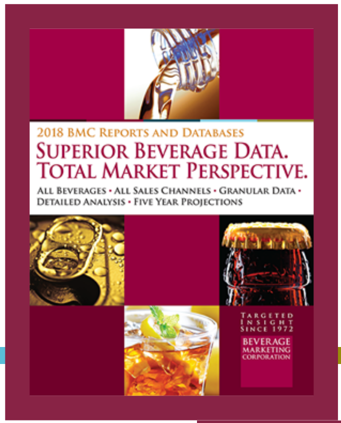
PRIVATE LABEL BEVERAGES AND CONTRACT PACKING IN THE U.S.

2018 EDITION (Published October 2018. Data through 2017.)
More than 400 pages, with extensive text analysis, graphs, charts, more than 40 tables and more than 185 company profiles.



This research report from Beverage Marketing Corporation offers insight into private label beverage market production, quantifies the private label market, sheds light on issues related to contract packing and discusses the trends affecting the private label and contract packing industry. It includes an extensive contract packing directory, providing contact information for co-packers and details on their product, process and production capabilities.

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INSIDE:

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The answers you need

Private Label Beverages and Contract Packing in the U.S. is suitable for those seeking a comprehensive understanding of the market for private label products and contract packing, those seeking a contract packer for their beverage product, suppliers who sell product to contract bottlers or anyone requiring a better understanding of the specific processing capabilities of contract bottling operations.

- Which beverage categories have the most developed private label business?
- What trends are shaping the private label industry?
- Are private label or branded beverage products growing faster? How does private label beverage market share compare to branded product share in each beverage category?
- What private label categories are growing the fastest?
- What are the pricing trends in contract packing?
- Which contract packers have the right product and processing capabilities for my brand?

This report features

The report features a comprehensive analysis of the market for private label products as well as a look at the behind the scenes issues involved in contract bottling. It also includes a section devoted to performance of private label beverages and key manufacturers operating in this arena including the factors driving their performance. Contract packing trends and agreements are also discussed and a sample co-packing agreement is provided.

Additionally, the report features a directory of contract packers which serves as a resource for those in need of contract packing services or those who act as suppliers to the contract packing industry. This unique and incredibly useful report includes:

- Historical and current data on the overall private label category with specific detail on the private label market for beverages.
- An overview of the major suppliers of private label beverages in the U.S. including Cott Corporation, Dean Foods, Louis Dreyfus Citrus, Niagara Bottling and others.
- Trends in contract packing by beverage category and a discussion of key issues.
- Average pricing of contract packing for conversion only as well as full product contracts and full-product cost makeup and contract packing contract issues. Includes a sample contract.
- A beverage contract packer list / indexed directory featuring contact information, product and processing capabilities, # of hot and cold fill lines, label specifications, capping capabilities and more.
- Contract fillers' product production capabilities across a broad range of beverage categories including carbonated soft drinks, dairy, beer, bottled water, wine and spirits based beverages, nutritional beverages, cocktail mixes, frozen concentrates, every drinks, energy shots, enhanced waters, fruit beverages and more.
- Indication of contract fillers ability to address various processing requirements including hot fill, cold fill, aseptic, HPP, HYPA, heat sealed, ambient and carbonation, cross-referenced by capabilities for filling various packaging types including PET, HDPE, paperboard, can, aseptic, glass, pouch, polypropylene, aluminum, kegs etc.
- Indexed by location, product, process capabilities and more for easy access to packers meeting the right specifications.

Private Label Beverages & Contract Packing in the U.S.

October 2018

BEVERAGE MARKETING CORPORATION

RESEARCH ● DATA ● CONSULTING

NOTE: The information contained in this report is confidential and solely intended for the benefit of the immediate recipient hereof.

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Private label carbonated soft drinks have underperformed the CSD category in recent years.

- Branded products like Coke, Pepsi and Dr Pepper dominate with more than [redacted]% of the market but the vast size of the category has created an opportunity for private label brands, which are purchased by value-conscious consumers.
- For the most part, the branded company leaders have done an effective job at blunting further inroads of private label through strong marketing of their products, gaining widespread distribution, and pricing their products so that they can be afforded by a mass market.
- Historically, private label has always played a role in the industry. Generally, its share has fluctuated over time within a relatively narrow band. This share has tended to grow when the price gap between nationally branded products and private label is wider and its share has shrunk when the price gap has been narrower.
- Private label CSDs – like most private label products – tend to appeal to very price conscious consumers – those with large families who are likely to consume products in large quantities as well as those with low incomes.
- While private label's share of the CSD market is expected to wane in the coming years, an unforeseen (some would say foreseen) weakening in the economy would broaden the number of consumers that would consider a private label CSD.

