

EZASSI

PepsiCo (Global)

Competitor Signals · October 2026

A Competitor watch on PepsiCo, read for a mid-size food and beverage manufacturer that competes with its brands on shelf and bids for co-manufacturing work: natural colors and the dye deadlines behind them, outsourcing and plant closures, snack pricing, acquisitions, ingredient-led launches and the cost posture behind them. Seven signals from one cycle.

#	SIGNAL	CONFIDENCE	HORIZON	STATUS
1	Gatorade's natural-color conversion is due this fall in the same flavors just recalled for undeclared yellow dyes, a reminder that color changes carry label and change-control risk	High	Immediate (0–3 months)	Verified
2	Red No. 3 must be out of food by January 15, 2027, while the six remaining synthetic dyes face an end-2027 target that is voluntary federally but already binding through customers and states	High	Immediate (0–3 months)	Verified
3	PepsiCo moved North American case-pack water to a third-party partner and keeps closing plants, but no closure has yet been tied to work going to co-manufacturers	Medium	Immediate (0–3 months)	Review
4	PepsiCo cut snack prices by up to nearly 15% in February and now plans low- to mid-single-digit increases by early 2027, so its price is a moving benchmark	High	Immediate (0–3 months)	Verified
5	PepsiCo's poppi and Siete acquisitions put national scale behind prebiotic soda and better-for-you Mexican-American foods, sharpening competition in those segments	High	Short-term (3–12 months)	Verified
6	NKD, Doritos Protein and Lay's baked with olive oil show PepsiCo resetting snack expectations toward simpler ingredients and protein	Medium	Short-term (3–12 months)	Verified
7	PepsiCo lowered its earnings outlook and is cutting structural costs while reinvesting in North American marketing and innovation, so expect cost pressure in categories it keeps	Medium	Short-term (3–12 months)	Verified

Every signal rests on two or more dated events. Confidence is published as a band. Where a signal sits below High, the reasoning names the evidence that is missing. Status says where the evidence stands: Verified, Review, or Inconclusive — we looked, and the evidence does not yet support a firmer call.

SIGNAL 1 OF 7

Gatorade's natural-color conversion is due this fall in the same flavors just recalled for undeclared yellow dyes, a reminder that color changes carry label and change-control risk

HIGH Immediate (0–3 months) · Product & Roadmap Signals · **Verified**

FDA's industry tracker lists PepsiCo removing FD&C colors from Gatorade fruit punch, lemon lime and orange in fall 2026, after the powder sticks in spring. On September 25, 2026 PepsiCo recalled about 122,000 cases of Gatorade Lemon Lime and Orange, regular and Zero, for undeclared Yellow No. 5 and/or Yellow No. 6.

REASONING

Both events are dated in primary or well-sourced reporting. The recall names the dyes and flavors that the conversion targets. Neither PepsiCo nor FDA has said what caused the recall, so this does not show the conversion went wrong. It does show what is at stake while formulas and labels change at the same time: a product whose label and contents disagree on colors becomes a recall.

PATTERN

FDA's page tracking industry pledges to remove petroleum-based dyes, updated September 15, 2026, lists PepsiCo's Gatorade commitments: remove all artificial colors from powder sticks in spring 2026, and remove FD&C colors from fruit punch, lemon lime and orange Thirst Quencher and Zero in fall 2026, status in progress. CBS News reported on October 5, 2026 that PepsiCo began recalling 28-ounce Gatorade Lemon Lime, Lemon Lime Zero, Orange and Orange Zero on September 25, roughly 122,000 cases in 37 states, for undeclared Yellow No. 6 and/or Yellow No. 5; FDA classified it Class II on October 2. Food Dive reported on October 8, 2026 that management cited Gatorade Lower Sugar, with no artificial colors, flavors or sweeteners, among launches it was encouraged by.

IMPLICATION

Brand owners converting colors will ask their beverage and powder co-manufacturers for natural-color stability data and proof that formula, ingredient list and label artwork change together. A plant that can document that link has a qualification advantage in the next bid; one that can't is carrying the same risk this recall shows.

RECOMMENDED ACTION

Within 30 days, list every beverage and powder SKU that uses FD&C colors, confirm a validated natural-color alternative and stability data through shelf life for each, and check that your change-control procedure updates formula, bill of materials, label artwork and release testing together. Put that package in front of beverage and powder customers before their next specification cycle.

