2026 TRENDS

Wine, Spirits, and Beer Industry

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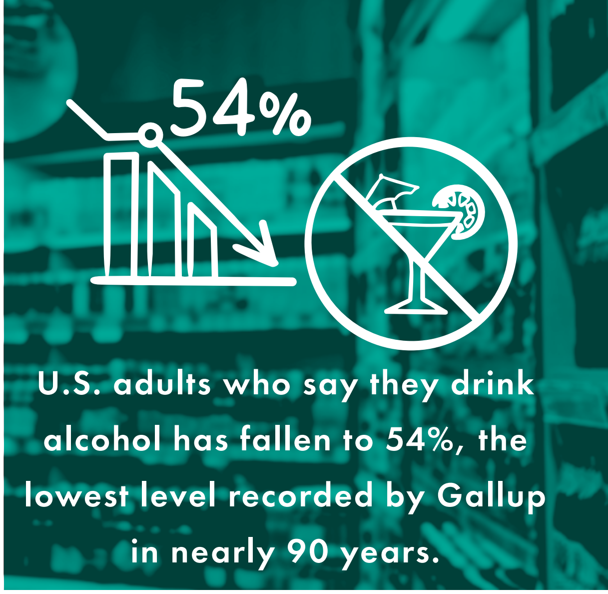
Moving into 2026, the wine, spirits, and beer industry remains in the midst of a structural reset. The percentage of U.S. adults who say they drink alcohol has fallen to 54%, the lowest level recorded by Gallup in nearly 90 years, with 53% who now believe moderate drinking is harmful for one's health. This is less of a short-term correction and more of a normalization following distorted pandemic-driven demand. The pandemic-era binge buying and at-home consumption temporarily inflated volumes and masked deeper, longer-term changes in behavior. Evolving drinking habits have contributed to an estimated $830 billion decline in global alcohol stocks, reflecting a broader recalibration of alcohol's role in consumers' lives.



There are many contributing factors behind this reset, including cultural, health-driven, and economic. Public awareness of alcohol-related risks, including links to cancer and chronic disease, has moved firmly into the mainstream. Generational differences are influencing how often consumers are drinking and in what settings. Meanwhile, inflation and sustained pressure on discretionary income are reducing frequency and trade-up in premium offerings. In response, brands are leaning into low- and no-alcohol offerings as well as adjacent categories to remain relevant. What's emerging isn't a contraction of the category, but a redistribution of demand across occasions and functional benefits.

Companies such as Ritual Zero Proof and Athletic Brewing are capturing demand with products designed for mixing and occasion-based use, rather than abstinence alone. Non-alcoholic nightcaps and adaptogen-forward blends like Kava Haven and Dromme Calm reflect a broader health and wellness mindset and a desire for functionality alongside flavor. This shift suggests that "replacement" occasions are becoming as important as traditional consumption moments.

Operational strain is also building across the value chain. The top five global suppliers collectively hold roughly $22 billion in spirits inventory, the highest levels seen in a decade and above the 2008 post-financial crisis stockpiles. This excess is pressuring balance sheets and raising the risk of price competition, particularly as profit warnings, leadership changes, distillery bankruptcies, and production shutdowns signal weaker demand.

Although ready-to-drink beverages grew 28.4% year over year, isolated growth pockets haven't offset broader softness. Inventory imbalance is becoming a leading indicator of how quickly supply is adjusting to a structurally different demand environment. The result is an industry redefining who drinks, what they drink, and how alcohol is positioned and delivered in a more constrained environment. The next evolution of the industry will likely be defined by how effectively players realign portfolios and route-to-market strategies to this new baseline. In this report, we break down industry trends into three categories:

CATEGORY 1

Cultural Shifts: Redefining Participation and Preference

CATEGORY 2

Health-Driven Demand: Behavior Change Beyond Choice

CATEGORY 3

Economic Pressures: Price Sensitivity Meets Cost Volatility

CATEGORY 1

Cultural Shifts: Redefining Participation and Preference

A SHIFT IN GENERATIONAL DIFFERENCES

The generational shift is less about abandoning alcohol altogether and more about redefining what "drinking" looks like. Gallup shows only 54% of U.S. adults say they drink, and 53% now believe moderate drinking is bad for health, signaling that cultural norms are shifting, especially among younger adults. This mindset shows up in consumption that is more intentional, with choices shaped by occasion, perceived wellness impact, and value.

It's also showing up in financial markets: a Bloomberg-tracked view of the W&S sector links evolving habits to roughly $830 billion in market value erosion across major alcohol companies. The implications are now tangible at the production level: California wineries are closing facilities and laying off workers, with major players like Gallo shuttering sites and cutting nearly 100 jobs as demand softens and younger consumers opt for alternatives like RTDs or abstention; they aren't just look at this from a lens of simply "less" alcohol, but "alternatives," with winners tied to relevance and fit.

