



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**ON A CLASS TRIP** to the Cleveland Museum of Art, my favorite stop was Armor Court. Filled with medieval weapons & armor, the words of Mallory, Tennyson & White echoed in my head; tales of Arthur, romance & chivalry. Also among my favorites were artifacts & sculptures of the ancients bringing to life mythical tales & philosophical works; paintings that provided a glimpse of history - an Italian Renaissance plaza, a Parisian night, lurching boaters & the simple solitude of Hopper's early 20<sup>th</sup> century renderings of American landscapes, towns & cities: *Nighthawks* drinking coffee in a diner. And for some unexplained reason, among my favorites was the gallery of religious icons.

**ICONIC:** The religious icons of the Roman, Eastern & Byzantine catholic churches began to appear in the 1<sup>st</sup> century A.D., becoming commonplace in the 4<sup>th</sup> & 5<sup>th</sup> centuries. Depicting Christ or the Virgin Mary, a saint or angel, icons are usually painted on wood with an egg tempura, but can also be carved in stone, etched in metal or sewn into a cloth. In the early days of Christianity, sainthood could be proclaimed by local bishops. But over the years, the process of sainthood – canonization - moved to papal authority. Canonization is complicated & can take centuries. It starts with a local bishop identifying the candidate as a Servant of God, then the Pope must identify the person as a Hero of Virtue (Venerable). The next step is beatification – the papal authority says the person is blessed, has passed into heaven & is worthy of worship & can intervene in human's lives. Finally, sainthood is proclaimed with proof of two miracles & being somewhat irreverent, *because anyone can get lucky once*. And to that point, today the media tags people as iconic after a single hit song, movie or great game. To call someone, or something, iconic means it should transcend, in a meaningful way, the commonplace – bigger, better or more representative than anything that has come before or currently exists. The term iconic should be applied to a lifetime of spectacular achievement. Few people, at age 20, get proclaimed an icon in spray paint on walls across London & New York (*Clapton is God*) & can actually live up to it. The Smithsonian holds some iconic items of our culture – Archie Bunker's chair, Central Perk's sofa & Fonzie's jacket. But true iconic items should have changed their industries (the Ford Model T, the '65 Mustang, the UNIVAC computer, the Apple Mac) or saved the world (the Willys Jeep, the RAF Spitfire, the B-17 Flying Fortress, the P-51 Mustang, the M1 Garand). Achieving the status of a true living icon is difficult. For most of the 20<sup>th</sup> century, there was Babe Ruth, & everything else was just baseball. Ruth did things on the baseball field that no one had ever seen, he did it year after year & it took decades (& in some cases, drugs) to pass just some of his many records. Ruth had worldwide status – if you had asked someone in a remote part of the world to name an American, their answer would have been Babe Ruth. Years later, the same question might bring the answer John Wayne, a living icon that represented all of moviedom & defined the way the world viewed America at that time: Big, bold, strong & heroic. The Greatest, Muhammad Ali, was a boxing icon for 4 decades, then achieved even greater worldwide status as an ambassador of good will. Lucille Ball, everyone's favorite redhead, changed television in the 1950s, becoming an iconic television figure. Icons such as Bob Hope & Johnny Carson redefined their professions. Mick Jagger redefined rock'n'roll, creating his iconic image of a rock'n'roll bad boy! Some people become icons through a heroic event, such as playing a sport no one wanted them to or not giving up their seat on a bus. Others achieve iconic status in their lifetime based on their simple goodness, such as Princess Di, despite her short time with us. Others have also achieved iconic status in their sadly short lifetimes: Marilyn Monroe will always be the quintessential Blonde Bombshell & Elvis Presley will always be The King. Others had some achievement in their lifetime but became true icons after passing, James Dean & Buddy Holly come to mind. And this week, we celebrated, though posthumously, the 100<sup>th</sup> birthday of an icon, a status achieved simply by joining us in our living rooms for more than 7 decades, bringing with her a bit of humor, a never-ending smile, a willingness to laugh at herself & just a bit of sideways sass. Despite a long life, she left us much too soon. Fortunately, through the miracle of television, Betty White will continue to warm our hearts & raise our spirits, which is exactly what an icon should do.

**INDUSTRY NEWS:** *Flying Embers*, hard kombucha & seltzer, closed a \$20M round, led by *Beam Suntory*, with *Power Plant Ventures*, *Quadrant Capital*, *Monogram Cap* & *Beechwood Capital* involved. *Yumi*, child nutrition, secured \$67M from several investors. *Faeth Therapeutics*, precision nutrition solutions to help fight cancer, raised \$20M million in seed funding led by *Khosla Ventures* & *Future Ventures* with *AgFunder*, *Digitalis Ventures*, *S2G Ventures*, *KdT Ventures*, *Cantos* & *Unshackled*

