



The US beer market in 2026

Key factors impacting demand

Stephen Rannekleiv

Global Strategist- Beverages

Stephen.Rannekleiv@Rabobank.com

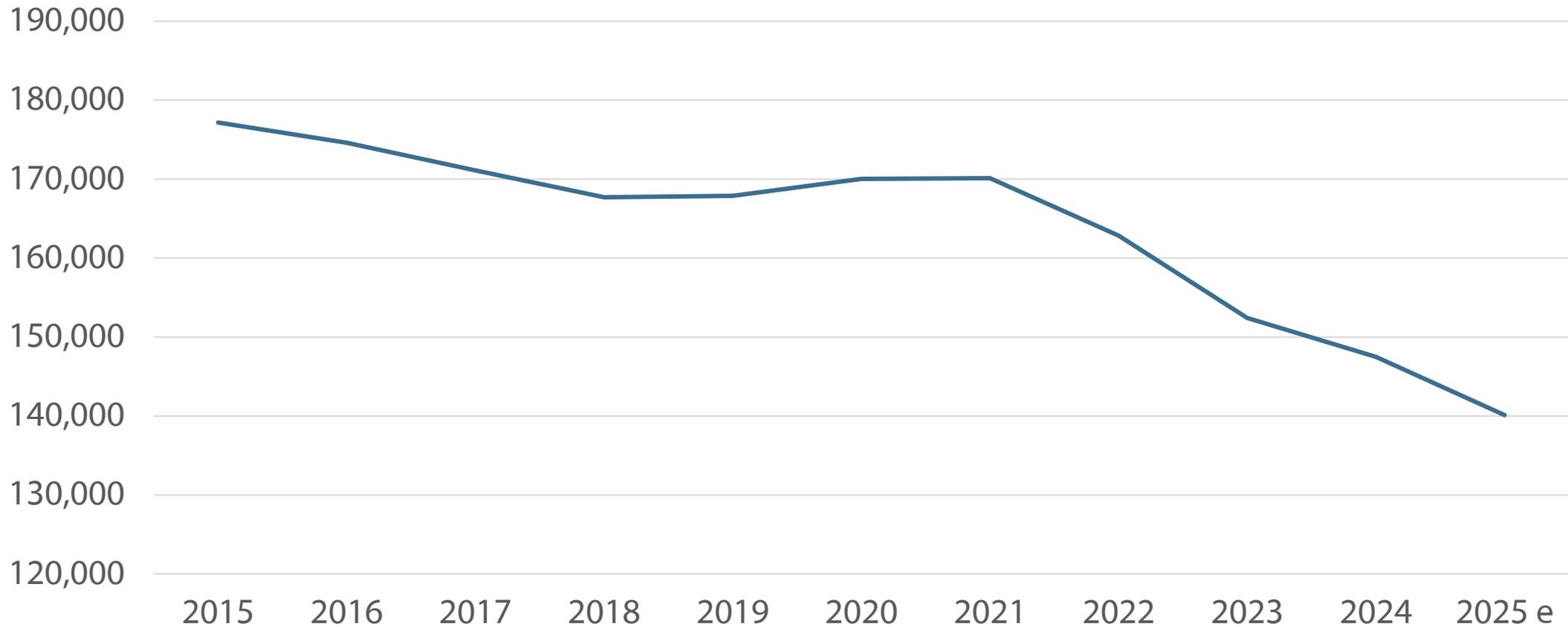


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Beer volumes remain under pressure



US Beer Tax Paid Shipments ('000 Barrels)

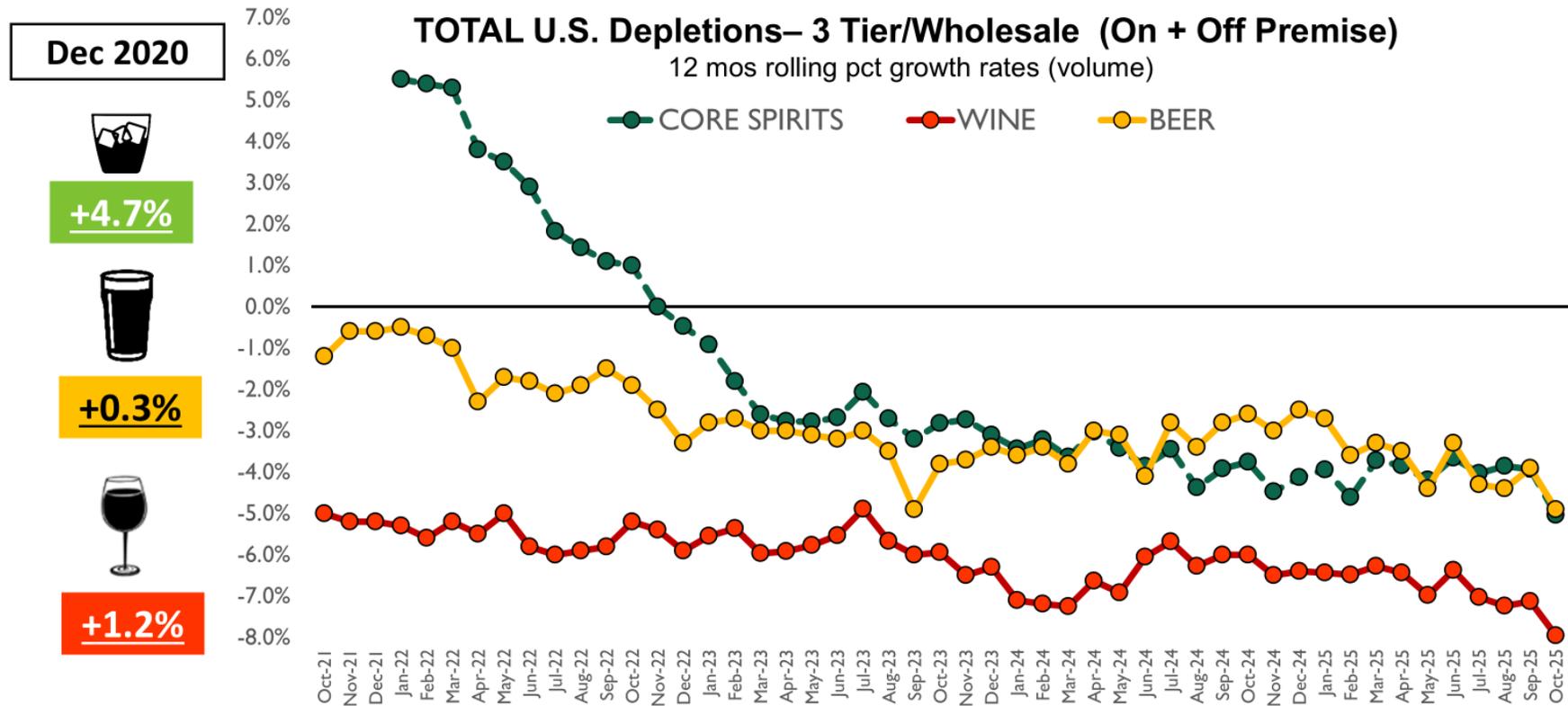


Source: Beer Institute, 2026

Beer's challenges are not unique...