SOURCES & WHAT THEY SIGNAL

- [FDA — Tracking food industry pledges to remove petroleum-based food dyes](#) — Updated September 15, 2026: Gatorade powder sticks in spring 2026; fruit punch, lemon lime and orange in fall 2026; in progress.

- [CBS News — Gatorade recall: undeclared dyes](#) — October 5, 2026: recall initiated September 25, about 122,000 cases in 37 states, Class II on October 2; no cause given.
- [Food Dive — PepsiCo North America snacking and beverages](#) — October 8, 2026: management encouraged by Gatorade Lower Sugar and other recent launches.

SIGNAL 2 OF 7

Red No. 3 must be out of food by January 15, 2027, while the six remaining synthetic dyes face an end-2027 target that is voluntary federally but already binding through customers and states

HIGH Immediate (0–3 months) · Product & Roadmap Signals · **Verified**

Red No. 3 is the next hard legal date. For the other six dyes, FDA's target is the end of 2027 through industry commitments, but brand owners, school food and West Virginia are already setting earlier or binding dates.

REASONING

The Red No. 3 date comes from FDA's January 2025 revocation, and Orange B's revocation took effect on September 8, 2026, so color revocations are taking effect on schedule. The six-dye target rests on industry commitments rather than a rule, but the Consumer Brands Association's members have pledged to stop manufacturing with these colors by the end of 2027 and to remove them from school foods from the 2026–2027 school year, and West Virginia's statewide ban starts January 1, 2028. PepsiCo's own conversions sit inside this schedule, which is why the deadlines reach its suppliers and competitors alike.

PATTERN

FDA revoked Red No. 3 in January 2025, giving food manufacturers until January 15, 2027 to reformulate. FDA's pledge tracker, updated September 15, 2026, says the agency is working to eliminate Green No. 3, Red No. 40, Yellow No. 5, Yellow No. 6, Blue No. 1 and Blue No. 2 by the end of 2027. FDA's final order revoking Orange B took effect September 8, 2026. HHS reported on July 22, 2025 that Consumer Brands Association members pledged to stop manufacturing with these six colors by December 31, 2027, after a separate commitment to remove them from school foods by the start of the 2026–2027 school year. West Virginia's ban extends to all foods sold in the state from January 1, 2028.

IMPLICATION

Any own-brand or co-manufactured product still using Red No. 3 must be reformulated, labeled and produced in compliant form before January 15, 2027, which is about three months away. For the other six dyes, the binding dates come from customers, school channels and states first, so they have to be tracked customer by customer rather than waiting for a federal rule.

RECOMMENDED ACTION

Now, identify every SKU containing Red No. 3 and schedule trials, label changes and production so only compliant inventory ships after January 15, 2027. In parallel, list every product using the other six dyes by customer, channel, state and school exposure, and mark which dates are legal and which are contractual.

SOURCES & WHAT THEY SIGNAL

- [Dairy Foods — FDA bans Red No. 3](#) — January 2025 revocation; food manufacturers have until January 15, 2027.
- [FDA — Tracking food industry pledges to remove petroleum-based food dyes](#) — End-2027 target for the six remaining dyes; updated September 15, 2026.
- [FDA — Revocation of authorization for Orange B in food](#) — July 22, 2026 update: final order takes effect September 8, 2026.
- [HHS — FDA praises Consumer Brands pledge to remove artificial dyes](#) — July 22, 2025: members to stop manufacturing with the six colors by December 31, 2027; school foods from the 2026–2027 school year.
- [KRGV/AP — U.S. health officials move to phase out artificial dyes](#) — West Virginia's ban extends to all foods sold in the state from January 1, 2028.

SIGNAL 3 OF 7

PepsiCo moved North American case-pack water to a third-party partner and keeps closing plants, but no closure has yet been tied to work going to co-manufacturers

MEDIUM Immediate (0–3 months) · Capacity & Operations · **Review**

PepsiCo's first-quarter 2026 remarks confirm case-pack water in North America moved to an outside partner. Separately, PepsiCo closed three plants and several lines in 2025, a Frito-Lay distribution site in California earlier in 2026, and is ending manufacturing at its Cheverly, Maryland bottling plant.

