




The Eco Depot


WRITTEN BUSINESS PLAN

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 thecodepot

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EXECUTIVE SUMMARY

Methane is one of the leading climate pollutants in the world, 84 times more potent than carbon dioxide. One of the biggest contributors is food in landfills, with 6 million tons of food being deposited annually in California. The state has enacted Senate Bill 1383 in efforts to decrease these numbers. It encourages an alternative to throwing it into landfills, mainly composting, a process in which organic matter is allowed to decompose properly, and produces a rich soil.

Many jurisdictions have yet to implement regulations or provide assistance for their residents, particularly in Kern County, the highest agricultural producing region in the nation. The Eco Depot (TED) was founded in October 2022, as an S corporation based in Bakersfield, California in order to take the initiative on the implementation of SB-1383. The company supplies regular consumers with composting equipment, offers businesses services for food waste management, and sells fertilizers to agricultural farms by the ton. Soil amendments made from composted food waste, and earthworm castings, a product of vermicomposting, make up the bulk of the company's production.

The San Joaquin Valley is the biggest agriculture producing area in California, and an ideal hub for the company's operations. As awareness of the new Senate Bill is spread, The Eco Depot will use the incoming revenue and momentum to open another storefront in Kern County. The company will also prioritize partnering with local businesses for food waste management. As restaurants and farms produce massive amounts of food waste, they are perfect targets for the company's collection and industrial composting services.

Above all, The Eco Depot is continuously finding ways to educate consumers on composting, which will be achieved through the expansion of the company's website as well as supplementary contracts in schools to provide education on compost in classrooms. This has already been achieved with the largest public school district in California, the Kern High School District.

The Eco Depot has seen great success within its first fiscal year, reaching its break even point in January 2023. An out-of-network contract was established with global agriculture business, Grimmway Farms, and the company has consistently exceeded monthly projected sales of its trade shows. The Eco Depot is expecting to reach a net profit of \$380,249 by April 2023.



**MELEEYA OMANDAM
CHIEF EXECUTIVE OFFICER**

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BUSINESS RATIONALE

PROBLEM & SOLUTION STATEMENT

FOOD WASTE & CO₂ EMISSIONS

One third of all food produced in the world is wasted and sent to landfills each year (1), amounting to 1.3 billion tons annually. The World Wildlife fund (WWF) estimates that, in American schools alone, 530,000 tons of food waste is thrown away from student lunches. Food waste in landfills generates high amounts of greenhouse gas emissions (GHG), equaling 170 million metric tons of CO₂, comparable to the emissions of over 37 million cars (2). Due to these concerns, California and Massachusetts became the first states to pass organics recycling laws, one of which is California Senate Bill 1383. By implementing this law, the state hopes to decrease 75% of organic waste by 2025. It requires both residents and larger establishments to dispose of their food waste responsibly.

With more citizens composting food waste due to new composting laws and procedures, up to 6 metric tons of CO₂ would be eliminated from the atmosphere, reducing global climate change issues such as rising sea levels, changes in weather patterns, and increased global temperature (3). TED's retail product line offers a solution to both of these concerns, by selling eco-friendly composting and vermicomposting equipment, biodegradable products, in addition to a line of gardening supplies.

PROBLEM & SOLUTION STATEMENT

NITROGEN FERTILIZER & EARTHWORM CASTINGS

Farmers across the United States are also facing nitrogen fertilizer shortages due to the Russian-Ukrainian war and import sanctions (4). California and many other agriculture (AG) rich states have strict laws regarding nitrogen intakes for soil, to prevent water-soluble nitrate runoff which can lead to pollution in groundwater.

Earth worm castings (EWC) are a better alternative to nitrogen fertilizers, which are facing widespread shortages and cost more than EWC. EWC are loaded with beneficial bacteria, microbes, and fungus which speed up decomposition, increase water retention, soil aeration, retain nutrients until the plants call for them, and reduce traditional fertilizing methods by as much as 25%. By producing EWC in a sustainable manner, TED is able to help save money in AG production and supply farmers with sustainable fertilizing methods opposed to nitrogen fertilizer inputs which can be damaging to the earth and surrounding habitable areas.

CUSTOMER EMPATHY

With the rise of greenhouse gas emissions and global warming, the concern of climate change is increasing for many Americans. Additionally, 77% of the nation feels bad about wasting food (5). Furthermore, with rising composting laws such as California's SB-1383, new demographics from both businesses and consumers will be exposed to the practice of composting but may be lost on how to begin. Through The Eco Depot's product line, the company is able to fight against climate change while also educating the public on the power of composting.

SHORT-TERM

With the large local agricultural presence in Bakersfield, California, TED's short-term goals consist of setting contracts with AG based businesses such as local farmers and fertilizing companies. This will be achieved through attending farm expos, in which the company will seek to set alliances with AG vendors, supporting Kern County farmers, and further supporting the sale of earthworm castings (EWC), which allows for immense financial growth as The Eco Depot expands through the San Joaquin Valley. Additional contracts with restaurants and other culinary focused spaces will allow the company to provide restaurants with responsible food waste management services further helping to reduce GHG emissions from food waste.

MID-TERM

TED will continuously grow through B2B contracts as it will take time to phase in contracts from restaurants, AG vendors, and more. New fertilizing methods, such as liquid casting products, will be available for wholesale to AG suppliers. On the retail side, TED constantly reviews new and innovative products to add to the company's retail store. Strengthening roots in the company's local area and expansion is a prudent endeavor, which will be achieved through the opening of a second storefront in Kern County.

LONG-TERM

To gain brand recognition, The Eco Depot will contract for private labeling on the company's home and garden products. Additionally, TED will expand into additional partnerships with schools in its local area such as the PBVUSD, Bakersfield City, and Arvin Union Districts to further establish company roots in their local area and educate younger generations on the power of composting while having the opportunity to pick up school food waste from student lunches.

ABOUT THE BUSINESS

COMPANY OVERVIEW

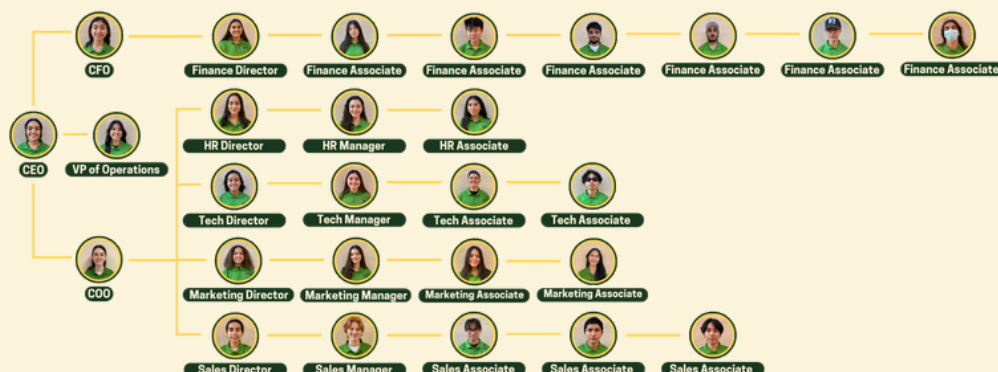
The Eco Depot, **commonly referred to as TED**, is a composting company founded in October 2022 in **Bakersfield, California**. The company elected to be taxed as an S corporation due to its size and the benefits that it provides in contrast to other corporate structures. It allows income to pass directly to shareholders and gives liability protection to the company and its employees. The Eco Depot offers eco-friendly equipment for composting, biodegradable household items, as well as a line of gardening supplies. The company has a 1,200 square foot retail store located in Southwest Bakersfield, California, along with a 9,800 square foot warehouse outside the city limits. The Eco Depot sells its products nationally through its online website, retail store, and business contracts. The company sells to both consumers and businesses, supplying individuals with the equipment and knowledge needed to compost, and helping businesses comply with recent regulations through food waste collection services and offering fertilizers by the ton to agricultural farmers.