All Beverage Alcohol Categories Remain In Decline



Dec 2020



+4.7%



+0.3%



+1.2%



12-Month Rolling Volume % Change – thru Oct 2025 (excl NABCA)

1/8/2026

OUR SECTOR IS CURRENTLY WITNESSING THE MOST PRESSURE SEEN OVER THE LAST 30 YEARS

80% CYCLICAL

- Unprecedented pressure across all geographies at the same time
- Persisting impacts of post Covid-19 super-cycle
- Perception leading economic indicators and resulting in impact on consumer behaviour
- All consumer goods categories being impacted

20% STRUCTURAL

- Shifting consumer behaviours, some new and some which have evolved progressively
- Adaptation to changes by spirits companies not (yet) keeping pace

“Consumers are doing well”



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US economy growing at fastest pace in nearly 2 years — and the White House has declared it ‘explosive growth’ October 24, 2025

Shocking September jobs report defies historical precedent

The U.S. economy added 119,000 jobs in September, according to the Bureau of Labor Statistics.

THE WALL STREET JOURNAL.

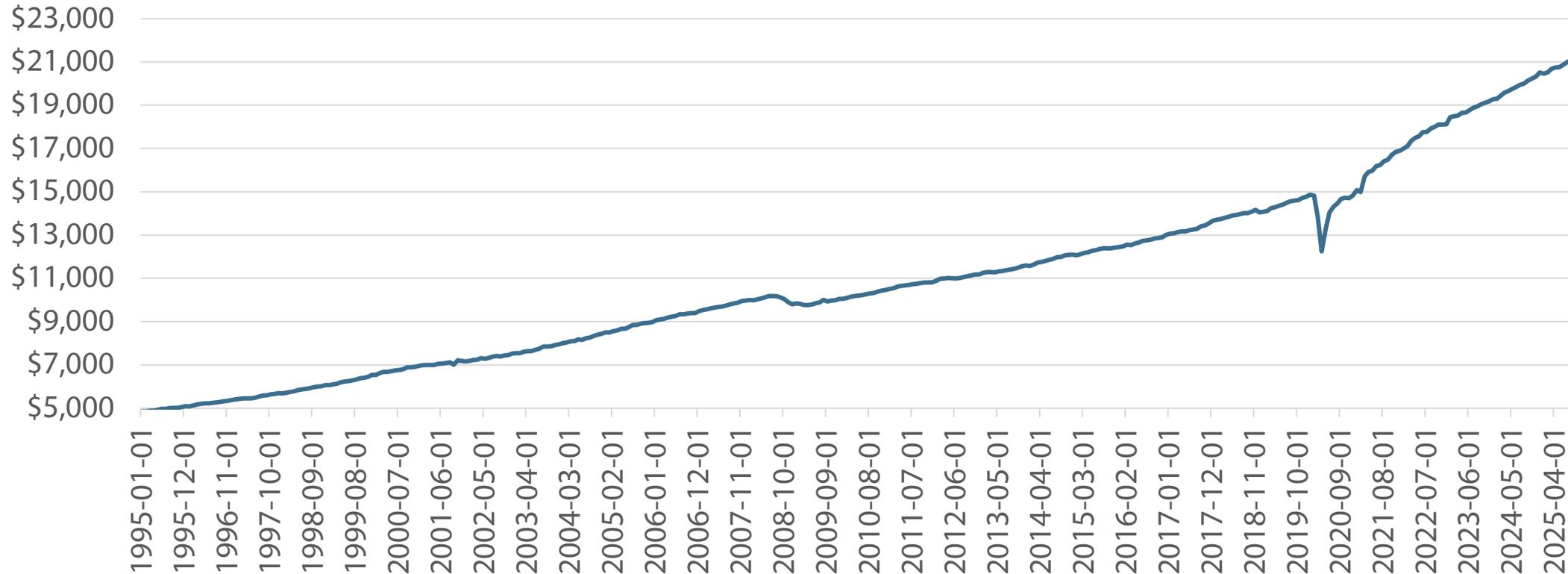
The U.S. Economy Depends More Than Ever on Rich People

The highest-earning 10% of Americans have increased their spending far beyond inflation. Everyone else hasn't.

“Consumer spending is on a tear”



Personal consumption expenditures, Jan 1995- Sept 2025

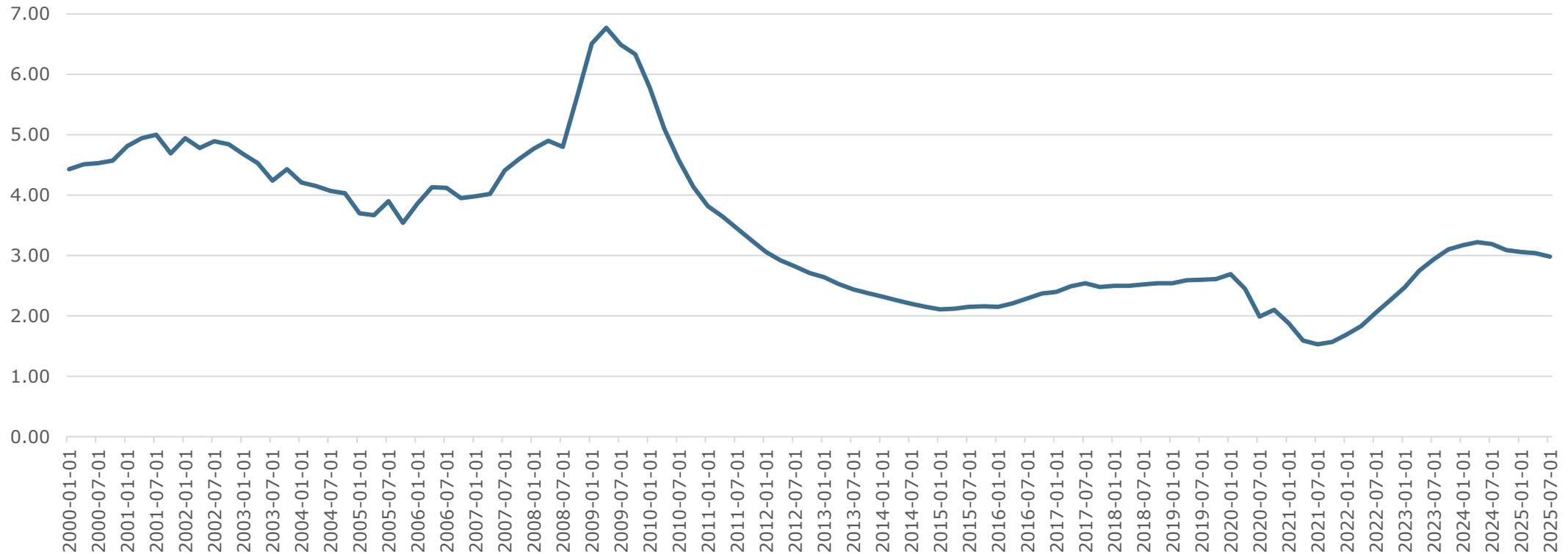


Source: US Bureau of Economic Analysis, 2025

“Credit card delinquency rates are easing”



