

## **The Growcer**

### **Application for High North Dialogue business pitch competition 2018**

The Growcer specialized in the design and manufacturing of food production systems that allow Arctic and Sub-Arctic communities to grow food year-round profitably. Our flagship product, the 4<sup>th</sup>-Generation Arctic Growing System (AGS-IV) is a modular hydroponic system designed specifically for harsh climates that enables year-round commercial production of leafy green vegetables within shipping containers. Our systems combines state-of-the-art environmental controls, remote monitoring and control, and most notably, a new nutrient delivery mechanism that accelerates plant growth significantly, boosting production two-fold against comparable systems.



The Arctic Growing System in operation in Churchill MB (left) and Kotzebue AK (right), which is capable of growing over 5,000 kg of produce annually, at 70% margins. Each system is owned locally as a means of developing local economies.

### **Organizational Details**

Year Founded: Summer-Fall 2016

Location: Canada; Headquartered in Ottawa, Ontario

Private or Public Company: Private

# of Full time employees: 4 + 2 contractors

Does the company have revenue? Yes, \$600k CAD in sales; 170k CAD in grant funding & \$130k CAD in non-equity financing

Revenue for the last three years or since inception: \$900k CAD

Forecast Revenue in Next Fiscal Year: \$2.7M CAD

Projected Sales by Year for Next 3 Years: \$5.9M CAD

Business Stage: Scale

**Business Model:** Our business has 3 revenue streams: The first is earned upon the sale of each system, which is sold at \$180,000 plus shipping and HST, at 38% margins. We then charge a per-diem consulting fee for training and on-site installation, as well as annual material replenishment. And finally, we've created a recurring revenue stream through software subscriptions to provide our customers with peace of mind, knowing we are monitoring their systems 24/7 via satellite.

**Technology Description:** State-of-the-art modular hydroponic systems to enable food production in any climate. Growcer systems, built within retrofitted shipping containers, are the among the

world's first permanent farms within the Arctic Circle. Each container can produce in excess of 5 tonnes of produce annually in temperatures as cold as -52°C.

#### **Product/Service Description:**

Hydroponic food production systems, with auxiliary systems that offer commercial kitchens; cold food/dry storage; and employee facilities that plug into each other to build food complexes.

Our service offering includes on-site training of operators, installation services, consulting to support our customers launch their businesses, as well as 24/7 monitoring that we offer our customers using our satellite-based automation system.

#### **Target Market Information**

Our prospective customers include northern communities (municipalities and hamlets, regional governments and First Nations) themselves, local institutions (research and educational), non-profits and food security agencies. We have also planned projects in partnership with institutions in southern Canada and across Ontario who are looking for fresher, more consistent prices by growing their own food and doing so locally. Our systems enable even food service businesses to learn to produce their own food by removing much of the complexity involved in the growing process thanks to automations.

Total Addressable Market: 1,800 Growcer systems to meet the current demand for produce in Northern Canadian communities alone, with hopes to share our technology with communities in the circumpolar region outside Canada.

#### **Competitive Advantage:**

The Growcer is a significant improvement on the current practices of importing food into Northern communities. Our business model allows our customers to grow produce at lower cost and with much lower environmental impact, all while improving product quality. Since our customer's produce is being grown mere kilometers from store shelves, it has a longer shelf life and significantly cuts down on pollution related to shipping imported food.

Compared to our direct competitors, including adjacent technologies such as greenhouses, we build the only year-round commercial-scale farming systems able to grow in -50°C. We provide the best return on every dollar invested and one of the lowest costs per kg of production of food in our industry.

#### **Key Personnel:**

Corey, Co-Founder and CEO, is 22 years old and a recent Business Management graduate. He leads The Growcer's sales, community engagement and business development activities, maximizing social impact in the communities we operate in. In addition, Corey oversees the research & development function of the organization, ensuring we continue to improve our offering to our customers. Corey has previously led organizations with over 120 people and during his studies, was President of a student organization where he created 4 new social enterprise businesses that generated over \$550k in annual revenue.

Alida, Co-Founder and COO, leads The Growcer's operations and corporate planning activities, and is responsible for the planning and implementation of system deployments in each of the project sites (which includes manufacturing, QA/QC oversight, food safety compliance, shipping, inventory management) and helps our customers establish their businesses(including market research, marketing/merchandising, hiring and other operations plans).

Our other team members include Sidney Horlick (Hons. B.HSc), who leads our community engagement and educational activities and was born in the North, and Branavan Tharmarajah, who is completing his MBA in Community Economic Development and has a Bachelor's degree in Nutrition Sciences.

## **Contact**

Email: [corey@thegrowcer.ca](mailto:corey@thegrowcer.ca)

Phone:(613) 298-5821

Location: Ottawa, ON

Website: [thegrowcer.ca](http://thegrowcer.ca)