MISSION STATEMENT

The Eco Depot's mission is to educate and provide consumers with accessible ways to learn the power of composting, the green way

ORGANIZATION

The Eco Depot operates under a functional organizational structure, encouraging collaboration and open communication between the company's five departments: marketing, sales, finance, human resources, and technology. The Eco Depot has 28 employees, with its Chief Executive Officer at the core, followed by a Chief Operating Officer and Chief Financial Officer. These executives, along with a Vice President of Operations, direct the vision of the company and delegate ideas outwards to their fellow employees. This provides a direct chain of command that combats internal issues, such as potential communication difficulties.



S

- Only retail location
- #1 agricultural producer
- Financial potential in Kern County

- Senate Bill 1383
- Increase in home and garden industry
- Increase in commercial agriculture industry

O

W

- Lack of business reputation
- Consumer education
- Qualified sales force

- Startup failure
 - Misreading market demand
 - Lack of capital

T

STRENGTHS

Currently, The Eco Depot is the only retail store in its county fully dedicated to aiding eco-friendly lifestyles through composting. Being centralized in Bakersfield, California allows the company to establish itself in a relatively untapped local market. The location of Kern County also holds immense financial potential for the company through commercial sectors, as the one of the largest agricultural producers in the nation (6).

WEAKNESSES

As a new start up, the company lacks an established business reputation, however, attending local events, such as farmer's markets will aid in creating relationships within the community. The Eco Depot will also recruit seasoned agricultural sales representatives to sell large quantities of EWC to AG businesses. On the retail side, consumers may not be well versed in composting. The company combats this with various avenues of customer education, through social media and its e-commerce website.

OPPORTUNITIES






The implementation of SB-1383 will bring new demographics into composting in order to decrease methane emissions (7). The COVID-19 quarantine also generated a sharp increase in the home and garden industry, a trend which has continued into 2023 (8). Additionally, agriculture, particularly in California, has stood strong in the face of climate and cargo transport issues. California farmers still had a 3.6% increase in cash receipts for the year 2021, receiving a total of \$51.1 billion (9-11).

THREATS

90% of startup companies fail and there is only an 18% success rate for first-time founders (12). Two major reasons are lack of research and running out of money. The Eco Depot has taken the time to accurately research their market as well as acquiring the financing needed to support the business and manage costs effectively.

EXTERNAL ENVIRONMENT

COMPETITIVE ANALYSIS

| FEATURES |  |  |  |  |  |
|-----------------|---|---|--|---|---|
| Affordable | ✓ | ✓ | ✓ | ✓ | ✓ |
| Product Variety | ✓ | ✓ | ✗ | ✗ | ✓ |
| In-store Access | ✗ | ✓ | ✓ | ✓ | ✓ |
| Education | ✗ | ✗ | ✗ | ✗ | ✓ |
| | REAL WORLD | | | VIRTUAL | |



VIRTUAL: DIRECT AND INDIRECT

The Eco Depot has no direct competitors virtually in the composting sector, however, indirect competitors would include Sustainable Solutions, EcoEats, as well as various other gardening supplies and biodegradable product companies. Sustainable Solutions offers biodegradable and eco-friendly house products, but the company focuses on sustainability through reusable products instead of biodegradable products. EcoEats provides consumers with edible utensils and cutlery. However, beyond culinary products, EcoEats lacks in product versatility when compared to The Eco Depot's biodegradable product line. Both companies lack educational materials, one of The Eco Depot's top priorities for its customers. Additionally, none of the virtual gardening companies are based in the United States, making The Eco Depot the first firm to provide gardening supplies in the U.S. and the first company to support composting and improved fertilizing methods.



REAL WORLD: DIRECT

Real world competitors include big brand names such as Tractor Supply, Home Depot, Lowe's, and Gardeners as a smaller scale direct competitor. However, all of these companies lack in customer education for composting. Furthermore, almost all composting equipment offered is online, which gives The Eco Depot an upperhand to be the only full service composting store in Kern County. Nationwide, the retail storefront is in support of the e-commerce site that allows customers to purchase products nationwide while furthering education through the company blog page.

On the fertilizing standpoint, direct competitors would include AG Solutions and Kern Hydroponics. Both companies are locally based in Kern county, however neither company supplies Earth Worm castings to farmers in bulk. However, fertilizing companies such as the ones listed already have set alliances with farmers which can detract farmers from purchasing fertilizing methods from The Eco Depot. However, to mitigate this risk, the company is seeking partnerships with fertilizing companies to conveniently sell their products through the fertilizing companies in an effective manner.

REAL WORLD: INDIRECT

Real world indirect competitors include Suncoast Compost and Community Compost Company which offer composting pick-up services to residents and businesses. However, because both companies are location based outside of California, there is no threat to The Eco Depot unless similar companies rise in their local area. Additionally, through subscription composting services, consumers generally do not receive as much soil compared to if they composted themselves. In the long run, consumers save money with The Eco Depot's products as the consumer purchases a one time product opposed to continuously purchasing subscription plans.

CURRENT ECONOMIC CONDITIONS

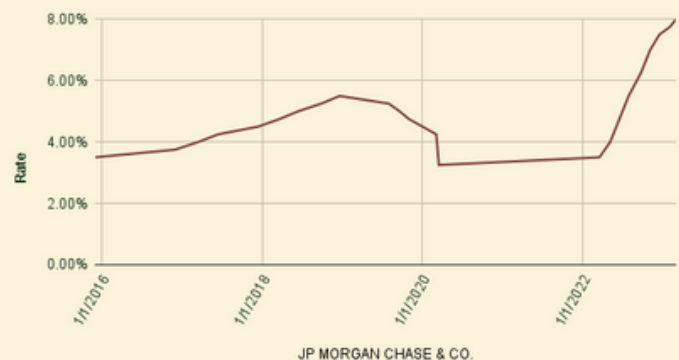
INFLATION

With inflation being high at 6%, it has had a direct impact towards the company's development (12). Inflation has contributed to consumers becoming hesitant in wanting to purchase sustainable and composting goods from the company. The Eco Depot understands that consumers constantly feel the impact of inflation as they purchase their groceries or home appliances. Within a 10-year span, from 2013 to 2023, food prices have grown by 34.94% (13). In contrast to last year, food prices rose by 10% due to inflation (14). This is why the company offers affordable and sustainable alternatives to mitigate everyday Americans' financial burden. Furthermore, it takes six months for consumers to get their investment back from their initial purchases, and twelve months to use the compostable goods to their disposal (15).

PRIME INTEREST RATE

According to Forbes magazine, the prime interest rate is at 8% (16). As rate begins to fluctuate, so will the cost of loans that the company acquires. In comparison to recent trends of the last 10 years, the prime rate averaged at 5% (17). Meaning the rate rose nearly 3%. This is considerably high which forces the company to pay higher interest when borrowing a loan.

PRIME RATE OVER 10 YEARS



GDP

The calculated gross domestic products (GDP), allows the company to know what exactly the total market value of goods being sold in the U.S. is, and the economic standing in the U.S. The current dollar GDP increased 3.2% at a quarterly rate, as of January 2023 (18). The increasing growth rate of the GDP is a crucial factor that indicates if the economy in the U.S. is in good stand or not. With a 3.2% increase in the GDP this means everyday Americans have disposable funds to purchase the company's convenient and affordable products. The GDP gives The Eco Depot more confidence that consumers have disposable money for its products.

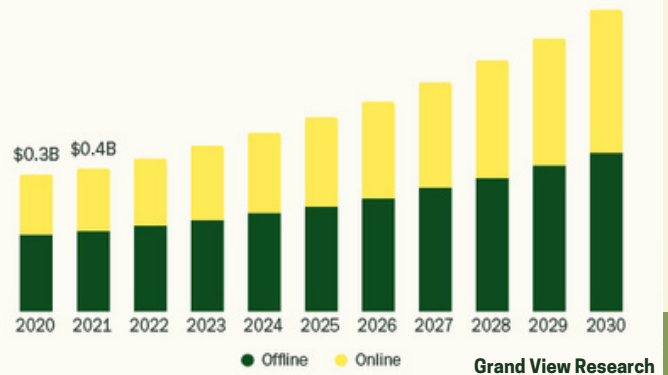
REAL WORLD INDUSTRY

According to *Grand View Research*, the U.S. compost market was valued at 363.2 million USD in 2021 and is expected to grow at a rate of 8.6% from 2022 to 2030 as popularity in gardening increases (19). Interests in gardening sparked during the pandemic, while more individuals were at home. Households as a whole started incorporating gardening into their everyday lives and were trying to set goals by eating healthier through self grown produce.