Delinquency rates on credit card loans, Q1 2000- Q3 2025



Source: Board of Governors of the Federal Reserve System, 2025

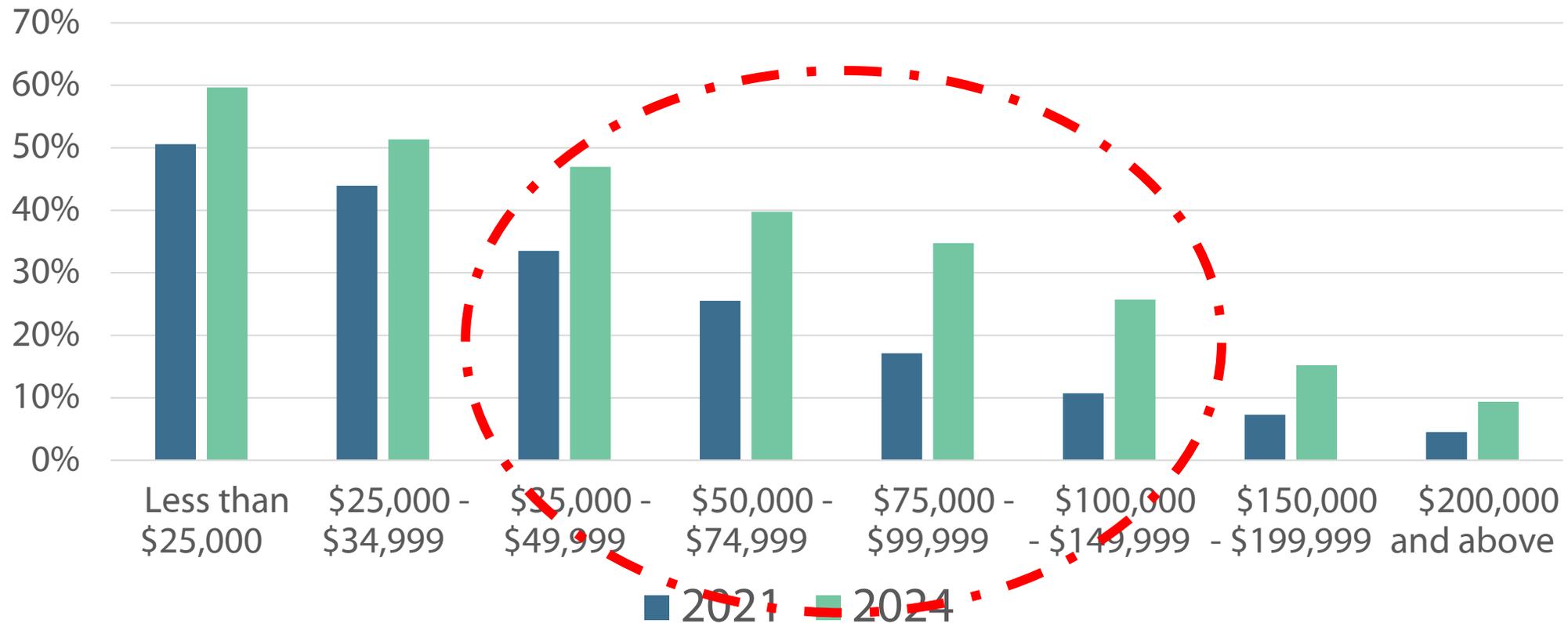
So why is consumer sentiment so terrible?



Price increases have created stress for consumers



Difficulty paying usual household expenses last seven days, "somewhat difficult" + "very difficult", 2021 vs 2024



Source: BLS Household Pulse Survey, Aug-Sept, 2021 and 2024

Lifestyles of the Rich and Famous, 2025



“Traffic from lower-income consumers declining nearly double-digits... In contrast, QSR traffic growth among higher-income consumers increasing double digits”

Chris Kempczinski, CEO

“... we saw accelerated gains with higher income customers throughout the quarter”

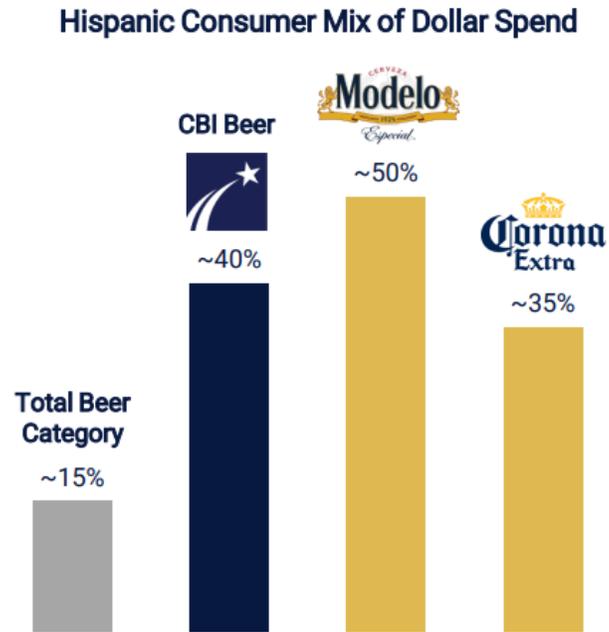
Walmart 

John R. Furner,
Incoming CEO

Hispanic consumers hit particularly hard

Socioeconomic Environment Impacting Hispanic Consumer

CBI beer brands have higher levels of exposure to the Hispanic consumer⁽¹⁾



CBI omnibus survey shows ongoing elevated concern among Hispanic consumers⁽²⁾

>80%

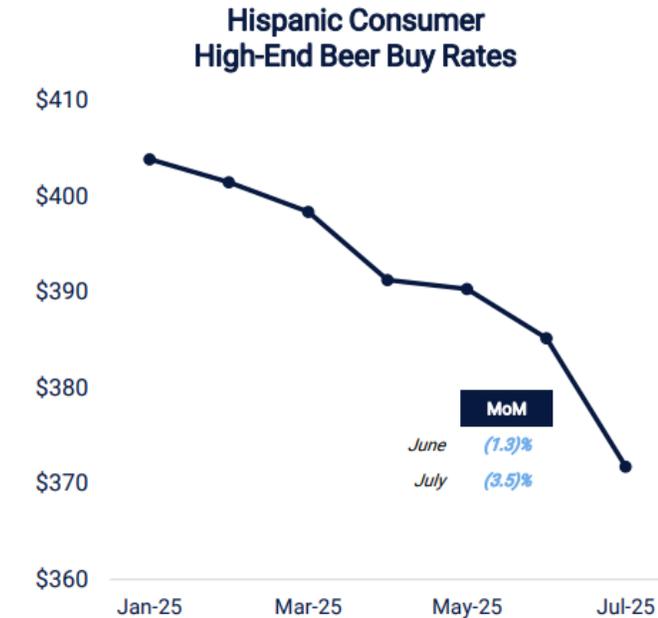
Continue to be concerned about socioeconomic environment in the U.S.

