



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



TRAVELLING FOR WORK in the 1980s gave me the chance to get to know a lot of cities well. I would stay a few extra days or a weekend to see the area, visit the museums & historical sites. Like Bob Seger, New York City became a *friendly old ghost*, as did San Francisco, Dallas, DC, Atlanta, New Orleans, Memphis & others. Nashville was a favorite destination; filled with history & country music. As a country music fan, *Music Row*, *Ryman Auditorium* & the *Grand Ole Opry* were favorite destinations. But it was at the *Country Music Hall of Fame* that I, for one of the few times in my life, was shocked to silent stillness, by a simple poster that sent icy cold chills up & down my spine.

HANK, BUBBLES AND LIGHT: The poster was for a New Year's Day, 1953 concert at the *Canton Memorial Auditorium*. It displayed a photo of Hank Williams with the quote, "*I'll be seeing you there, if the Good Lord's willing & the creeks don't rise!*" Hank Williams was found dead in the back seat of his Cadillac during the night of December 31, 1952. Hank was born 99 years ago, on September 17, 1923. His long addiction to drugs & alcohol stemmed from a back injury suffered during a rodeo stint in the early 1940s. His intense, sometimes violent, romance & marriage to "Miss Audrey" Sheppard, who also was his manager, is well noted among Hank's many troubles. But from 1947 through 1952, Hank Williams was American music, with a chart record few have ever matched. In those years, Hank wrote & recorded 167 songs, with 36 that reached the top ten & twelve that topped the charts – in the days of just radio, jukeboxes & 78 RPM platters. His songs are not just country standards, but have been recorded by musicians of all genres & have entered the Great American Songbook. His influence is claimed by artists such as Bob Dylan, John Fogarty, Bruce Springsteen, George Thorogood, Darius Rucker & so many more, even cartoonist Charles Schulz! Among his hits are *Hey Good Lookin'*, *Your Cheatin' Heart*, *I'm So Lonesome (I Could Cry)*, *Cold Cold Heart*, *Lovesick Blues* & so many others, mostly about heartbreak & loneliness. But one Hank song has become an uplifting Gospel standard & likely, somewhere in America, is sung every Sunday – *I Saw the Light*. For me, the most meaningful line in the song is, "*Just like a blind man, I wandered alone, worries & fears I claimed for my own.*" So many people get caught up in their own worries, troubles & fears that they come to believe that their concerns are worse, more significant, bigger & more important than anyone else's. They become so wrapped up, especially by their hate & fears, that they encapsulate themselves in a bubble. Whether due to self-pity, self-indulgence, strong opinions, blind allegiance or outright prejudice, they want to stay safely inside their bubble of beliefs. Think about a soap bubble, floating through the air. The soap film reflects most of the light. The rest of the light is absorbed by the soap film, creating a mosaic of rainbow colors. The surface of the bubble makes one think everything about the bubble is pretty & all right, but inside the bubble is only darkness. It is only when the bubble bursts that the light reaches the inside of the bubble! Most people do not want their bubble - their fears, their beliefs, their worries, their hate - to burst. They will not see the light, be it spiritual or secular. From Plato, "*The real tragedy of life is when men are afraid of the light.*" Author James Michener writes, "*An age is called Dark not because the light fails to shine, but because people refuse to see it.*" But the light to penetrate the bubble can come from inside each of us, from Anais Nin, "*When you possess light within, you see it externally,*" & Dutch philosopher Erasmus, "*Give light, & the darkness will disappear of itself.*" So while we can "*Praise the Lord & see the light,*" we can be the light. From Martin Luther King, "*Darkness cannot drive out darkness; only light can do that. Hate cannot drive out hate; only love can do that.*"

INDUSTRY NEWS: *Gotham Greens* raised another \$310M in equity & debt led by new investors *BMO Impact Investment Fund* & *Ares Management Funds*, with *Commonfund*, *RockCreek*, *Kimco Realty Corporation*, *Manna Tree Partners* & *The Silverman Group*; then purchased *Fresh2O Growers*, a hydroponic leafy green grower. *Chia Smash*, jelly, jam & preservative brand, received an undisclosed investment from *Branch Venture Group*. *Aqua-Yield*, nanotechnology products that boost agricultural inputs, raised \$23M led by *Larry H. Miller Company* with the *Penny Newman Grain Company* & *JH Partners*. British food marketplace for individuals & restaurants to sell food, *DELLI*, raised £6.2M from *Balderton* & *HV Capital*. Spanish eCommerce coffee startup *GoodNews* raised €11M led by *Barlon Capital* & others. Plant-based *Next Level Burger* restaurant raised \$20M from strategic investors for expansion. Plant-based egg startup *Neggst* raised €5M led by *Green Generation Fund*. *Onego Bio* raised €4.5M from *Business Finland* for its animal-free egg whites. Cultivated meat start-up *Prolific Machines* raised \$42M in seed & Series A with *Breakthrough Energy* in the lead. *Nutropy* raised €2M for its animal-free cheese & milk products, led by

