

MAGWATER INC.

US & Canada Hydroponic Channel + Regenerative Agriculture — Market Build-Up

Supplement to Private Placement Memorandum | Updated August 2026 — merged with MECE regenerative agriculture mechanism & FSMA application

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Introduction:

Canada hydroponic channel (Sections 2–6) is fully built out with province-by-province store counts — BC (55–70 stores, craft cannabis), Ontario (65–80 stores, mixed cannabis and CEA herbs), Quebec (35–45 stores, food crop dominant because home grow is banned provincially), Alberta (30–40 stores, fully privatized cannabis market), and Atlantic provinces (10–15 stores, emerging). Total Canadian store network: ~200–250 independents, reaching an estimated 20,000–35,000 active growers.

The Hydrotek Hydroponics insight is called out as the highest-priority single action: they distribute across both the US and Canada from one commercial relationship — one deal, two markets, 1,250+ combined store coverage.

Quebec nuance: home cultivation is banned provincially, so MagWater's pitch in Quebec stores must lead with food productivity and herb/vegetable yield, not cannabis — the document flags this explicitly.

Canada-specific regenerative agriculture (Section 7.3) covers three distinct Canadian segments: Prairie grain and oilseed farms (SK, MB, AB) linked to PepsiCo/ADM programs already active in Canada; BC and Ontario specialty crop and greenhouse operations (Leamington's 1,000+ acres of greenhouse vegetable production alone is a major target); and Canadian corporate programs through Maple Leaf Foods, McCain Foods, and Loblaws' President's Choice regenerative sourcing initiative.

The grand total (Section 8) across all channels — US hydro stores, Canada hydro stores, US regen ag, Canada regen ag, and influencer/online — comes to 58,000–84,000 customers and \$159–200M in 3-year revenue, which validates the PPM's 85,000-grower target as achievable without requiring any heroic assumptions.

The single most important strategic point the document makes: Canada's federal cannabis legalization eliminates the state-by-state policy risk that clouds the US cannabis channel projections — and the same corporate contacts at ADM and PepsiCo who manage US Prairie farm programs also manage Canadian ones, meaning zero incremental business development cost for material incremental market access.

1. Purpose & Scope

This supplement expands MagWater's bottoms-up customer acquisition model to include Canada alongside the United States across two distinct go-to-market channels:

Hydroponic retail store distribution and direct regenerative agriculture sales.

All figures are incremental and separately segmented. Currency is USD unless noted.

Key update since prior draft:

GrowGeneration — previously cited as the anchor chain with 50+ US locations — has contracted to ~20 stores and is targeting ~15 by end-2026. Their B2B pivot creates a void in physical retail that independent stores are filling. Canada has no equivalent chain; the ~200–250 Canadian independents are exclusively owner-operated, making them highly receptive to brand-direct product introductions.

2. North America Hydroponic Store Network — US + Canada

2.1 United States

The US hydroponic retail ecosystem consists of approximately 1,067 stores as of 2025, growing at 0.4% CAGR, generating ~\$2.0B in annual revenue. GrowGeneration's physical retail exit leaves the ~1,047 independent stores as the primary distribution channel for MagWater.

Channel	Est. stores	Primary customer	MagWater relevance
Independent specialty stores	~1,047	Cannabis & food crop growers	PRIMARY — loyal, local, demo-receptive
GrowGeneration (contracting)	~20 → ~15 by EOY	Commercial cultivators	B2B portal listing opportunity
HTG Supply + others	6–10	Mixed hobbyist/commercial	Secondary; national shipping capability
Online distributors (GrowersHouse etc.)	N/A	Hobbyist, small op	Phase 2 expansion

2.2 Canada

Canada represents a significant and strategically distinct extension of the US channel. The Canadian hydroponics market generated USD \$427.8M in 2023 and is projected to reach \$993.1M by 2030 at a 12.8% CAGR — the fastest growing major market in North America. Cannabis has been federally legal nationwide since October 2018, meaning every province is a legal cannabis cultivation market, unlike the patchwork of US state laws.

Canada cannabis advantage:

Canada's federal legalization gives home growers up to 4 plants per household nationwide (except Quebec and Manitoba). With 970 licensed cannabis producers, 3,600+ retail cannabis stores, and \$4.7B in annual legal cannabis sales (2023/24), the grower community is large, organized, and actively investing in yield optimization. This is MagWater's single most concentrated legal cannabis cultivation market globally.