Additionally, large-scale increases of people globally trying to be more environmentally-friendly is shown through a survey by World Economic Forum stating that 86% of adults agree that they want a more sustainable world, and are more willing to purchase products if they fight against the world climate crisis (20).

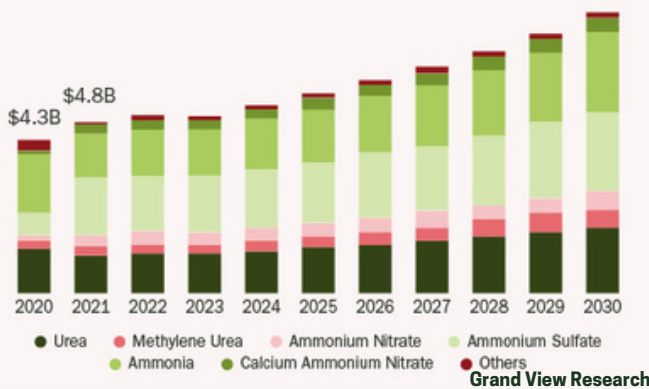
U.S. Residential Organic Compost Market

size, by distribution channel, 2020 - 2030 (USD Billion)



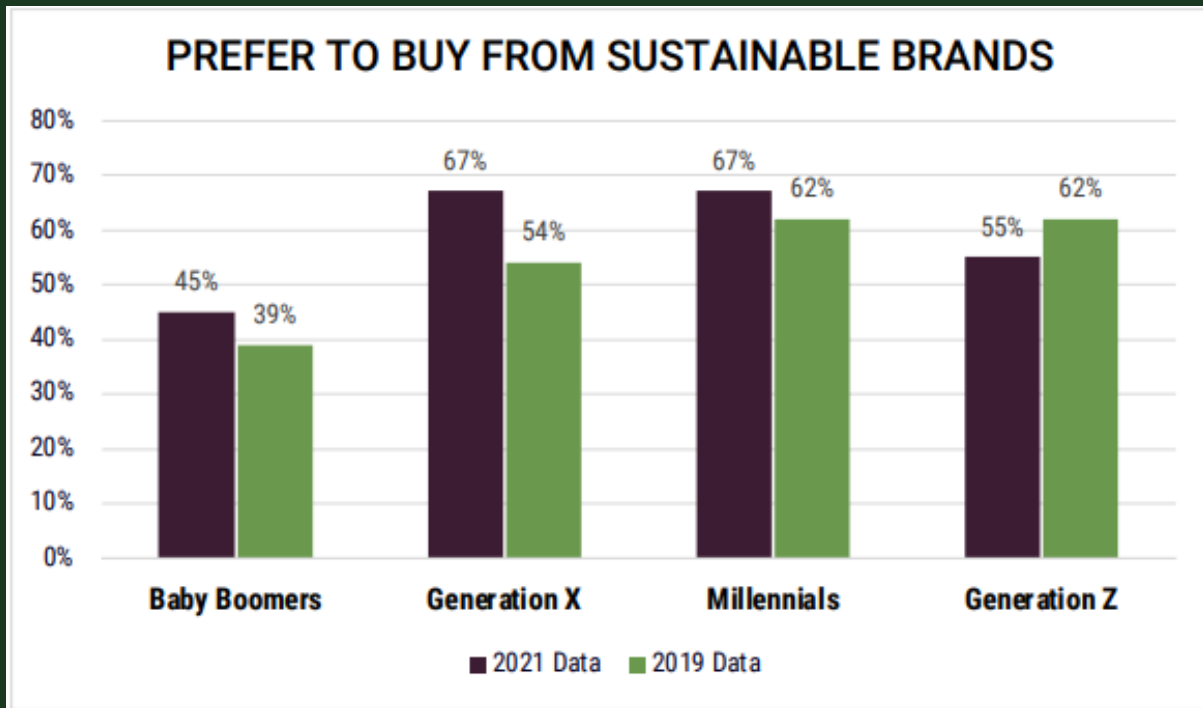
U.S. Nitrogenous Fertilizer Market

size, by product, 2020 - 2030 (USD Billion)



Agricultural analysis shows a profitable market for The Eco Depot. The nitrogen fertilizer market was priced at 57.2 billion USD in 2021 and is expected to grow from 2022 to 2030 as the need for fertilizer continues to increase with the production of crops (21). However, the nitrogen fertilizer market took an impact when western

sanctions on Russia took place due to the Russian-Ukrainian war. Fertilizer prices skyrocketed for farmers and they began to plant less crops putting the world's food supply at risk (22). Furthermore, nitrogen fertilizer has been linked to having harmful effects on the environment as well as causing concerns for human health (23). Due to these concerns, strict laws for the usage of nitrogen fertilizers have been set in place to mitigate risks (24). By offering farmers alternatives to nitrogen fertilizer such as earthworm castings and soil amendments, The Eco Depot is able to support farmers in growing their crops, as well as improving the environment.



World Economic Forum

VIRTUAL INDUSTRY

Companies in the home and garden industry in the virtual economy are limited in their gardening product line, and fail to provide composting equipment. Same trends are shown through other companies that focus on biodegradable and reusable products. As Generation Z's desire and passion for a sustainable lifestyle grows, the generation has the power to influence and educate older age groups such as millennials, generation X, and baby boomers (25).

By focusing on new passions for sustainability, and targeting consumers on education for SB-1383 and the pros to composting, The Eco Depot's product demand and potential for profitability is to be expected. Additionally, the pricing for the companies products allow for any consumer, from any economic background, be able to purchase and support The Eco Depot and sustainability as a whole.

REASONS CONSUMERS HAVEN'T ADOPTED A MORE SUSTAINABLE LIFESTYLE:

- Too expensive (16%)
- Not enough information (15%)
- Not interested (22%)

Deloitte survey done in 2021 in the UK (21)



MARKETING PLAN

MILLENNIALS

The Eco Depot's primary target market on the company's retail side are adults between the ages of 26-41. According to a 2022 Axiom Gardening survey, COVID-19 increased the interest in gardening for 74% of millennials. 75% of individuals plan to continue gardening post pandemic. The company's target market also has been shown to live in suburban areas which the company's products are tailored towards. Additionally, the majority of this market are people who are interested in living an eco-friendly lifestyle as The Eco Depot is a gateway for sustainability. TED developed the buyer persona of Shahan in correspondence to the consumer side of the market. Shahan is a millennial, has a family of 4, and lives in a suburban home. He started to notice the amount of food that is being wasted from his children. As Shahan looks for solutions to reduce his family's carbon footprint, The Eco Depot steps in to teach the power of composting. Shahan's customer testimonial shows that soil amendments that were produced from his own composting bin have benefited his already established home garden.

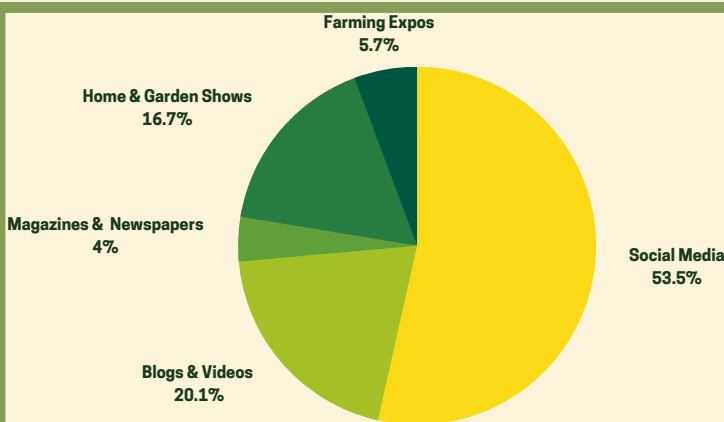
Meet Shahan...



