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Kentucky bourbon inventories rose to 16.6 million barrels despite a 30% production cut in 2025

Distillers produced 2.13 million barrels, the lowest annual output since 2019, showing how slowly warehouse stocks can fall

Tuesday, November 24, 2026



Kentucky bourbon distillers cut production sharply in 2025, but the number of barrels aging in the state still increased, underscoring how difficult it has been for the industry to reduce inventories even after a major slowdown in output.

The Kentucky Distillers' Association said Monday, November 23, that distillers in the state produced 2.13 million barrels of bourbon in 2025, down 30% from a little more than 3 million barrels in 2024. The group said that was nearly 1 million fewer barrels than the year before and the lowest annual production level since 2019.

At the same time, bourbon inventories continued to rise. According to the association, Kentucky held 16.6 million barrels of aging bourbon as of January 1, up 3% from a year earlier. Total inventories of all aging spirits in the state increased 2% to 17.5 million barrels.

The figures point to a mismatch between current production cuts and the size of the stock already in warehouses. Bourbon must be aged, and producers have built large inventories over time, which can keep the overall barrel count rising even when distilling activity slows.

The Kentucky Distillers' Association described the numbers as being drawn from state administrative filings. It said the inventory data comes from reports submitted to the Kentucky Department of Revenue, the state tax authority. The trade group also said its release reflects statements from all distilling companies in Kentucky, not only from its own members.

The association, a nonprofit founded in 1880, represents Kentucky distillers and regularly publishes production and inventory data because the state remains the center of the U.S. bourbon industry. The latest report, however, covers production during 2025 and inventories as of January 1. It does not describe production in 2026 or barrel stocks later in November.

That distinction matters because the production decline was steep. A 30% drop in one year is a significant change for an industry that expanded for years, yet the inventory figures show that the effect on overall stocks was limited. Bourbon barrels in storage still increased by 3%, and total aging spirits inventories also moved higher.

The data suggests that reducing output alone may not quickly reverse inventory growth. Distillers can slow new make production, but large amounts of whiskey already in the aging system continue to count toward barrel stocks. As a result, inventories can

remain elevated even when companies sharply scale back manufacturing.

The release did not provide enough exact base figures to calculate the absolute year-over-year increase in bourbon inventories or total spirits inventories in barrels. It did, however, give the headline totals and percentage changes, which showed that the rise in stocks continued despite the lower production level.

Kentucky’s report therefore presents two trends at once: a marked retreat in new bourbon production and a continued increase in aging supply. For producers, distributors and retailers watching the market, that split offers a clearer view of the pressure facing the industry. Distillers made substantially less bourbon in 2025, but the state still entered January with more bourbon barrels in storage than a year earlier.

The figures also show that the inventory issue extends beyond bourbon alone. While bourbon accounted for most of the barrels reported, the broader category of aging spirits also increased, reaching 17.5 million barrels. That indicates the pressure on warehouse stocks was not limited to a single segment of Kentucky whiskey production.

Because the report is based on official filings used for tax purposes, it provides one of the clearest snapshots of the physical side of the market: how much spirit was made during the year and how many barrels were still aging at the start of the next one. In this case, that snapshot showed an industry producing less while still carrying more.

The association did not frame the release as a measure of current conditions late in 2026. Instead, it presented the data as a backward-looking view of production in 2025 and inventories on January 1. Even so, the numbers highlight a central challenge for Kentucky bourbon makers: cutting output can happen in one year, but working down a large stock of barrels can take much longer.