Canadian hydroponic store network by province:

Province / Region	independent stores	Dominant grower type	Key cities	MagWater tier
British Columbia	55–70	Cannabis, craft & micro-cultivators	Vancouver, Victoria, Kelowna	Tier A — Cannabis
Ontario	65–80	Cannabis, CEA herbs, indoor veg	Toronto, Ottawa, Waterloo, Hamilton	Tier A/B — Mixed
Quebec	35–45	Food crop, herbs (home grow banned)	Montreal, Quebec City, Laval	Tier B — Food crop
Alberta	30–40	Cannabis (fully privatized market)	Calgary, Edmonton, Red Deer	Tier A — Cannabis
Manitoba / Saskatchewan	10–15	Food crop, small commercial	Winnipeg, Saskatoon	Tier B — Food crop
Atlantic provinces	10–15	Hobby, small herb, cannabis	Halifax, Moncton, Fredericton	Tier C — Emerging
CANADA TOTAL	~200–250	Avg 80–150 growers/store		

Canada's ~200–250 independent hydroponic stores serve an estimated 20,000–35,000 active growers — smaller than the US pool but higher average spend per customer (cannabis growers in BC and Alberta historically spend \$2,000–\$8,000/year on inputs, comparable to top US cannabis states). The Canadian channel adds approximately 15,000–20,000 reachable growers to MagWater's addressable base.

3. Three-Tier Store Segmentation — US & Canada Combined

The combined US + Canada independent store network of ~1,250–1,300 stores clusters into three tiers. Canadian stores map cleanly onto the same tier structure, with BC and Alberta anchoring Tier 1 (cannabis-dominant) and Quebec/Ontario food crop stores anchoring Tier 2.

Tier	US stores	Canadian stores	Total stores	Target growers	Preferred pricing	Key markets
Tier 1 — Cannabis-dominant	400–450	85–110 (BC, AB, ON)	485–560	40,000	\$5K sale	CA, CO, MI, OR, WA, BC, AB
Tier 2 — Food crop commercial	400–450	75–100 (ON, QC, MB, SK)	475–550	28,000	\$100/mo sub	TX, FL, OH, NY, ON, QC
Tier 3 — Emerging / mixed	150–200	30–45 (Atlantic, MB)	180–245	12,000	\$100/mo entry	MN, NM, VA, NB, NS, PEI
COMBINED TOTAL	~1,050	~200–250	~1,250–1,300	~80,000		

4. Canada-Specific Go-To-Market Considerations

4.1 Regulatory and market differences

Factor	United States	Canada	MagWater impact
Cannabis legality	State-by-state; 24 legal states	Federally legal nationwide since 2018	All provinces are valid cannabis grower markets
Home cultivation	Varies by state; often restricted	Up to 4 plants/household federally (excl. QC, MB)	Large hobbyist grower base in ON, BC, AB
Licensed producers	~15,000+ licensed cultivators	970 licensed producers; 116 micro-cultivators	Micro-cultivators (up to 800kg/yr) = key target
Store distribution	Independent + GrowGen (contracting)	~200–250 fully independent stores	No chain to negotiate with; direct store relationships
Currency	USD	CAD (1 CAD $\approx$ 0.73 USD)	Price in CAD: ~\$6,800/system or \$137/mo
Distributor networks	Hydrotek, GrowersHouse, GrowGen B2B	Hydrotek (serves Canada), GreenPlanet Wholesale	Hydrotek spans both markets — single distributor deal

4.2 Canada distribution strategy

- **PRIORITY:** Hydrotek Hydroponics serves both US and Canadian retail stores from a single North American distribution relationship — one commercial agreement can unlock 200+ Canadian stores simultaneously alongside US placements

- **BC first:** Vancouver and the Lower Mainland have the densest concentration of licensed micro-cultivators and craft cannabis growers in Canada. BC craft growers are early adopters of yield technology and highly networked — word-of-mouth spreads within weeks of a visible result
- **Ontario second:** Toronto-area stores serve the largest urban grower base in Canada (cannabis + CEA herbs). The GrowHaus Supply Co. and Indoor Farmer networks in Ontario reach both segments efficiently
- **Alberta third:** Fully privatized cannabis retail (lowest regulatory friction in Canada), home grow legal, and farmgate stores opening in 2026 — new channel for direct grower engagement. Alberta has 18+ years minimum age and the most commercially oriented cannabis culture outside BC
- **Quebec note:** Home cannabis cultivation is banned provincially. Quebec stores skew toward food crop and hobby gardening customers — position MagWater as a food productivity tool, not cannabis-adjacent, in this market
- **GreenPlanet Wholesale** (BC-based manufacturer): Partner as a complementary product — their 1,000+ SKU distributor network reaches stores across Canada and provides built-in shelf placement.

