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PepsiCo plans to acquire Vita Coco Owner

07 June 2017 | News

A leading news website has reported that PepsiCo Inc, a soft drink maker is in talks to acquire All Market Inc., the maker of leading coconut brand Vita Coco.



Vita Coco is the largest player in the coconut water beverage category. According to sources, the deal could be more than a month away.

A leading news website has reported that PepsiCo Inc, a soft drink maker is in talks to acquire All Market Inc., the maker of leading coconut brand Vita Coco.

Founded in 2004 by two childhood friends in New York, Vita Coco is the largest player in the coconut water beverage category. It holds a 26 percent share of the $2.5 billion global market for coconut water, says a market research firm Euromonitor International.

The brand is primarily sold in the U.S. and is chiefly distributed by Dr. Pepper Snapple Group (DPS) as part of the beverage giant’s Allied Brands portfolio. Vita Coco is also sold in 29 other countries, including China, where it is distributed by T.C. Pharma, the owner of Red Bull China.

Multiple parties have expressed interest in making a bid for the company, whose celebrity investors include Madonna and Matthew McConaughey, these people said.

Pepsi has been working to diversify its portfolio to include beverages with a healthier profile as consumers shift away from sugary soft drinks.

As part of its healthy initiative programme, Pepsi announced late last year that it aims to have sales of its "everyday nutrition" products, including grains, dairy and hydration, outpace the rest of its products by 2025.

PepsiCo, which also owns Quaker Oats oatmeal, Frito-Lay chips, energy drink Gatorade and orange juice Tropicana, has looked to acquisitions to boost its healthier offerings before.

Its latest acquisition in the healthy drinks sector was probiotic drinks maker KeVita Inc, which it agreed to buy last year. In January, PepsiCo competitor Dr Pepper Snapple Group Inc (DPS.N) acquired antioxidant beverages maker Bai Brands LLC for $1.7 billion.