# Consumers flocking to RTD coffees and teas

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# The ready-to-drink (RTD) tea and coffee market is booming. Sales soared to 71 billion in 2015 and are expected to reach 116 billion by 2024. Consumer interest in healthier beverages, as well as a desire for instant energy and novel flavors, is driving this growth.[1]

RTD coffee and tea beverages cater to those modern consumers who are often looking for healthier on-the-go drinks. Many consumers consider natural and organic products to be healthier than those with artificial ingredients. Studies show 66 percent of Americans seek product claims which avoid negatively perceived ingredients[2] while 61 percent believe a shorter ingredient list means a healthier product.[3]

## Coffee vs. Tea

**Tea, please!** RTD tea is a fast-growing product segment in the beverage category. Sales are expected to reach USD 84 billion by 2024. Tea's healthful reputation, such as the nutritional benefits associated with its natural antioxidants, is contributing to its strong growth.[1]

RTD coffee is finding greater acceptance in the marketplace thanks to improved taste and new flavors. Demand is expected to increase primarily due to rising consumption in restaurants and offices.[1]

## GET READY FOR GENERATION Z

Producers of RTD coffee and tea beverages may want to pay attention to the interests of Generation Z, those born between 1996 and 2011. While many aren't yet coffee or tea fans, 20 percent of those who did drink a coffee in the previous day chose a canned or bottled coffee beverage.[4]

*Cargill.com/labelfriendly*

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## Cargill's ingredient experts can help you deliver RTD coffee and tea products which satisfy today's consumers.

New products, exciting flavors and functional ingredients are expected to continue driving growth for the RTD coffee and tea industry. Cargill's ingredient experts can help you solve formulation challenges and/or replace ingredients to produce a consumer-pleasing and label-friendly product.

**Sweeteners:** Label-friendly ViaTech® stevia sweeteners help you deliver great taste with significantly fewer calories. Cargill also offers several non-GMO* sweetener options.

- ViaTech® stevia sweeteners
- Cargill non-GMO solutions

**Texturizing Systems:** A satisfying mouthfeel can be as important as flavor. Cargill's Custom Texturizing System and label-friendly starches can solve formulation challenges and/or replace ingredients to produce a label-friendly product.

- Custom Texturing Systems
- Label-Friendly Starch

**Fiber & Protein Ingredients:** Cargill provides ingredient options to help customers respond to demand for increased fiber and protein.

- Chicory Root Fiber
- Plant Proteins

Sources

[1] Grand View Research, Inc. Ready to Drink (RTD) Tea And Coffee Market Report. 2016 http://www.grandviewresearch.com/industry-analysis/ready-to-drink-tea-and-ready-to-drink-coffee-market

[2] SHS FoodThink, Snacker Nation 2015

[3] Nielsen. Global Ingredients Study. 2016

[4] National Coffee Association. NCDT Study 2017 http://www.teaandcoffee.net/1878/editors-blog/move-millennials-comes-gen-z/

*Visit cargill.com for more information on Cargill's definition of Non-GMO.

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