

United States Beverage Contract Bottling and Filling Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 120 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The United States Beverage Contract Bottling and Filling Market is expected to register a CAGR of 9.12% over the forecast period. Growth in the United States beverage contract bottling and filling is mainly influenced by the changing preferences of manufacturing firms, who usually outsource these specific activities to third-party players. This is because manufacturers focus on cost optimization and their core business. Contract bottling and filling provide several advantages. Firstly, it reduces the operational costs of the manufacturers. In many cases, it is estimated that the operational costs can be reduced significantly through outsourcing bottling and filling activities to contract companies and decreasing the costs of machines and labor costs.

Key Highlights

The manufacturing regulations, especially for beverage products in the United States, are evolving rapidly. Meeting such stringent rules and norms requires several inspection and quality check operations. By outsourcing bottling and filling activities, the hectic task of meeting such regulations is passed on to the contracting agency, motivating more manufacturers to prefer contracting over in-house manufacturing activities. Moreover, the industry is rapidly growing, introducing many new products and technologies. Therefore, companies need to stay updated to meet customers' changing needs.

Admiral Beverage Corp. is among the largest suppliers of carbonated soft drinks (CSD) in the western United States. It has grown to three extensive facilities supplying carbonated and still beverages, bottled water, and fountain mixes to multiple distributors throughout the mountain, western states, and Alaska. Adopting Bevcorp's Micro2 system, Admiral Beverage simplified deaeration, optimized blending, and sped up filling and changeovers. The system limits dissolved Oxygen (D.O.) to reduce foaming, which allows the line to run faster. Faster speeds result in more throughput, decreasing costs per unit, and the correlating reduction in energy costs by not having to refrigerate ingredients.

With over 3,000 new beverage products being created each year in the U.S., beverage contract bottling and filling facilities are in high demand. In February 2020, Big Beverages Contract Manufacturing (BBCM) announced its new beverage co-packing facility in

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

North Carolina. In their new facility, BBCM will begin with one highspeed can line capable of producing 1,200 cans per minute, with plans to add lines two and three over the next 18 months. BBCM plans to provide various canned beverage products for large national and regional customers.

MSI Express, backed by HCI Equity Partners, headquartered in the United States, has recently acquired Power Packaging. MSI Express provides contract packaging and contract manufacturing services for well-known brands in the shelf-stable human and pet food space. Power also brings MSI Express into categories such as powdered beverages, soups, bases, beverage mixes, food service beverages, coffees, and teas. Power Packaging has four locations - two outside Chicago, one in Wisconsin, and one in Texas. It serves various companies by adding capabilities such as aseptic beverage filling, stick packaging, and filling of jars and cans.

Due to a nationwide lockdown, the COVID-19 pandemic delivered a significant blow to the nation's beverage distribution system. In March 2020, many U.S. beverage makers, like Coca-Cola, temporarily suspended production across the country's manufacturing facilities. Pesico's bottling partners in the U.S. have also arrested a significant portion of the output at its manufacturing facilities due to the lockdown.

US Beverage Contract Bottling & Filling Market Trends

Beer is Expected to Hold Significant Share

Beer is the most favored alcoholic beverage in the United States. The majority of U.S. consumers showed a preference for a light beer. In contrast to regular beer, this variety has reduced alcohol content and calories. Small and independent breweries continue to be critical contributors to significant communities across the country, finding new ways to innovate and thrive amid evolving consumer preferences and a competitive and maturing beverage market.

As brewers first launch their operations or begin to grow larger, they can either buy their filling machines or opt for rented filling lines or contract filling solutions. Finding the right filling machinery was complex and could cause significant trouble for beer companies.

Different filling machines could handle different liquid viscosities, whereas beer has varying filling requirements depending on viscosity and packaging. For these reasons, many companies in the United States are opting for contract bottling and filling, which significantly helps the companies to provide maximum efficiency in bottling and packing.

U.S. beer volume sales increased by 1% in 2021, while craft brewer volume sales increased by 8%, bringing the share of small and independent brewers in the U.S. beer market by volume to 13.1%, according to the Brewers Association. The return of beer volume from packaged sales to bars and restaurants was the main factor in the larger dollar sales increase.

Bottled Water is Expected to Witness Significant Growth

Bottled water is the fastest-growing drink choice in the United States, and Americans spend billions of dollars each year to buy it (Beverage Marketing Corporation). IBWA claimed that bottled water is the healthiest packaged beverage and is particularly crucial as the U.S. is faced with increased rates of obesity and diabetes. Despite continued growth and increased consumption, bottled water uses the least amount of water and energy of any packaged beverage. One liter of finished product requires only 1.39 liters of water and 0.21 megajoules of energy on average. It is critical in disaster relief. Furthermore, it can only be available in times of emergency if the industry is strong and viable all year.

