



Functional Beverages Meet Botanicals

As consumers seek ingredients they perceive will help them achieve their health goals, they're thirsty for functional beverages as a solution. According to [The Food Institute](#), the global functional beverage market is projected to grow at 10.49% annually, reaching \$198 billion by 2026 from \$120 billion in 2021.

From sports and energy drinks to kombucha and herbal tonics, functional beverages have historically been marketed to a limited audience of health-conscious consumers. Now, brands are reaching a wider audience by introducing new functionalities and ingredients in more widely consumed formats including water, coffee, tea, juice, and soda.

According to [Mintel's Functional Drinks report](#), 81% of adults drink packaged water, either still or sparkling. Beyond hydration, consumers are seeking benefits from waters from digestive health and immunity support to cardiovascular and sleep support.

“Enhanced waters can... be a gateway to educating consumers on the benefits of herbal and botanical ingredients, including adaptogens, nootropics, and even hemp-based CBD.”

Botanicals add an authentic taste to products, and many are associated with health benefits. Plus, botanical extracts are understood to be “[closer to nature](#)” with clean and green ingredients that meet conscientious consumers' demand for products that benefit them, their communities, and the planet.

[Experts note](#) that adaptogens' growing popularity in the functional beverage space is spanning across the globe. Adaptogens are natural extracts from herbs, flowers, fruits, and roots, and are believed to support and sustain good health.

Popular adaptogens include ginseng, ashwagandha, amla, rhodiola, elderberry, and basil.

Wellness Focus

Product innovation over the years has delivered more convenience and better taste within the functional beverage space. But according to consumer research noted in [Kerry's “Functional Forecasting”](#), consumers' primary focus is on the nutritional impact of products and the quality of ingredients in them. While 83% of functional and fortified consumers like to try new flavors, to more than half of them nutrition was even more important than taste.

Beyond flavor, consumers consider botanicals to be energetic, interesting, useful, trustworthy, and safe, according to Kerry's 2021 “Botanical State of Mind” report.

Newsletter

VOLUME 5 | Q4 2022

STARWEST[®]
EST BOTANICALS 1975

According to [Kerry's "Functional Forecasting"](#), immune support ranks as the highest health priority for consumers who focus on functional and fortified beverages. 94% of them state they are trying to live a healthier lifestyle.

For consumers in the U.S. and Canada, according to the same study, the top ten need states as stated by consumers in their study were:

1. *immune support*
2. *skin (beauty support)*
3. *digestive/gut health*
4. *weight management*
5. *heart health*
6. *hair (beauty support)*
7. *energy support*
8. *bone health*
9. *cognitive/brain health*
10. *protein absorption*

Ingredients For Immune Support

Immune support is the top health priority for consumers seeking functional beverages. In fact, according to [Kerry's "Functional Forecasting"](#), 53% of global consumers said they would drink beverages that contained ingredients specific to immune support.

Consumers cite certain ingredients they perceive as immune-supporting. Beyond vitamin C, vitamin D blends, omega-3s, and probiotics are the top ingredients on their radar.



Turmeric (52% of consumers) and moringa (51% of consumers) fall in the top 10 ingredients that consumers perceive as immune-supporting.

Other top botanicals noted as perceived immune-supporting ingredients include: green tea extract (50%), ashwagandha (50%), acerola (47%), ginseng extract (47%), reishi mushroom (45%), echinacea (43%), spirulina (42%), curcumin (40%), lion's mane mushroom (39%), elderberry (37%), astragalus (34%), and maca root (34%).

Botanical Beverages On The Rise

Botanically-infused or flavored beverages are answering consumer demand for products supporting overall health and wellness.

Botanicals that may help support the immune system, digestion, and cognitive health are being used in many new beverage products.

Popular Product Launches

[Suja Juice features an entire product line of "Functional Shots"](#). Just to name a few, their Immunity Defense Shot features ginger,

turmeric, echinacea, and live probiotics; while their Immunity Elderberry Shot features zinc, vitamin C from acerola cherry, elderberry, and probiotics. Their Digestion Shot includes ginger, apple cider vinegar, ginseng, and live probiotics.



[Olipop](#) promotes itself as "a new kind of soda" made with prebiotics, botanicals, and plant fibers, with claims to support digestive health. Their nostalgic flavors include Classic Root Beer, Cream Soda, and Vintage Cola, plus a whole lot more.



Each can provides 9 grams of fiber—32% of the recommended daily value. Ingredients include cassava root fiber, chicory root inulin, Jerusalem artichoke inulin, nopal cactus, calendula flower, kudzu root, marshmallow root, slippery elm bark, and more!



Poppi, another better-for-you soda brand, uses the slogan “Be gut happy, be gut healthy”. Their sodas contain apple cider vinegar, a source of probiotics, but have been flavored to help mask its strong taste. Ingredients include green tea for caffeine and natural flavors.



They also claim benefits beyond healthy digestion, from a stronger immune system to a clearer complexion.

Our Wholesalers Innovating With Botanicals

We’re highlighting a couple of our wholesalers who are innovating with botanicals in the functional beverage space. Watch out for our Merchant Stories coming soon to our website, which will highlight more of our wholesalers.