>75%

Continue to be concerned about personal finances

Impacting consumption occasions as Hispanic consumers gather less with family and friends in public spaces and at home

Hispanic consumer High-End Beer buy rates down more than total consumer⁽³⁾



⁽¹⁾ Numerator Insights rolling 52 weeks by month from 1.31.2025 through 7.31.2025

⁽²⁾ CBI Custom Hispanic Omnibus, consumers who chose the highest or second highest-level choices

⁽³⁾ Numerator Insights rolling 52 weeks by month from 1.31.2025 through 7.31.2025; Dollar spend on High-end Beer among Hispanic Households purchasing Beer Off-Premise

Possible Relief from One Big Beautiful Bill Act?



Income: \$65,000



Barbara

Single Age 68 Homeowner Retirement

- Income: \$65,000
- Tax Bracket: 12%

**Estimated Tax Savings:
\$2,850**

Income: \$80,000



Javier

Age 42 Head Of Household Homeowner 1 Kid
W-2 Worker Side Business

- Overtime Pay: \$8,000
- Property Taxes: \$12,000
- State and Local Income Tax: \$15,000
- Net Self-Employment Income: \$15,000
- Income: \$80,000
- Tax Bracket: 12%

**Estimated Tax Savings:
\$6,760**

Income: \$105,000



Blake

Age 30 Head Of Household 2 Kids Programmer
Side Business Homeowner

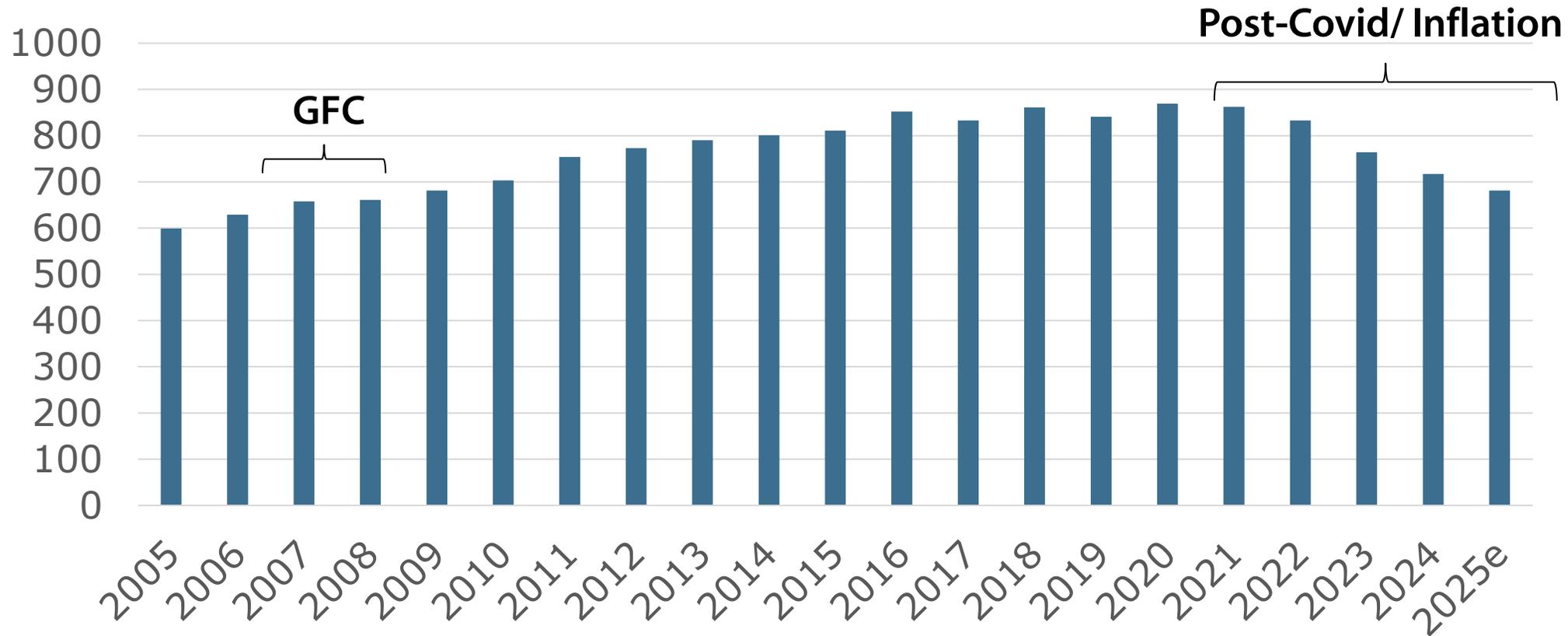
- Overtime Pay: \$10,000
- Net Self-Employment Income: \$5,000
- Property Taxes: \$15,000
- State and Local Income Tax: \$30,000
- Income: \$105,000
- Tax Bracket: 22%

**Estimated Tax Savings:
\$15,620**

... But do cyclical factors fully explain the volume the declines we've seen



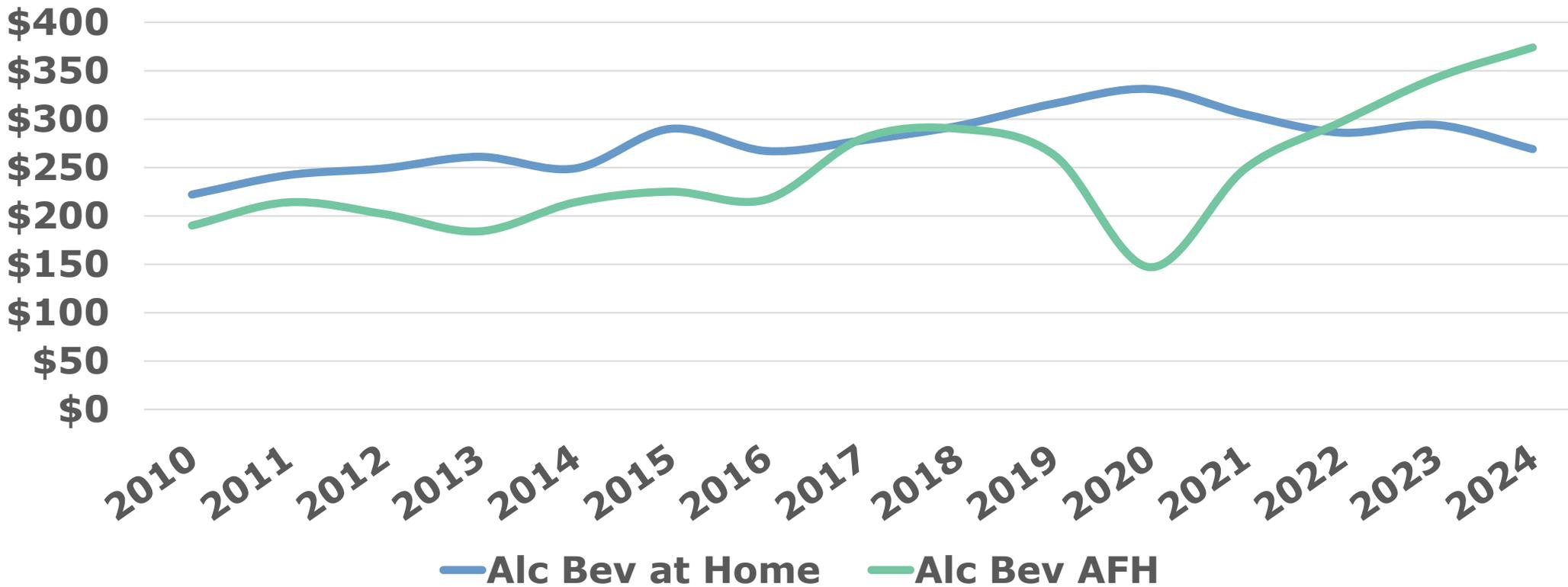
US Table Wine Consumption (Mn gallons), 2005-2025e