Family of 4
Interest in agriculture
Owns a home garden

FARMERS

Due to the large local agricultural environment surrounding The Eco Depot, the company strongly targets farmers and fertilizing companies for business-to-business contracts. With these contracts, the company's soil amendment and earthworm castings will be available in ton amounts. The San Joaquin Valley is the most ideal location for The Eco Depot to pursue working with farmers. In fact, the top 10 producing counties in California are located within just a 4-hour drive of the company's casting production facility, making it perfect for the cost effective delivery of product.



**THE COMPANY'S
MARKETING BUDGET IS 10%
OF ITS MONTHLY REVENUE.**

MARKETING MIX

PRODUCT & PRICE

The Eco Depot's eco-friendly products are all priced versatility, to allow any demographic from any socioeconomic background to enjoy the lifestyle of composting. The company sells a high end, luxury grade composter named Lomi, priced at \$490 which makes composting convenient on your own kitchen counter. However the company has more affordable composters, ranging from \$20-200 in price with composting equipment starting at \$15. A biodegradable retail line offers high quality products that promote sustainability in everyday life, for example the company's reusable Bees Wrap, priced at \$3.25-4.25 which can be used to seal food multiple times. Once the Bees Wrap is old the consumer can throw it away in their composting bin and watch it biodegrade. On the business to business side TED sells earthworm castings for \$500 a ton. Additionally, the company determines pricing on products by comparing the wholesale price of composting and sustainable goods. After comparison, the company set a fixed wholesale mark-up price of 40%. The Eco Depot purchases its products from wholesalers in North America at a 30-50% mark-down retail price.

BEES WAX WRAP



\$2.28-3.15

BIODEGRADABLE SPOONS



\$3.50

INDOOR COMPOSTER



\$21.00

LOMI ELECTRIC COMPOSTER



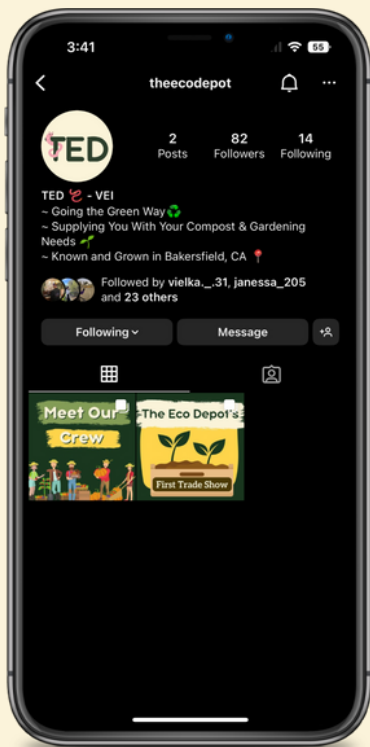
\$490.00

PLACEMENT

Trade shows occupy a majority of the company's retail sales by 54.1%, Online trade shows, in particular, allow The Eco Depot to reach consumers on both a national level and through the company's local community in Bakersfield, CA. Bundles are consumer favorites, being that they offer everything that the customer needs for their composting journey. Business contracts with Ridgeview High School allow the company to receive food products cheaply and effectively to produce the company's natural soil amendment and also give The Eco Depot to further educate students on the power of composting. For the business-to-business side, the company already has a set contract with local agriculture company Grimmway, in which the company supplies earthworm castings, composters, and gardening supplies. B2B contracts supply The Eco Depot with 42.4% of sales, as the company will focus on mainly selling fertilizers to other agricultural companies.

PROMOTION

Advertising at local farmers markets and home and garden shows is the best way for The Eco Depot to advertise towards their retail target market while simultaneously building the company's local reputation. Social media is a large part of the company's marketing plan, as a study from Statstica shows that social media is shown to be the most effective way to reach the attention of young adults. In app advertising and influencer partnerships are set through Twitter, Tiktok, Instagram, and Facebook, and Youtube where The Eco Depot is able to promote products, and further their education aspect. For those not on social media, the company advertises their products through home and garden magazines as well as newspapers. On the agricultural side, TED attends farmer expos in order to build trust and establish core clientele.



Convenient

Affordable

Educational

POSITIONING

The Eco Depot positions itself as affordable, sustainable, and educational. By offering a variety of prices, any consumer from any economic background has the opportunity to support the company and take a step toward doing it the green way, The Eco Depot prides itself in being affordable. By allowing consumers to drop off seasonal items that they no longer use for a coupon voucher to The Eco Depot's retail storefront, such as pumpkins, Christmas trees, and even electronic e-waste, The Eco Depot promotes sustainability. By utilizing social media, The Eco Depot's website, promoting composting through schools, and working with college students who are pursuing a career in agriculture, The Eco Depot is educational.

BUSINESS RISKS

COMPOSTING KNOWLEDGE

As a startup company lacking reputation, with many consumers not fully understanding the process of composting, there is a posed challenge to The Eco Depot's infancy on promoting itself. For instance, a consumer might find comfort in their everyday lifestyle as it currently is, and may not be willing to make a lifestyle change. This is where the company takes the opportunity to step in and educate consumers as to why implementing composting into their everyday lives will be beneficial. The Eco Depot provides consumers with an educative platform, found on the firm's e-commerce website, that educates individuals on the positive impacts composting and sustainability will have on them. According to a journal published on Agronomy, 77.5% of Americans would be interested in composting (26). Due to this statistic, The Eco Depot is confident that with the rate platform and guide, more people will be interested and non reluctant in composting.

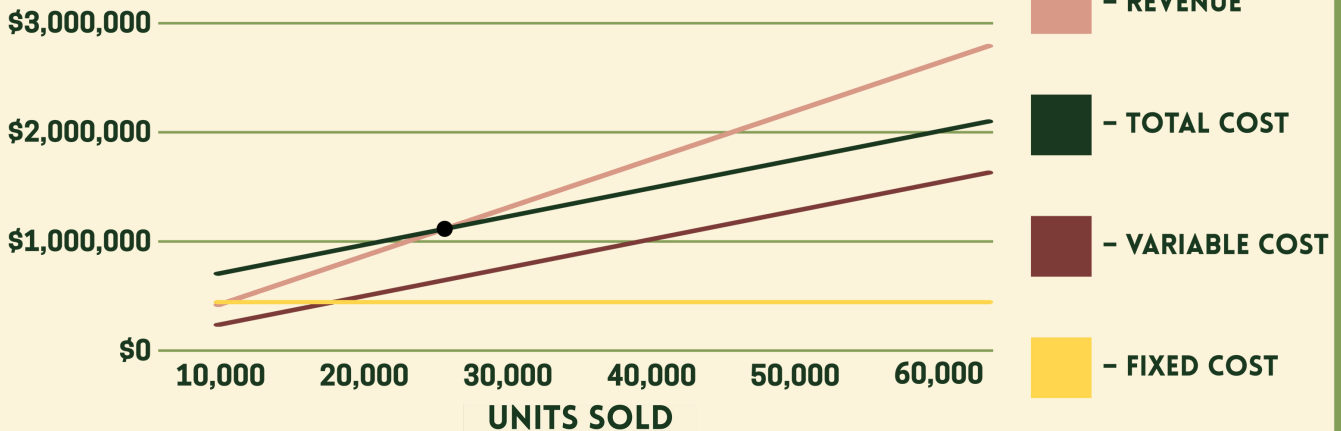


QUALIFIED STAFF

Maintaining a qualified staff is an essential factor in the success of The Eco Depot. With unemployment stable at 3.4%, there are still 5.7 million unemployed workers in the U.S. finding it difficult to maintain a job without a college degree (27). The Eco Depot understands this barrier, which is the main reason as to way why the company offers jobs, at the production facility, where employees do not need a degree to attain a position. The agricultural industry possessing a significant profitable rate to TED, seasoned agricultural representatives are necessary. However, recruiting agricultural representatives has become a challenge for the company. With 51.7% (28) of Americans having a high school diploma or equivalence, preserving a qualified staff is difficult. Nevertheless, the firm will mitigate this issue through a 6-month program offered to local agribusiness students in Kern County. This paid internship is offered to students at Bakersfield College, California State University Bakersfield, and through the Taft College TIL program. Students will undergo a 6-month program in the Earthworm Casting facility, where they are trained to do manual tasks at the EWC barn. Upon completion of the internship, students are offered the opportunity to apply with a position at the company.

