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EXECUTIVE DIRECTOR

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“Soft-Drink Makers Have New Secret Ingredient: Sugar!”

Dear Colleagues and Friends,

The Executive Director would like to draw your attention to the article below by Anne Marie Chaker from the Wall Street Journal, which highlights the increasing appeal of natural sugar for soft-drink producers. In light of the constant barrage of attacks in the media against sugar consumption, it's very interesting to receive this kind of news.

Soft-Drink Makers Have New Secret Ingredient: Sugar!

To boost flagging soda sales, companies are touting 'real sugar' as an appeal to all things natural. Sugar is infiltrating the soda aisle, as manufacturers try to boost soft drink sales by losing high fructose syrup. WSJ's Anne-Marie Chaker joins Lee Hawkins to discuss.

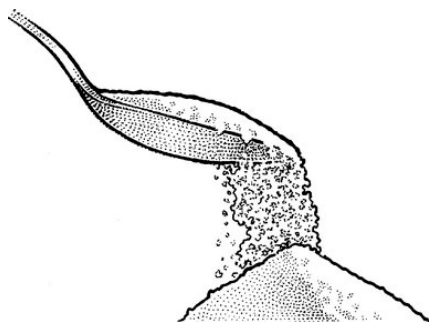
ANNE MARIE CHAKER

Soft-drink makers have a new way to pitch their sweet beverages: They contain sugar.

Boylan Bottling Co.'s line of a dozen soda flavors touts "cane sugar" in capital letters on the label. Puck's fountain sodas, available at restaurant chains in Los Angeles and Washington, D.C., say they are made with "bagged sugar from cane."

This week, [PepsiCo](#) is rolling out a line of soda the company says is inspired by the original cola formula created by its founder in 1893. Cans list "real sugar" among the ingredients. New television ads to launch next week will feature a sommelier in a leather chair swirling the soft drink in a brandy glass before chugging it. "Refined," he says.

The goal for soda companies is to spritz up fizzling soft-drink sales. The appeal: Sugar is natural.



"If you had asked me a few years ago, people were moving to diet sodas. Now they view real sugar as good for you," PepsiCo's chief executive [Indra Nooyi](#) told investors in a conference call last year. "They are willing to go to organic non-GMO products even if it has high salt, high sugar, high fat."

In grocery stores, new types of sweeteners are flooding the baking aisle, derived from dates, coconuts and monk fruit.

A one-pound bag of Nutiva coconut sugar says it is an "organic superfood" made from coconut tree sap collected from cut flower buds. An 8-ounce bag of Chatfield's date sugar, made of granulated dates that can be used in baking, says it is a "delicious wholesome sweetener."

Sales of sugar labeled "organic" rose 15% for the year ended Feb. 20, according to market-research firm Nielsen, while sales of sugar labeled "natural" rose 10.5%

Kathryn Martinez, a 28-year-old attorney in Pittsburgh, says she stopped drinking diet soda four years ago as she made an effort to eat a more plant-based diet.

When she does indulge in soda once or twice a week, she chooses a brand that is sweetened with cane sugar. "I definitely try to focus on eating clean and mostly natural things," she says.

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Fewer people are gulping soft drinks. In the past five years, the volume of soda consumed in the U.S. has declined between 1% and 3% each year. Diet sodas have fallen especially sharply, between 2.5% and 6% annually, according to Beverage Marketing Corp., a research and consulting firm in New York.

By spooning in certain ingredients, companies are seeking to cater to younger consumers who are mindful of nutrition labels and don't mind paying a little more.

"The number one fixation on food companies' minds is 'clean label': natural ingredients and shorter ingredient lists that look like you made it at home," says Lu Ann Williams of Innova Market Insights, which tracks food-product introductions. "Consumers do not use high fructose corn syrup at home."

High fructose corn syrup is a sweetener made from the carbohydrates in corn kernels. It has a similar chemical makeup to sugar. Popular with beverage manufacturers since the 1970s for its similar sweetness profile to sugar and lower cost, HFCS-55 has slightly more fructose than sugar.



Agave in the Raw, Monk Fruit in the Raw, Wholesome Coconut Palm Sugar, Sugar in the Raw *PHOTO: F. MARTIN RAMIN/THE WALL STREET JOURNAL, STYLING BY ANNE CARDENAS*

Food scientists find that despite their similarities high fructose corn syrup and sugar can perform somewhat differently as sweeteners. The sweetness intensity in high fructose corn syrup peaks a little earlier than sucrose which helps it enhance fruit and spice flavors, says John S. White, a nutritional biochemist in Argenta, Ill., who has consulted for the Corn Refiners Association, a trade association.

Sugar has a more rounded profile that lingers, he says, which is why it is sometimes used by pharmaceutical companies to mask the taste of medicine. "It has a broad sweetness profile," he says.

Wesley Vultaggio, co-owner of Arizona Beverages, says high fructose corn syrup works particularly well with many of his beverage flavors like regular lemon black tea because it provides a "spike of brightness," he says.

Still, the company is hedging its bets with its launch of Good Brew, a line of "hand selected teas from around the globe and blended to perfection with real sugar," such as green tea and peach tea. The company used sugar to "cast the real fullness of tea complexities," says Mr. Vultaggio.

Others are touting sugar in everything from cake frosting to candy. Wholesome Sweeteners Inc., of Sugar Land, Texas, last year bought TruSweets candy, which it says is made without corn syrup. It offers organic jelly beans.

[Coca-Cola](#) Co. declined to discuss its sugar plans other than to email: "We do have a large portfolio of brands...some sweetened with sugar and all created to meet different consumer needs," said spokesman Scott Williamson.

PepsiCo says the formula of its new line, called 1893, is inspired by the cola created by Pepsi founder Caleb Bradham. The company says it is made with premium kola nut extract (rather than "natural and artificial flavor" in regular Pepsi, says Chad Stubbs, vice president of marketing), cane sugar and "a touch of aromatic bitters."

It comes at a higher price. A 12-ounce can retails for \$1.79, or 15 cents per ounce compared with 9 cents per ounce for regular Pepsi.

Pepsi Made with Real Sugar launched in 2014, the same year the company launched Caleb's Kola, also made with sugar. Last summer, it introduced a line of fountain drinks called Stubborn soda, sweetened with sugar, for restaurants.

Nutritionists caution that more-natural ingredients don't necessarily mean they are health foods.

Added sugars shouldn't exceed 10% of the calories consumed, according to the Dietary Guidelines for America published by the U.S. Department of Health and Human Services.

Some types of sugar may promote vitamins or minerals. That doesn't mean consumers should reach for them to get those nutrients, says Sara Haas, a dietitian based in Chicago and spokeswoman for the Academy of Nutrition and Dietetics. "These fancy sugars are fun to use, and may taste a bit different," she says, "but use in moderation because they are still sugar."