Klock, CEO of Preston, Wash.-based TalkingRain Beverage Co., which manufactures the fast-growing Sparkling ICE brand, harkened back to family occasions in the Seattle area, when relatives made sure they secured a bottle of Sparkling ICE. This was the late 1980s, before the zero-calorie, flavored sparkling-water brand made a national splash.

When Klock moved to California, neighborhood kids went to great lengths to get their hands on the product. “I had a cooler of Sparkling ICE in my garage,” Klock said during a Beverage Buzz webinar, hosted by Wells Fargo Securities, New York, earlier this year. Kids found their way into Klock’s garage to pilfer the cooler of refreshments, he said, putting a new twist on the concept of grab and go.

These days, Sparkling ICE has a national following. Top retailers across grocery, mass and drug chains churn out as many as 100 cases a week in sales, said Klock. The brand is charting its way into mass c-store-channel distribution thanks to a growing network of DSD affiliates.

What’s the secret to Sparkling ICE’s growth? Artificial sweetener sucralose—derived from sugar—is an additive that’s helped Sparkling ICE achieve the high level of flavor and taste that Klock and his team sought out, along with zero calories and a refreshing kick. To many beverage-industry experts, sucralose has an advantage in the artificial-sweetener camp and has shed the negative implications that have shadowed others.

In a perfect world, beverage makers would probably opt for natural sweeteners as the de facto blending component. A natural-sweetener alternative such as stevia might have been on Talking Rain’s formulation radar, but it didn’t fit the bill. “I hope I am the one who invents a natural sweetener [for Sparkling ICE], because then I can retire,” Klock joked.

Other beverage processors are on the trail to achieve the gold standard of flavor and health. The Coca-Cola Co. and stevia producer PureCircle in late December received approval by the U.S. Food and Drug Administration (FDA) for PureCircle Rebaudioside M, or Reb M, as a general-purpose sweetener for foods and beverages in the United States.

The FDA rubber stamp could be the springboard Coke requires to launch more low-calorie beverages and counter the sales drop that’s bedeviled diet carbonated soft drinks. Coca-Cola and PureCircle have a five-year supply agreement—punctuated by a mission to seek global intellectual property coverage for the Reb M ingredient.

High-purity Reb M (also known as Reb X) has a taste closer to table sugar than previous stevia ingredients, according to the company, allowing for deeper calorie reductions in food and beverage products, particularly those with higher levels of sweetness.

Plant-derived stevia has become so popular that it’s poised to become a $1-billion seller in the near future, according to food market analysts. Other products using stevia include Insight Beverage’s new Hydralive Coolers, as well as many condiments for the coffee bar including Smucker’s Foodservice’s Stevia In The Raw and Whole Earth Sweetener Co.’s certified non-GMO Pure Via stevia sachets.
**The Future of Aspartame**

The continuing decrease in the sales of diet carbonated soft drinks (CSDs) has been tied to concern about the safety of aspartame. A recent study showing the sugar substitute is safe, however, is not expected to turn things around anytime soon.

The European Food Safety Authority issued a report late last year declaring that the consumption of aspartame is safe. The FDA made a similar declaration years ago. Still, “there has been a resurgence of negative sentiment and questions around the health and safety of aspartame,” according to a recent research note from Bonnie Herzog of Wells Fargo Securities at the time of the report.

“While we don’t believe the [European] report will change short-term negative trends, it could lead to a bottoming out of negative sentiment and a gradual return to volume growth in diet CSDs,” she noted.

However, Herzog, citing a recent survey of beverage retailers, believes sugar substitutes are just one of three major trends that have led to a slacking interest in diet sodas:

- **Health and wellness:** “The majority of our retailer contacts believe consumers are shifting to healthier and all-natural options like bottled waters and teas that don’t have artificial sweeteners.”
- **Regular CSDs:** “Because of the health concerns with artificial sweeteners, some of our retailers believe consumers are switching to regular offerings, which are not perceived to be any less healthy, but consuming at a lower rate as they rationalize calorie intake.”
- **Energy:** “Our retailers believe that many consumers, particularly millennials, are switching to the energy category. We believe certain ‘CSD-like’ energy offerings like Monster Zero Ultra have sourced much of their growth from diet consumers.”

**Present Tense for ‘Intense’**

Laura Jones, global food science analyst for Chicago-based Mintel Research, says “global usage of intense sweeteners has displayed positive growth over the past five years.” She defines intense sweeteners as ingredients “designed to replace only the sweetness of sugar and allow the product developer to create sweet-tasting products without the calorie contribution of traditional sugars.”

In 2009, 3.5% of all food and drink product launches contained one or more types of intense sweeteners in their formulations, but by 2013 the figure increased to 5.5% of all launches, says Jones.

“The spotlight is firmly fixed on sugar and all the negative publicity influencing consumers’ consumption of it, as only 11% of U.S. consumers reported using more sugar in 2013 than they did in 2012, while 37% of UK consumers try to avoid sugar wherever possible in their diet,” Jones says.

