

Distillery modern Age



JULY 9, 2021 | MODERN DISTILLERY AGE

VOLUME 12 | NUMBER 20

U.S. Total Beverage Alcohol Consumption in 2020 Was the Largest Volume Gain in Nearly 20 Years

by The IWSR Drinks Market Analysis, www.theiwsr.com

Driven by consumer demand for flavor, convenience and better-for-you options, key beverage alcohol segments were accelerated by the increase in at-home occasions in 2020 in the U.S.

Total beverage alcohol volume in the U.S. in 2020 was up +2.0%, marking the largest gain for alcohol consumption in the country since 2002, according to new findings from IWSR, which forecasts a more moderate growth rate over the next five years as normalization returns.

“A key driver of U.S. beverage alcohol consumption is flavor,” said Brandy Rand, IWSR’s COO of the Americas. “Flavored subcategories — from beer to vodka to U.S. whiskey — are significantly outperforming traditional non-flavored sub-categories. Flavor is also the top consumer driver of the fast-growing ready-to-drink (RTD) category, and that’s likely creating a halo effect on total alcohol as well.”

Spirits Market in the U.S. Posts Largest Volume Increase Since 1990

In 2020, the U.S. market posted the largest volume increase for the spirits category since 1990, with value increasing as well.

Within the category, agave-based spirits grew +15.9% in volume in 2020, overtaking rum to be the third largest spirits category in the U.S. behind vodka and whisky. Cognac/Armagnac was also a big winner last year, and both categories are expected to continue their growth path over the next five years.

The whisky category showed mixed results in 2020, as tariffs negatively impacted single malt Scotch (-6.1% in volume), while bar and restaurant closures dragged down Irish whiskey. 2020 marked the first time on record that these two sub-categories posted volume declines in the U.S. Overall, total whisky volumes grew +4.9%, led by Japanese, Indian and U.S. whiskies, in that order. The whisky category’s growth, however, is outpacing vodka, with total whisky expected to be larger than total vodka in volume consumption by 2022.

No- and low-alcohol spirits are being driven by alcohol-free spirit alternatives and spirit-adjacent products that focus on mood-enhancing properties like adaptogens. Though trending from a small base, no-alcohol spirits are expected to end 2021 up +31.4% in the U.S.

Wine Resonates with Consumers During Lockdowns

Total wine in the U.S. grew slightly at +0.7% by volume and +1.5% by value in 2020, reversing the volume declines seen in 2019. Both still and sparkling wine volumes were up, but still wine is forecast to go back to softening declines as RTDs and spirits grow at faster rates. Despite a non-celebratory 2020, sparkling wine managed to post growth, with Prosecco (especially rosé expressions) making up for declines in Champagne consumption.

Low-alcohol wine volumes more than doubled in 2020 in the U.S., with major brands entering the category offering lower calorie and lower sugar options in sessionable ABVs — a direct response to RTD occasion overlap pressure. Imported wine volumes grew more than domestic U.S. wine from

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U.S. Gin Association Created to Highlight & Support Craft Distillers

A new craft spirits organization has been created to promote the affinity and passion for the gin category in the U.S. among distillers, the beverage trade (on- and off-premise) and media while celebrating the innovation within this growing category. Spearheaded by Melissa and Lee Katrincic, co-founders and owners of Durham Distillery, distillers of Conniption Gin, and organized by a handful of pioneering craft distilleries, the U.S. Gin Association will promote the new products U.S. gin distillers bring to the market each year through education and other programming.



“The U.S. Gin Association is specifically focused on craft distilleries and small, independent producers with the goal to elevate and shine light on this important group of distillers, as well as drive brand awareness through programming, media opportunities and more,” according to an association statement.

In addition to its Durham Distillery founders, the U.S. Gin Association currently has eight charter member, all of them distillers who make at least one expression of gin:

- Black Button Distilling (Rochester, N.Y.)
- Caledonia Distilling (Montpelier, Vt.)
- Freeland Spirits (Portland, Ore.)
- Golden Moon Distillery (Golden, Colo.)

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