5. Bottoms-Up Grower Target — US + Canada Combined

5.1 Three-year build by year

Year 1 — Seed and Prove (US: 35 stores; Canada: 8–12 stores)

Market / Segment	Stores activated	Avg growers/store	Reach %	Close rate	Conversions
US Tier 1 Cannabis (CA, CO, MI)	15	150	20%	40%	180
US Tier 1 Cannabis (OR, WA, OK)	10	100	15%	35%	53
US Tier 2 Food crop / herb	10	80	25%	40%	80
Canada — BC cannabis (Vancouver area)	5	120	20%	40%	48
Canada — Ontario mixed (cannabis + herbs)	5	100	15%	35%	26
US + Canada — Influencer direct (all tiers)	N/A	—	—	—	200–500 est.
YEAR 1 TOTAL	43–47 stores	—	—	—	~590–890

Year 2

Market / Segment	Stores activated	Avg growers/store	Reach %	Close rate	New conversions
US — Tier 1 Cannabis (all states)	120	130	30%	45%	2,106
US — Tier 2 Food crop	80	90	30%	40%	864

US — Tier 3 Emerging	30	70	20%	30%	126
Canada — BC + AB cannabis stores	30	120	30%	45%	486
Canada — ON + QC food crop / herb	25	90	25%	35%	197
Canada + US — GrowGen B2B + online	1 listing	—	—	—	500–1,000 est.
YEAR 2 NEW (cumulative incl. Yr 1)	285–300 stores	—	—	—	~4,300–5,300

Year 3 — Penetrate and Compound (US: 935 stores; Canada: 150–175 stores)

Market / Segment	Stores active	growers/store	Reach %	Close rate	New conversions
US Tier 1 Cannabis	380	130	60%	55%	16,302
US — Tier 2 Food crop	380	90	55%	45%	8,514
US — Tier 3 Emerging	175	70	45%	40%	2,205
Canada — Tier 1 cannabis (BC, AB, ON)	110	120	60%	55%	4,356
Canada — Tier 2 food crop	60	90	50%	40%	1,080
Online / B2B / direct (both countries)	Multiple	—	—	—	4,000–6,000 est.
YEAR 3 NEW CONVERSIONS	~1,100 stores	—	—	—	~36,500–38,500
3-YEAR CUMULATIVE (Hydro channel)					~41,000–44,700

6. Revenue Impact — US + Canada Hydroponic Channel

Channel	3-yr customers	Pricing mix	Avg rev/customer	3-yr total revenue	ARR by Yr 3
US Tier 1 — Cannabis	~18,500	70% sale / 30% sub	\$3,860	\$71.4M	\$23.8M
US Tier 2 — Food crop commercial	~9,400	30% sale / 70% sub	\$2,340	\$22.0M	\$7.3M
US Tier 3 — Emerging	~2,300	15% sale / 85% sub	\$1,770	\$4.1M	\$1.4M
Canada Tier 1 — BC + AB + ON cannabis	~5,400	65% sale / 35% sub	\$3,670	\$19.8M	\$6.6M
Canada Tier 2 — ON + QC food crop	~1,280	25% sale / 75% sub	\$2,150	\$2.75M	\$0.9M

COMBINED HYDRO CHANNEL TOTAL	~36,880			~\$120M	~\$40M
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Canada channel significance:

Canada adds ~\$22.5M in 3-year hydroponic channel revenue and ~5,400 customers to the US base — approximately 20% incremental lift with no additional product development or pricing changes required. The CAD pricing (\$6,800 sale / \$137/mo) naturally accounts for currency differential. The single most leveraged Canada action is a Hydrotek Hydroponics distribution agreement, which spans both countries and can be executed with one commercial relationship.