Sun and Soil Juice’s Health Shots include the Gingy Health Tonic which features ginger, turmeric, apple, and black pepper; and Immune Boost which features apple, lemon, garlic, and oil of oregano. They’re promoted as immune-boosting, “preventative healthcare”, and food as medicine.

Buddha’s Brew Kombucha comes in fourteen flavors, including botanical-forward flavors such as ginger, basil honey ginger, tangerine turmeric, and hibiscus rose. They also have a line of sparkling water dairy-free kefir. All of their products have focus on live probiotics.

Science-Backed + Healthy Halo

Consumers perceive certain ingredients to deliver particular health benefits. These ingredients may be science-backed, clinically tested, and/or supported by various claims or certifications. Other ingredients with a “healthy halo” often have a certain impression of health benefit due to long-held remedies (whether actual or not).

For example, according to Kerry’s “Functional Forecasting”:

77% of consumers perceive probiotics as supporting digestive/gut health.

67% perceive apple cider vinegar and green tea extract to support weight management.

65% perceive ashwagandha to support cognitive/brain health.

Healthy halo ingredients, including many botanicals, aren’t always clinically proven. Combining ingredients perceived to deliver a function along with science-backed ingredients can be a winning solution.

Formulating products with science-backed ingredients enables claims on the label and ensures the product delivers the promoted and desired health benefit, while including botanical ingredients holds value through positive associations and perceived benefits.



Let’s Get Started

Our team at Starwest is here to help you incorporate the functional benefits of botanicals into your product development process and help you tell your product’s story.

Contact us at info@starwest-botanicals.com to get started.



CEO Corner

Dear Starwest Community,

It has been a whirlwind of a year. As COVID has lessened its grip on us all, we've learned a lot about ourselves and how we continue to interact with each other.

We've all heard the maxim on the inevitability of life—the one constant we can all count on is change—it could not ring truer than in 2022. For me personally, it's been a move to California, working with a new and exciting company, getting to know my new workmates and getting the opportunity to better serve you, our valued customers.

We can't thank you enough for coming along with us in this year of change. The changes we've implemented have always come with you in mind. It's a never-ending journey that you've been an integral part of, and honestly, it hasn't always gone off without a hitch. We want to thank you for your patience, cooperation and patronage as we worked through some of the challenges.

From the introduction to our new website, to the implementation of our new warehouse management system, and our multi-million dollar investments in supply chain and infrastructure improvements, the goal has always been to help you be more successful and provide solutions to your challenges. There's more of that to come.

As we enter the fall season and a new year, we're excited to bring you new, high-quality organic products to further enhance your Starwest buying experience and continue to provide you with products sourced throughout the world.

We wish you all a healthy and prosperous end of 2022 and best wishes for a vibrant start to 2023.

Cole Daily, CEO
Starwest Botanicals



Follow Along!

Follow us on LinkedIn and Facebook to stay up-to-date on the latest industry news and trends in the botanicals and wellness space.

[linkedin.com/company/
starwest-botanicals](https://www.linkedin.com/company/starwest-botanicals)

[facebook.com/StarWestBotanicals](https://www.facebook.com/StarWestBotanicals)

Meet The Team

New Hires

Starwest is rapidly growing, and we are pleased to announce that we've had many recent new hires. Here's a highlight of just a few:



Mark Walters, **Maintenance Manager**

Mark Walters originally started working at Starwest in 1980 as a wholesale order picker and completed his tenure as the Operations Manager. In 2002 Mark then went to work for the Sacramento Bee until his recent retirement from there in 2022. He then saw the employment ad for the Maintenance Manager position here at Starwest, and decided to apply with us again, and was hired for the position.

In his free time, Mark loves long distance running, fishing, and gardening. He lives in an older home, built in 1926, with many pending projects—he just completed building a greenhouse in the back yard. Mark currently has 4 wonderful grandchildren he enjoys spending time with.

WHAT DOES MARK LOVE ABOUT STARWEST?

“Love the product: Medicinal herbs and culinary spices. Starwest continues to be a dynamic and growing company with a plan for the future. I am challenged every day with something new. Cultural diversity of the workforce is amazing.”



Vikas Gill, **Director of Food Safety & Quality**

Vikas Gill was born and grew up in India before immigrating to the U.S. His educational background is in Agriculture, with a Masters Degree in Food Science Technology & Nutrition (PAU, India), Masters in Food Microbiology (Kansas State University), and a Masters in Public Health (Touro University). Vikas felt this opportunity at Starwest was a perfect fit of his education, regulatory, military/sports (teamwork), and Quality background. The opportunity to be challenged and participate in the pursuit of making Starwest a world class company is what drives Vikas in the day-to-day.

Vikas has always played and enjoyed sports, twice winning National Championship in Team Handball as a player for his university in India, where he is also a Roll of Honor Inductee. Vikas loves public service and has served in the U.S. Army and the FDA. His passion for public service continues as a volunteer at the Sutter Davis Hospital to improve patient care and experience.

WHAT DOES VIKAS LOVE ABOUT STARWEST?

