

# Food-Grade Alcohol Market to Hit USD 40.51 Bn by 2032, Driven by Rising Bio-Based Alcohol Demand

*Food-Grade Alcohol Market Research Report By Type, By Application, By End-Use Industry ,By Distribution Channel, By Source*

NEW YORK, NY, UNITED STATES, April 28, 2025 /EINPresswire.com/ -- [Food-Grade Alcohol Market Size](#) was estimated at 34.13 (USD Billion) in 2022. The Food-Grade Alcohol Industry is expected to grow from 34.72(USD Billion) in 2023 to 40.51 (USD Billion) by 2032. The Food-Grade Alcohol Market CAGR (growth rate) is expected to be around 1.73% during the forecast period (2024 - 2032).

Food-Grade Alcohol Market is witnessing robust growth driven by expanding applications across multiple industries including food and beverages, pharmaceuticals, personal care, and household chemicals. According to the latest research report, the market is segmented by Type (Neutral Spirits, Ethyl Alcohol, Isopropyl Alcohol, Specialty Spirits), Application (Food and Beverage, Pharmaceuticals, Personal Care, Household Chemicals, Other Industrial Uses), End-Use Industry (Distilleries, Beverage Companies, Food Processing Industries, Cosmetic Manufacturing, Pharmaceutical Companies), Distribution Channel (B2B Sales, Direct Sales to Consumers, Online Marketplaces, Retail Stores), and Source (Fermentation (Yeast), Petrochemical Processes, Natural Gas, Others).

Projected to grow significantly over the forecast period, the Food-Grade Alcohol Market is being shaped by innovations in production technologies, heightened demand for premium alcoholic beverages, and the evolving needs of health and wellness industries.

Key Players Include:

INEOS, SABIC, Solvay, LyondellBasell, Merck KGaA, Eastman Chemical, Evonik Industries, BASF, Archer Daniels Midland, Cargill, Koninklijke DSM, DuPont, Mitsubishi Chemical, Lonza, Dow

Strategic initiatives such as facility expansions, partnerships with beverage and pharmaceutical companies, and the launch of specialty alcohol blends are shaping the competitive landscape.

Food-grade alcohol, also known as ethyl alcohol or ethanol, is a highly purified form of alcohol suitable for human consumption and food production. With its versatile solvent properties and

regulatory approvals, it finds critical applications in the formulation of spirits, confectionery, flavor extracts, pharmaceutical products, and cosmetics.

The rising consumer preference for natural ingredients, increased pharmaceutical production post-pandemic, and growing awareness around premiumization in food and beverages are catalyzing market demand globally.

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## Segmentation Analysis

### By Type

**Neutral Spirits:** Accounting for a major share of the market, neutral spirits are widely used for vodka, gin, and liquors due to their purity and lack of distinctive flavor.

**Ethyl Alcohol:** Ethyl alcohol remains the backbone of the food-grade alcohol market with significant applications in food, pharma, and personal care sectors.

**Isopropyl Alcohol:** Although predominantly industrial, food-grade isopropyl alcohol serves niche food processing and pharmaceutical uses.

**Specialty Spirits:** This segment is expanding rapidly, driven by the demand for artisanal and craft spirits with unique flavor profiles.

### By Application

**Food and Beverage:** Food-grade alcohol is vital in beverages (alcoholic and non-alcoholic) and food processing, particularly as a carrier for flavors and colors.

**Pharmaceuticals:** Ethanol's role as an antiseptic, solvent, and active ingredient in cough syrups and sanitizers underpins steady pharmaceutical demand.

**Personal Care:** Alcohol-based products like perfumes, astringents, and sanitizers are key contributors to this segment's growth.

**Household Chemicals:** Cleaning agents and disinfectants increasingly utilize food-grade alcohol owing to its efficacy and safety profile.

**Other Industrial Uses:** Food-grade alcohol is finding new uses in bio-based industrial solvents, promoting sustainability.

### By End-Use Industry

**Distilleries:** Craft distilleries and premium spirit manufacturers are key buyers, capitalizing on the clean-label movement.

**Beverage Companies:** Non-alcoholic beverage producers are using ethanol for flavor extraction and preservation.

**Food Processing Industries:** Confectionery, bakery, and flavor manufacturing industries require food-grade alcohol as solvents and carriers.

**Cosmetic Manufacturing:** The growing cosmetic industry demands high-purity alcohol for lotions,

creams, and fragrance bases.

Pharmaceutical Companies: High-purity ethanol is indispensable for manufacturing tinctures, solutions, and antiseptics.

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## By Distribution Channel

B2B Sales: Dominating the market, direct B2B transactions between manufacturers and industrial buyers ensure customized supply and pricing.

Direct Sales to Consumers: Rising DIY trends and small-scale distillation practices are opening pathways for direct sales.

Online Marketplaces: E-commerce platforms are emerging as vital channels, especially for small and mid-sized buyers.

Retail Stores: Although niche, specialty stores catering to craft beverage and home care markets continue to sustain retail sales.

## By Source

Fermentation (Yeast): Naturally fermented alcohols are gaining preference due to consumer demand for bio-based and organic ingredients.

Petrochemical Processes: Synthetic production remains cost-effective and critical for meeting bulk industrial demand.

Natural Gas: Although less common, innovations are enabling the production of alcohol derivatives from natural gas feedstock.

Others: Emerging technologies, including biomass fermentation and synthetic biology, offer future avenues for sustainable alcohol production.

## Regional Insights

North America: A mature market led by the U.S., characterized by advanced distillation technologies, premium beverage demand, and strong pharmaceutical manufacturing.

Europe: Innovation in organic and craft alcohol production, coupled with stringent regulatory standards for purity and quality, drive the European market.

Asia-Pacific: Rapid urbanization, increasing disposable incomes, and growing food and beverage industries in countries like China and India fuel market expansion.

Latin America and Middle East & Africa: Emerging economies show promising growth potential owing to expanding food processing industries and rising health awareness.

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#### Contact Us:

Market Research Future (Part of Wantstats Research and Media Private Limited)

99 Hudson Street, 5Th Floor

New York, NY 10013

United States of America

+1 628 258 0071 (US)

+44 2035 002 764 (UK)

Email: [sales@marketresearchfuture.com](mailto:sales@marketresearchfuture.com)

Website: <https://www.marketresearchfuture.com>

Market Research Future

Market Research Future

+1 855-661-4441

[email us here](#)

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