



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

THE CLASS WAS MODERN NOVEL, my freshman year. I was planning to be a journalist. This upper-level literature class was filled with future journalists & writers. My 18-year-old self realized two things: the job prospects were awful, & I did not fit in! These students had a different perspective, view of the world & values than my totally working-class & naïve values. I switched to math (it was fun & easy) & added an economics minor. Jobs were plentiful for programmers, actuaries & financial analysts in Cleveland. Unlike the nebulous cloud of literary interpretations, math was based in reality, our tangible 3-Dimensional world, with the burden of proof based on given axioms!

AXIOMS: The first modern mathematician was Thales of Miletus, who was born around 624 BC. He is considered one of the *Seven Sages of Greece*; philosophers, statesmen & politicians whose wisdom helped form Greek civilization in the 7th & 6th centuries BC. Thales was considered, by no less than Aristotle, as the first philosopher in the Greek tradition. Thales broke through Greek mythology to establish his philosophical & scientific arguments through the laws of nature. Thales preceded Pythagoras & Euclid, studied geometry on a visit to Egypt & used geometry to determine the height of the pyramids. He is credited with being the first to use a mathematical proof & having the first mathematical discovery. Anyone who took high school geometry class probably completed a mathematical proof, but few have turned in several hundred pages of mathematical proofs for a four-problem take-home final for a Theory of Algorithms class! Usually, any proof begins with a given - an axiom. An axiom is any truth that is (like those our Founding Fathers set forth) self-evident, undisputable, unarguable. There are several axioms in math that almost everyone knows. *If $A=B$ & $B=C$, then $A=C$!* In other words, things which are equal to the same thing are also equal to one another. Another mathematical axiom of which most people are well aware is that a straight line can be drawn through any two points. Mathematical axioms make perfect sense: A circle is a set of points with a common center & radius. And for the mathematicians, Euclid's Fifth Postulate: Through any point exterior to a line, only one parallel line can be drawn. In everyday life there are axioms, things we know & see, that cannot be disputed. The sky is up & blue, the earth is down; drop something it falls. These axioms are undisputed & unquestionable by the accepted laws of nature, the same laws that Thales used to break through the Greek mindset of mythological-based science. These axioms, & mathematical axioms, give sense & stability to our world. From Emerson, "*The axioms of physics translate to the laws of ethics. Thus, 'the whole is greater than its part,' 'reaction is equal to action,' & many of the like propositions, have an ethical as well as physical sense. These propositions have a much more extensive & universal sense when applied to human life, than when confined to technical use.*" Yet, in today's world, there are politicians, journalists, scientists & so-called social reformers who seem to want to return to the days of Grecian mythological-based science, by repeating mantras that are opposite of the axioms of our daily life. They do this by changing the actual axiom & its definitions! They redefine the words, so that the sky is no longer up, by changing the meaning, or definition, of up. Why? Futuristic American author Robert Anton Wilson knew why, "*You can prove anything on the verbal level, just by accepting the necessary axioms at the beginning.*" By changing the axiom, the laws of nature, creating a false postulate, then repeating it often, they can prove absolutely anything. We see this in the media, they change the words they use to describe something, then repeat it often. Soon, scared politicians & intimidated CEOs change their messaging & actions, to coincide with a false postulate, thereby changing the laws of nature & society; then crime & poverty rise, honest people cower & hold their tongues. These false axioms attack our very foundations, the very self-evident axioms of the laws of nature & our Founding Fathers. From journalist Joseph Sobran, "*[The Constitution] should be as binding on rulers as the laws of physics are on engineers who design bridges; in practice, its axioms have become mere options. Of course, engineers don't have to take oaths to respect the law of gravity; reality gives them no choice. Politics, as we see, makes all human laws optional for politicians.*" Because politicians see the Constitution as optional, the basic axioms of society fall, creating chaos. Among these, from President Harry Truman, "*There is no more fundamental axiom of American freedom than the familiar statement: In a free country we punish men for the crimes they commit but never for the opinions they have.*"

INDUSTRY NEWS: Canada's *Blume*, superfood latte brand, closed on C\$2M. *OWYN*, plant-based protein, completed an undisclosed investment from *Purchase Capital*, *Hammock Park Capital* & *PowerPlant Ventures*. *Meati Foods*, mycelium-based meat, closed a \$150M Series C round led by *Revolution Growth* with participation from *Cultivate*