REASONING

Case-pack water is the one North American category PepsiCo has confirmed moving to an outside partner. The closures are confirmed too, but none of the sources say that volume from them is going to co-manufacturers rather than other PepsiCo plants. The band is held at MEDIUM because the gap between a confirmed outsourcing move and a closure that might create work is large.

PATTERN

PepsiCo's first-quarter 2026 prepared remarks say beverage net revenue was partly offset by the transition of North American case-pack water to a third-party partner, which also cost about 2 points of beverage volume. PepsiCo's December 8, 2025 release says it closed three manufacturing plants and several lines that year and was cutting nearly 20% of US SKUs. Food Dive reported on September 16, 2026 that manufacturing and warehouse operations at the Pepsi Bottling Group plant in Cheverly, Maryland are ending, with 143 jobs cut and pay continuing through November 13, while sales and delivery continue; it also noted the closure of a Frito-Lay distribution site in California earlier in 2026.

IMPLICATION

Case-pack water is a real outsourced PepsiCo category, so a plant with water lines and the right certifications has something specific to bid on. The closures show PepsiCo shrinking its own footprint, but without a confirmed transfer of volume, pursuing that work means asking, not reserving capacity.

RECOMMENDED ACTION

Within 30 days, prepare a capability sheet for case-pack water covering line speeds, source water, bottle and closure formats, palletizing, retailer certifications and geography. Use it, and the Cheverly closure, to ask PepsiCo's beverage procurement and bottler contacts whether any Mid-Atlantic volume is moving to outside partners.

SOURCES & WHAT THEY SIGNAL

- [PepsiCo — Q1 2026 prepared management remarks](#) — Confirms the move of North American case-pack water to a third-party partner and its volume effect.
- [PepsiCo — Priorities to enhance shareholder value \(December 8, 2025\)](#) — Three plants and several lines closed in 2025; nearly 20% of US SKUs being cut.

- [Food Dive — PepsiCo layoffs at Maryland bottling plant](#) — September 16, 2026: Cheverly manufacturing and warehouse operations ending; California distribution closure earlier in 2026.

SIGNAL 4 OF 7

PepsiCo cut snack prices by up to nearly 15% in February and now plans low- to mid-single-digit increases by early 2027, so its price is a moving benchmark

HIGH Immediate (0–3 months) · Pricing & Packaging · **Verified**

PepsiCo lowered suggested retail prices on Lay's, Doritos, Cheetos and Tostitos by up to nearly 15% in February 2026. In September and October it said it would raise prices on Doritos, Ruffles, SunChips, Lay's, Tostitos, dips and some soft drinks by low to mid-single digits by the end of 2026 or early 2027, citing energy and agricultural costs.

REASONING

The cut is in PepsiCo's own press release. The increase is reported by TheStreet with brand names and a range, and was repeated to analysts on the October 8 earnings call. Some increases on salsa and dips have already appeared at Dollar General. Two moves in opposite directions inside a year make any single PepsiCo price point unreliable for planning.

PATTERN

PepsiCo announced on February 3, 2026 lower suggested retail prices of up to nearly 15% on Lay's, Doritos, Cheetos and Tostitos, rolling out that week. TheStreet reported on September 26, 2026 that PepsiCo plans low- to mid-single-digit increases on Doritos, Ruffles, SunChips, Lay's, Tostitos, Tostitos salsa, Fritos canned dips and some soft drinks by the end of 2026 or early 2027, with some salsa and dip increases already at Dollar General. Food Dive reported that on October 8, 2026 management told analysts it plans to raise prices on some chips to offset higher energy and agricultural costs.

IMPLICATION

Own-brand and co-manufactured snacks in these categories can't be priced against one PepsiCo reference point. Retailers that gave PepsiCo more room when prices fell may revisit that when prices rise, which opens a window to defend or win shelf space on value. Bids for 2027 should be priced against the post-increase level, not the February cut.

RECOMMENDED ACTION

Before year-end 2026, rebase snack bids and own-brand pricing on actual retailer shelf prices rather than PepsiCo's suggested prices, and prepare a customer presentation on velocity, margin and supply reliability that holds wherever PepsiCo's next price lands.