Jones also points to Acesulfame K, or Ace K, as one that’s being closely scrutinized by food and beverage makers. Ace K is known to be far sweeter than sucrose, as sweet as aspartame and about two-thirds as sweet as saccharin. Like saccharin, it has a slightly bitter aftertaste, especially in high concentrations.

“Ace K can be viewed as a blending component to enhance sweetness, where the sweetness in a beverage comes on early in consumption or comes on later. The goal is to get the taste profile as close to sweet as possible,” Jones says.

Looking outside the beverage segment, Jones believes that more upward pressure will be placed on products such as indulgent ice creams and candy to cut out sugar from the formulation blueprint.

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**Liquid sweetener**

**Whole Earth Sweetener Co. LLC**

www.wholeearthsweetener.com

Pure Via Liquid Sweeteners are available in original and vanilla flavors. Naturally sweetened with stevia, the zero-calorie liquid sweeteners are packaged in portable no-drip bottles that leave no mess. Dissolving quickly, the sweetener’s 1.62-ounce bottle provides 48 servings and fits easily in a bag or pocket.

**Zero-calorie waters and lemonades**

**Talking Rain**

www.talkingrain.com

Sparkling ICE sparkling mountain spring water recently expanded its zero-calorie brand with Cherry Limeade and Strawberry Watermelon flavors. It also grew its sparkling-lemonade line with the addition of Peach and Mango Lemonades, joining existing flavors Classic Lemonade, Strawberry Lemonade and Lemonade with Tea.

