vinetur

Citi Warns U.S. Beer Shipments Could Fall Below 1980 Levels in 2026

The bank expects a fifth straight annual volume decline, with nonalcoholic beer standing out as the clearest growth segment

Wednesday, November 11, 2026



Citi said on Tuesday, November 10, that the U.S. beer market still has not reached a bottom, warning that industry volumes are on track to fall for a fifth straight year in 2026 even as nonalcoholic beer stands out as the only segment with a clearly durable

growth path.

The bank’s research team reached that view after attending the 2026 fall beer industry seminar in New York hosted by Beer Marketer’s Insights, where analysts met with executives from Constellation Brands, Molson Coors and Athletic Brewing, as well as distributors and other industry participants.

According to Citi, U.S. beer shipments fell 3.9% in the first nine months of 2026 from a year earlier. If that pace continues, full-year shipments would be down about 18% from 2021 and would slip below 1980 levels. The decline is notable not only for its depth but also for its breadth. Imports and flavored malt beverages, two categories that had been key growth drivers in recent years, both posted a second straight year of volume declines in the first nine months of 2026.

Only three subcategories showed growth over that period: super-premium beer, alcoholic cider and nonalcoholic beer. Sales in bars and restaurants also held up better than retail. On-premise beer sales fell 1.4% in the first nine months, while the broader picture was roughly flat when ready-to-drink products sold in those venues were included.

Pricing data showed that beer has not kept pace with broader inflation. Citi said beer consumer prices rose 2.2% this year, more than 1 percentage point below overall inflation. Spirits prices rose 0.3%, while wine prices fell 1%.

A central question at the seminar was whether the downturn is mainly cyclical or structural. Beer companies argued that part of the weakness reflects pressure on household budgets and changes in immigration policy that have affected Hispanic consumers, a core customer group for several major brands. But executives and analysts also pointed to longer-term changes that appear harder to reverse, including lower alcohol consumption among younger adults, stronger health and fitness habits, more negative attitudes toward drinking, cannabis use and the growing impact of GLP-1 weight-loss drugs.

That outlook could matter well beyond brewers' sales totals. A prolonged decline in core beer volumes could keep pressure on production capacity, wholesaler networks and shelf allocation across the beverage business, while making nonalcoholic beer strategically more important as one of the few areas with visible growth.

Among the five largest brewers and related suppliers tracked by Citi, four posted volume declines in the first nine months of 2026. AB InBev, the market leader, was down 3.1%, which was still better than the industry average. Molson Coors fell 5.1%. Mark Anthony Brands slipped 0.5%. Boston Beer dropped 11.3%. Constellation Brands was the only company in that group to post growth, with volume up 2.9%.

Even in a shrinking market, some traditional lager brands continued to gain ground. Citi said the four fastest-growing brand families by dollar sales increase were all traditional lagers: Michelob, up 6.2%; Pacifico, up 24.8%; Busch, up 5.0%; and Modelo, up 1.7%. By supplier, the fastest-growing companies were Constellation Brands, Mark Anthony, Kirin-Lion, Diageo and Geloso.

Another competitive pressure is coming from spirits-based ready-to-drink products. Citi said those drinks now account for about 4.3% of the combined beer-and-RTD share in on-premise channels, and their importance is still rising.

At Constellation, Chief Executive Nick Fink said inflation and fuel prices have weighed on Hispanic consumers, who account for about 30% to 40% of the company's total sales. Even so, he said the long-term opportunity remains attractive, citing expectations that Hispanic buying power will rise from about $3.6 trillion now to about $4.4 trillion by 2029.

Fink said Constellation is focused on returning Modelo Especial and Corona Extra to sales growth. He said more targeted marketing and increased investment in key markets such as New York and Miami have helped narrow Corona's market share declines to nearly flat. But he also cautioned that the improvement is still early and that stable market share does not necessarily translate into higher shipments to distributors when the total market is falling.

Fink also said the company sees room for Pacifico to expand through its lifestyle positioning and wider distribution. On innovation, he described a strategy built around turning existing drinking occasions into more convenient packaged products. Constellation said Modelo Chelada Suprema, a higher-alcohol chelada, has been well received and could gain wider distribution. The company also said SpikedAde, a vodka-based RTD it recently acquired, has started entering new markets and could benefit from Constellation's distribution system.

Regionally, the company said California continues to grow on scale, New York remains a share-gain opportunity and the Midwest offers room to build awareness through events such as college football. Constellation also said it sees more potential in the on-premise channel, where it believes its presence still trails competitors. On pricing, the company said its normal annual range remains 1% to 2%, but pricing in 2026 is tracking toward the low end of that band as management stays sensitive to consumer conditions heading into fiscal 2028.

Molson Coors presented a similar picture of cautious spending and tighter local execution. Chief Strategy and Capability Officer Jeff Long said the company's Horizon 2030 plan is built on the idea that younger consumers still drink beer but do so less often, making better targeting and more localized marketing increasingly important.

The company said its top growth priorities are Monaco, which it acquired in April, Fever-Tree and Coors Banquet, while it also aims to protect the positions of Coors Light and Miller Lite. Citi said Coors Banquet has gained share for 21 straight quarters and is performing especially well with Gen Z and Hispanic drinkers. Molson Coors also said promotions in super-premium beer remain intense and that consumers are balancing value concerns against cost pressures, which is leading the company to make pricing decisions market by market.

On nonalcoholic beer, Molson Coors said Coors 0.0 is set for a national launch in 2027. That fits with what Citi described as the clearest area of opportunity in the category. Executives from Athletic Brewing and Garage Beer said nonalcoholic beer is still growing at a double-digit rate, but that growth is highly concentrated. Citi said about 98% of category growth is coming from just five brands. Even so, management teams

at the event said they believe nonalcoholic beer could eventually account for more than 20% of the U.S. beer mix and might even pull some consumers back toward low-alcohol beer.

Weekly Nielsen scan data cited by Citi showed that beer trends briefly improved at the start of 2026 before weakening again. In the first quarter, category dollar sales and volumes improved to declines of 1.1% and 2.6%, respectively, from declines of 2.9% and 4.4% in 2025. But the category slowed again after April, and from April 18 onward, dollar sales were down 4.3% and volumes were down 5.6%.

In the four weeks through October 17, category dollar sales were down 1.9%, volumes fell 3.7% and average prices rose 1.9%. Citi said fourth-quarter volume trends have improved modestly from the third quarter for several large brewers, with Constellation down 0.3% compared with 1.7% in the third quarter, Molson Coors down 6.0% compared with 7.7%, and AB InBev down 4.0% compared with 4.9%.

Share data also showed a mixed picture among major brands. Modelo Especial gained 10 basis points in dollar share over the past six months from a year earlier, unchanged from the prior six-month period. Corona Extra lost 10 basis points, an improvement from a 15-basis-point decline in the prior period. Coors Light lost 15 basis points. Miller Lite lost 20 basis points in both periods. Michelob Ultra was the biggest share gainer among major domestic light lagers over the past 12 months, gaining 55 basis points in the most recent six months and 50 basis points in the previous six months.