In spite of financial stress, spending has shifted to on premise



Average Annual consumption expenditures (USD Bn) for alc at home vs alc AFH, 2010-2024



Source: Bureau of Labor Statistics, 2025

Some factors driving declines appear structural



Demographic
Changes



Anti-alcohol
messaging



Cannabis

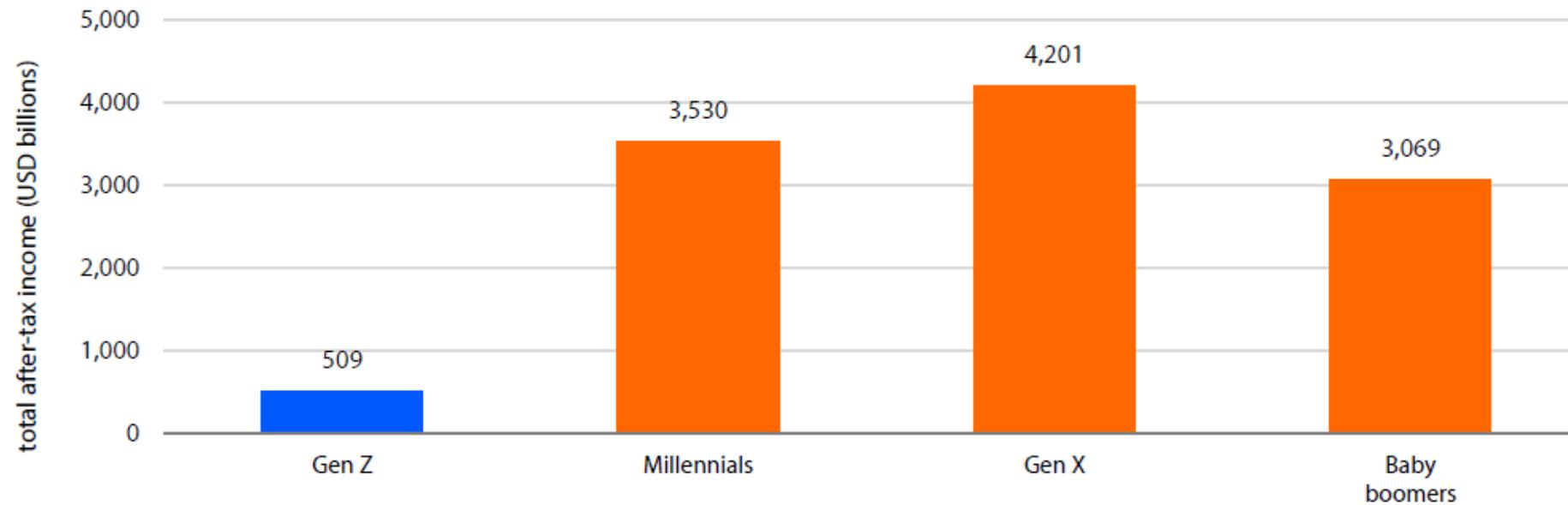


GLP-1



Gen Z is drinking less... partly because they are broke

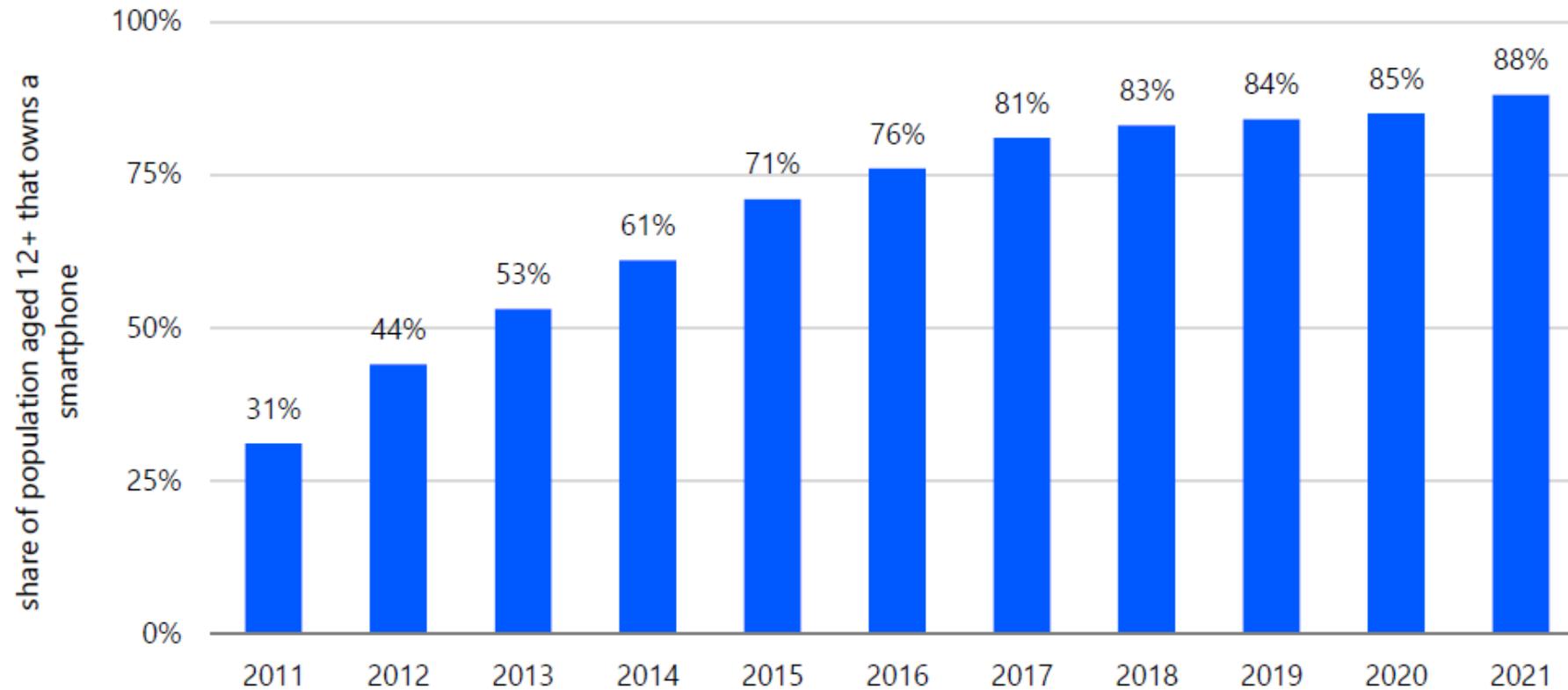
Figure 2: The main reasons Gen Z-led households spend less on alcohol than other generations is that they don't have money and many are under the legal drinking age



