

5 Trends and Ingredients Redefining the Beverage Aisle

Today's beverage aisle is filled with products that appeal to health- and label-conscious consumers. Bottled and canned waters, sports drinks, coffees, teas and dairy drinks now occupy grocery store space once dominated by high-calorie carbonated sodas. Interest in nutritious food and drink is helping to drive this change, while next-generation sweeteners, texturizers and other ingredients are helping formulators deliver products that taste as good as their labels look.

Beverage aisle trends

1. Reduced sugar. Next-generation sweeteners are helping manufacturers reduce or replace sugar in a wide variety of beverages. While many consumers are unclear about alternative sweeteners, data from Innova Market Insights shows that stevia use grew dramatically between 2013 and 2017: by 17% in North America, 21% in Australasia and 37% in Latin America.¹

Cargill's sweetener portfolio can help beverage manufacturers meet consumer demand for great-tasting, lower-sugar beverages. EverSweet™ steviol glycosides and ViaTech® stevia sweeteners can help reduce sugar by 50-100%. Zerose® erythritol, a zero-calorie bulk sweetener, partners well with high-intensity sweeteners to reduce any off-notes.

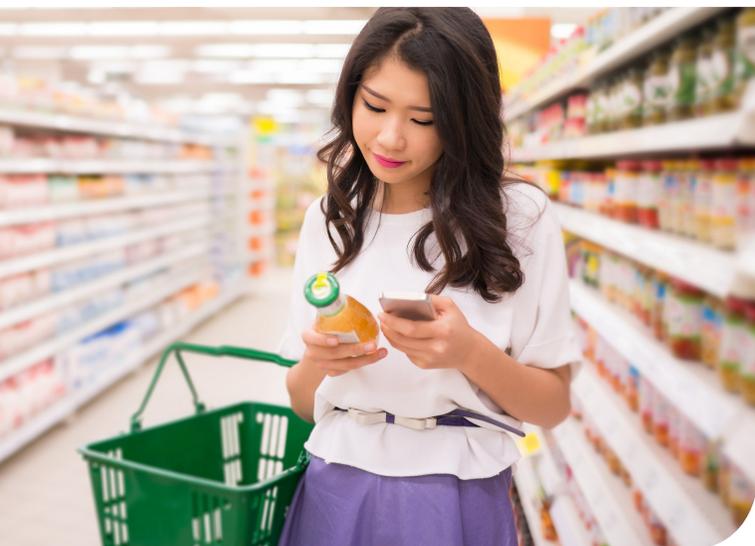
2. Natural, non-GMO and organic. According to *Beverage Industry Magazine's* 2018 product development outlook,



The rapid growth of organic beverages (with a 10.5% sales gain in 2017, to \$5.9 billion³), together with the decline in soft drinks and sodas, is helping to drive this trend.

Organic beverages are now the third-largest organic category, behind fresh produce and dairy/eggs. Fresh juices are the main driver of organic beverages. Organic non-dairy alternatives also gained popularity in 2017.³

3. Cold-brew coffee and tea. Consumer interest in instant energy is driving the ready-to-drink tea and coffee market. Sales soared to \$75 billion in 2016, and are expected to reach a 5.6% Compound Annual Growth Rate (CAGR) by 2024.⁴ Tea's healthful reputation is contributing to its strong growth. Ready-to-drink (RTD) coffee beverages are finding greater acceptance in the marketplace, thanks to improved taste and new flavors.



4 Trendy flavors. Many of today's consumers are looking for more from their beverages.

- Herbs, spices, exotic fruits, and even savory vegetables are desired tastes.

5 Beverages with benefits. Interest in functional beverages – non-alcoholic drinks that provide health benefits and contain vitamins, amino acids or other non-traditional ingredients – is on the rise. This market was valued at \$26.2 billion in 2015, and is expected to grow at a CAGR of 6.5% between 2018 and 2023.⁵

Protein drinks are popular, especially those made with plant-based proteins. Many beverage makers appreciate the functionality of pea protein. It's more soluble than most other botanical proteins, making it easier to keep in suspension. PURIS™ pea protein is also non-GMO*, vegan-friendly and delivers a proven, consumer-pleasing flavor profile.

There is also interest in fiber-enhanced beverages. Cargill's Oliggo-Fiber® chicory root fiber blends invisibly into solutions, making it a great choice for beverages. This prebiotic soluble fiber has been shown to support digestive health and enhances dietary calcium absorption. It's also mildly sweet and can act as a bulking agent. These characteristics can help formulators meet their sugar-reduction goals.



Cargill is helping formulators stay on the front edge of consumer trends with deep industry insight, world-class formulation expertise and a comprehensive ingredient portfolio.

¹ Innova Market Insights. "Stevia Sweeteners – Toolbox for Creating Consumer Approved Taste." September 21, 2018. <https://www.foodingredientsfirst.com/news/sweetener-innovation.html>

² Liem, Emma. "Consumers are Demanding More from their Beverage Experiences." Food Dive, Beverage Industry, New Product Development Outlook. <https://www.fooddive.com/news/consumers-are-demanding-more-from-their-beverage-experiences/515028/>

³ McNeil, Maggie. "Maturing U.S. Organic Sector Sees Steady Growth of 6.4 Percent in 2017." Organic Trade Association. May 18, 2018. <https://ota.com/news/press-releases/20236>

⁴ Grand View Research. Ready to Drink (RTD) Tea and Coffee Market. April 2018. <https://www.grandviewresearch.com/industry-analysis/ready-to-drink-tea-and-ready-to-drink-coffee-market>

⁵ Mordor Intelligence. "Global Functional Beverage Market – Growth, Trends and Forecasts (2018-2023)." <https://www.mordorintelligence.com/industry-reports/functional-beverage-market>

* There is no single definition of "non-GMO" in the USA. Contact Cargill for source and processing information.

Claims: The labeling, substantiation and decision making of all claims for your products is your responsibility. We recommend you consult regulatory and legal advisors familiar with all applicable laws, rules and regulations prior to making labeling and claims decisions.

PURIS™ Pea Protein is a trademark of PURIS Foods, a Cargill strategic partner.