### Drink more Sap! say partners in new biz



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(Photo: DAN D'AMBROSIO/FREE PRESS)

Eli Lesser-Goldsmith, owner of Healthy Living in South Burlington, is always looking for new products to put on the shelves of his natural food store on Dorset Street. Lesser-Goldsmith brings in hundreds of new products each week, he said.

Last week, one of the products making its debut at Healthy Living was Sap!, a new Vermont-made drink comprised of maple sap with about 40 percent of its water content boiled away, and various levels of carbonation added. Maple syrup, by contrast, is sap with about 98 percent of the water removed, without carbonation — at least for now.

"At Healthy Living, we say the life blood of this business is new products," Lesser-Goldsmith said. "We are

enthused by products like this."

Enthused because the Sap! demo at Healthy Living went very well, said Chas Smith, 26, one of three owners of the company. Smith's partners are his father. Charlie, and cousin. Nikita Salmon.

"People really connect with the product," Smith said at an earlier demo at City Market in Burlington. "It's all from Vermont, very local and healthy, 100 percent pure maple sap. We boil it to specific sugar concentrations, add carbonation and can it. That's it."

Sap! is also pasteurized at Woodchuck Hard Cider in Middlebury, where it is canned.

Chas Smith said he sold more than 200 cans of Sap! in four hours at Healthy Living on a recent Saturday, which "blew them away."

Allison Weinhagen, director of community engagement at City Market, confirmed that Sap! has gone over equally well with her customers, partly because of the homegrown story Sap! has to tell.

#### A good story

Sap! was launched on the 300-acre sugarbush in Underhill that Salmon, 26, has been running since he was 21 years old, with 12,000 tapped trees. Salmon's grandparents bought the land in the 1950s and sugared for decades. Chas Smith hung out on his father's smaller, less commercial sugarbush just across the valley, and has been friends with Salmon since both were boys.

"I grew up drinking sap out of a bucket on the back of a horse," Salmon said. "We can offer that to people."

Sap! joins a growing market of maple water and other plant-based drinks such as coconut, cactus and even artichoke waters. Sales of plant-based drinks, along with other alternative beverages such as kombucha and tea-based drinks, are growing, while soda and non-fresh juice sales are flat or slipping slightly, according to data compiled by market research firm Nielsen. Sales of all waters, including the new products, "fitness" and enhanced waters, as well as regular sparkling and still, grew 4 percent by value and nearly 7 percent by volume between July 2013 and 2014.

Smith's father, Charlie, was the one who had been experimenting with sap as a drink. He got good responses when he took versions with various levels of concentrated sugar to family gatherings to test it out. Salmon had been his accomplice, providing five-gallon totes of raw sap for boiling.



Chas Smith, left, and Ben Tacka, a fellow graduate of the University of Vermont's Sustainable Entrepreneurship MBA program, demo Sap! at City Market in mid-August. (Photo: DAN D'AMBROSIO/FREE PRESS)

But it was when Chas Smith came home from Washington, D.C. that the trio began thinking of maple sap as a business. Chas Smith had spent three and a half years working on the staff of Sen. Patrick Leahy's judiciary committee in D.C.

"I'm a hobbyist in this arena," Charlie Smith said. "I was just playing with it. I wasn't particularly planning on doing anything with it, but Chas got really excited about it."

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In 2014, Smith enrolled in the University of Vermont's new Sustainable Entrepreneurship MBA program, known as SEMBA, then in its first year. The intensive, one-year program is intended for students with a start-up mentality, who want to build a business based on the principles of sustainability, and the so-called "triple bottom line" of people, planet and profits.

"I definitely took a risk coming back," Smith said. "I loved life in D.C., but at the same time I knew I needed a new challenge. I wanted to to come back to Vermont."

Smith also wanted an idea for a business to explore as he worked through the SEMBA program, something that is encouraged by the professors. Sap! was that idea.

Weinhagen said a good story is a big part of sales success.

"People like to hear the story behind the product," she said. "It won't sell if it doesn't taste good, but there was a noticeable difference in sales when they came in and shared their story with our customers and let them sample the product. People like it. They buy it."

#### Local connection

Cans of Sap! comes in three versions, color-coded with red, blue and green lettering. One is carbonated like a soda, one is carbonated like sparkling water, and the other is still water. The carbonated Sap! is reminiscent of cream soda. The soda version of Sap!, which has a higher sugar content, has 90 calories, while the sparkling water and still water versions each have 50 calories per can.

"When you look at our drink cooler, there aren't a lot of products that have that local connection, locally owned, created in its entirety in Vermont," Weinhagen said. "That is definitely something that makes a product here stand out."