Source: BLS, RaboResearch 2025

But consumption declines also coincide with the rise of smartphones

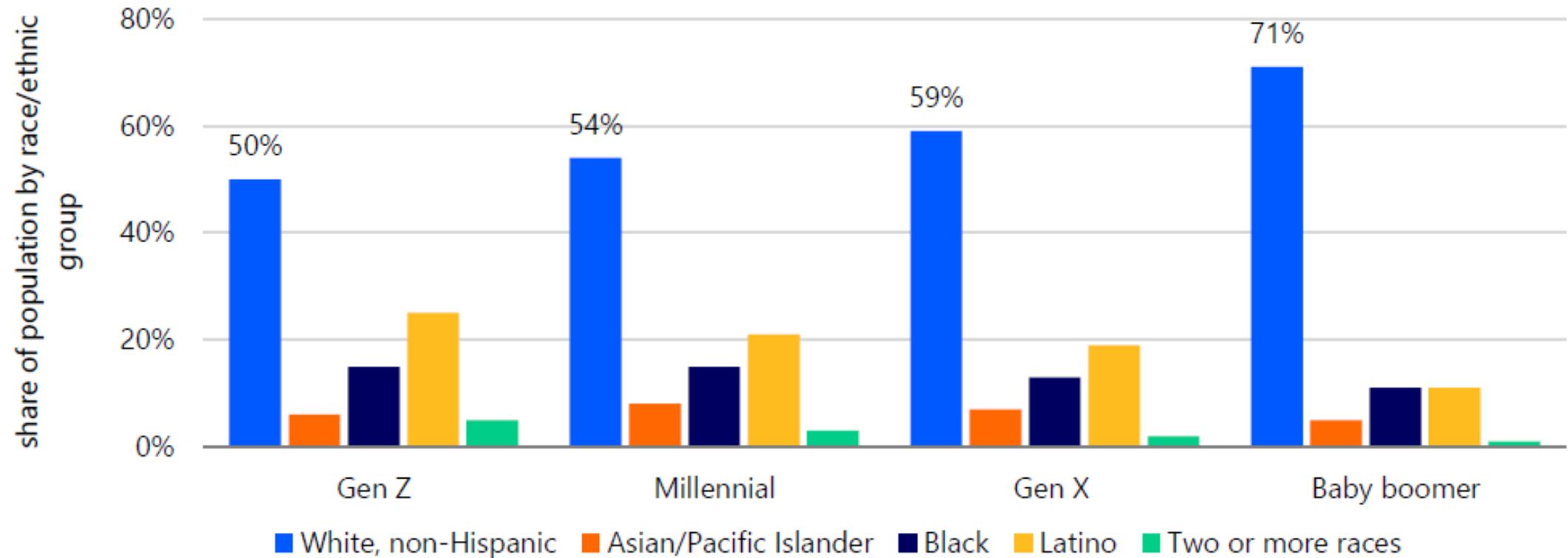
Figure 7: In less than a decade, smartphone ownership went from novelty to ubiquity in the US, transforming people's conceptions of socialization, privacy, and acceptable behaviors



Source: Edison Research, RaboResearch 2022

Gen Z is also ethnically different

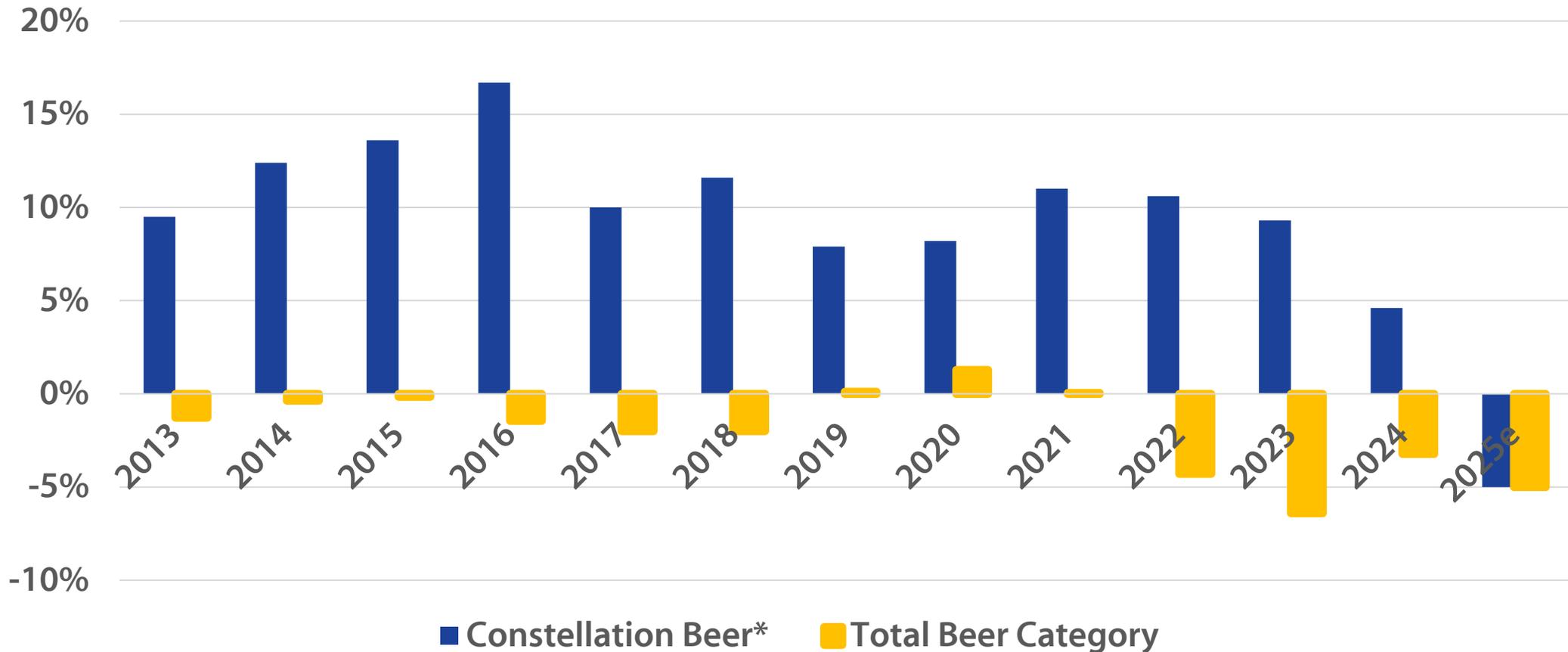
Figure 12: Gen Z is more way more diverse than previous generations, comprised of demographic groups that historically drink less



