumers more cautious about when and where they buy drinks. In a recent survey of 1,000 Americans who drink alcohol, the market research platform Zappi found that 65% said they drink at home before going out to save money.

For many companies, that combination of trade barriers and softer demand has hurt both sales volume and margins. Imported products can become more expensive before they ever reach a distributor, while higher shelf prices can push consumers toward cheaper options, fewer purchases, or no alcohol at all. That dynamic is particularly important for imported wine and premium spirits, where pricing is already sensitive and brand positioning depends on consumer willingness to spend.

The latest hopes in the sector are tied to politics rather than a formal trade decision. Fast Company reported that the shift in Congress has led some beverage companies and investors to expect near-term movement on tariffs. But the article did not report any enacted change, and neither Congress nor the administration has publicly announced a specific plan to lower duties on wine, beer, or spirits.

Until that happens, the industry remains caught between policy uncertainty and changing consumer behavior. Producers and importers are watching Washington for signs that trade tensions with Canada and other partners may ease, while also trying to adapt to a market in which Americans are drinking less and paying closer attention to price.