

The Department of Trade and Industry - Export Marketing Bureau (DTI-EMB) is mandated to oversee the development, promotion, and monitoring of Philippine exports. The DTI-EMB provides the exporters the enabling environment to make them globally competitive.

*Euromonitor Digest* is an online publication of the DTI-EMB, which aims to provide insightful reports culled from Euromonitor International's Business Intelligence Research.

#### EDITORIAL BOARD

Asec. Rosvi Gaetos  
*Editor-in-chief*

AD Agnes Perpetua R. Legaspi  
*Managing Editor*

Victorino S. Soriano  
*Associate Editor*

Kristina Noelle S. Andaya  
*Editorial Staff / Layout Artist*



Passport is an online market research database used by the world's top investment banks, strategic management consultancies and Fortune 500 companies to understand the global business environment in a time of rapid change and increased globalization.



In the past, you provided DTI-EMB with your email address and we have included it in our mailing list. Please note that you will regularly receive this publication. If you wish to unsubscribe, please email us at [embpublications@dti.gov.ph](mailto:embpublications@dti.gov.ph) with "Unsubscribe" in the "Subject."

EXPORT MARKETING BUREAU  
G/F and 2/F DTI International Bldg.  
375 Sen. Gil Puyat Avenue  
Makati City 1200, Philippines

Tel. No.: (632) 8465.3300  
Fax No.: (632) 8899.0111

<http://www.dti.gov.ph/exports/>  
<http://tradelinphilippines.dti.gov.ph/>

Photo by Alex Azabache from Pexels

## Organic Beverages in the US

### Organic Tea Continues to Do well, while Organic Coffee Suffers

**O**rganic tea has continued to perform well in 2020, and the category continues to be a significant growth driver for the category. As consumers reached for tea in retail, many focused on organic brands. Teas have increasingly become natural health aids, whether they are used for relaxation, dieting, or immune support. An organic label is especially important for tea drinkers, as it implies a clean label and a lack of artificial ingredients. However, the performance of organic coffee has slowed down as shown in the overall growth in organic hot drinks in 2020. Organic coffee saw sustained growth for the past few years before the pandemic, as consumers became interested in sustainability within the mature coffee category. However, in 2020 the category has seen a steep decline. Amid the pandemic and economic decline, consumers' priorities changed. While they still looked for a premium coffee experience at home, due to lack of on-trade occasions, this favored more mainstream coffee shop brands, while the premium organic segment lagged as it does not have the brand recognition.

### Organic Soft Drinks See A Turnaround in Growth through Organic Juice

Interest in organic soft drinks waned for the past few years. The premium segment ceased to draw in sales as consumers became more interested in other value-added offerings, such as fortified/functional beverages, which offered more concrete benefits, rather than the more sustainability-focused attributes that the organic label carries. However, in 2020 organic soft drinks have overtaken organic hot drinks in terms of growth. The bulk of sales of organic soft drinks was made up of juice brands, and most sit within the 100% juice category. 100% juice has seen sizeable growth over the months of the pandemic, so it is no surprise that the organic segment grew alongside. Organic juice also became particularly desirable as consumers who sought out juice for its health benefits looked for the cleanest label that could deliver the most vitamins and nutrients while limiting other additives.

### RECOVERY AND OPPORTUNITIES

#### Sustainability Trends will Remain A Growth Driver for Organic Hot Drinks

The disruption in sales of products with sustainability-focused attributes is not expected to endure for long. Organic hot drinks are expected to return to higher growth in 2021, overtaking the current value growth of organic soft drinks and returning to pre-pandemic expectations. The main reason for this is the return to growth for organic coffee. Trends favoring eco-friendly solutions across all consumer categories are far too strong and pressing to lose relevance; indeed, the organic coffee category is expected to see sustained stable growth once again in the forecast period.



Photo by Olenka Sergienko from Pexels

Although the economic consequences of COVID-19 will be felt far into the forecast period, the higher prices of organic coffee will not discourage sales within the category. Coffee is a highly mature category, and while ongoing premiumization will meet some roadblocks, consumers will continue to seek out more premium experiences to either replicate or substitute the coffee shop experience.

#### Growth in Organic Soft Drinks Set to Slow as Growth in Organic Juice Tapers Off

Organic soft drinks are expected to continue growing in the forecast period, although growth is expected to slow down in the later years. Most of this growth will be due to organic fruit/vegetable juice. The juice will remain popular for the next few years as consumers continue to reach for it for immune support. At-home juice occasions have also returned to many homes, as parents and their children work and learn at home, bringing back at-home breakfast occasions. The organic segment will do well because it is viewed as a healthier, more natural alternative to regular juice. Negative perceptions around the sugar content of the juice will endure, but an organic label will be more likely to draw consumers who are attracted to the vitamin and nutrient content of the juice. Juice, however, is a mature category. This, combined with the anti-sugar sentiment, will lead to a slowdown in growth in the latter half of the forecast period. ■