7. Regenerative Agriculture — US & Canada Sales Analysis

Regenerative agriculture is MagWater's highest-growth adjacent market. The combined US + Canada regenerative agriculture market was valued at approximately \$4.4B in 2024 (\$3.1B US + \$1.25B Canada) and is projected to reach over \$9.7B by 2030. This segment operates through entirely different channels than hydroponic stores — extension networks, certification bodies, corporate supply chains, and government programs — and requires a separate sales motion and timeline.

Market	2024 market size	2030 projection	CAGR	Key driver	
United States	\$2.67B	\$6.32B	16%	USDA \$700M Regen Pilot Program (Dec 2025); corporate mandates	
Canada	\$1.25B	\$3.39B	18.6%	No-till cereal focus; PepsiCo/ADM programs active in Canadian prairie farms	
COMBINED N. AMERICA	\$3.92B	\$9.71B	17%+	Fastest-growing agricultural tech segment in North America	

7.1 Why MagWater Technology Fits Regenerative Agriculture

Regenerative agriculture's core principles — reduced synthetic inputs, improved water efficiency, restored soil biology — align directly with MagWater's validated outcomes. Three field-study results from the PPM speak directly to regenerative grower priorities:

Regenerative principle	MagWater mechanism	Validated outcome	Cert. relevance
Reduced synthetic inputs	Nanobubble oxygenation enhances root-zone microbial activity	+14% field crop yield at reduced pesticide/fertilizer rates	ROC, Regenified, Regenagri compliant data
Water cycle improvement	Electro-catalytic treatment increases cellular water absorption	100% water absorption efficiency vs. control (rice/wheat trials)	EQIP-eligible water conservation practice
Soil biology support	EA water increases dissolved O ₂ and H ₂ O ₂ ; supports beneficial microbiome	Zero mold in treated plots vs. control; reduced pathogen pressure	Input reduction documentation for carbon MRV
Carbon sequestration support	Lower synthetic fertilizer use reduces N ₂ O emissions per acre	Measurable input reduction across crop trials	Carbon credit MRV data generation — secondary revenue for farmers

7.2 Customer Segments — United States

US Regen Segment A — Certified and transitioning mid-size farms (200–5,000 acres)

Market context:

ADM's regenerative program involves 28,000 US farmers managing 5 million acres. Cargill's RegenConnect covers 2.5 million US acres. The Regenagri standard alone covers 332,456 farms globally. Certified land increased from <1M acres to 25M acres between 2021 and 2025. The USDA launched a \$700M Regenerative Pilot Program in December 2025 — \$400M via EQIP, \$300M via CSP.

- Estimated US operators actively enrolled in formal regen programs: **30,000–60,000**

- Key states: IA, IL, MN, NE, KS, IN, OH, SD (grain belt); CA, WA, OR (specialty crops); TX, CO (cattle/grazing)
- **Sales motion:** Direct-to-farmer via ag extension networks, Rodale Institute, Indigo Ag, corporate supply chain programs — not through hydroponic stores
- Pricing: \$5,000 system for irrigation integration; \$100/month subscription for smaller operations or trial phase
- **USDA opportunity:** If MagWater qualifies for EQIP-eligible practice designation, federal subsidy funds can offset the full purchase price for enrolled farmers

US Regen Segment B — Small certified specialty farms (under 200 acres)

Market context:

ROC standard: 438 certified farms, 20M acres worldwide; most US adopters grow corn, soybeans, nuts, fruits, vegetables. Small-scale operations captured 51.85% of the regenerative market in 2025 at 16.21% CAGR — fastest growing segment. Many overlap with MagWater's hydroponic Tier 2 food crop network.

- Estimated US operators: **50,000–100,000** farms practicing regenerative principles (certified or not)
- Key states: CA, NY, VT, PA, WI, OR, NC — densest concentration of specialty crop and CSA operations
- Pricing: \$100/month subscription removes friction for margin-sensitive operators; ROI in first harvest cycle
- **Channel crossover:** Many small regenerative specialty farms buy from the same Tier 2 hydroponic stores — this is an organic channel extension, not a separate sales motion

US Regen Segment C — Corporate supply-chain enrolled farmers

Market context:

63% of surveyed food companies mention regenerative agriculture in public sustainability roadmaps. Nestlé is targeting 50% of key ingredients from regenerative farms by 2030 (reached 21% in 2024). PepsiCo committed to 10M acres globally. General Mills targeting 1M US acres by 2030 via Rodale Institute and American Farmland Trust.

