

Stockhouse Vodcast: The Mega Opportunity in Organic Soil Health

[Dave Jackson](#), Stockhouse

To view the supporting video vodcast please click the following link: [Earthrenew Inc. Vodcast with CEO Keith Driver Nov 27, 2020](#)

From rising costs, to rising populations, to the COVID-19 pandemic and its impact on the global food supply, there are new issues around growing production that few companies are prepared for.

This is where **EarthRenew Inc.** ([CSE: EARTH](#), [OTC: VVIVF](#), [Forum](#)) comes in. The Alberta-based Company transforms livestock waste into a high-performance organic fertilizer to be used by organic and traditional producers. And the Company has been turning heads recently after signing two major deals.

The first is a second ten-year lease on ten-acres co-located at the Cattleland Feedyards in Wheatland County Alberta. EarthRenew is securing its flagship operating site in Strathmore Alberta for the long term. By extending this relationship, the Company secures a minimum of 40-thousand tonnes of manure feedstock annually, which they estimate can be used to generate up to 20-thousand tonnes of EarthRenew organic fertilizer.

The Company followed up that news by announcing its first sale in 2020, selling 25 tonnes of product to NorthWind Land Resources for a reclamation project near Red Deer Alberta.

In this enlightening StockTalk Investor Video Podcast, Stockhouse Media's Dave Jackson was joined by Company CEO, Keith Driver, to find out more about all things EarthRenew.

SH: Let's bring everyone up to speed on EarthRenew. Can you give us a rundown on the Company, why your product is superior to other fertilizers on the market, and why is your technology so important?

KD: Absolutely. So we're first and foremost, an organic fertilizer company. We are a producer of organic inputs. So as an ingredient from what is otherwise considered a waste. So why is it so important? Well, as we all want to beef and other livestock, we have this manure challenge and that manure, as it's currently found has very low value. We take it, process it into a safe and organic fertilizer. And that's what creates the sort of superior product. When you look at the space for organic fertilizers, there's a lot of sort of reprocessed or composted manures, and they don't really have a dense agronomic value. So while our product is a little bit better is because we take that manure, we take the waste heat off the turbine to dry it down, which is our IP. And we get a fertilizer that we can then add other ingredients to make real solutions for organic and traditional farmers. And that's the key building ingredients into a whole encompassing solution within a granule.

SH: Looking at the NorthWind Land Resources transaction, there's a huge opportunity in Alberta and a need to reclaim numerous sites because of oil and gas development. Can you expand a bit on what NorthWind will be doing?

KD: It's an interesting transaction for us because selling into the reclamation market isn't our primary market. It's a very high value and sort of it's going to create a little opportunity for us because they're trying to build back the soil. They've got a three acre site. We put 25 tons of product onto that site to build back the soil. It's the same thing we do with organic farmers where we regenerate the soil. In this case, it's regenerating it back to its natural form for reclamation of the site. For farmers it's about building back the organic carbon content and the nutrients in the soil, so that that can grow a crop. It's the same story. And so while it's a different market for us, it's two of the same, we're doing the same thing for both of those markets and frankly the reclamation market is near and dear to my heart. Given where I'm from, and it's an opportunity for us to showcase the real value of our product in the more mainstream.

SH: What are the expectations of what your product will do to this site, and can you tell us about the current state of the land? When do you expect the soil health to return to natural levels?

KD: Sure. So I wouldn't expect it to take very long...the product we're putting down in that soil. We're going to be basically essentially replacing that topsoil. And if you think about the earth, it's really the top three inches of the earth that we drive all our value from in terms of our agronomic value. So we're replacing that that's going to create the ideal environment for the natural vegetation to grow. And so I would expect within a you know, one, maybe two seasons, we should be back to the point where that soil is healthy again and supporting a diverse ecosystem right above it. So it won't take long at all. And that's a real advantage for the customer.

SH: There are major implications for what this could be used for on other contaminated sites across North America. How would you look to expand to other industries pending the success of this first trial?

KD: Yeah, I mean, it's we provide a wholesome soil blend and builder. And so while again, this isn't our target market and, you know, we're focused primarily on the ag side. The need is so acute in the soils that have been disturbed through industrial production, whether that's, you know oil and gas operations or any sorts of other operations. And so we can put that soil back and by putting the soil back with that much organic carbon available, you end up speeding up the process. And for these folks, it's between us and getting that reclamation certificates, they can get off the liability of the land. The sooner they can do that, the sooner they free up their balance sheet. So it adds a tremendous value to us, but really, it's just an acute case of what we do generically in the farming space. But by putting more product down than you would in the ag space, you can really build that soil very, very quickly. And the value of doing so to the customer

is high. Get rid of getting rid of that liability, getting that site back to its natural state is the end goal and we can get them there faster.