**Beverage sweeteners**

**Smucker’s Foodservice**

www.smuckersfoodservice.com

Complementing the company’s beverage portfolio is a variety of brand sweeteners: Zero-calorie Sweet’N Low is joined by natural sweetener options Sugar In The Raw and Stevia In The Raw. Completing the portfolio are NatraTaste Blue and NatraTaste Gold, providing the taste of sugar minus the calories.
<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
<th>Product</th>
<th>Manufacturer</th>
<th>Website</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>Fortified drinks</td>
<td>Oohrah! Hydration LLC</td>
<td><a href="http://www.oohrahhydration.com">www.oohrahhydration.com</a></td>
<td>Oohrah! Hydration Drinks are launching this year with a mission to provide direct support to philanthropic initiatives. Each flavor represents a different cause. Regin’ Red honors all Americans, while Fightin’ Green, Chargin’ Blue and Thunder Cloud honor those in the U.S. Army, Navy and Air Force, respectively.</td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>Recovery drink</td>
<td>Formula O2</td>
<td><a href="http://www.drinko2.com">www.drinko2.com</a></td>
<td>Available in Orange Mango and Grapefruit Ginger flavors, Formula O2 is a noncarbonated recovery drink now targeted to a broader market and evolving from the manufacturer’s original Formula AM hangover remedy. The beverage is available in 16-ounce cans, touting detox, hydration and energy attributes.</td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>Liquid beverage enhancer</td>
<td>MilkSplash</td>
<td><a href="http://www.milksplash.com">www.milksplash.com</a></td>
<td>MilkSplash milk enhancer features varieties such as Cocoa Loco, Sir Strawberry Swirl, Orange Cream Dream, Cookies ‘N Cream and Jammin’ Banana. Each bottle contains enough fluid ounces to flavor 24 6-ounce glasses of milk. Fat-, calorie-, gluten- and allergen-free, MilkSplash requires a light squeeze and a stir for a customized drink.</td>
<td></td>
</tr>
<tr>
<td>76</td>
<td>Energy beverage</td>
<td>AMP Energy</td>
<td><a href="http://www.pepsico.com">www.pepsico.com</a></td>
<td>AMP Energy and racing star Dale Earnhardt Jr. are debuting a new sour grape flavor—Dale Jr. Sour—available for a limited time at participating 7-Eleven stores. The NASCAR circuit driver selected the sour grape flavor, and the can features an image of him and his No. 88 Chevrolet SS on the can.</td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>Energy water</td>
<td>The Coca-Cola Co.</td>
<td><a href="http://www.coca-colacompany.com">www.coca-colacompany.com</a></td>
<td>Lightly carbonated and featuring a natural energy boost from green coffee bean extract, vitaminwater energy is rolling out in strawberry-lime, berry-punch and orange-mango flavors with an SRP of $2.29. The beverage blends cane sugar with stevia. It contains 80 mg of caffeine and 50 calories per 11.5-ounce can. A fourth flavor, raspberry-citrus, is available exclusively at 7-Eleven stores.</td>
<td></td>
</tr>
<tr>
<td>78</td>
<td>Limited-time soft drink</td>
<td>Mtn Dew Baja Blast</td>
<td><a href="http://www.pepsico.com">www.pepsico.com</a></td>
<td>Mtn Dew Baja Blast, which was introduced 10 years ago as a “Taco Bell Original,” will be available for a limited time in bottles and cans beginning May 5 until the end of summer, or when supplies run out. The tropical-lime-flavored soft drink is available in single-serve 20-ounce bottles and 24-ounce cans, as well as 12-packs of 12-ounce cans.</td>
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</tr>
<tr>
<td>79</td>
<td>Single-serve coffee</td>
<td>Boyd’s Coffee Co.</td>
<td><a href="http://www.boyds.com">www.boyds.com</a></td>
<td>Boyd’s has introduced a new generation of single-cup coffee constructed with soft-mesh filters that require significantly less packaging than traditional rigid-side formats, according to the manufacturer. It is available in several organic and Rainforest Alliance-certified roasts, packed in a 12-count carton or—for commercial customers—a 20-count carton with individually wrapped cups.</td>
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</tr>
<tr>
<td>80</td>
<td>RTD lemonade</td>
<td>Campbell Soup Co.</td>
<td><a href="http://www.campbellsoupcompany.com">www.campbellsoupcompany.com</a></td>
<td>With the introduction of V8 Splash Lemonade, the manufacturer aims to provide a refreshing twist on a seasonal favorite. V8 Splash Lemonade comes in a convenient 84-ounce bottle, in Lemonade and Strawberry Lemonade flavors. The product contains 80 calories per serving and is regarded as a good source of vitamin C.</td>
<td></td>
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<tr>
<td>Page</td>
<td>Description</td>
<td>Company</td>
<td>Website</td>
<td>Details</td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>81</td>
<td>Liquid beverage enhancer</td>
<td>Nestle Waters North America</td>
<td><a href="http://www.nestea-usa.com">www.nestea-usa.com</a></td>
<td>Nestea Iced Tea launched Nestea Liquid Water Enhancers with the Nestea flavor and taste in a portable, customizable formulation. The concentrated liquid is made from real tea leaves, has zero calories, and features natural flavors. Varieties include Iced Tea with Lemon and Iced Tea with Peach.</td>
<td></td>
</tr>
<tr>
<td>82</td>
<td>Bottled tea</td>
<td>Turkey Hill</td>
<td><a href="http://www.turkeyhill.com">www.turkeyhill.com</a></td>
<td>Featuring an ingredient profile that includes cane sugar and natural flavor, Turkey Hill Organic Tea is produced with USDA-certified organic ingredients in four flavors: Organic Peach, Organic Mint Green, Organic Green made with Organic Honey and Organic Sweet Black Tea.</td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>Recovery drink</td>
<td>Kill Cliff LLC</td>
<td><a href="http://www.killcliff.com">www.killcliff.com</a></td>
<td>Kill Cliff is extending its sports recovery drink line with a Lemon-Lime flavor available in Rexam 12-ounce Sleek cans. The variety is made from a proprietary mix of functional and gluten-free ingredients, including vitamins, enzymes, plant extracts and electrolytes.</td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>Functional drinks</td>
<td>OrganicMe</td>
<td><a href="http://www.organicme.com">www.organicme.com</a></td>
<td>Offered in Rexam 12-ounce Sleek cans, a new line of OrganicMe functional beverages are certified organic by the USDA. Flavors include EnergizeMe, featuring berry, pomegranate and acai flavors with yerba mate and guarana, and FocusMe, with a citrus and berry flavor.</td>
<td></td>
</tr>
</tbody>
</table>
85 Liquid water enhancers
Skinnygirl Cocktails
www.skinnygirlcocktails.com
Skinnygirl Water Enhancers are available in White Cherry, Blueberry Açai, Pineapple Coconut and Fuji Apple flavors. Each variety is based on a proprietary blend of natural stevia leaf extract and cane sugar and contains 5 calories per serving. One bottle contains 48 ml.

86 Juices and smoothies
Suja Juice Co.
www.sujaJuice.com
Juice and smoothie manufacturer Suja Juice Co. was named the recipient of Whole Foods Market’s Supplier of the Year award in the grocer’s annual Supplier Awards. The selection was the result of Suja Juice’s expertise in high-pressure pasteurization technology and ethical sourcing.

87 Organic tea-juice blends
Zone 8 Beverages
www.drinkzone8.com
Zone 8 Beverages has rolled out tea and juice blends that feature organic ingredients, including organic spices and cane sugar. Varieties include Red Rooibos Pomegranate, Honey Lemon Tea and Agua de Jamaica Hibiscus Tea—with no preservatives, artificial chemical ingredients or colors.

89 Chill-activated can
The Coca-Cola Co.
www.coca-colacompany.com
Coca-Cola’s chill-activated can is printed with thermochromatic ink that reacts to fluctuating temperatures by changing color. When the can is cold, ice cubes appear. The 16-oz. package carries an SRP of 99 cents. It’s designed to attract traffic and increase transactions.