Source: US Census Bureau, Annie E. Casey Foundation, RaboResearch 2025

Immigration control will continue to hit beer consumption

Growth rate (%) of Constellation's beer portfolio vs total beer, 2013-2025



Anti-alcohol messaging is mainstream



**#1 “Health & Wellness”
5 mn subscribers**



**#2 “Health & Wellness”
100 mn downloads**



**#1 “Comedy” podcast
16 mn subscribers**

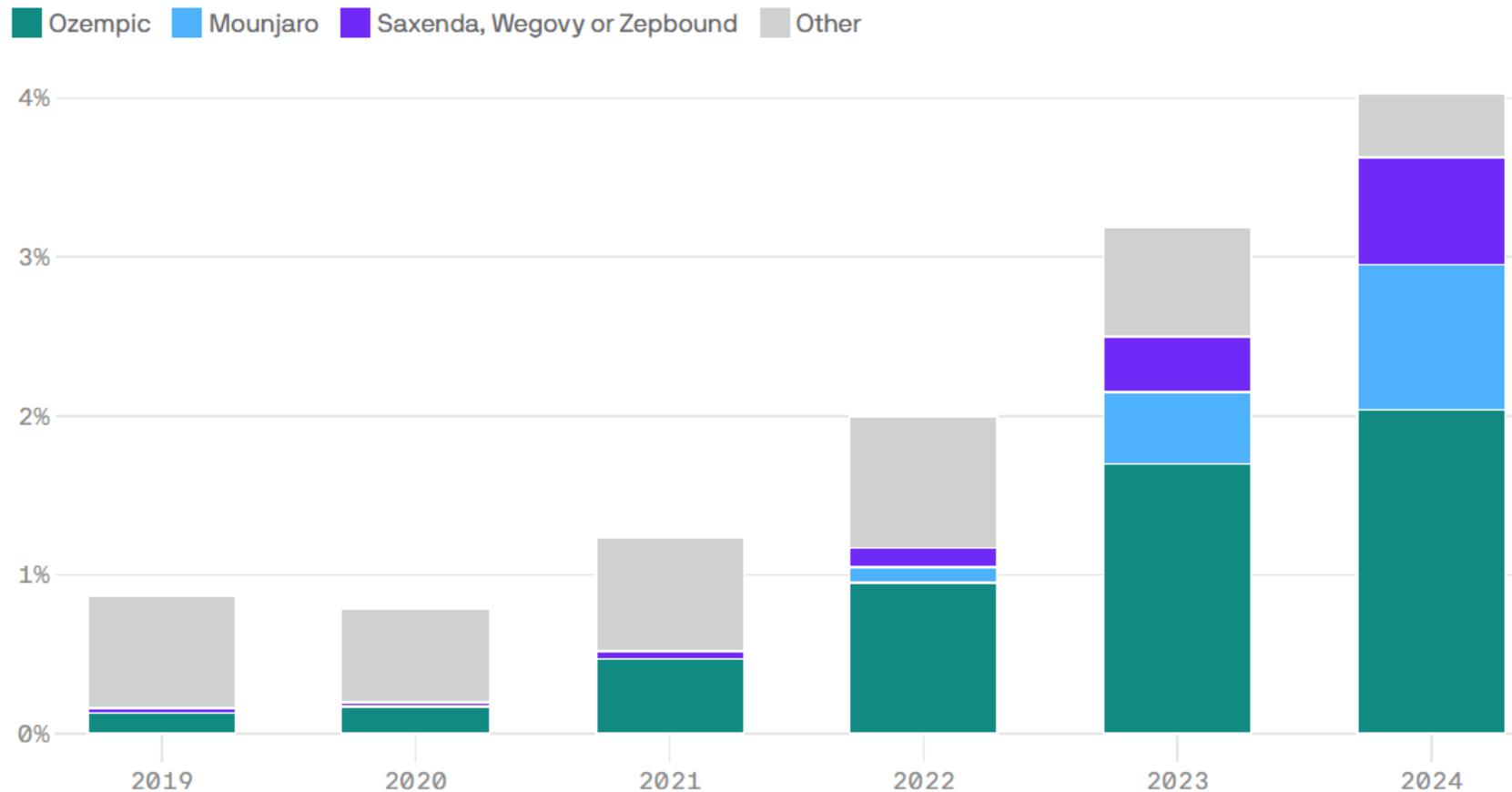
“And I’m like what kind of a moron who takes so good care of his body is poisoning himself a couple of days a week for fun, you know? Why am I doing that?”

Joe Rogan on giving up alcohol

GLP-1 usage rising, will accelerate in 2026



Share of US adults with GLP-1 prescriptions, 2019-2024

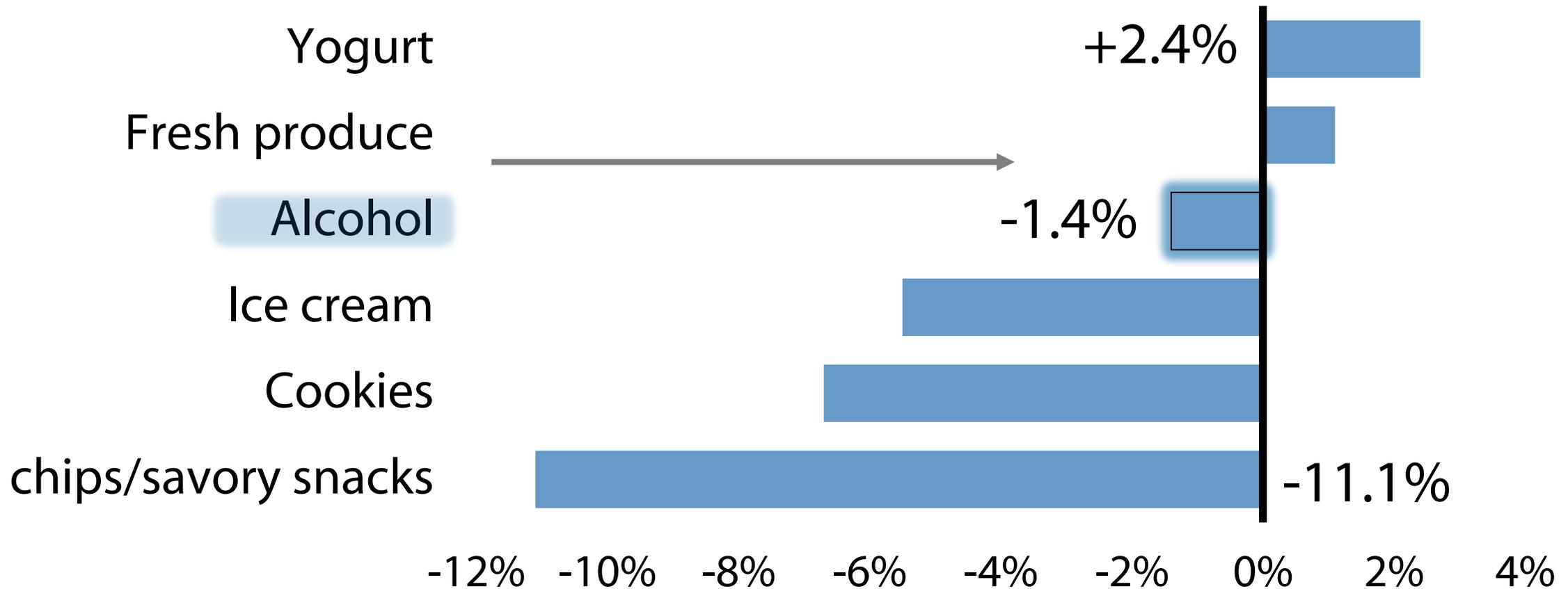


Data: FAIR Health; Chart: Erin Davis / Axios Visuals

Some data suggests that GLP-1's have minimal impact on alcohol...



