Press Release

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US beverage alcohol volumes decline again in 2017

Beer category loss of 29m nine-liter cases substantial versus year prior; wine and spirits growth unable to make up the difference

For the third year in a row total beverage alcohol consumption decreased -0.7% in the US in 2017 due to a struggling beer category, according to the just-released IWSR US Beverage Alcohol Review (US BAR) database, the most comprehensive source on total beverage alcohol volume trends and in the US.

Though wine and spirits experienced growth of 1% (3.5m nine-liter cases) and 2.2% (4.8m nine-liter cases) respectively, it was not enough to offset a massive decline in beer of 29.4m nine-liter cases (-1.1%), which holds the majority share of alcohol volume. Continued pressure on domestic and light beer overshadowed growth in the import and craft sector.

Despite total beverage alcohol volume loss, industry value continues to increase as consumers trade up to more quality products. The US alcohol industry is valued at $157.7bn, up 1.6% from the prior year. This has been led by spirits, most notably tequila (+7.3%), Cognac (+9.3%) and US whiskey (+5.5%). Both still wine (+0.9%) and sparkling wine (+4.3%) have enjoyed continued momentum as consumers gravitate toward alternative packaging and view wine as an everyday drinking occasion.

Key US consumption trends in 2017:

- 62% of the adult population consumed alcoholic beverages, down from 65% the year prior. People are drinking less, largely due to health concerns and a prevalent wellness trend affecting all social sectors.
- The number of domestic wineries (12,335), breweries (8,863) and distilleries (2,531) increased by a combined 14% in 2017, which affects traditional on- and off-premise sales channels as consumers visit and make on-site purchases.
- While total retail sales grew 4.4% from 2016, total e-commerce sales increased by 16% from 2016 to account for 8.9% of total retail sales. Through the importance of consumer convenience, e-commerce sales of beverage alcohol have become a significant sales driver.
- Cross-category consumption and trend-driven innovation has led to a variety of hybrid products capitalizing on everything from rosé to barrel-ageing to non-alcoholic.

United States Beverage Alcohol Consumption 2017

Category	Volume 2017	% Change - Volume 2016 to 2017
Total Alcohol	***3,372.5***	***-0.7%***
Beer	**2,659.6**	**-1.1%**
Wine	**363.7**	**1.0%**
Cider	**22.8**	**-5.0%**
RTDs/FABs	**100.4**	**-1.2%**
Spirits	**226.0**	**2.2%**
Agave-Based Spirits	17.7	7.6%
Brandy	13.5	5.3%
Cordials & Liqueurs	20.8	-1.7%
Gin and Genever	10.0	-0.6%
Rum	22.2	-0.3%
Vodka	75.8	1.4%
Whisky	65.2	3.7%
Units: Millions of nine-liter cases		**Source: IWSR 2018**

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About the IWSR US Beverage Alcohol Review Database

The IWSR US Beverage Alcohol Review (US BAR) was developed in response to the need for a comprehensive, online source in the United States covering the entire beverage alcohol universe: spirits, beer, wine, cider and the important craft segment. Available as an interactive online dashboard in addition to a comprehensive written report, the US BAR includes total market views across all categories, consumer demographics, state data, five-year forecasts by category, brand advertising spends, beverage alcohol brand volume and value data, innovation and trend insights, e-commerce data and more.

About the IWSR

The IWSR is the leading source of data and analysis on the alcoholic beverage market. The IWSR's database, essential to the industry, quantifies the global market of wine, spirits, beer, cider and mixed drinks by volume and value in 157 countries, and provides insight into short- and long-term trends, including five-year volume and value forecasts.

The IWSR tracks overall consumption and trends at brand, price segment and category level. Our data is used by the major multinational wine, spirits and beer companies, as well as financial and alcoholic beverage market suppliers. The IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. Our analysts travel the world in order to meet over 1,600 local professionals to capture market trends and the 'why' behind the numbers.