FINANCIAL PLANNING

BREAK EVEN



A corporation must cross a particular sales threshold to start making a profit and cease losing money. This threshold is known as the break even point. It's crucial to achieve a break even while starting a new firm. The Eco Depot reached its break-even in January 2023 with \$1,185,032 sales. The firm needed to sell 25,769.68 units or reach \$1,135,927.29 dollars in sales. One unit is defined by \$44 and was found by totaling up the costs of the products and dividing them by the company's assets. The company has an average cost of goods sold of \$26 and a profit margin of 41.2%. Whereas web sales made 4%, trade shows made 68% of our break-even. Grimmway farms furnishes the company with revenue under an out-of-network agreement worth a total of \$356,768.04 each month, making 28% of the break-even point.

SALES PROJECTION SUMMARY

| Month | Nov | Dec | Jan | Feb | Mar | Apr | Total |
|-------------------|---------|---------|---------|-----------|---------|---------|-----------|
| Business Contract | 0 | 356,768 | 356,768 | 356,768 | 356,768 | 356,768 | 1,783,840 |
| Trade Show | 133,690 | 454,747 | 184,409 | 258,321 | 250,000 | 255,000 | 1,536,167 |
| Web Sales | 0 | 29,654 | 25,764 | 16,975 | 12,500 | 75,000 | 159,893 |
| | Actual | | | Projected | | | |

Sales from November through February are actual sales, while March through April are projected sales. In October, the company had no sales because the company had been established that month. Trade events, online sales, and out-of-network contract sales make up The Eco Depot's revenue. Gross sales are anticipated to total \$3,479,900 for the company's first fiscal year. From November to February, The Eco Depot's sales forecast was surpassed. The out-of-network contract with Grimmway Farms, a company with an emphasis on agriculture from whom we receive \$356,768 per month, contributed in a large part to the high revenue. This accounts for 28% of revenue, trade exhibitions make up 68%, and web sales for the final 4%. The commitment of our sales team made all of this possible.

* As of February 28, 2023

BALANCE SHEET

ASSETS

| | |
|--------------------------------|------------------|
| Current Assets | |
| Checking | 1,390,440 |
| Inventory | 5,476 |
| Accounts Receivable | 356,768 |
| Total Current Assets | 1,752,684 |
| Fixed Assets | |
| Furniture & Fixtures | 14,250 |
| Less Accumulation Depreciation | -250 |
| Equipment - Office & Computers | 28,500 |
| Less Accumulation Depreciation | -500 |
| Equipment - Production | 47,501 |
| Less Accumulation Depreciation | -833 |
| Total Fixed Assets | 88,668 |
| NET ASSETS | 1,841,352 |

LIABILITIES

| | |
|---------------------------------------|------------------|
| Current Liabilities | |
| Accounts Payable | 204,340 |
| Accruals | |
| Internships | 5,000 |
| Earthworm Castings | 20,000 |
| Sales Tax | 17,325 |
| Payroll Tax | 33,323 |
| Payroll | 50,013 |
| Total Current Liabilities | 330,001 |
| Long Term Liabilities | |
| Commercial Composter Loan | 36,667 |
| Bank Loan | 147,951 |
| Total Long Term Liabilities | 184,618 |
| TOTAL LIABILITIES | 514,619 |
| EQUITY | |
| Shareholder's Equity | 1,294,940 |
| Retained earnings | 31,793 |
| Total Equity | 1,326,733 |
| TOTAL LIABILITIES & EQUITY | 1,841,352 |

LIQUIDITY RATIO

3.4

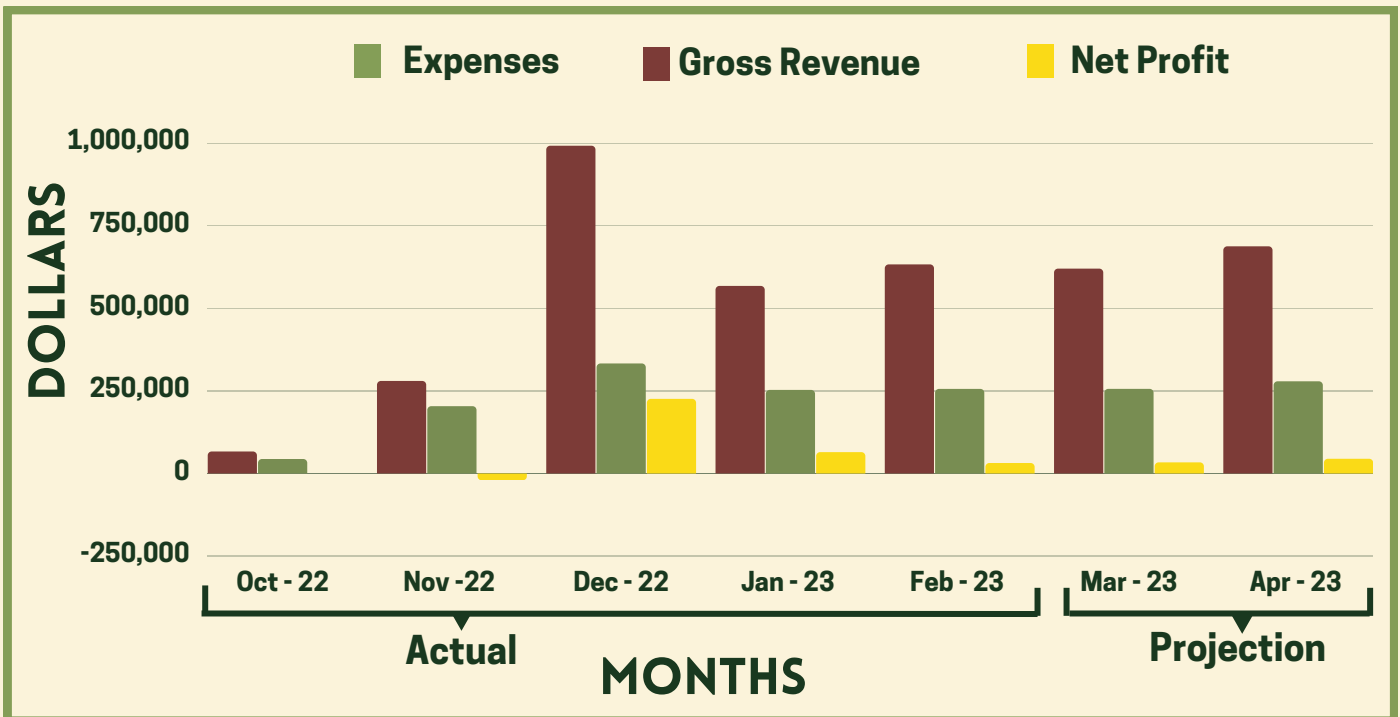
DEBT TO EQUITY

0.4

The Eco Depot has a total of \$514,619 in liabilities, \$1,326,733 in equity, and \$1,841,352 in total assets as of February 28, 2023. Liabilities make up 14%, equity - 36% and net assets of 50%. The company's biggest liability is a \$150,000 loan which is paid in increments of \$3,059.44 per month. TED's assets include goods, office furniture, and fixtures. The company has a debt to equity ratio of 0.4 and a liquidity ratio of 3.4 showing how investable this business is. The company's liquidity ratio of 3.4 gives a sense of how quickly The Eco Depot can transform its resources and utilize them to pay any

obligations by evaluating both its margin of safety and its capacity to meet debt to settle its current debts. An effective liquidity ratio is between two and three. The debt to equity ratio reveals how much debt is utilized to operate a corporation. The company's debt to equity ratio is 1: 0.4, which implies we have to pay 0.40 cents in debt for every dollar in equity. This ratio provides insight into a company's financial leverage, stability, and capacity to raise extra capital in order to expand.

