

2021

Esca Terrestrial Executive Summary

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FUTURE FOOD ALL STARS CHALLENGE

Executive Summary Est. 2021

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INTRODUCTION

Esca Terrestrial is a mobile kitchen business dedicated to serving consumers living in food deserts and lower-income communities, starting with our home state, New Jersey. Our mission is to provide access to high-quality local ingredients and food items, rescuing them from the waste stream while being ecologically sustainable. For example, we take the bruised tomatoes that are unwanted, turning them into tomato sauce or jams for our menus. In all that we do, we emphasize the importance of nutrition, to lifelong wellness, and take what would become waste from farms across the states.

Our unique position in the market is to make healthy, delicious food that is affordable will be appealing to lower-income, and food-insecure households. We are a mobile production unit that is going straight to the source of produce while also making the product right on the grounds of where it came from. What could be better than that? We as owners have a personal connection to this issue of food insecurity and want to make healthy options more convenient, helping everyone live a healthier lifestyle.

MARKET ANALYSIS

MARKET NEED

There is a need to provide accessibility to high quality food and reduce food loss/waste by creating value-added products. This will then help farmers and ranchers gain new customers and keep more of the profits from the products they produce.

MARKET TRENDS

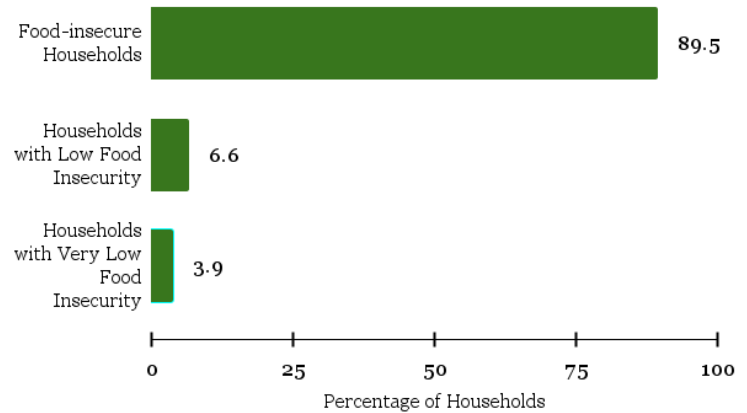
- Refined sugars are now being replaced with unrefined sugars, such as artificial sweeteners and fruit concentrates. due to an increase in health concerns
 - Jams usually contain a large quantity of refined sugars to support:
 - Shelf Life
 - Mouth Feel
 - Taste
- With an increase range of ethnic flavors, consumers are expanding their palates as they explore a variety of flavors from different countries
 - Global regions, like:
 - North America
 - Europe
 - Asia Pacific
 - Latin America
 - Africa and the Middle East
- Implementing sustainable and cross utilization practices
- Consumers are leaning towards Plant Based Cuisine, for dietary/medical reasons
- Utilizing social media for marketing purposes and supporting small/local businesses

ESCA TERRESTRIAL IS REALLY IN THIS WORLD!

MARKET SIZE AND POTENTIAL

It is estimated that 30-40% of food is wasted. The estimated amount of food in 2010 was 133 billion pounds (\$161 billion). The percentage of food-secure U.S. households was also 89.5% (\$116,7 million) in 2020, the same as last year. Most of these statistics are unchanged from the previous year. To reduce world hunger, environmental stress, and resource consumption, reducing food waste is crucial to achieving a sustainable food system. (*United States Department of Agriculture*)

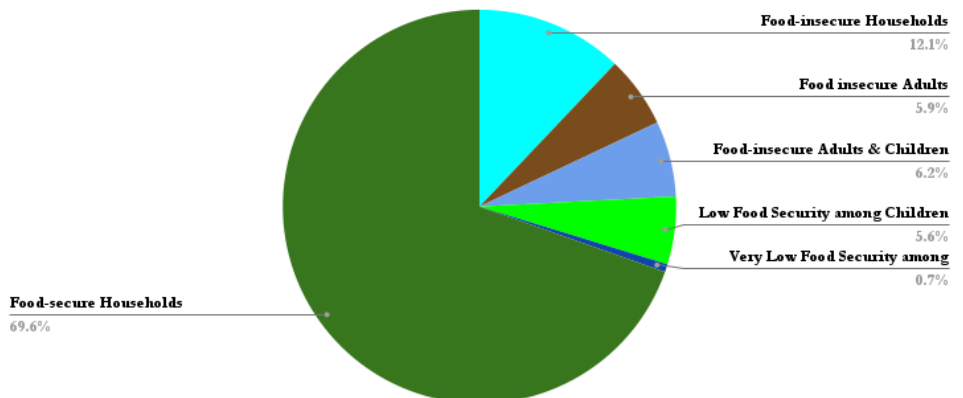
U.S Households by Food Security Status, 2020