“I thought I knew a lot about spices and botanicals until I joined Starwest. It's a whole new world to learn and explore. Love the teamwork and the willingness to work together and make a positive change.”



Jeff Helfand, **VP of E-Commerce**

Jeff Helfand recently joined Starwest as our new VP of E-commerce. With a degree in Business Management from San Jose State University, he began his career in Consumer Electronics, Computer and Software business

development with several companies in Silicon Valley. From there, he transitioned into the new online world of .Com E-commerce having held positions with Fogdog Sports (IPO), Beats By Dre, and Monster (sold to Apple). Most recently Jeff has been in E-commerce senior leadership roles for the past half decade in the Organic Ingredients market.

WHAT DOES JEFF LOVE ABOUT STARWEST?

“I truly love collaborating with my colleagues at Starwest and working together to best serve our customers in the Digital World. What excites me is the ultimate role I'm able to play in helping organic farming families reach the U.S. consumer market and thus, elevate their and their family's quality of life.”

Promotions

We would like to congratulate and highlight our Starwest employee who recently received a promotion:



Danielle Lechuga, **CPD Sales & Customer Service Supervisor**

Danielle Lechuga started at Starwest as an administrative/sales backup representative in 2018. She has recently been promoted to the Consumer Products Division Sales/ Customer Care Supervisor, in which she oversees the Customer Care and Outbound Sales Team. In her free time, Danielle loves to travel up the north coast of California and spend time outdoors. She has two dogs and a rabbit who are her fur babies!

WHAT DOES DANIELLE LOVE ABOUT STARWEST?

“My last name means lettuce in Spanish, so it is fitting that I work here! The things that I love most about Starwest are the products, the people, and the sense of family. I have met some really great people here and I love coming in to work and feeling like I get to work with my friends. I love the work that I do, the people I work with, and the amazing products we offer.”

Wholesale Corner

Starwest Botanicals sources more than 500 botanicals from 52 countries by latest count. Some of these ingredients are offered in a variety of forms, including, whole, powdered, cut/sift, tea bag cut, capsule and liquids. We also provide a number of finished goods that are the result of blending different ingredients together.

All of our products fall into one or more of four product pillars: culinary, wellness, tea, and personal care.

Culinary

Within our culinary product pillar, we aim to make life a whole lot tastier. Whether your customer is a professional chef, a hard-core foodie, or just someone who has a touch of curiosity, a global adventure of flavor awaits. The power of nature is unearthed, delivering the awesome benefits of botanicals and exotic ingredients.

Wellness

Nothing is more important than feeling great. Starwest Botanicals' wellness pillar of products are available to help individuals live their best life. Wherever one is on the road to "maximum me", we've got one of the world's widest selections of natural products your customers seek to satisfy their health and wellness need states.

Tea

Our tea is strong and nimble. Starwest Botanicals sources more than 50 different teas. Our varieties include black, white, green, herbal, oolong, specialty, and functional teas, along with the necessary accessories for making these delicious teas. They can be purchased in tea bags and in loose-leaf bulk sizes. Many of our teas are certified organic, and most are certified kosher.

Personal Care

You will find an extensive offering of essential oils, aromatherapy products and body care items that support one's emotional and physical well-being in Starwest's personal care product pillar.

We encourage you to reach out to our customer care team if you would like to learn more about any of the items Starwest offers in its core product pillars.

Finally, as mentioned in last quarter's newsletter, we will soon be launching some exciting new products that will help you profitably grow your business. These include retail-ready packaged herbs/spices/botanicals, coffees, functional teas and wellness mushrooms. We will be sharing more details soon!



Bulk Ingredient Buzz

Health and nutrition industry professionals descended upon Las Vegas in early November for the Supply Side West Show. The show floor was humming with attendees eager to meet with the more than 1,000 exhibitors. On display were the latest in food ingredients and equipment and packaging, and how they could be employed to drive the latest innovation in dietary supplements, functional food and beverages, personal care, and sports nutrition.

During the two-day show, a number of exhibitors participated in Supplier Presentation Theater, where they shared the newest innovations and developments in ingredients, use cases, and scientific findings. Plant-based coatings, omegas, collagens, probiotics, and sweet proteins were some of the ingredients featured. Wellness need state topics included muscle maintenance, mental health, restorative sleep, immune health, and sports nutrition. There were even sessions on powering up sports performance and crafting nutritional beverages that have great flavor and taste.

With more consumers viewing food as medicine, food and supplement manufacturers are focusing their efforts on developing products that address the consumer's wellness need states. "Need states" are the underlying motivations that drive a consumer's purchasing decisions. For wellness, some of the most popular are protein absorption, endurance/athletic performance, immunity support, gut/digestive health, cognitive health/alertness, and cardiovascular health. With robust future growth forecasted for functional foods, beverages, and nutritional supplements, many companies are hard at work to develop its innovation pipeline.



Connect With Us

800-800-4372

info@starwest-botanicals.com

Bulk Ingredients:
starwestherb.com

Wholesale/Retail:
starwest-botanicals.com

STARWEST
EST BOTANICALS 1975