

Ösel Birch has turned a family tradition to export success



Ösel Birch has converted the export of birch sap into a resounding international success through ingenious product innovation and a few strokes of luck. This is the story of a family taking advantage of the best that Estonia's clean nature has to offer, combined with business acumen and steadfast determination.

As far back as Ösel Birch's CEO Anne Theisen can remember, her family has always been drinking birch sap at her grandmother's farm on Estonia's largest island Saaremaa. "I distinctly recall my brother getting obsessed about taking birch sap to the world when he was still in his teens. Some decades later we are finally doing it," Theisen says. Her brother is now living the dream as the production manager of Ösel Birch, but the rest of the family have become involved in the business as well.

Things really took off in 2016 after some family members decided the time was ripe to introduce a healthy alternative to soda pops to thirsty children and adults around the world. The first products were developed jointly with the famed Estonian Center of Food and Fermentation Technologies and funded by a Kickstarter campaign. 2018 saw the first products on the shelves of regional retail giant Rimi, which quickly led to the realisation that packaging and design could be the make-or-break argument in achieving retail success.

Ösel Birch has two main product lines - natural fresh birch sap in Tetra-Pak packaging and fermented birch sap, both come in a variety of flavours, ranging from mint-lime to pineapple and rhubarb. While birch sap has traditionally been considered the first source of fresh vitamins after a long winter in the Northern Hemisphere and is sometimes colloquially referred to as "Nordic coconut water", its mineral and vitamin quantities are not enough to label the products with specific health claims. "The rhubarb infused birch sap for instance contains plenty of folate, manganese and potassium, but the percentage is too low to consider it an official health product, although we market it as a high quality premium product for the health conscious," explains Theisen.

Partnerships with global food and packaging giants

One of the first serendipitous strokes of luck for the family business came in 2018, when Ösel Birch made it to the TV program Die Höhle der Löwen, or the Lion Cage - the German version of Dragon's Den. Although the product wasn't mature yet for attracting investment from top German investors, the broadcast caught the attention of global food giant Nestle. "Apparently they already had their sights on birch sap and saw a golden opportunity to collaborate with us," recalls Theisen.

Partnership with one of the largest food companies in the world seemed at first a daunting prospect to the Ösel Birch family, but the initial encounters quickly convinced them that the megacorporation's initiatives were sincere and they were genuinely interested in problem solving and development challenges. Thus Ösel Birch became involved with Nestle's pilot accelerator program for food companies and managed to take its first steps on the exclusive Swiss market. Another benefit of the accelerator program, formally launched in August 2021, was achieving direct contact with the packaging giant Tetra-Pak.

Theisen says that packaging is one of the major obstacles for food startups who focus on a sustainable approach and this is why partnership with Tetra-Pak was embraced with open arms. "We wanted to ensure that plastic was used sparingly and the packaging had to be lightweight to help us handle transportation costs," points out Theisen. Shipping to several export markets using the same packaging can be difficult, as each country has its own recycling and reclaiming regulations.

The partnership with Tetra-Pak resulted in new packaging, which attracted newfound interest from a leading German retail chain REWE and the Swiss organic food chain Alnatura. Theisen is very pleased with the success in Switzerland, but states that the German retail market can be more challenging to conquer. "It's such a large market with tough competition, but since we have a permanent office also in Germany, we enjoy some



recognition as a local food startup and this has contributed to our success in Germany. Our greatest challenge is still the pricing, as we'd need to produce in mass quantities to keep the price competitive and the retail segment requires considerable investment for proper market conquest," comments Theisen.

Estonia's pristine nature helps with conquering export markets

The volumes sold internationally thus far have given Õsel Birch the confidence to tackle other major markets as well. In addition to Germany and Switzerland, Õsel Birch have their eyes on other major markets as well, namely the UK, Japan and South Korea. Theisen attributes international success to two main factors - the premium quality of food products from Estonia's pristine nature and the ease of doing business with Estonians. "Estonians are trustworthy and have a can-do attitude when facing problems and issues," Theisen stresses.

Estonia is becoming increasingly famous for its excellent air quality and pollution-free forests. The birch sap collected by local farmers on behalf of Õsel Birch comes from the Haanja nature reserve in the south of Estonia, far away from major industries and potential sources of pollution. The total potential volume of birch sap available in Estonia can amount to 5 million litres per year, making it a sustainable alternative to chopping down trees for firewood or timber products.