Higher costs in the last couple of years have impacted both private label and branded products. Big name brands like Pepsi and Coke have been forced to raise prices but private label has had to essentially follow suit.

- This change has impacted private label performance and forced many of the private label brands to emphasize quality and other attributes.
- Rather than relying only on lower prices, many private label CSD programs in the 1980s and 1990s embarked on campaigns aimed at attaining "national brand equivalency," whose marketing efforts centered on "compare and save" promotions highlighting not only lower prices but also quality comparable to national brands.

Exhibit 2.13

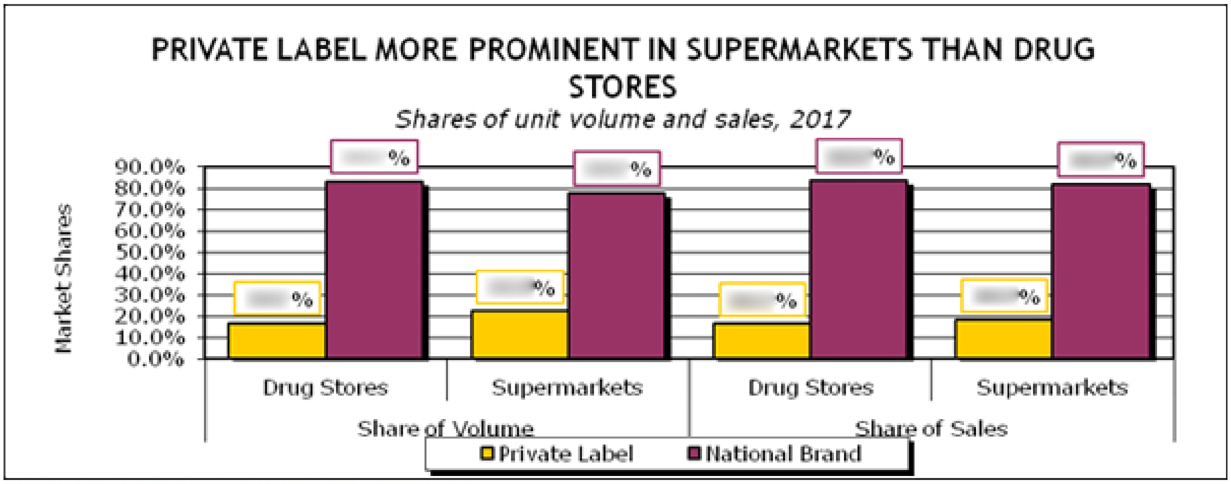
U.S. CARBONATED SOFT DRINK MARKET
NATIONAL BRANDS VS. PRIVATE LABEL
GROWTH (r)
1994 – 2017

Year	National Brands*	Private Label	Total CSDs
1993/94	[illegible]%	[illegible]%	[illegible]%
1994/95	[illegible]%	[illegible]%	[illegible]%
1995/96	[illegible]%	[illegible]%	[illegible]%
1996/97	[illegible]%	[illegible]%	[illegible]%
1997/98	[illegible]%	[illegible]%	[illegible]%
1998/99	[illegible]%	[illegible]%	[illegible]%
1999/00	[illegible]%	[illegible]%	[illegible]%
2000/01	[illegible]%	[illegible]%	[illegible]%
2001/02	[illegible]%	[illegible]%	[illegible]%
2002/03	[illegible]%	[illegible]%	[illegible]%
2003/04	[illegible]%	[illegible]%	[illegible]%
2004/05	[illegible]%	[illegible]%	[illegible]%
2005/06	[illegible]%	[illegible]%	[illegible]%
2006/07	[illegible]%	[illegible]%	[illegible]%
2007/08	[illegible]%	[illegible]%	[illegible]%
2008/09	[illegible]%	[illegible]%	[illegible]%
2009/10	[illegible]%	[illegible]%	[illegible]%
2010/11	[illegible]%	[illegible]%	[illegible]%
2011/12	[illegible]%	[illegible]%	[illegible]%
2012/13	[illegible]%	[illegible]%	[illegible]%
2013/14	[illegible]%	[illegible]%	[illegible]%
2014/15	[illegible]%	[illegible]%	[illegible]%
2015/16	[illegible]%	[illegible]%	[illegible]%
2016/17	[illegible]%	[illegible]%	[illegible]%

(r) Revised

** Includes volume for all non-private label carbonated soft drink brands.*

Source: Beverage Marketing Corporation



Source: Beverage Marketing Corporation