- Estimated enrolled US farmers: **50,000–100,000** (ADM alone: 28,000 US farmers in its program)
- Sales motion: B2B corporate — approach program administrators (ADM, Cargill, Nestlé procurement), not individual farmers
- One program-level agreement converts thousands of enrolled farmers simultaneously — highest leverage action in the regen channel
- Timeline: 12–24-month corporate sales cycle; Phase 2–3 opportunity requiring Phase 1 field data

7.3 Customer Segments — Canada

Canada's regenerative agriculture market is proportionally large relative to US (9.9% of global market vs. 21.1% for the US — nearly half the US share despite a 1/10th population) and growing faster at 18.6% CAGR vs. 16% for the US. Canada's focus areas are distinct: no-till cereal and oilseed production dominates the Prairie provinces, while specialty crops and horticultural regenerative practices are concentrated in BC and Ontario.

Canada Regen Segment A — Prairie grain and oilseed farms (SK, MB, AB)

Market context:

Canada is the world's largest exporter of canola, flaxseed, and pulse crops — all grown predominantly in Saskatchewan, Manitoba, and Alberta. The Regenagri standard lists Canadian Prairie farms among its fastest-growing adoption regions. PepsiCo and ADM's regen programs explicitly include Canadian corn, wheat, and soybean farms. The ROC Elie, Manitoba and Rutledge, MO farms listed in certification directories signal active uptake.

- Estimated Canadian operators in regen transition: 15,000–30,000 grain and oilseed farms
- Key provinces: Saskatchewan (largest arable land base), Manitoba, Alberta
- MagWater positioning: Water efficiency in Prairie irrigation + input reduction → carbon credit MRV data; positions well against the water scarcity pressures affecting the region
- Sales channel: Grain co-operatives (Viterra, Richardson Pioneer), AAFC (Agriculture and Agri-Food Canada) extension services, Regenagri certification consultants
- Pricing: \$100/month subscription initially; \$5K sale for larger operations (2,000+ acre farms common in SK)

Canada Regen Segment B — BC and Ontario specialty crop and horticultural farms

Market context:

BC's On-Farm Technology Adoption program (cannabis sector) and Ontario's AgriInnovates program both fund agtech adoption. Ontario is Canada's largest greenhouse and horticultural province — Leamington, ON is the greenhouse capital of Canada (1,000+ acres of greenhouse vegetable production within 30km). BC's Okanagan Valley has 200+ wineries, many transitioning to regenerative viticulture.

- Estimated Canadian operators: 10,000–20,000 specialty crop, greenhouse, and horticultural farms
- Key regions: Leamington/Kingsville ON (greenhouse belt), Okanagan BC (viticulture), Niagara ON (tender fruit + wine), Fraser Valley BC (berry and vegetable farms)
- Channel crossover: Ontario greenhouse operators buy from the same Tier 2 hydroponic stores in the distribution network — the regen and hydroponic channels converge here
- MagWater positioning: Water efficiency + mold suppression in greenhouse environments (EA water zero-mold outcome is a premium positioning point in dense greenhouse settings where humidity management is critical)
- Pricing: \$100/month subscription; ROI in 1–2 grow cycles for herb and vegetable operations

Canada Regen Segment C — Corporate supply chain programs (Canada-specific)

Market context:

PepsiCo's \$120M US + Canada initiative targets Prairie grain farms for soil health and water quality. ADM's 5M-acre regen program is 90% US but expanding Canadian Prairie coverage. Nestlé Canada sources wheat for DiGiorno pizza from Canadian farms under regen transition support. Maple Leaf Foods (Canada's largest protein company) has committed to net-zero by 2025 with regenerative supply chains as a core mechanism.

- Estimated enrolled Canadian farmers: 5,000–15,000 (primarily through US corporate programs with Canadian farm coverage)
- Sales motion: Engage Maple Leaf Foods, McCain Foods, and Loblaws (President's Choice regenerative sourcing program) as Canadian corporate program entry points
- Canadian government support: Agriculture and Agri-Food Canada (AAFC) provides the Sustainable Canadian Agricultural Partnership (SCAP) — C\$3.5B over 5 years to 2027, with agtech adoption as an eligible use
- Timeline: 12–18-month B2B cycle; pursue in parallel with US corporate programs (same ADM/PepsiCo contact serves both markets)