Next, *Chipotle Mexican Grill & Grosvenor Food & Ag Tech*. *FreshRealm*, fresh meals sold at retail & DTC nationwide, closed on a \$200M; investors were not disclosed. AAK has invested in *Green-On*, a Swedish food company producing fats & oils in a lab. *Big Mountain Foods*, soy-free, chickpea-based tofu, raised \$1.4M in Canadian federal funding. India's *Shaka Harry*, vegan meat, raised \$2M from *Better Bite Ventures*, *Blue Horizon* & others. *Milano Vice*, a virtual handmade-pizza franchise, raised €5.9M led by *Coefficient Capital*. Retail product placement optimization platform *Hivery* raised \$30M led by *Tiger Global*. Brussels-based *Eclo* raised €4.7M from *Noshaq*, *Investsud Bois*, *GoGreen Capital* & others to build high-tech factories for growing micro-greens, herbs & various types of exotic mushrooms. *String Bio* raised \$20M from *Woodside Energy Group*, *Ankur Capital* & other investors to turn methane into alt-protein. Argentina-based *Ucrop.it*, blockchain enabled sustainability practice tracking, raised \$3.1M led by *Yugen Partners* & *The Yield Lab LATAM* with *Closed Loop Partners* involved. *Save A Lot* investment group *Yellow Banana* received a \$13.5M municipal community development grant to add stores in underserved Chicago areas. After almost a year, *Cargill* & *Continental Grain* finally completed their \$4.53B purchase of *Sanderson Farms*. *Compass Group's Chartwells Higher Education* acquired *Fresh Ideas Food Service Management* to expand into more regional college & university markets. *GrubMarket* acquired Southwest-based *Quality Fruit & Vegetable*. *Groupe Le Duff* & its subsidiary *Bridor* acquired Connecticut-based *Lecoq Cuisine*, a manufacturer of specialty Viennese & French-style pastries, terms not disclosed. *Arva Flour Mills* acquired the *Red River Cereal* brand from *Smucker Foods of Canada*. *Rollagranola* purchased *Primrose's Kitchen*, a UK-based breakfast cereal business in liquidation. *SVG Ventures* set up a \$50M fund in Australia to fund agtech companies. *Pontifax AgTech Management* has rebranded as *Aliment Capital*. *Instacart* founder & Executive Chairman Apoorva Mehta will leave after the company's IPO.

Amazon reported a record *Prime Day*. *Amazon Fresh* opened its first stores in New York & New Jersey. *Natural Grocers* has expanded into South Dakota. *HEB* has added its 5th fulfillment center, in central Texas. *Aldi* will test frictionless check out in the Netherlands. *Save A Lot* is growing its product assortment through a product partnership with product discovery & sourcing platform *RangeMe*. *Walmart's* deal for *Canoo's* eVehicles prevents *Canoo* from selling vehicles to *Amazon*. *Uber Eats* is updating its grocery delivery app & service. *Just Eat Takeaway*, Europe's largest restaurant delivery service, cut 390 jobs in France. *Bühler*, *Cargill*, *Givaudan*, the *Food Tech Hub LATAM* & *Ital*, *Food Technology Institute* are collaborating to build an innovation center, the *Tropical Food Innovation Lab*, in Brazil. *Home Chef* will open a new production facility in Georgia. *Cargill* is constructing a new \$350M canola oil processing plant in Saskatchewan. *Amy's Kitchen* closed its factory in San Jose, CA plant, incurring a \$1M operating loss due to inflationary costs & supply chain disruptions; impacting 331 jobs. A year after buying *Speedway*, *7-Eleven* is cutting 880 corporate jobs. *Kerry* & *ReGrained* owner *Upcycled Foods* have partnered on a protein crisp made with *ReGrained's SuperGrain+* flour, developed using spent brewing grains. *Hooray Foods* will launch a plant-based bacon. *Country Crock* has launched a plant-based whipping cream. *Kraft Heinz* is launching new sauces & spreads under its *Heinz 57* brand to take advantage of the home cooking trend. Customers in Austria must now request meat in their *Whopper* or any other menu item at *Burger King*. *Uncle Matt's* is now a B-Corp. *Boston Beer* lowered its full year projections as hard seltzer sales continue to suffer. *Sysco* has filed a lawsuit accusing *Cargill*, *JBS*, *Tyson Foods* & *National Beef Packing* of working together to drive up the price of meats. A lawsuit alleges *Mars' Skittles* are unfit for human consumption. *Gelson's* COO John Bagan will be its new president.

Supply chain disruptions have become the top concern for most food, beverage & dietary supplement companies, as 58% of these companies rank it as the biggest challenge, per *TraceGains*. *IRI* data shows that inflation increased dollar sales of perishables, while unit sales fell significantly. From *Presto Pulse*, customers are planning to more frequently use the drive-thru restaurant window & a whopping 78% believe more automation is needed to speed up wait times. The USDA will now allow the importing of avocados from Jalisco, Mexico.

MARKET NEWS: Markets were slightly higher as investors awaited the FED's next move to curb the runaway inflation caused by the government's misguided policies. The FED manufacturing index took a nosedive, the USA Services PMI showed contraction, housing starts fell & initial jobless claims were higher than expected.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

V9issue06.07.23.22

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.