



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**SOUTH OF OUR COLLINWOOD DUPLEX**, over the 152<sup>nd</sup> St. bridge that spanned the Shoreway & the train yards, was Five Points, where 152<sup>nd</sup> St. hit St. Clair Ave. & Ivanhoe Rd. My family would go to Five Points to shop; at Robert Hall, a low-end department store with children's clothes, Montgomery Ward & the Green Stamp store! When I was three, there were three warm sunny days we went to Five Points to stand in a long line with other families outside Collinwood High School. Street vendors sold brightly colored balloons; hand puppets & other novelty trinkets to occupy restless kids. Our reward for standing in line? A sugar cube; just a single piece of candy!

**CANDYLAND:** Lately, we have heard many stories about the influenza of 1918 & 1919, which was devastating across the globe. (In my family, a 1-year old baby, Lena, who would have been my Dad's older sister & my aunt, died.) During the 20<sup>th</sup> century there were many diseases that terrified people. Due to bad sanitation, poor water purification & the inability to control pests, there were outbreaks of cholera, diphtheria, typhoid & yellow fever. Much later into the 20<sup>th</sup> century, tuberculosis was greatly feared. In my parents' little farming & coal mining hometown in PA, the Lavazzari family left for the clear, clean air of Arizona, because their adolescent son suffered from TB. (A kitchen chair from Mrs. Lavazzari's house somehow made it from my Nona's house, to my Mom's, to mine!) But the most feared virus was polio. Many people contracted the polio virus, but some 70% showed no or mild symptoms. But for many, the result could be devastating. Within just a few hours of contracting the virus or within a few days, a person could be in extreme pain & lose muscle control; the spine or diaphragm could become paralyzed! Those who recovered could remain paralyzed or have bone & muscle deformities. Children under 5 & men in their prime were the hardest hit demographic. At age 39, future President Franklin Delano Roosevelt was paralyzed from polio (though today some researchers suggest it was Guillain-Barre Syndrome). FDR, who was an avid swimmer, likely contracted the disease from swimming in polluted waters. (The media did everything they could to cover up the President's handicap, never publishing pictures of him in a wheelchair or using crutches. In public, FDR was braced by his son or military officers standing very close to him!) My Dad, still an avid swimmer in his early 30s, was felled by similar symptoms of muscle weakness & an inability to move. My Mom feared the worst, but it was diagnosed as a heat stroke. Among the first treatments for polio's impact on the diaphragm was the Drinker tank. Developed in 1928 by two Harvard scientists, Philip Drinker & Louis Agassiz Shaw, the Drinker tank was a large metal cylinder that enclosed the patient, exposing only the person's head. The pressure in the tank, which became known as the iron lung, was increased & decreased, to simulate breathing & move the lungs. A live culture vaccine was developed in 1949, but it was hard to develop & lacked sufficient testing. The first practical vaccine was developed by Jonas Salk in 1955. It was an inactive vaccine, meaning it did not have live cultures. But 120K vaccine doses from *Cutter Laboratories* contained a live culture, sickening more than 40K children. An alternative was developed, by Hilary Koprowski, who had developed the 1949 vaccine & Albert Sabin. The USA government approved Sabin's live culture oral vaccine in 1961, even though it had been tested outside the USA in Mexico & surprisingly at the height of the Cold War, in the Soviet Union. Today, polio has mostly been eradicated. Interestingly, in 1948, Eleanor Abbott was recovering from polio in a San Diego hospital. She saw the bored young children confined in iron lungs & wanted to create a simple game to keep them entertained! A race game, her game required no reading or math skills. The children

loved the game & convinced Ms. Abbott to sell it to *Milton Bradley*. *Milton Bradley* was not doing well at the time, far behind its competitors. The game was a huge success, one of the most popular of all time & saved the company & still sells a million copies annually! This game offered the confined, sick children a chance to reach a child's nirvana, *Candyland*. It seems fitting that our reward for standing in line on those summer days was a sugar cube, *just a single piece of candy*, containing the oral polio vaccine!

**INDUSTRY NEWS:** Plant-based *Rebellyous Foods* raised \$6M co-led by *Clear Current Capital*, *Fifty Years & Liquid 2 Ventures* with *Vulcan Capital* involved. Plant-based yogurt maker, *The Collaborative*, raised \$7M led by *Powerplant Ventures*. *Koia* has received an investment from *CircleUp*, potentially the last outside money the company will take. Health food provider *Kate Farms* raised \$23M. *Grubmarket* acquired *Boston Organics*. Mediterranean food companies *Grecian Delight & Kronos* will merge.

*Instacart* has launched prescription delivery at almost 200 *Costco* locations. *Sprouts* has expanded curbside chainwide; *Weis Markets & Hannaford* restarted curbside pickup. *Whole Foods* has closed some stores to convert them to fulfillment centers. *Giant Eagle* is creating another pick-up only location. *Hy-Vee* will offer hot meals at curbside pick-up. Several ecommerce sites are creating on-line waiting rooms to spread out order input. *Southeastern Grocers* paid for health care professionals & first responders' groceries one night this week. *The Fresh Market* will require all customers to wear face coverings when shopping in its stores. *Just Salad* launched *Just Grocery*, a 90-minute demand delivery service offering food, pantry items & meal kits in Manhattan. *Flowers Foods* paid \$5.6M in appreciation bonuses to almost 12K employees & contract workers. The baker also closed a Georgia plant due to health concerns. The *Summer Fancy Food Show*, to be held in the Javits Center where the US Army Corp of Engineers built a hospital at the direction of the White House, has been cancelled. *SupplySide East* has also been cancelled. *Lily's Sweets* will introduce a low-sugar chocolate chip cookie. *Forto* coffee is reducing its regional sales force. *Molson Coors & CBD* producer *Hexo* are creating a joint venture, *Truss CBD USA*, to derive non-alcohol hemp-derived CBD beverages. *Carla Vernon* has left *General Mills*. *Kroger's* *Gilliam Phipps* will move to *Sprouts* to lead marketing, consumer outreach & private brands.

Consumers (72%) are making less shopping trips with 39% making larger purchases. *Nielsen* reports amazing sales leaps for powdered milk (286%), oat milk (513%), canned meat (282%) & spiral hams (622%). Per *NBJ*, supplement use rose 39% in March. USA organic fresh produce sales rose 22% in March & 8% in 1<sup>st</sup> QTR per the *Organic Produce Network & Category Partners*. Consumers (69%) are willing to switch brands if their preferred brand is unavailable, per *Shopkick*, with just 14% not making a purchase. *Acosta* reports that 28% of shoppers made their first-ever online grocery order. The *NPD Group* reports a 40%+ decrease in restaurant traffic YOY. With closures of schools, restaurants & other foodservice customers, the fresh produce industry will face a \$5B loss. *Credit Suisse* suggests some CPG sale stickiness as consumers will choose to spend more time at home than before the economic shutdown. Philippine quarantine rules are impacting the world's banana supply.

**MARKET NEWS:** Markets rose this week on the hopes of a phased economic reopen. Congress, not in our Nation's capital during this important time, continued to delay funding to expired SBA & worker protection programs, arguing once again over including non-essential funding in the bill. Consumer sentiment had its largest monthly drop in April. Not surprisingly, manufacturing & retail sales posted record drops.

**SEEDS, SPROUTS, GROW, HARVEST!**

**THE LITCHFIELD FUND** – *Tom Malenjo*

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