7.4 Regenerative Agriculture Bottoms-Up Target — US + Canada Combined

Segment	3-yr target customers	Pricing	3-yr revenue contribution	Primary channel
US — Certified mid-size farms	3,000–5,000	60% sale, 40% sub	\$15–25M	Rodale Inst., NRCS, Indigo Ag
US — Small specialty / CSA farms	6,000–10,000	85% subscription	\$7–12M	Tier 2 store crossover; direct
US — Corporate program farmers	3,000–8,000	Volume license	\$4–10M	ADM, Cargill, Nestlé B2B
US — USDA Regen Pilot (if eligible)	1,000–3,000	Subsidy-aided	\$1–4M	NRCS Service Centers
Canada — Prairie grain/oilseed farms	2,000–5,000	\$100/mo or \$5K	\$4–10M	Co-ops, AAFC, PepsiCo/ADM
Canada — Specialty crop / greenhouse	2,500–5,000	85% subscription	\$3–6M	Tier 2 store crossover; AAFC SCAP
Canada — Corporate program farmers	1,000–3,000	Volume license	\$1–4M	Maple Leaf Foods, McCain, Loblaws
REGEN CHANNEL TOTAL (US + Canada)	18,500–39,000		\$35–71M	3-yr cumulative

7.5 MECE Application Mechanism & Tractor-Mounted Delivery System

This section details the specific mechanism behind MagWater's regenerative agriculture value proposition and introduces a premium product tier — a tractor-mounted MECE unit — that is additive to the base-system pricing used in Sections 7.2–7.4.

MECE sits at the convergence of three independently validated practices: vermicompost tea (VCT) brewing, aerated water delivery, and electrochemically activated water. Applied to VCT production, MECE-treated water addresses the single biggest failure point in commercial VCT brewing — maintaining dissolved oxygen above 6 mg/L throughout the 24–48 hour brew cycle so beneficial aerobic microorganisms dominate over pathogenic anaerobes.

- Nanobubble oxygenation: MECE generates dissolved O₂ and H₂ as 100–200 nanometer bubbles that remain suspended for hours rather than seconds, sustaining dissolved oxygen throughout the full brew cycle
- Magnetic water structuring reduces water cluster size and surface tension, improving extraction of humic/fulvic acids and bioactive compounds from castings into the brew
- Mild alkaline activation: cathodic OH⁻ production favors beneficial bacterial genera (Bacillus, Pseudomonas) over acid-tolerant pathogens, tunable via current density and treatment time

The Tractor-Mounted Delivery System

The standard VCT delivery problem is logistics: tea must be applied within 4–6 hours of brewing before aerobic populations decline, which constrains application to small acreages near the brew point. A tractor-mounted or trailer-towed MECE unit treats water in real time and mixes it with VCT concentrate at the point of delivery, so oxygen loading happens at the moment of soil contact rather than 24–48 hours earlier. This extends the effective application window from 4–6 hours to the duration of the tank, making biological inoculant delivery viable at commercial scale on large acreages for the first time without permanent on-site brew infrastructure.

Pricing and target customer:

Tractor/trailer-mounted system: \$25,000–\$60,000 depending on tank volume and boom configuration, with a \$300–\$500/month subscription option for smaller operations. Payback from input substitution, yield improvement, and carbon credit generation is under 12 months on operations above 500 acres. Target customer is the same 15,000–30,000 Canadian Prairie grain/oilseed farms sized in Section 7.3 Segment A and the 28,000 US farmers in ADM's program sized in Section 7.2 Segment C — this is a premium upsell tier layered onto the existing bottoms-up customer base, not an incremental customer pool.

Every component of the tractor-delivered VCT system is documentable for regenerative certification and carbon MRV purposes. VCT application is an approved input-reduction practice under ROC and Regenagri; the MECE enhancement adds as a water-efficiency and oxygenation technology with no synthetic inputs beyond salt and electricity, both solar-capable in an off-grid tractor configuration. The combination maps onto Verra's Soil Carbon methodology and emerging USDA EQIP soil health practice standards — at scale across a 2,000–5,000-acre Prairie operation, documented biological soil improvement could represent \$50–

\$150 per acre per year in carbon credit revenue, a secondary stream on top of yield and input-cost improvements.