PROFIT AND LOSS



The profit and loss statement shows actual data for October through February of 2022-2023 and predicted data for March through April of 2023. TED lost money in the month of November due to start up expenses and lack of sales. The Eco Depot anticipates ending its first fiscal year with net sales of \$2,001,863 and making a profit of \$380,249 after all costs. The majority of the monthly revenue comes from a business contract with Grimmway Farms. This contract covers 75% of payroll, payroll taxes, and cost of goods sold, which amounts to \$356,768 each month in exchange for the company's earthworm castings and soil amendments. The company supplies Grimmway farms with 36 tons of earthworm castings and 70 tons in soil amendment. The Eco Depot pays no other than then maintenance of earthworm castings and the packaging of soil amendment because of our contract with Kern High School District were we receive food waste from high schools which we then convert to soil with our big commercial composter located at our warehouse.

| Income | October 2022 | November 2022 | December 2022 | January 2023 | February 2023 | March 2023 | April 2023 | Total |
|-------------------------|--------------|---------------|---------------|--------------|---------------|------------|------------|-----------|
| Business Contract | 0 | 0 | 356,768 | 356,768 | 356,768 | 356,768 | 356,768 | 1,783,840 |
| Trade Shows | 0 | 133,690 | 454,747 | 184,409 | 258,321 | 250,000 | 255,000 | 1,536,167 |
| Web Sales | 0 | 0 | 29,654 | 25,764 | 16,975 | 12,500 | 75,000 | 159,893 |
| Seed Money | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 |
| Angel Investors | 45,050 | 104,950 | 0 | 0 | 0 | 0 | 0 | 150,000 |
| Loan | 0 | 40,000 | 150,000 | 0 | 0 | 0 | 0 | 150,000 |
| Gross Sales | 65,050 | 278,640 | 991,169 | 566,941 | 632,064 | 619,268 | 686,768 | 3,839,900 |
| Cost of Goods sold | 22,170 | 96,275 | 432,541 | 249,566 | 344,467 | 329,634 | 363,384 | 1,838,038 |
| Net Sales | 42,880 | 182,365 | 558,628 | 317,375 | 287,597 | 289,634 | 323,384 | 2,001,863 |
| Expenses | | | | | | | | |
| Accounting & Legal | 5,000 | 0 | 0 | 0 | 0 | 0 | 3,000 | 8,000 |
| Advertising & Promotion | 0 | 27,864 | 99,117 | 56,694 | 63,206 | 61,927 | 68,677 | 377,485 |
| Insurance | | | | | | | | |
| General Liability | 0 | 2,200 | 1,467 | 1,467 | 1,467 | 1,467 | 1,467 | 9,535 |
| Health | 0 | 12,600 | 8,400 | 8,400 | 6,900 | 6,900 | 6,900 | 50,100 |
| Workers Comp. | 0 | 8,184 | 5,456 | 5,456 | 5,456 | 5,456 | 5,456 | 35,464 |
| Lease (rent) | 1,050 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 13,650 |
| Loan Interest | 0 | 275 | 0 | 1,013 | 1,017 | 1,003 | 989 | 4,135 |

| | October 2022 | November 2022 | December 2022 | January 2023 | February 2023 | March 2023 | April 2023 | Total |
|----------------------------|--------------|---------------|---------------|--------------|---------------|------------|------------|---------|
| Loan Principal | 0 | 540 | 0 | 2,028 | 2,042 | 2,056 | 2,070 | 8,736 |
| Maintenance & Repairs | 0 | 150 | 150 | 150 | 150 | 150 | 150 | 900 |
| Office Supplies & Printing | 0 | 2,000 | 750 | 750 | 750 | 750 | 750 | 5,750 |
| Packaging | 0 | 13,932 | 20,777 | 11,628 | 16,373 | 15,632 | 17,319 | 95,662 |
| Payroll (net) | 25,169 | 50,013 | 50,013 | 50,013 | 50,013 | 50,013 | 50,013 | 325,244 |
| Payroll Taxes | | | | | | | | |
| Federal/ FICA | 13,110 | 26,220 | 26,220 | 26,220 | 26,220 | 26,220 | 26,220 | 170,427 |
| State, SDI | 3,551 | 7,103 | 7,103 | 7,103 | 7,103 | 7,103 | 7,103 | 46,168 |
| Quarterly Unemployment | 0 | 0 | 0 | 17,569 | 0 | 0 | 386 | 17,955 |
| Sales Tax (8.25%) | 0 | 22,988 | 42,408 | 21,656 | 17,325 | 21,656 | 8,663 | 134,696 |
| Security | 0 | 100 | 100 | 100 | 100 | 100 | 100 | 600 |
| Shipping (Inbound) | 0 | 3,814 | 20,627 | 11,478 | 16,223 | 15,482 | 17,169 | 84,793 |
| Shipping (Outbound) | 0 | 7,628 | 41,254 | 22,957 | 32,447 | 30,963 | 34,338 | 169,587 |
| Travel | 0 | 0 | 1,000 | 0 | 1,000 | 1,000 | 20,000 | 23,000 |
| Utilities | | | | | | | | |
| Gas/Water | 0 | 507 | 338 | 338 | 338 | 338 | 338 | 2,197 |
| Electricity | 6,750 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 21,750 |

| | October 2022 | November 2022 | December 2022 | January 2023 | February 2023 | March 2023 | April 2023 | Total |
|------------------|--------------|---------------|---------------|--------------|---------------|------------|------------|-----------|
| Internet & Phone | 0 | 450 | 300 | 300 | 300 | 300 | 300 | 1,950 |
| Website | 0 | 25 | 25 | 25 | 25 | 25 | 25 | 150 |
| Depreciation | 0 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 2,250 | 13,500 |
| Total Expenses | 42,880 | 202,691 | 332,854 | 252,712 | 255,805 | 255,890 | 278,782 | 1,621,614 |
| Profit/loss | 0 | (20,326) | 225,774 | 64,662 | 31,793 | 33,745 | 44,602 | 380,249 |



FINANCIAL WRITE UP

ACTUAL

October: The Eco Depot received \$20,000 in seed money from Virtual Enterprise and received an additional \$150,000 from three angel investors. From a financial point of view, the company decided it was better to divide the \$150,000 into October and November to use as money for start-up expenses. Through careful evaluation, TED saw it best to not gain any profit for the month of October to make sure there was enough money for the month of November. The Eco Depot paid expenses for the first time which came to a total of \$42,880.

November: The Eco Depot had its first trade show on November 7th and made about \$133,700 in sales. The company took out a loan for a commercial composter at a price of \$40,000 and store it in the warehouse to produce a mass amount of soil amendment. TED began to pay for marketing, insurance, loan interest & principal, payroll, and other items such as utilities. Unfortunately, money was lost in the month of November due to the lack in sales.

December: TED established a contract with Grimmway Farms for a total of \$356,768 monthly. The contract cannot be terminated unless both parties come to an agreement. The company had an online trade show where it made its first web sales for a total of \$29,654 and an in person trade show where it made \$454,747. The company also decided to take out a loan of \$150,000 to pay off the commercial composter in full. TED decided to use the rest of the money as start-up money to buy more inventory, fixtures, and furniture.



FINANCIAL WRITE UP

ACTUAL

January: The Eco Depot attended another trade show at the Mechanics Bank Arena and had an online trade show as well, where gross sales came to a total of \$556,941 including the \$356,768 from Grimmway. TED started its first payment towards the \$150,000 VE loan.

February: TED attended another in person and online trade show. TED proceeded to pay off expenses for this month leaving the company with a net profit of \$31,793.

PROJECTED

March: The company projects to make \$250,000 in trade show and \$12,500 in web sales. The Eco Depot plans on making their own mini trade show within its community to expand education on composting and potentially gain new customers.

April: Several staff of The Eco Depot will travel to New York to participate in the trade event. The company anticipates making \$255,000 in sales because there will be visitors from a wide range of geographical areas. These folks, coming from diverse parts of the world, might find the company intriguing. This benefits the business because they may spread the word, exposing it to people who might be ready to spend time and money learning about the advantages of composting and adopting an eco-friendly lifestyle. Due to the fact that the majority of TED's staff will be concentrating on generating online sales from Bakersfield, California, the company anticipates having extremely strong web sales for this month. TED is very confident that its employees can achieve this goal due to their hard working ethic and support for the business.

2022-2023: TED's projected gross sales for the year are \$3,839,900, and its projected net sales are \$2,001,863, thanks to the company's consistently hard-working team. Adding up all of the company's actual and anticipated costs, TED arrives at \$1,621,614. This indicates that The Eco Depot will finish its first fiscal year with a \$380,249 net profit. With this much money, TED will give its staff and angel investors a portion of the proceeds. The company will also start making plans for its short and long-term objectives.