Ventures involved. *Turing Labs*, AI-tech to formulate CPG products, raised \$16.5M led by *Insight Partners*, with *Moment Ventures & Y Combinator*. *Kemin Industries* invested in organic hemp producer & ingredient supplier *Driftless Extracts*. *Continental Grain* made an undisclosed investment in Chile-based *Agroberries*, which commercializes more than 50K tons of berries per year in North America & Europe. French vegan bacon maker *La Vie* raised €25M, led by *Seventures* to launch its products in Europe. UK-based *Mamamade* raised £1.5M, to deliver fresh, plant-based, nutrient-dense meals for babies & toddlers directly to consumers. Also in the UK, *Vertical Future*, indoor farming without soil, raised £28M with *Pula Investments Ltd*, *Nickleby Capital*, *Dyfan Investment & SFC Capital*. *Agtonomy* raised an additional \$5M seed extension from *Toyota Ventures & Flybridge*, for its technology to upfit tractors & other pieces of farm equipment for autonomous operation. *Aigen* raised \$4M for its solar-powered soil-health robotics platform led by *New Enterprise Associates* with *AgFunder*, *Global Founders Capital & ReGen Ventures* participating. *Flipdish*, an online ordering & digital experience platform for hospitality, raised \$100M led by *Tencent* at a \$1.25B valuation. Korean grocery retailer *Wooltari USA* acquired *KPOP Foods*, Korean-inspired sauces & snacks, terms not disclosed. *GrubMarket* acquired *Terra Exports* a Nevada-based company that distributes fresh produce to & from over 65 countries. *C.H. Guenther & Sons* acquired St. Paul, Minn.-based *Baldinger Bakery*. Nevada's CBD holding company *1933 Industries* acquired California CBD beverage maker *Day One Beverages* in an all-stock deal. *Save A Lot* sold 33 stores in metropolitan Orlando to independent grocery startup *Ascend Grocery*, led by former *Fresh Thyme* CEO Chris Sherrell. From *Unilever's* CEO, the company may divest some of its food brands to focus on the health & beauty sector. *Unilever* is reportedly continuing to bid on *GlaxoSmithKline's* consumer unit, with its latest offer near \$70B.

*Hy-Vee*, with the producers of *The Bachelor*, will film a reality series based on blind dates in their grocery store, intended for their live stream app. Also, *Hy-Vee* launched an eCommerce site, *WholeLotta Good*, with 5K+ dietitian-approved health & specialty products shipped directly to homes nationwide. *Walmart* will use *Sifter* technology to offer *Shop by Diet*, to align products with consumers. *Instacart* will partner with *Chase & Mastercard* to offer a credit card. *ShopRite* operator *Wakefern* will test cashierless shopping technology from *Trigo*. *Aldi* will open its first checkout free store in London. *Choice Market & Health Hospitality Partners* will open a new concept, *Mini-Mart*, with intent to roll out across hospital venues. With a new subscription plan, *7NOW Gold Pass*, *7-Eleven* customers can get their delivery fee waived on more than 3,000 products. *Gopuff* will launch its first private label line, *Basically*, which includes bottled water, snacks, batteries, paper products & other household essentials. *Buyk* will also launch private label products. *Farmstead* will begin service in Chicago early this year. *Imperfect Foods & New Belgium Brewing* will partner on *Citrus Rescue IPA*, made from imperfect fruit. *DouxMatok & Blommer Chocolate* will partner on a portfolio of chocolate products with less sugar. Under the joint venture they established last year, *PepsiCo & Beyond Meat* will introduce a vegan jerky snack, per *Bloomberg*. *Cargill* will introduce *Chocolate ExtraVeganZa*, a new line of vegan chocolate & specialties. *LG* will introduce robot assistants that navigate store aisles safely while carrying up to 66 pounds of food or goods. Research & insight company *dunnhumby* has rolled out *Sphere*, an all-in-one brand retail media & marketing platform. To fight inflation, *Domino's* will offer certain deals only on-line & reduce the number of wings in an order. *Walmart* will build its first distribution center in Mississippi. *Lycored* has opened a new processing facility in New Jersey for its carotenoids, vitamins, minerals, amino acids & food ingredients. *Upward Farms* will build a 250K sq. ft. indoor microgreens farm in Luzerne County, Pennsylvania, claimed to be the biggest in the world. Mexico seized 380K boxes of *Kellogg* cereal with cartoon images that violate a law concerning marketing unhealthy products to children.

*Brick Meets Click* reports that retailers who offer both delivery & pick-up see more on-line sales than those who just offer one of those options. On-line grocery store alcohol rose 4X from 2019 to 2021, reaching \$1.6B & sales are expected to grow roughly 15% in 2022 to \$1.87B, per Rabobank. From *First Insight*, 68% of customers say they will spend more for sustainable products, while only 34% of retailers actually think customers will pay more. From *Inmar Intelligence*, 80% of consumers will buy candy & chocolate for Valentine's Day, with 94% looking for cost savings. However, 30% of consumers are planning to spend \$200-\$500 & 12% will spend more than \$500 on Valentine's Day. Foodservice industry market researcher *Technomic* forecasts that 2022 foodservice sales will reach more than 92% of 2019 sales, factoring in inflation, & that foodservice sales will gain a majority of food sales in 2025. Columbia agriculture ministry reports a 20 percent rise in Ag export value YOY (with avocados posting a 50 percent increase) to a record level, with the USA taking 1/3 of the country's exports. Lime prices went from \$28 to \$61/carton in 7 days due to rain, labor shortages & increasing freight costs. Orange juice prices are increasing as forecasters predict the smallest orange harvest since WWII.

**MARKET NEWS:** Markets collapsed this week as investor confidence was shaken by economic & geopolitical concerns. Unemployment filings rose for the third straight week & the NASDAQ, 10% below its peak, is now in a correction phase.

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

**THE LITCHFIELD FUND** – *Tom Malengo*

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