TARGET MARKET

- Jam Consumers
 - Adults between the ages of 20-45
 - Parents
 - 2020: Approximately 294.3 million Americans utilized jams and other preserved items
- Community Conscious Households
 - Our Products are highly sustainable and environmentally friendly
- Urban and Rural Communities
 - High in food insecurity
 - Rural: 52 %
 - Urban: 24%

U.S Households with Children by Food Security Status of Adults and Children

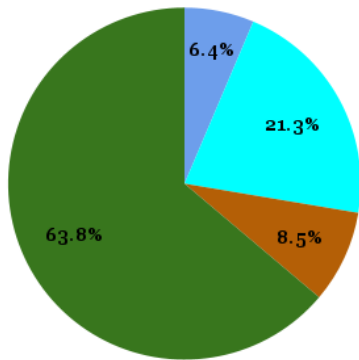


PRIMARY RESEARCH

New Jersey is known as the *Garden State* because of its abundant produce and farms. A survey was conducted in New Jersey to see whether residents could get fresh produce from an area farmer's market based on their economic status, how much they normally spend, and whether the market accepted food stamps; 48 people responded to the survey. The results of the survey indicate that approximately 59% of the farmer's markets in New Jersey do not accept food stamps. In addition, 67% spend less than \$50 per market visit.

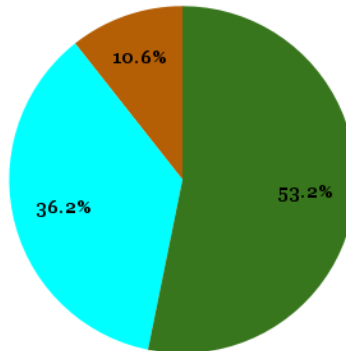
How far is the closest farmer's market?

● 30 Miles ● 10 Miles ● 20 Miles ● 5 Miles



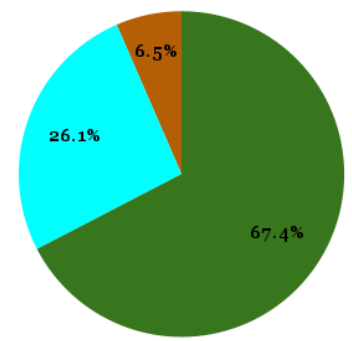
Current Economic Status

● Middle Class ● Lower Class ● Upper Middle Class



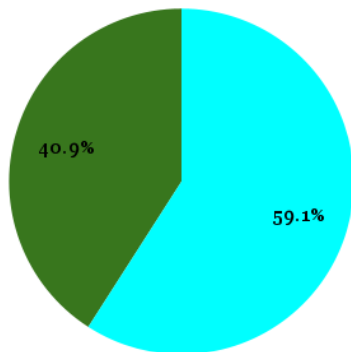
Most Spent at a Farmer's Market

● Less than \$50 ● More than \$50 ● More than \$100



Does your local farmer's market accept Food Stamps?

● No ● Yes



How often do you purchase fresh produce?