APPENDIX

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BANK BALANCE

Account summary

| Account | Account no | Balance |
|---------------------------------|------------|----------------|
| The Eco Depot (Budget Checking) | 631027238 | \$1,390,440.91 |

LOAN AMORTIZATION TABLE

TED
Virtual Enterprises International
Loan Amortization Table

| | | | |
|-------------------------|---------------------|--------------------|------------|
| Loan Information | | Summary | |
| Loan Amount (Principal) | 150,000 | Rate (per period) | 0.6875% |
| Annual Interest Rate | 8.25% | Number of Payments | 60 |
| Term of Loan in Years | 5 | Total of Payments | 183,566.26 |
| # of Payments per Year | 12 | Total Interest | 33,566.26 |
| Payment Type | end of period | | |
| Monthly Payment | (\$3,059.44) | | |

| No. | Principal | Interest for the Period | Total Balance Outstanding | Payment for the period | Principal Reduction | Revised Balance Outstanding |
|---------------|-----------|-------------------------|---------------------------|------------------------|---------------------|-----------------------------|
| 1 | 150,000 | 1031.25 | 151,031.25 | 3059.44 | 2028.19 | 147,971.81 |
| 2 | 147971.81 | 1017.31 | 148,989.12 | 3059.44 | 2042.13 | 145,929.68 |
| 3 | 145929.68 | 1003.27 | 146,932.95 | 3059.44 | 2056.17 | 143,873.51 |
| 4 | 143873.51 | 989.13 | 144,862.64 | 3059.44 | 2070.31 | 141,803.20 |
| 5 | 141803.20 | 974.90 | 142,778.10 | 3059.44 | 2084.54 | 139,718.66 |
| 6 | 139718.66 | 960.57 | 140,679.23 | 3059.44 | 2098.87 | 137,619.79 |
| 7 | 137619.79 | 946.14 | 138,565.93 | 3059.44 | 2113.30 | 135,506.49 |
| 8 | 135506.49 | 931.61 | 136,438.09 | 3059.44 | 2127.83 | 133,378.66 |
| 9 | 133378.66 | 916.98 | 134,296.64 | 3059.44 | 2142.46 | 131,236.20 |
| 10 | 131236.20 | 902.25 | 132,138.45 | 3059.44 | 2157.19 | 129,079.01 |
| 11 | 129079.01 | 887.42 | 129,968.43 | 3059.44 | 2172.02 | 126,906.99 |
| 12 | 126906.99 | 872.49 | 127,779.47 | 3059.44 | 2186.95 | 124,720.04 |
| 13 | 124720.04 | 857.45 | 125,577.49 | 3059.44 | 2201.99 | 122,518.05 |
| 14 | 122518.05 | 842.31 | 123,380.36 | 3059.44 | 2217.13 | 120,300.92 |
| 15 | 120300.92 | 827.07 | 121,127.99 | 3059.44 | 2232.37 | 118,068.55 |
| 16 | 118068.55 | 811.72 | 118,880.28 | 3059.44 | 2247.72 | 115,820.84 |
| 17 | 115820.84 | 796.27 | 116,617.11 | 3059.44 | 2263.17 | 113,557.67 |
| 18 | 113557.67 | 780.71 | 114,338.38 | 3059.44 | 2278.73 | 111,278.94 |
| 19 | 111278.94 | 765.04 | 112,043.98 | 3059.44 | 2294.40 | 108,984.54 |
| 20 | 108984.54 | 749.27 | 109,733.81 | 3059.44 | 2310.17 | 106,674.38 |
| 21 | 106674.38 | 733.39 | 107,407.76 | 3059.44 | 2326.05 | 104,348.32 |
| 22 | 104348.32 | 717.39 | 105,065.72 | 3059.44 | 2342.04 | 102,006.28 |
| 23 | 102006.28 | 701.29 | 102,707.57 | 3059.44 | 2358.14 | 99,648.14 |
| 24 | 99648.14 | 685.08 | 100,333.22 | 3059.44 | 2374.36 | 97,273.78 |
| 25 | 97273.78 | 668.76 | 97,942.54 | 3059.44 | 2390.68 | 94,883.10 |
| 26 | 94883.10 | 652.32 | 95,535.42 | 3059.44 | 2407.12 | 92,475.98 |
| 27 | 92475.98 | 635.77 | 93,111.76 | 3059.44 | 2423.67 | 90,052.32 |
| 28 | 90052.32 | 619.11 | 90,671.43 | 3059.44 | 2440.33 | 87,611.99 |
| 29 | 87611.99 | 602.33 | 88,214.32 | 3059.44 | 2457.11 | 85,154.88 |
| 30 | 85154.88 | 585.44 | 85,740.32 | 3059.44 | 2474.00 | 82,680.89 |
| 31 | 82680.89 | 568.43 | 83,249.32 | 3059.44 | 2491.01 | 80,189.68 |
| 32 | 80189.68 | 551.31 | 80,741.18 | 3059.44 | 2508.13 | 77,681.75 |
| 33 | 77681.75 | 534.06 | 78,215.81 | 3059.44 | 2525.36 | 75,156.37 |
| 34 | 75156.37 | 516.70 | 75,673.07 | 3059.44 | 2542.74 | 72,613.63 |
| 35 | 72613.63 | 499.22 | 73,112.85 | 3059.44 | 2560.22 | 70,053.41 |
| 36 | 70053.41 | 481.62 | 70,535.03 | 3059.44 | 2577.82 | 67,475.59 |
| 37 | 67475.59 | 463.89 | 67,939.49 | 3059.44 | 2595.54 | 64,880.05 |
| 38 | 64880.05 | 446.05 | 65,326.10 | 3059.44 | 2613.39 | 62,266.66 |
| 39 | 62266.66 | 428.08 | 62,694.75 | 3059.44 | 2631.35 | 59,635.31 |
| 40 | 59635.31 | 409.99 | 60,045.30 | 3059.44 | 2649.44 | 56,985.86 |
| 41 | 56985.86 | 391.78 | 57,377.64 | 3059.44 | 2667.66 | 54,318.20 |
| 42 | 54318.20 | 373.44 | 54,691.64 | 3059.44 | 2686.00 | 51,632.20 |
| 43 | 51632.20 | 354.97 | 51,987.18 | 3059.44 | 2704.47 | 48,927.74 |
| 44 | 48927.74 | 336.38 | 49,264.12 | 3059.44 | 2723.05 | 46,204.68 |
| 45 | 46204.68 | 317.66 | 46,522.34 | 3059.44 | 2741.78 | 43,462.90 |
| 46 | 43462.90 | 298.81 | 43,761.71 | 3059.44 | 2760.63 | 40,702.27 |
| 47 | 40702.27 | 279.83 | 40,982.10 | 3059.44 | 2779.61 | 37,922.66 |
| 48 | 37922.66 | 260.72 | 38,183.38 | 3059.44 | 2798.72 | 35,123.94 |
| 49 | 35123.94 | 241.48 | 35,365.42 | 3059.44 | 2817.96 | 32,305.98 |
| 50 | 32305.98 | 222.10 | 32,528.08 | 3059.44 | 2837.33 | 29,468.64 |
| 51 | 29468.64 | 202.60 | 29,671.24 | 3059.44 | 2856.84 | 26,611.80 |
| 52 | 26611.80 | 182.96 | 26,794.76 | 3059.44 | 2876.48 | 23,735.32 |
| 53 | 23735.32 | 163.18 | 23,898.50 | 3059.44 | 2896.26 | 20,839.06 |
| 54 | 20839.06 | 143.27 | 20,982.33 | 3059.44 | 2916.17 | 17,922.89 |
| 55 | 17922.89 | 123.22 | 18,046.11 | 3059.44 | 2936.22 | 14,986.66 |
| 56 | 14986.66 | 103.03 | 15,089.71 | 3059.44 | 2956.40 | 12,030.27 |
| 57 | 12030.27 | 82.71 | 12,112.98 | 3059.44 | 2976.73 | 9,053.54 |
| 58 | 9053.54 | 62.24 | 9,115.79 | 3059.44 | 2997.19 | 6,056.35 |
| 59 | 6056.35 | 41.64 | 6,097.99 | 3059.44 | 3017.80 | 3,038.55 |
| 60 | 3038.55 | 20.89 | 3,059.44 | 3059.44 | 3038.55 | (0.00) |
| Totals | | 33,566.26 | 4,915,932.08 | 183,566.26 | 150,000.00 | 4,732,365.82 |