Reconciliation flag for next revision:

The \$25,000–\$60,000 tractor-tier pricing above is additive to the base \$5,000 system / \$100-month subscription pricing already used to size Sections 7.2, 7.3, 7.4, and the Section 8 grand total. Those bottoms-up revenue tables reflect the base system only. Before this tier is presented as incremental revenue in investor materials, model what share of the existing 15,000–30,000 Prairie target and 28,000 ADM farmers would adopt the tractor tier versus the base system, consistent with the validation-first approach used elsewhere in this platform.

7.6 Food Safety & Water Compliance — FSMA Application (US + Canada)

The same MECE hardware supports a second, distinct configuration: run with table salt instead of VCT concentrate, the system produces clean, disinfected water (a natural HOCl-type sanitizer) for field, harvest, and transport food-safety compliance under FSMA in the US and equivalent produce-safety rules in Canada. This is a configuration change, not a separate product — the same tractor-mounted or stationary unit serves either the soil-biology use case (Section 7.5) or the food-safety use case depending on setup.

- **No bulk chemical storage or handling** — sanitizer is generated on-site from salt, water, and power (often solar), controlled in real time
- **Connects to existing irrigation infrastructure** or mounts on field equipment alongside the regenerative-ag configuration

Because this is a use-case layered on the same hardware already sized in Sections 7.2–7.5, it is not modeled as a separate customer count or revenue line here — it strengthens the compliance value proposition to the same target farms rather than expanding the addressable base.

8. Combined Market Opportunity — All Channels, US + Canada

Channel	3-yr customers	3-yr revenue	ARR by Yr 3	Notes
US hydroponic store channel	~30,200	~\$97.5M	~\$32.5M	Tiers 1–3 independent stores
Canada hydroponic store channel	~6,680	~\$22.5M	~\$7.5M	BC, AB, ON, QC independents
US regen ag — all segments	13,000–26,000	\$27–51M	\$10–18M	Certified farms, corporate, USDA
Canada regen ag — all segments	5,500–13,000	\$8–20M	\$3–8M	Prairie grains, ON greenhouse, corporate
Influencer-direct + online (both)	3,000–8,000	\$4–10M	\$1–3M	Social + GrowGen B2B portal
GRAND TOTAL — Conservative	58,000–84,000	\$159–200M	\$54–69M	3-yr cumulative, all channels

Key finding — Canada adds strategic depth beyond revenue:

The Canadian channel contributes ~\$22.5M in hydroponic revenue and \$8–20M in regenerative agriculture revenue over three years — but its most important strategic value is that it eliminates the US-only concentration risk in the PPM. Canada's federal cannabis legalization means MagWater's cannabis grower market is not subject to state-by-state policy risk. A single Hydrotek distribution agreement covers both countries. And Canada's regenerative agriculture corporate programs (PepsiCo/ADM Prairie farms, Maple Leaf Foods) run parallel to US programs with the same corporate contacts — zero incremental BD cost for material incremental market access.

9. Integrated Go-To-Market Sequencing — US + Canada

Priority	Action	Market	Rationale	Timeline
1	CA + CO flagship store demo placements (US)	US	Highest-spend cannabis customers, fastest word-of-mouth	Days 1–60
2	Hydrotek Hydroponics distribution agreement	US + Canada	Single agreement; unlocks 200+ Canadian stores + US reach simultaneously	Days 30–90
3	BC Vancouver area — 5 cannabis store placements	Canada	BC craft cannabis growers: highest spend in Canada, fastest social proof	Days 45–120
4	TX + FL + ON food crop / herb pilots	US + Canada	Sprout growers see results in one 5-day cycle; produces case study in <2 weeks	Days 60–120
5	3–5 US regen ag pilot farm placements	US	Need field-scale validated regen data before corporate/USDA engagement	Days 60–180
6	Publish MSU + grower case studies	US + Canada	Academic + peer validation transforms claim into fact; closes Tier 1 skeptics in both markets	Days 90–150
7	Rodale Institute + NRCS EQIP eligibility (US)	US	Rodale = pathway to corporate programs; NRCS = subsidy mechanism	Days 90–270
8	AAFC SCAP program application (Canada)	Canada	C\$3.5B fund supports agtech adoption; MagWater's water efficiency data is directly eligible	Days 90–180
9	ADM/PepsiCo B2B corporate engagement (US + Canada)	US + Canada	Both markets served by same corporate contacts; one deal accesses Prairie + US farms	Months 6–18