Monthly

10.4%

Everyday

2.1%

Not Often

6.3%

More than 2 times a week

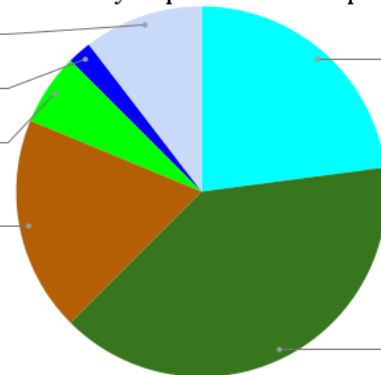
18.8%

Bi-weekly

22.9%

1-2 times a week

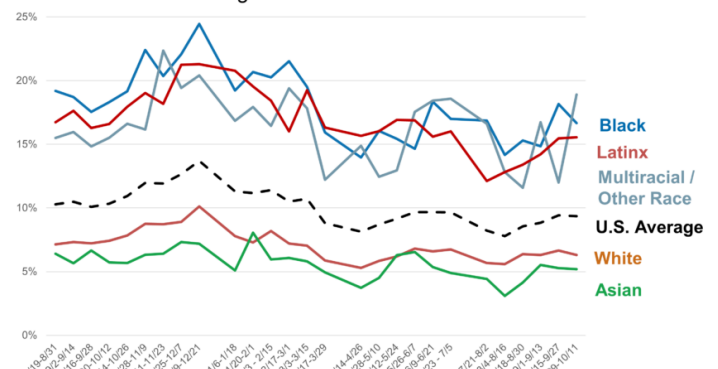
39.6%



Imagine a single mother coming home from a long day of work. Little time nor healthy ingredients to cook a nutritious meal not only for her children but herself. The lack of access to high-quality, nutritious food constitutes food insecurity. It is possible for some households to be either food secure or suffering from food insecurity at different levels; either high, low or very low. Each level of food security is defined in the figure to the left, along with the effects it can have on households both positively and negatively. Aside from this, certain ethnic groups are most at risk of food insecurity. Based on the chart on the right, ethnic groups like black, latinx and multiracial/other race have a higher food insufficiency rate percentage than other ethnic groups. Moreover, between September and October, there was an increase in people who identify as multiracial or other races. Esca Terrestrial intends to make its food items both healthy and affordable while also making them equitable. Our products will add nutrient dense foods as well as bold flavors to ones diet. Something new, affordable and enjoyable.

Level of Security		Definition
Food Secure	High Food Security	Households had no problems, or anxiety about, consistently accessing adequate food
	Marginal Food Security	Households had problems or anxiety at times about accessing adequate food, but the quality, variety and quantity of food weren't substantially reduced
Food Insecure	Low Food Security	Households reduced the quality, variety and desirability of their diets, but the quantity of food intake and normal eating patterns weren't substantially disrupted
	Very Low Food Security	At times during the year, eating patterns of one or more household members were disrupted and food intake reduced because the household lacked money or other resources for food

U.S. Food Insecurity Rates by Race/Ethnicity August 2020 – October 2021



COMPETITIVE ANALYSIS

It is unique in the market we are in that no one is physically going to farms and speaking with farmers about food waste, what they do with surplus items, negotiating with them to sell the items at a discounted price and re-purposing the unwanted produce into healthier options for individuals.



We will utilize sustainable practices to preserve our products by taking the product itself and add unrefined sugars. Because natural sweeteners, such as apple pectin, are used in our products and we don't use fructose and corn syrups unlike other competitor's products in the market. Everyone must watch the things they consume (including their processed sugars). Our products will not only be healthier, but also have trendy/bold flavors.



Companies Using Refined Sugars/Corn Syrups

- Smucker's: Sugar, Corn Syrup, High Fructose Corn Syrup
- Welch's: Sugar, Corn Syrup, High Fructose Corn Syrup
- Ocean Spray: Corn Syrup, High Fructose Corn Syrup



Name of Product	Price Per Unit/Serving Size
Autumn Butter	\$1.20/ 8 oz
Rooi Verspei	\$0.95/ 8 oz
Christmas Cranberry	\$1.48/ 8 oz



SWOT ANALYSIS

- Travel around to different areas and states to find customers
- Utilizing ingredients from local businesses and the food waste stream
- Emphasizes the importance of sustainability to our customers as we also partner up with local industrial farms
- Have experience of being in a food desert and knowing the wants and needs of our communities



- Municipal and parking restrictions for food trucks
- Small staff size given the size of the truck
- Raw ingredient quality inconsistency
- Low supply volume or supply inconsistency for raw ingredients



- Long-standing trends in consumer interest in ecological and food system sustainability
- Renewed customers focus on food safety and quality, which speaks to our strengths
- Ubiquitous consumer comfort with use of communication technologies, including QR codes



- COVID regulations and lingering fears among parts of the population about going out, eating at restaurants and socializing
- Competitors always have consistent products and know how to produce food fast and efficiently

BUSINESS PROPOSITION



PRODUCT DESCRIPTION

Beginning with a variety of jarred jams and other preserved items, we will be traveling to various farms (local and industrial) in the Tri-State area and using their surplus, bruised or unwanted products to produce in our mobile kitchen unit. By taking advantage of sustainable practices, we aim to use most of the products to impart a strong flavor to our products. With these preserved items they serve as a basis for many cooking.

GOALS/OBJECTIVES

As our materials come from local and industrial farms, it is our goal to educate our customers on how to utilize surplus food from the waste stream to reduce food waste. This allows us to help our customers make these items economically affordable for them to buy, encouraging them to make healthy food choices, especially those who are food insecure.

STRATEGY STATEMENT

Through our mobile kitchen services, we aim to educate our customers on how food is produced and to reduce food waste. In addition, we want to make quality foods accessible to those who are food insecure. As well as being able to use them every day in their cooking, our products will also feature seasonal ingredients.

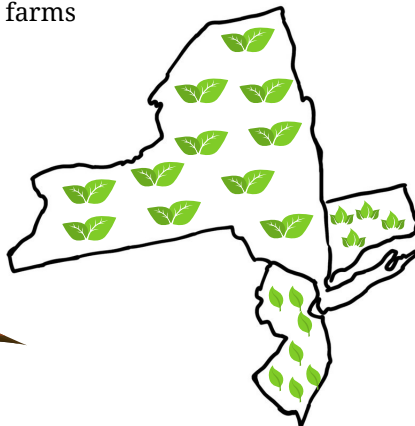
ACTION PLAN

PRODUCT AND POSITIONING

Online sales will expand throughout the entire East Coast. We will move our mobile kitchen unit around the tri-state areas (NJ, NY, CT)

PLACE

Throughout the next three years, our business will travel to different farms around the Tri-State Area.