OUT OF NETWORK CONTRACT



The Eco Depot
5510 Stockdale Hwy, Suite 5620
Bakersfield, CA 93311
theecodepot.ca@veinternational.org
(661)398-3100
(661)412-3662

Business Contract

This agreement is effective as of December 4, 2022 between Grimmway Farms and The Eco Depot from April 20, 2023. The parties hereby agree to the following terms and conditions:

DESCRIPTION OF SERVICE/SUPPLIES:

Grimmway Farms hereby agrees to purchase the items below, supplied by The Eco Depot.

| Product | Quantity | Unit Price (\$) | Extended Price (\$) |
|--------------------------|----------|-----------------|---------------------|
| 1 Ton Earthworm Castings | 36 | 3,688 | 132,768 |
| 1 Ton Soil Amendment | 70 | 3,200 | 224,000 |

Total **\$356,768**

TERMS AND CONDITIONS - This contract agreement may be canceled with 90 days written notice. The period of this contract is for monthly purchases for fiscal 2022-23 from the effective date unless modified in writing 90 days in advance on any agreed delivery dates stated in the agreement. Title and ownership of this agreement is non-transferable to any other party.

The Eco Depot guarantees delivery of the quantities and items stated above in accordance with the terms and conditions stated in this agreement. The Eco Depot hereby agrees to honor the firm-fixed prices stated above during the period of the contract agreement with no consideration for economic price adjustments (**unless other terms are agreed upon**).

OUT OF NETWORK CONTRACT

CANCELLATION - The Contract may not be canceled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recovery and all associated litigation fees.

RENEWABLE OPTIONS - During the final period of this agreement, either party may offer to negotiate optional years.

CORPORATE COMMITMENT - By signing this agreement, Grimmway Farms, hereby agrees to offer the expertise of its officers as advisors to The Eco Depot. This mentoring will assist in the successful operations of The Eco Depot, thus protecting your valued investment in our product.

The signatures below represent the authority to fully execute this agreement.


Signature of Grimmway Farms Representative

Food Safety Compliance Specialist
Printed Name and Title

01/09/2023
Date

(661)-600-3682
Phone Number


Signature of The Eco Depot Representative

MELEEYA OMANDAM, CEO
Printed Name and Title

9 JAN 2023
Date

(661) 473-9634
Phone Number

KHSD CONTRACT



5510 Stockdale Hwy,
Bakersfield CA Suite 5620
theecodepot.ca@veinternational ✉
@theecodepot 📷

TERMS AND CONDITIONS- This contract agreement may be cancelled with 90 days written notice. The period of this contact is over the span of the 2022-2023 school year at Ridgeview High School unless modified in writing.

Ridgeview High School FFA department guarantees pickup ready waste materials such as poultry litter and food waste for The Eco Depot on a weekly basis in accordance with the terms and conditions stated in this agreement.

The Eco Depot hereby agrees and guarantees delivery of the companies natural fertilizer on a weekly basis to Ridgeview High School's FFA department for no purchase price.

CANCELLATION- This contract may not be cancelled without the written agreement of both parties. Any party defaulting on the stated terms will incur the costs associated with recover and all associated litigation fees.

RENEWABLE OPTIONS- During the final period of this agreement, either party may offer to negotiate optional years.

CORPORATE COMMITMENT- By signing this agreement, Ridgeview High School's FFA department, hereby agrees to offer their natural waste to The Eco Depot with return of fertilizer product supplied from The Eco Depot.

The Eco Depot
Name of Company

Ridgeview FFA Department
Name of Company

Chloe Rogers / COO
Printed Name / Title

Rachelle Reames / FFA Director
Printed Name / Title

Chloe Rogers
Signature of Representative

Rachelle Reames
Signature of Representative

01/11/2023
Date

01/11/2023
Date

INVESTOR #1

Monarcas Tires

10/24/22

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Teri Jones :

Please accept this letter of support as my intention to invest \$50,000 in The Eco Depot. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

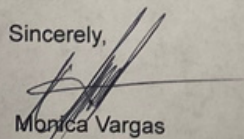
I affirm that I have done the following to review and evaluate this company:

1. Listened to a business pitch from the executive team outlining the firm's business plan, including the marketing plan, operating budget, and sales/revenue projections.
2. Reviewed company projections and assumptions.
3. Engaged in Q&A or discussion to clarify and guide the firm's direction.

I understand that upon approval of this equity investment by the VE Central Office, The Eco Depot will prepare and send to me a stock certificate outlining the number of shares awarded based on a \$10 Par Value. I also understand that as a result of my investment, I will be placed on the company's Board of Directors.

The Eco Depot fosters a positive environment that emphasized quality care and amazing values! Their unique and effective approach to vermicomposting is unlike anything that Bakersfield has ever experienced. They are an exceptional business that had the potential to grow to a remarkable degree, and I am confident that this investment will build amazing results.

Sincerely,


Monica Vargas
Tire Shop , Business
(661) 717-3606 / Monarcastires@gmail.com

INVESTOR #2

V & Sons Freight Inc

10/24/22

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Terri Jones:

Please accept this letter of support as my intention to invest \$50,000 in The Eco Depot. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

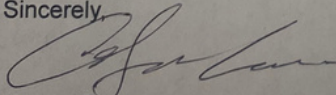
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Sincerely,



Cesar Correa
Transportation, President
(661) 832-7267 / Vsonsfright@gmail.com

INVESTOR #3

Ramirez Martha Housekeeping

10/28/2022

VE Central Office
122 Amsterdam Avenue
New York, NY 10023

Dear Teri Jones:

Please accept this letter of support as my intention to invest \$50,000 in The Eco Depot. In exchange for this investment of funds, I understand that I will be taking an equity stake in their business by receiving a commensurate number of shares of stock in their company.

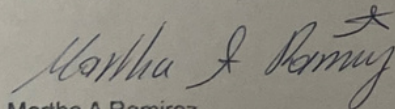
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Sincerely,



Martha A Ramirez
Housekeeper, Business Owner
(310)339-9946
ramirezmartha10@yahoo.com

GLOSSARY

- **Senate Bill (SB) 1383:** When food is not allowed to properly biodegrade into the Earth, methane is released into the atmosphere as a result. SB 1383 was enacted in California to prevent methane emissions from food waste build up in landfills. Its goal is to deter 75% of food waste disposal into landfills by 2025 by regulating residential and commercial food waste.
- **Methane:** Methane is the second most abundant greenhouse gas in the atmosphere behind CO₂ and is 84 times more potent than carbon dioxide.
- **Climate change:** Greenhouse gasses block heat from escaping Earth's atmosphere, known as the greenhouse effect. With an increase of greenhouse gasses due to human activities, the Earth has seen a rise in temperature and changes in precipitation. This is commonly referred to as climate change; the change in average temperatures and weather patterns over a long period of time.
- **Agriculture:** Agriculture is the practice and science of crop and livestock production.
- **Fertilizer:** Fertilizers are natural or synthetic substances that are used on soil to provide additional nutrients to plants that may no longer be there. Commonly used fertilizers in agriculture contain potassium, phosphorus, and nitrogen which are all limiting factors for plant growth.
- **Soil amendment:** Soil amendments are materials added to soil to improve its physical properties. This would include improving the soil's water retention, drainage, aeration, structure and more. Typical soil amendments used are manure, compost, and compost teas.
- **Earthworm castings (EWC):** Earthworm castings are an organic fertilizer extracted from Earthworm manure.
- **Vermicompost:** Vermicompost is a term used to refer to the process of worm casting production.
- **Thermophilic compost:** Thermophilic composting is the process of heating up compost above 40°C and allowing thermophilic bacteria to decompose and break down organic waste.
- **Biodegradable:** Biodegradable is term used when an object is capable of being decomposed by microorganisms.

