

# Doubling Down on Manure: Generating Organic Fertilizer & Electricity

UTILITIES | UTILITIES - INDEPENDENT POWER PRODUCTS

When Stockhouse Editorial introduced investors to **EarthRenew Inc.** ([CSE: EARTH](#)) in the first part of this two-part series, we highlighted the unique business opportunity the Company offers. EARTH transforms livestock waste into a broad-based, concentrated organic fertilizer solution that is easy to transport and apply. Central to their production process, EarthRenew generates electricity from an industrialized gas turbine and sells it to Alberta's electrical grid and to cryptocurrency miners.

Through its patented production process, EARTH intends to capitalize on various revenue drivers early this year.

At its commercial scale operation in Strathmore, Alberta near Calgary, the proof of concept is underway and the Company is moving ahead with scaling the business.

## The organic fertilizer opportunity:

The market for organic fertilizer is immense and EarthRenew is in a prime position to capitalize. Globally, sales eclipsed \$120 billion (CAD) annually and demand grew by 11% year-over-year for the past 17-years. Over the next decade, growth is forecast between roughly 230 to 580 million acres with sales between \$212 billion to \$471 billion.

The organic fertilizer market in Western Canada alone is estimated at around \$120 million and wholesale prices range from \$350 - \$2,100 per tonne equivalent. The market grew by 9% YoY over the last 10 years. There are 2.71 million acres of land organically certified across the country with 1.8 million acres in Western Canada.

## Established distribution networks:



This partnership proves that the business is already working. Operating in the prairies with distribution across Canada and into the US, this is an ideal base for EarthRenew to see its products get onto store shelves. As for the wholesale side, Company CEO Keith Driver noted in an interview with Stockhouse Publishing that EARTH is not solely reliant on Sun Country for sales, as the Company will also be directly selling to other distributors and direct to farmers.



(Image credit Naypong Studio/Shutterstock)

## Product commercialization:

The focus of EarthRenew's commercialization strategy is to maximize the value of its organic fertilizer production and distribute through wholesale partners. The success of the pilot will allow the company to move into full commercialization for *spring 2021*.

What can investors expect by then? Leadership's plan is to utilize a portion of its product over the winter for trials this spring. The Company has been testing the market for more than a year and will continue to do so now at real scale. The focus will lean toward validating trial information so when the buying cycle hits in 2020 / 2021, EarthRenew will already have farmer feedback and testimonials as evidence of product success and will be poised to absorb market appetite. As CEO Driver explains, "our field trials are designed to validate our product under specific conditions and to secure early customer adoption."

## Progress Report:

EarthRenew has been advancing its value-added model to include multiple revenue streams. A major partnership outlined in the first part of this series was its five-year power purchase agreement with

**BTF Blockchain** (“BTF”), where the Company agreed to sell power to BTF for at least \$0.045 per kilowatt hour (kWh). The revenue from the sale of electricity allows the company to double down on its efforts to develop an industry leading organic fertilizer product.



To that end, the company is working alongside **CCM Technologies Inc.** (“CCM”), an award-winning leader in the cleantech industry, to offer a potentially game changing organic product with uniquely high nitrogen content. Nitrogen is the rate limiting nutrient in traditional fertilizer applications. CCM piloted their unique additive tech in the UK and has been able to increase nitrogen content from 2% to 10%, while maintaining organic inputs. For the past year, the two companies have worked together to quadruple the nitrogen content of EarthRenew’s fertilizer. Developing a commercial scale product with unsurpassed nitrogen content could position EarthRenew as a world leader in the organic fertilizer marketplace and ensure higher profit margins as the company would receive a price premium for its superior product.

These are not simply one-off partnerships for EarthRenew. The Company’s leadership wants to build value-add relationships that are mutually beneficially and has targeted multiple opportunities across North America to increase its value for shareholders as it navigates the next phase of its commercialization strategy.

Two other operations co-located at the site in Strathmore:



**Symbiotic Envirotek Inc.** - EarthRenew is looking to use Symbiotic’s waste-to-algae technology to scrub CO2 emissions from its Strathmore site.



**Cattleland Feedyards** - EarthRenew is co-located at the feedlot. This relationship has allowed EarthRenew to secure a long-term supply of fertilizer feedstock.

### A real solution to a real problem:

Along the [Washington / Oregon watershed](#), the tight regulatory environment limits expansion of the dairy industry. Dairy farmers cannot increase the size of their operation until they have a strategy for managing manure because it contributes to greenhouse gases and nitrogen leaching. At its worst, the problem manifests into dead zones like those seen around [Chesapeake Bay](#). It is so heavy in leached nutrients that the water quality is too poor to support the fish habitat. Researchers with the Maryland Center for Environmental Science and University of Michigan reported that these dead zones were considered to be one of the largest on record in 2019.

EarthRenew’s solution to the dairy industry is to utilize its excess livestock waste and transform it into a complete organic fertilizer. By heating the manure at exceedingly high temperatures and creating nutrient-enhanced pellets out of the feedstock, EarthRenew can slow the release of nitrogen to the soil and improve the plant’s nitrogen uptake.

*“Cattlelands and dairy farmers have a need for more energy-efficient ways of managing manure . Primarily it is an environmental problem, but if you add the pressure of regulation to the mix, the problem becomes more urgent. We are a natural, sustainable solution to this real business problem.”*

EarthRenew helps farmers extend the value of their compost by allowing the intrinsic economic value to move out of the watershed to an area of highest need. Pelletizing the product allows it to be easily transported and stored, a win-win for farmers, investors and the planet. **Highly streamlined scalability and replicability:**

The optimal conditions for EarthRenew’s solution exist globally. Where there is a cluster of manure management issues, there is usually a cluster of soil nutrient issues. EarthRenew is focused on expanding its business across North America in the immediate future, with eyes on Europe as a natural next step.

It is rare for an investment to come along that is both an entry-level opportunity and a proven revenue generator, meeting not just one growing problem, but multiple. In producing the first broad-based, concentrated organic fertilizer, while generating much needed electricity, EarthRenew Inc. is positioned to become a major player in the very near future and is well worth a deeper look among the savvy investor.

[earthrenew.ca](http://earthrenew.ca)

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