YEAR 1

Our product line will launch in New Jersey to lever the diverse and highly populated areas throughout North, Central and South Jersey. NJ has a total of 9,900 farms with 750 thousand acres in total of farmland and will allow us to travel to NJ's many farms and vendors. Online sales will be throughout the Tri-State area.

YEAR 2

Online sales will continue to expand to some southern and northers states (from Mass to Virginia). We will then proceed to travel to NJ and NY farms and vendors as well as attend restaurant /business events

YEAR 3

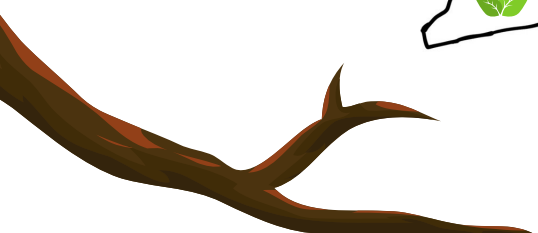
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PRICE

Online sales will expand throughout the entire East Coast. We will move our mobile kitchen unit around the tri-state areas (NJ, NY, CT)

PROMOTIONS

The promotion plan for Esca Terrestrial will include social media, an online website, and print media. In addition to being able to purchase our products online, customers will also be able to find some recipes for home cooking. We will post our farm visits to Instagram, Tik Tok, and Youtube accounts along with information about how we will make our products. We will also purchase Google, Youtube, and Facebook ads.



FINANCIAL EVALUATION

Esca Terrestrial's preserved products will retail on our website and in our mobile kitchen unit for the price of \$6 for the customers will be able to purchase items in packs for prices of \$15 (Per 2 packs) and \$25 (for 3 packs). The cost of production for each jar including the cost of glass and labeling is at an average of \$3.16.

Income Statement	Year 1	Year 2	Year 3
Sales Revenue (\$)	\$64,800	\$216,000	\$403,200
Costs of Goods Sold (Annually)	\$11,376.00	\$22,752.00	\$30,336.00
Gross Margin (\$)	\$53,424	\$193,248	\$372,864
Gross Margin (%)	82.44%	89.50%	92.50%
Expenses (\$)			
Operating Expenses	\$64,580	\$69,580	\$74,580
Marketing Expenses	\$47,232	\$48,000	\$60,000
Total Expenses	\$111,812	\$117,580	\$134,580
Interest Expense	\$29,750	\$27,221	\$24,907
EBT	(\$88,138)	\$48,447	\$213,377
Income Tax Expense	-	\$5,675	\$17,871
EBIT (\$)	(\$58,388)	\$75,668	\$238,284
Net Income (Profit)	(\$88,138)	\$42,772	\$195,506
Profit Margin %	-36.00%	19.80%	48.40%
Marketing Expenses (with inflation)			
	Year 1	Year 2	Year 3
Social media/Email marketing	\$60,000.00	\$72,000.00	\$84,000.00
Trade Shows/Farmer's Markets	\$12,250.00	\$24,500.00	\$36,750.00
Online/Print Advertisement	\$11,736.00	\$15,672.00	\$19,680.00
Total	\$83,986.00	\$112,172.00	\$140,430.00

MONITORING & MEASURING

OBJECTIVE	ANALYSIS	EXCEEDS EXPECTATIONS	DOESN'T EXCEED EXPECTATIONS
Grow Social Media Presence by 20%	<ul style="list-style-type: none"> Track Followers and views on social media 	<ul style="list-style-type: none"> Get Verification from different platforms 	<ul style="list-style-type: none"> Bring more awareness to core issues and increase marketing strategies
Be present in multiple farmer's markets	<ul style="list-style-type: none"> Set up weekly pop up stands at the markets 	<ul style="list-style-type: none"> Expand to multiple stands across the states 	<ul style="list-style-type: none"> Increase weekly stands at markets
Reduce food waste in the Tri-State area by 5%	<ul style="list-style-type: none"> Research food waste in tri state and monitor each state's waste percentage 	<ul style="list-style-type: none"> Continuously fight for reducing food waste 	<ul style="list-style-type: none"> Research improvements on food waste solutions

CONCLUSION

Esca Terrestrial will be the best mobile kitchen unit on the market. In addition to helping food insecure people, there is a huge opportunity to provide healthier options and reduce food waste at the same time. The next big sustainable company will definitely make it in this world!

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