SH: Turning to the Cattleland Feedyards agreement, can you break down the mutual benefit this brings both to your company and to Cattleland?

KD: So we often get confused with being either an energy company or a manure management company. And for Cattlelands, we're both...we are a manure management strategy for them and we are an electricity provider to them. So we can give them lower costs behind the fence electricity because we have excess electricity from our site, but that really that's a side benefit for them. The big benefit is each of those cows lays about a hundred pounds of manure down a day and there are conventional farmers and they've got to find a way to get that onto conventional land, where they have all sorts of other spray choices, easier choices. So what they have to do is they scrape the pens every day and they put it in a pile and in the spring and in the fall, when the crop's not down, they work like mad to get that onto the field and incorporated into the soil.

So it costs about a half a million bucks a year, they estimate, just to get rid of those nutrients on the land. Now there's some agronomic value to that and it does build up the soil and they use it to build up areas here that in everywhere, but really, they're just getting rid of the nutrients. And so they'd be much better off spraying or using other conventional fertilizers for the crop that they're growing, which is the feed for the cattle. So for us, we take a liability, which is that manure. We can take it every day. They don't have to store it, the neighbors like it because it takes down some of the odors that might come from a big pile of manure that sits there for half the year. And, you know, we get the feed stock that we're looking for fresh from the pens. So it's, it works really well for us. We're located right on site. So they really don't have to do any work that they wouldn't otherwise have to do. They have to scrape the pen and they deliver it to us just like they were delivering it to the pile that was not too far from us onsite.

SH: Could you provide us with an update on the recommissioning of the EarthRenew facility? What will it involve and where's the company at with its progress?

KD: Sure. So we're about where we wanted to be. We've got the engineering done. We've got some of the equipment coming in. The redevelopment is probably an overstatement of what we're doing there. There's a few pieces of equipment we wanted to swap out because, frankly, the technology for dryers and for granulators have changed a lot in the last decade. And some of that equipment hasn't been used in a long time. So we're swapping out some of those pieces and getting some more efficient equipment that will meet the specifications of what the farm equipment is today. The, you know, the time rests for no man. So we've had to do some of that. So we will be in a position to be putting out blended products in the spring. We were blessed with some inventory, which is how we're doing some of these early sales into the market.

And we're going to be announcing a few other products coming out as blends in the next little while that will allow us to extend our product mix. So this is where I talked originally about that

being, we produce that ingredient. So the dryer really just produces the dried manure or the cooked manure. It's what we put in that, that matters. And that adds real value and adds margin to our product. And so we've been working on that saying, yeah, great drying a product. It's, you know, call it 1950s, 1960s technology. Our patents allow us to do it efficiently from the waste heat from the engine, but really the value that we're going to create in our products is these blends that meet with specific farmer needs in time for the 2021 - 2022 growing seasons. And that's where we're particularly excited at the moment.

SH: So, what's next for EarthRenew?

KD: You think it's winter and things in the ag space would calm down. For us, the engineering construction will start just in the new year. We're going to wait until after the holidays to kick that off. Because it's already built, it's all indoors. So we're not worried about the snow or the rain or the other elements as they come. And we're really focusing on formulations. The equipment and the design we have allowed us to blend any number of ingredients into a finished granule. And that's where we're going to spend our time now working with farmers to make sure that the mixes we have are ready to go for them and meet their needs. So now the farmers are largely off the field and they've got some time to chat and we're doing a lot of engagement there through ourselves and through our distribution partners to really make sure that our formulations are meet the heart of the need. Because it maximizes value by producing the product they want, not a product they can work with. And that's where we're going to spend our time this winter working hard on the marketing side.

SH: Keith, anything you'd like further to add that I may have overlooked?

KD: No, I think that's great. You know, our vision for this company, particularly given the organic fertilizer space, which is really fragmented, we're hoping to become that platform. And so we're starting here. We've announced a feasibility study for the site down in the Southwest and you'll hear some more news on that coming shortly as we build out that sort of platform of production in a number of locations. So we've been a little bit under the radar on that for the moment, but 2021 is going to be a big year for us as we look to, to hit those big organic markets, you know, three crops a year, four crops a year in the California. That's where we're pointing, and that's where we're headed.

For more information, visit www.earthrenew.ca.

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