SOURCES & WHAT THEY SIGNAL

- [PepsiCo — PepsiCo makes iconic snacks more affordable ahead of Super Bowl](#) — February 3, 2026: suggested retail prices down by up to nearly 15% on Lay's, Doritos, Cheetos and Tostitos.
- [TheStreet via Yahoo Finance — PepsiCo raising prices on snacks](#) — September 26, 2026: planned low- to mid-single-digit increases by end-2026 or early 2027, with brands named.

- [Food Dive — PepsiCo North America snacking and beverages](#) — October 8, 2026: management plans chip price increases to offset energy and agricultural costs.

SIGNAL 5 OF 7

PepsiCo's poppi and Siete acquisitions put national scale behind prebiotic soda and better-for-you Mexican-American foods, sharpening competition in those segments

HIGH Short-term (3–12 months) • Product & Roadmap Signals • **Verified**

PepsiCo bought poppi in May 2025 for \$1.9 billion in cash plus an earn-out, and Siete Foods in January 2025 for \$1.2 billion. Both now sit in its North American portfolio, and management says poppi gained volume and value share in the third quarter of 2026.

REASONING

The poppi terms come from PepsiCo's third-quarter 2026 10-Q and the Siete price from PepsiCo's own newsroom. The 10-Q adds a detail that cuts the other way: the \$300 million earn-out tied to poppi milestones by the third quarter of 2027 is now valued at \$12 million, down \$266 million this year, which suggests PepsiCo no longer expects those milestones to be met. Both brands are actively invested, but poppi's growth is tracking below the deal's original targets.

PATTERN

PepsiCo's 10-Q for the quarter ended September 5, 2026 records the poppi acquisition on May 19, 2025 for \$1.9 billion in cash plus contingent consideration valued at \$0.2 billion, a total of \$2.12 billion, in PepsiCo Beverages North America; the earn-out pays \$300 million only if poppi meets milestones by the third quarter of 2027, and was valued at \$12 million as of September 5, 2026. PepsiCo's newsroom (February 23, 2026) says it completed the Siete acquisition in January 2025 for \$1.2 billion and that Siete is sold in more than 40,000 retailers. The third-quarter 2026 prepared remarks say poppi delivered improved results and gained volume and value share.

IMPLICATION

Own-brand prebiotic or functional sodas and better-for-you tortilla chips, sauces and pantry items now compete with PepsiCo-backed brands with national distribution. Co-manufacturing work for these brands may move inside PepsiCo's network over time. The reduced earn-out value signals that the prebiotic category is growing more slowly than PepsiCo planned, which matters when deciding whether to add capacity for it.

RECOMMENDED ACTION

Within 60 days, review own-brand and co-manufactured SKUs in prebiotic and functional beverages and better-for-you snacks and sauces to see where poppi or Siete is now a direct shelf competitor, and position on speed to market, minimum-order flexibility and reformulation capability.

SOURCES & WHAT THEY SIGNAL

- [PepsiCo — Q3 2026 Form 10-Q](#) — poppi acquired May 19, 2025: \$1.9 billion cash plus \$0.2 billion contingent consideration; earn-out valued at \$12 million as of September 5, 2026.
- [PepsiCo — PepsiCo and Siete Foods: a partnership rooted in culture and community](#) — February 23, 2026: Siete acquired January 2025 for \$1.2 billion; sold in more than 40,000 retailers.

- [PepsiCo — Q3 2026 prepared management remarks](#) — poppi delivered improved results and gained volume and value share in the third quarter.

SIGNAL 6 OF 7

NKD, Doritos Protein and Lay's baked with olive oil show PepsiCo resetting snack expectations toward simpler ingredients and protein

MEDIUM Short-term (3–12 months) · Product & Roadmap Signals · **Verified**

PepsiCo's December 2025 release set an innovation agenda of no artificial colors or flavors, simpler ingredients and more protein, fiber and whole grains, naming Simply NKD Cheetos and Doritos, a Lay's and Tostitos restaging and Doritos Protein. On October 8, 2026 management said it was encouraged by NKD, Doritos Protein, Lay's baked with olive oil and Gatorade Lower Sugar.

REASONING

A filed release and the latest earnings coverage name overlapping products, so the direction is confirmed. The band is held at MEDIUM because exact formulations and the sales scale of these lines against the core portfolio are not public.