As most people are concerned about the impact of the COVID-19 outbreak and to prepare themselves, the demand for bottled water has increased significantly. To meet this increase in demand, bottled water companies in the country have increased their capacity to provide customers with the water they need. The Federal Emergency Management Agency (FEMA) recommends that

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

one should have a minimum of 1 gallon of water per person within a day available for emergencies. Buying and storing bottled water is a safe and convenient way to ensure to have an adequate supply available when needed, and this is expected to boost the increase in the demand for bottled water, which in turn is expected to positively impact the contract bottling and filling market in the United States.

According to data published in May 2021 by the International Bottled Water Association, 15 billion gallons of bottled water were sold in the United States in 2020. Over the last few years, the country's bottled water sales volume has increased each year significantly.

Furthermore, the United States Food and Drug Administration regulates bottled water as a food product. The FDA does not require bottled water companies to use or report water quality testing results from certified laboratories. The FDA does require ingredient and nutritional information on bottled water labels.

Recently, Nestle considered selling most of its bottled water operations in the United States. That business accounts for a significant share of the Swiss food giant's sales and has drawn criticism from environmental groups. Environmental activists regard bottled water as inherently wasteful, at least in countries with drinkable tap water, because of the energy required to transport it to the store. Instances such as this may negatively affect the bottled water contract bottling and filling market in the country.

US Beverage Contract Bottling & Filling Market Competitor Analysis

The United States Beverage Contract Bottling and Filling Market is moderately fragmented with significant players such as Brooklyn Bottling Group, G3 Enterprises, Inc., Southeast Bottling & Beverages, Niagara Bottling, LLC occupying the majority of the market share. The companies in the country are forming multiple partnerships and mergers to increase their market share.

June 2022 - To meet the growing demand for craft brewers, G3 Enterprises recently opened a new can plant in Nashua, New Hampshire is under construction and set to be completed within several months. The plant is being built for KJ Can USA, and when complete, it will supply hundreds of millions of printed and brite cans each year to G3 Enterprises, with an additional expansion to the new can plant coming in the near future.

January 2022 □ G3 Enterprises, Inc. began offering a variety of developed goods and services in the North Coast region with four facilities in Napa County, providing easier access to wine-on-tap filling services and transportation climate-controlled warehousing, label printing, and packaging equipment, including a new bonded filling facility for Petainer Kegs in American Canyon. This gives wineries a convenient location to fill kegs for still and sparkling wine on-tap programs.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

1 INTRODUCTION

1.1 Study Assumptions and Market Definition

1.2 Scope of the Study

2 RESEARCH METHODOLOGY

3 EXECUTIVE SUMMARY

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

4 MARKET DYNAMICS

4.1 Market Overview

4.2 Impact of COVID-19 on the US Beverage Industry

4.3 Market Drivers

4.3.1 CapEx Benefits offered by contract bottlers for small-scale beverage manufacturers

4.3.2 Rise in demand from new-age drinks and craft beer segment

4.3.3 Gradual change in the business model of Contact packagers towards a consultative approach involving design & placement

4.4 Market Challenges

4.4.1 Lack of flexibility and agility in manufacturing processes & dynamic nature of regulations

4.5 Value Chain Analysis

4.6 Porter's Five Forces Analysis

4.6.1 Bargaining Power of Suppliers

4.6.2 Bargaining Power of Consumers

4.6.3 Threat of New Entrants

4.6.4 Threat of Substitute Products

4.6.5 Intensity of Competitive Rivalry

5 MARKET SEGMENTATION

5.1 By Beverage Type

5.1.1 Beer

5.1.2 Carbonated Drinks & Fruit-based Beverages

5.1.3 Bottled Water

5.1.4 Others (Sport Drinks)

6 COMPETITIVE LANDSCAPE

6.1 Company Profiles

6.1.1 Brooklyn Bottling Group

6.1.2 CSD Co-Packers Inc.

6.1.3 Southeast Bottling & Beverages

6.1.4 G3 Enterprises, Inc.

6.1.5 Robinsons Breweries (Frederic Robinson Limited)

6.1.6 Western Innovations, Inc.

6.1.7 Niagara Bottling, LLC

7 FUTURE OUTLOOK OF THE MARKET

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

**United States Beverage Contract Bottling and Filling Market - Growth, Trends,
Covid-19 Impact, and Forecasts (2023 - 2028)**

Market Report | 2023-01-23 | 120 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-02-27"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

