

## DISTILLED SPIRITS BREAK A RECORD FOR ALCOHOL CONSUMPTION GROWTH IN AMERICA



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By: Richard M. Blau, Regulated Products Section Chair

In an economic report released on February 9, 2023, the **Distilled Spirits Council of the United States (DISCUS)** announced that the distilled spirits segment of America's alcohol beverage industry achieved record market share and sales driven by two main factors. These factors include continued consumer interest in premium spirits and the ongoing recovery of the hospitality industry.

DISCUS President and CEO **Chris Swonger** reported that spirits supplier sales in the United States (U.S.) were up 5.1 percent in 2022 to a record total of \$37.6 billion, while volumes rose 4.8 percent to 305 million 9-liter cases. In 2022, spirits gained a market share of the total U.S. beverage alcohol market for the 13th straight year, with supplier sales rising 0.8 share points to 42.1 percent. Each point represents \$890 million in supplier revenue. This is the first time spirits supplier revenues have surpassed beer, which holds a 41.9 percent market share.

Spirits sales are helping to stabilize a hospitality industry that suffered greatly during the COVID-19 pandemic. According to DISCUS, sales volumes at on-premise establishments, which represent about 20 percent of the U.S. market, are rebounding but remain 5 percent lower than 2019 levels following nationwide restaurant and bar closures and restrictions due to the

pandemic. Additionally, the U.S. Bureau of Labor and Statistics reported 2022 hospitality industry employment was down by 750,000 jobs compared to pre-pandemic levels.

In contrast, off-premise sales volumes, which saw sharp gains in 2020, remained steady in 2021 and 2022. Additionally, the rise in consumers' thirst for spirits-based seltzers and Ready-To-Drink lower-alcohol options have contributed to healthier sales in the spirits segment.

The new DISCUS analysis provides substantial detail relating to industry economics and trend forecasting - especially concerning the best revenue-generating product categories, as well as the growth in distillery tourism. The full DISCUS Annual Economic Briefing is accessible online at: <https://www.distilledspirits.org/wp-content/uploads/2023/02/FINAL-2022-AEB-Slide-Deck-2.9.23-941am.pdf>.

For more information regarding alcohol beverage industry developments and product trends, as well as legal compliance requirements and industry best practices, contact the GrayRobinson Nationwide Alcohol Industry Team by telephone at **866.382.5132** or via email at [beveragelaw@gray-robinson.com](mailto:beveragelaw@gray-robinson.com).



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Richard M. Blau leads the GrayRobinson Nationwide Alcohol Industry Team, focusing on the laws that govern the production, importation, marketing, distribution, and sale of alcoholic beverages throughout America. Richard works with all levels of the alcohol industry's "three-tier system," as well as providers who are not licensees. He has represented international alcohol beverage importers and domestic manufacturers, statewide wholesaler trade groups and regional distributors, and retailers (including multistate on- and off-premises chains). Richard has achieved numerous peer-related accolades for his legal work, including **Chambers and Partners** - Nationally ranked as "Band 1" for Alcohol Beverage Law & Food Law; **Best Lawyers in America** - Nationally listed for Food and Beverage Law.