PATTERN

PepsiCo's December 8, 2025 release describes an innovation agenda to remove artificial colors and flavors, simplify ingredients and add protein, fiber and whole grains, naming Simply NKD Cheetos and Doritos, the restaging of Lay's and Tostitos, and Doritos Protein for 2026. Food Dive reported on October 8, 2026 that management was encouraged by NKD, Doritos Protein, Lay's baked with olive oil and Gatorade Lower Sugar.

IMPLICATION

Retailers and brand owners will start benchmarking snacks against protein-added and simpler-ingredient versions. A plant without validated protein inclusion, allergen controls for protein systems and clean-label ingredient lists will be at a disadvantage in the next bid cycle, and oil changes such as olive oil may start appearing in briefs.

RECOMMENDED ACTION

Within 60 days, check snack and bar lines for protein inclusion, fiber handling, allergen controls, clean-label ingredient supply and the ability to switch oils, and build at least one costed protein-added or simpler-ingredient prototype for the next customer bid.

SOURCES & WHAT THEY SIGNAL

- [PepsiCo — Priorities to enhance shareholder value \(December 8, 2025\)](#) — Names Simply NKD Cheetos and Doritos, the Lay's and Tostitos restaging and Doritos Protein in the innovation agenda.
- [Food Dive — PepsiCo North America snacking and beverages](#) — October 8, 2026: management encouraged by NKD, Doritos Protein, Lay's baked with olive oil and Gatorade Lower Sugar.

SIGNAL 7 OF 7

PepsiCo lowered its earnings outlook and is cutting structural costs while reinvesting in North American marketing and innovation, so expect cost pressure in categories it keeps

MEDIUM Short-term (3–12 months) · Financial & Legal Standing · **Verified**

In the third quarter of 2026, PepsiCo's organic revenue rose 3.1%. It set full-year organic growth at about 3%, within its earlier 2% to 4% range, but cut core constant-currency EPS growth to 1% to 2% and said structural cost cuts are coming in the next few months to fund North American advertising and innovation.

REASONING

All of this comes from PepsiCo's own earnings release and prepared remarks. North American volume trends improved from the second quarter in both foods and beverages, but organic revenue in both declined slightly and foods margin fell 280 basis points on price investment and advertising. A company holding revenue while cutting its profit outlook and costs will press hard on cost in every category it keeps.

PATTERN

PepsiCo's third-quarter 2026 release reports organic revenue growth of 3.1% for the quarter and 2.7% year to date, with organic volume up 1% in convenient foods and 3% in beverages. The prepared remarks say North American beverage and food volume trends improved sequentially, while organic revenue in both declined slightly; foods core operating margin fell 280 basis points. Guidance moved to about 3% organic revenue growth from 2% to 4%, and core constant-currency EPS growth to 1% to 2% from the low end of 4% to 6%. The remarks say structural cost reductions, including corporate costs and spending not tied to growth, are being identified to fund advertising and innovation in North America.

IMPLICATION

Where PepsiCo keeps making a product, it will compete harder on cost, so beverage and snack bids against it need to win on flexibility, speed or formulation rather than price alone. Where its cost targets can't be met, it may exit or outsource, which is where co-manufacturing openings will come from.

RECOMMENDED ACTION

Before the next budget cycle, separate confirmed customer programs from volume assumptions tied to PepsiCo's categories, stress-test beverage and snack forecasts against continued price pressure, and plan two tracks: efficient high-volume production and flexible innovation runs where a cost-cutting PepsiCo is least competitive.

SOURCES & WHAT THEY SIGNAL

- [PepsiCo — Q3 2026 results \(8-K Exhibit 99.1\)](#) — October 8, 2026: organic revenue +3.1% in the quarter and +2.7% year to date; updated guidance.
- [PepsiCo — Q3 2026 prepared management remarks](#) — North American trends, margin changes, guidance and the structural cost reduction plan.

SET UP A SIGNAL ON YOUR QUESTION

A watch on your question runs every cycle.

These signals came from one cycle of a standing watch. Name a company, a market or a regulation, and the watch keeps running whether or not anyone opens the platform. Every signal arrives rated for confidence and horizon, with the dated events behind it and the sources that carry the weight.

See all the samples and tell us your question at ezassi.com/ezassi-signals-sample-library.

info@ezassi.com · ezassi.com