Change in grocery spend 6 months post GLP-1 adoption



Starting GLP-1 use reduces alcohol consumption (to normal levels)



There are some categories that see declines due to appetite suppression and/or ingredients recommended to avoid (e.g., saturated fats, high levels of sugar, processed meats, beverage alcohol, spicy foods, etc.)

Change in Monthly Spend Index During Active GLP-1 Usage - Among Top 50
Index vs Nonusers and Point Change vs YA

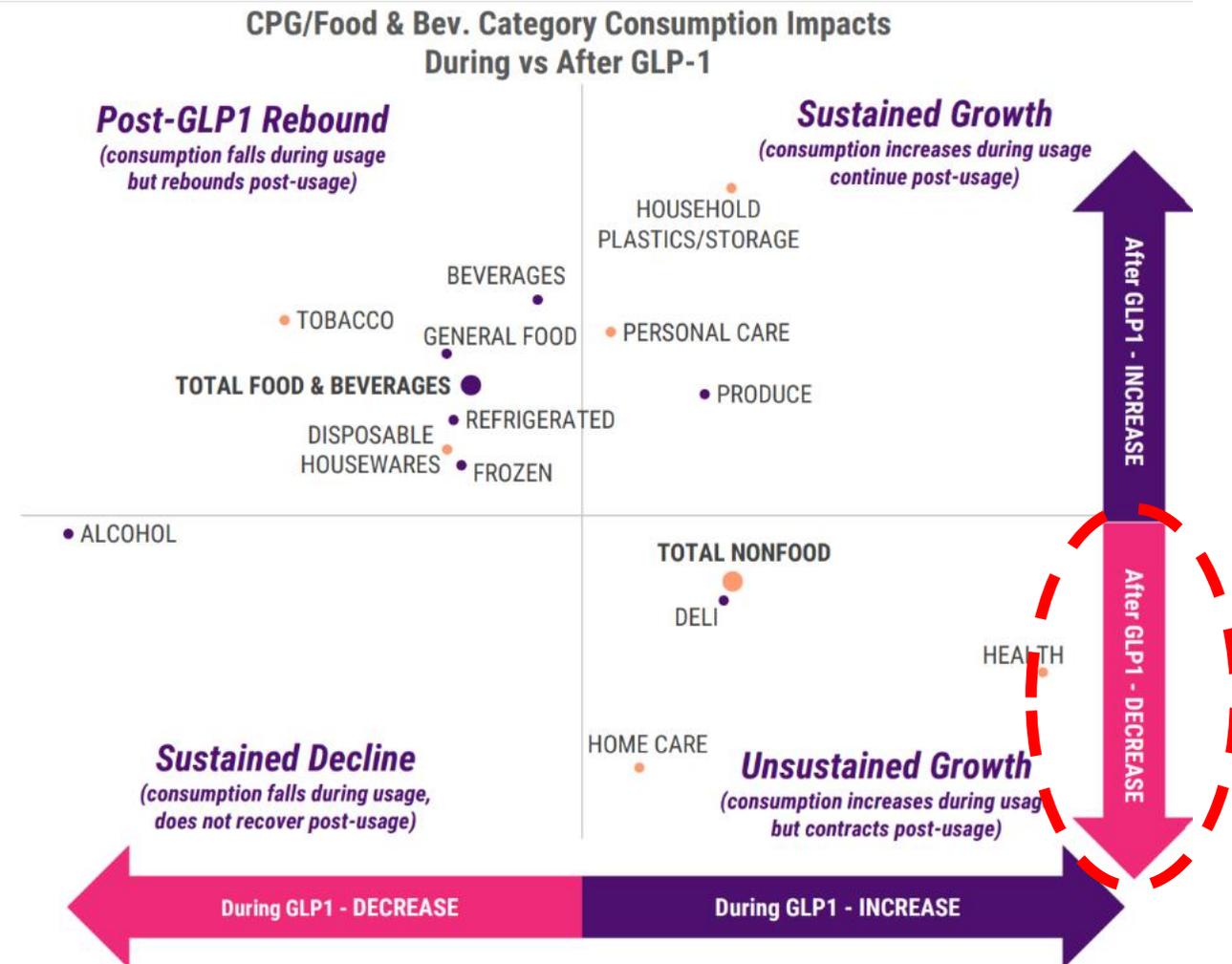
Select Categories	Avg. Pre-GLP Baseline Index vs Nonusers	Year One Avg. Point Shift
Wine	111	-11.3
Baby Formula/Electrolytes	115	-10.4
Premixed Cocktails/Coolers/Hard Seltzers	116	-10.2
Dip/Dip Mixes - Ss	117	-9.9
Canned Juices - Ss	108	-9.5
Salad Dressing - Rfg	117	-9.0
Popcorn/Popcorn Oil	115	-8.9
Prepared Gelatin/Pudding	113	-8.2
Sour Cream	114	-8.0
Margarine/Spreads	110	-7.6
Glaze/Marinade/Sauce	120	-6.2
Luncheon Meats	111	-3.2



Source: Circana/Complete Wallet Jan 2023-June 2025 (analysis time-aligned to users' GLP-1 start date); please see slide 18 for methodology details; beverage alcohol reflects purchases by adults aged 21+

Long term impact from GLP-1 may be less dramatic

We see some behaviors reverse after stopping the medication



Key Takeaways

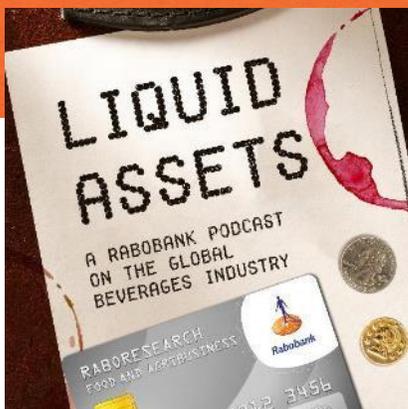


- Middle class consumer discretionary income is under pressure- Is there relief in sight?
 - *OBBB?*
 - *Wage growth?*
- Multiple structural factors weighing on demand:
 - *Demographics*
 - *GLP-1*
 - *Anti alcohol sentiment*
- Outlook 2026 and beyond
 - *Continued declines before we level out*
 - *Industry will eventually reset at a lower level*



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Q&A



Subscribe to our podcast - Liquid Assets to learn more about what is happening across the entire beverage industry

Reach out at:

Stephen.Rannekleiv@Rabobank.com