Buy Photo



Sap! is made from maple tree sap, boiled to levels of sugar concentration much lower than maple syrup. (Photo: DAN D'AMBROSIO/FREE PRESS)

Lesser-Goldsmith agrees that Sap! is out of the gate strong, but warns that the race is long and difficult.

"We are in an incredibly competitive and brutal industry," Lesser-Goldsmith said. "Where it gets brutal is we always say the ultimate decision maker is the customer. We can think it's amazing, the blogs can, social media can, but if customers don't buy it, it's gone."

Healthy Living typically gives a product three to six months to prove itself, Lesser-Goldsmith said.

"A lot of people are willing to try something once, a free sample, or on sale cheap, but once a product is back to its regular price and a person has to make a conscious decision to buy it over and over again, that's where the rubber meets the road," he said.

#### More from maple trees

If the partners at Sap! are feeling that pressure to perform, it's hard to tell as they lounge under the shade of a big tree in the front yard of Nikita Salmon's home in Underhill. Salmon shares the home with his grandmother and rents to a couple of friends, joking that it's a bit of a "commune."

"I bought this property from my grandmother," Salmon said. "I was looking for an investment, something to get involved in. I wanted my dad to sugar this property. He said, "Why don't you do it?"

The partners have been learning as they go. Salmon's relationships in the maple business secured a connection with J.R. Sloan of Green Mountain Mainlines in Fletcher, one of the largest sap aggregators in Franklin County. Chas Smith and Salmon also struck a deal with Dan Rowell, CEO of Woodchuck Hard Cider in Middlebury, to package an initial run of about 10,000 cans of Sap!.



Sap! is posting photos on social media to create a buzz around their new drink made from the sap of maple trees. (Photo: COURTESY)

Rowell also cans maple water for Tretap, a different drink from maple sap, made from the water removed from maple sap during the reverse osmosis process prior to boiling, then flavored and lightly carbonated.

"We think it's the purest water in the world," said Aaron Harris, a co-owner of the business. "We call ours a sparkling water. We think all the attention to the sap drinks is great. The more attention they get, the more people realize that a lot of neat byproducts come out of sap."

Rowell said the fact that both Sap! and Tretap come out of Vermont's maple industry played a key role in his decision to work with the fledgling companies.

"That's kind of why we were willing to open up some of our production capacity and lab to help out a couple of fellow Vermont companies," Rowell said. "What's more Vermont than maple syrup? If we can lend our lab and production capabilities to create a new drinks category, that's great."

Woodchuck is charging a "nominal contract packaging fee" to the two companies for its services, Rowell said.

"Our business is cider, that's where we make our money," he said. "I would bet that what we're charging is less than what other co-packers would charge. With the amount of R&D lab testing we did for Sap! they certainly got a good deal."

#### A half million dollar gamble

Sap! has been financed so far with a \$30,000 investment from Charlie Smith. The partners now plan to raise \$500,000 by the end of the year. They expect to receive more than \$100,000 from friends and family, with the balance coming through a Burlington business, Designbook.

Launched last year by Aaron Pollak and Kyle Clark, who lives near Nikita Salmon in Underhill, Designbook is an online platform where entrepreneurs can find both capital and people to help their businesses grow.

Together with Designbook, Sap! is planning an online automated offering under the Vermont Small Business Offering Exemption, or VSBOE. The regulation allows Vermont start-ups to raise up to \$2 million in capital by selling shares to in-state investors under a simplified regulatory process.

"We hope to break new ground," Smith said. "Being young in Vermont, how do you start a business? It's not going to be one person offering \$1 million. It's going to be 100 people supporting a new backbone of the Vermont economy. We want to be on the forefront of a new way to fund businesses."



Sap! is posting photos on social media to create a buzz around their new drink made from the sap of maple trees. (Photo: COURTESY)

If the partners reach their goal of raising \$500,000, the plan is to ramp up production next year to hundreds of thousands of cans of Sap!. They have yet to sign on a distributor, but Chas Smith believes his product has cleared the main hurdle that Eli Lesser-Goldsmith of Healthy Living referred to when he said the customer dictates what's on the shelf.

"When you put a product on the shelf it feels like you're being judged every minute," Smith said. "It certainly made me very nervous. You need to get over that barrier. Now we have confidence. Thousands of people have tried it and we can say strongly people love this drink."

Smith will be back in City Market on Saturday, doing more demos. Lesser-Goldsmith said the verdict is still out on Sap!.

"If they have a truly unique product, if they put in the time, the effort, the marketing dollars, the demo hours and dollars and they believe in their brand, they'll be successful," Lesser-Goldsmith said. "They can't take their foot off the gas now."

This story was first published on Sept. 10, 2015. Contact Dan D'Ambrosio at 660-1841 or ddambrosio@freepressmedia.com. Follow him on Twitter at www.twitter.com/DanDambrosioVT.

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