RISE OF INTERNATIONAL SPIRITS

International spirits are benefiting from consumers who want more cultural storytelling and more distinctive flavor cues, often aligned with moderation. Soju is a clear example: one market estimate values the North America soju market at about $255 million, alongside broader momentum tied to Korean cultural influence and metropolitan demand. Soju's typically lower ABV (*often cited between 15–20%*) also fits an "intentional drinking" mindset while still delivering discovery.

Beyond soju, interest in globally inspired flavors is expanding the repertoire consumers expect across spirits and RTDs, raising the bar for innovation and authenticity. This trend is as much more about experience and identity as it is about liquid profile.

POTENTIAL BAN ON CANNABIS DRINKS

Regulation is threatening to redraw the boundaries of the "alternative beverage" set. A federal measure included in a proposed government funding package would impose a strict 0.4 mg total THC per container limit, with reporting indicating it would take effect in November 2026. If implemented as described, the threshold could effectively wipe out many hemp-derived THC drink formulations currently on the market, creating abrupt winners and losers across an emerging category.

For alcohol, the significance is competitive as well as regulatory: the growth of THC beverages has overlapped with moderation trends, and a clampdown would change how consumers navigate between alcohol, no-alc, and cannabis-adjacent options. This is a space to watch, as regulatory outcomes could quickly re`allocate share across adjacent categories.

CATEGORY 2
Health-Driven Demand: Behavior Change Beyond Choice

RISE IN GLP-1 USAGE

GLP-1 medications are introducing a new, non-traditional demand variable. Semaglutide (*the active ingredient in Ozempic and Wegovy*) has been associated with reduced alcohol craving and consumption for some users, where a randomized clinical trial found semaglutide reduced alcohol consumed in a laboratory self-administration setting relative to placebo. At the population level, adoption is high: about one in eight adults (12%) report currently taking a GLP-1 drug, even with high costs remaining a concern. Investors are actively debating how much moderation is being reinforced by GLP-1 intake alongside broader health priorities.

For alcohol consumption, this means changes in frequency and intensity may reflect both biological factors and shifting attitudes. If sustained, this introduces a demand headwind that is less cyclical and more structurally embedded.

CATEGORY 3

Economic Pressures: Price Sensitivity Meets Cost Volatility

TARIFFS & INFLATION

Demand in this category is already price-sensitive, and the impact of global tariffs is further exacerbating that sensitivity. In an environment of constrained discretionary income, even minor shelf-price increases can meaningfully influence purchasing decisions, especially in packaging-intensive formats.

Wine, spirits, and beer are particularly susceptible as canned formats rely heavily on aluminum, and many products are differentiated by origin rather than interchangeable sourcing. The U.S. has doubled aluminum import tariffs from 25% to 50%, which increases cost pressure for can-dependent beverage segments. While some of that pressure may be delayed by contractual lag, it typically reappears over time through pricing and promotion changes as the system rebalances.

This same dynamic is shaping behavior on-premise: persistent inflation and tariff-driven cost pressures are forcing consumers to reassess the value of dining and drinking out, making them more deliberate about what (and whether) they order. As a result, discretionary occasions like alcohol purchases at restaurants are increasingly scrutinized, with even modest price increases (5–10%) enough to shift behavior or deter purchases altogether. This creates a dual pressure point: margin compression for operators and demand softening for suppliers.

SEISMIC CHANGE AT THE DISTRIBUTOR LEVEL

Distribution disruption is reshaping “how alcohol moves” in real time. RNDC’s exit from California last year forced hundreds of brands to secure new distribution partners within a 90-day window to maintain their access to retailers under the three-tier system. Soon after, Brown-Forman completed an RFP process and named new distributors across 13 U.S. markets, involving seven distributor organizations, its most significant U.S. route-to-market evolution in decades.

These moves reflect a market where execution and coverage are becoming strategic differentiators, not just operational necessities. For suppliers, wholesaler changes can alter priority, depletion velocity, and shelf presence quickly, with ripple effects across pricing discipline and brand building. Distributor alignment is increasingly a source of competitive advantage, not just a cost of doing business.

Final Thoughts

With fewer people drinking and more questioning the health impact of "moderate" consumption, the wine, spirits, and beer category is being reshaped by who participates, how often they drink, and what they choose when they do. Economic pressure is amplifying this shift: tighter discretionary income makes shoppers more price-sensitive, while tariff-driven cost volatility adds friction that can gradually change baskets and brand loyalty.

Demand signals are also being influenced by forces outside the category's traditional playbook. Generational norms are evolving around occasions and identity, and GLP-1 adoption is emerging as a potential behavioral accelerator. In parallel, disruption is moving through the system: distributor realignment is changing how brands get to shelf, international spirits are gaining momentum, and potential limits on hemp-derived THC beverages could reshape the adjacent competitive set.

Moving forward, growth in this market will depend less on expanding consumption and more on capturing the right occasions and consumer segments. If you're looking for guidance on how to navigate these trends and challenges impacting the industry, our team at Clarkston can help.

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