Beast, Big Idea Ventures & Trellis Road. Standing Ovation, animal-free casein, raised €12M from *PeakBridge* & others. *PeakBridge* also led a \$15 million raise for personalized nutrition company *InsideTracker*. France's *Capagro* launched the €200M *Capagro Agri-Food Innovation Fund II* to support sustainable ag & health food startups, investing €10M in personalized nutrition startup *Cuure*. *New Age Beverage*, in bankruptcy, sold its DSD business to *Legacy Distribution Group in Colorado*. *The Very Good Food Company* may consider a possible merger or sale with an industry partner of all or some of its assets. *S-Ventures*, a UK food holding company, acquired *Lizza*, a low-carb pizza, pasta, and bread company, for approximately \$2.4M. *McCain Foods* acquired Dutch maker of frozen vegetable snacks, *Scelta Products*. *Epic Western Cocktail Company*, a RTD ranch water brand, received an undisclosed investment from *Yeti Capital*. *Fever-Tree* of London acquired USA cocktail mixer company *Powell & Mahoney* for \$5.9M. *De Kuyper Royal Distillers* will acquire *Archers*, peach schnapps, from *Diageo*, adding to its international liqueur portfolio.

Mission Produce reported a 3rd QTR revenue increase of 27% driven by price increase; EPS was flat. *Kroger* reported strong 2nd QTR earnings, with strong identical store sales increases & private label sales; the company raised full year guidance. *Guru Organic Energy* reported 3rd QTR EPS that met estimates but missed on revenue.

Wegmans will stop self-scanning use as shoplifting increases. *Walmart Canada* will use *Focal Systems'* computer-vision AI solution for on-shelf availability chainwide. *Kroger Precision Marketing* will team with sell-side advertising platform *Magnite* to bring connected TV streaming video advertising to Kroger CPG brands. *Walmart* opened an additional spoke fulfillment hub in Birmingham, AL. *DoorDash* will partner with *Raley's, Bashas & Big Lots* for delivery. Both *DoorDash & Freshly* are making changes to their B2B services & options to accommodate the changing workplace. *Uber & Bringg* will partner on retailer delivery in France. The UK will open a 163KM aero-highway for drone delivery across England. *Sifter* debuted *Scan By Diet*, a mobile app that enables shoppers to scan any food or supplement barcode to see whether it matches their personal diet choices. *Square Roots* is expanding its partnership with *Meijer*. *Amazon* will now only sell cage-free eggs. *Gopuff* has teamed with Phoenix Suns & NBA All-Star & entrepreneur Chris Paul on *Good Eat'n*, a new line of plant-based snacks available exclusively on *Gopuff*. *Bowery Farming* will add ready-to-eat salad kits. *PepsiCo* will update the *Sodastream* brand & offerings. *Nestlé* will partner with *Perfect Day* to debut products featuring the company's animal-free proteins. *Equinom* will partner with *AGT Food & Ingredients* to develop plant-protein ingredients from *Equinom's* high-protein yellow peas. *Coca-Cola Japan* will collaborate with *Kirin Holdings* to develop a health drink containing live bacteria. *ADM & PepsiCo* signed a long-term strategic agreement to collaborate on regenerative agriculture projects. *American Foods Group* will build a new \$800M beef processing facility in Wright City, MO. *Darigold* will build a \$600M dairy production facility in Pasco, WA, creating 200 jobs. *SunTree Snack Foods* will invest \$10.1M into a new manufacturing site in Goldsboro, NC, creating 94 jobs. *Plenty Unlimited*, in partnership with *Driscoll's*, will build what it claims is the largest, most advanced indoor vertical farm campus in the world on 120 acres in Virginia. *Europastry* will invest \$23M in South Carolina to produce an assortment of brioche bread products. *Cargill* opened a new \$100M corn wet mill in Indonesia. After 90 years *Continental Mills* (maker of *Krusteaz* mixes) will change the company name to *The Krusteaz Co*. *JM Smucker* will undertake a company-wide continuous improvement program. *Sweetgreen* will open restaurants in Indiana & Minnesota. *Burger King* will invest \$400M to accelerate growth & profit. In the UK, hundreds of brands that hold a Royal Warrant, (used by the Queen) will have to change their packaging following the death of Queen Elizabeth II.

Per *Brick Meets Click/Mercatus*, online food sales fell 1% YOY in August. Food-at-home prices have increased 14.3% YOY, the highest in more than 43 years, due to the incompetency of our nation's leaders. From *IRI*, higher food prices are resulting in lower purchase volumes, impacting many categories. Due to inflation, consumers are eating products past their expiration dates, per *Attest*. High energy prices because of the EU's economic policies are putting the German chocolate industry at risk. A potential railroad strike, which would further fuel out-of-control inflation, may have been avoided. From *Vibonomics*, 68% of consumers will buy their candy at the grocery store, 48% at big box stores. *Planet Oat* is #1 in the USA oatmilk category, growing sales 60% YOY across oatmilk, creamers & frozen desserts. From *FIA*, 73% of retailers are investing & experimenting with technology to boost the shopping experience, but just 39% these investments are paying off. The USDA has approved GM purple tomatoes after 14 years. From the *BMJ*, researchers suggest a direct link between artificial sweeteners & cardiac disease. From the *American Cancer Society*, research indicates a 5% higher risk of cancer death associated with the intake of sugary sodas. Corn & soybean harvest projections are down as summer heat continues in the Midwest. Per the USDA, the California navel orange crop will be 18% larger this season. Sugar production is projected to be lower this year.

MARKET NEWS: Markets continued to crash due to this administration's economic failures. The Atlanta FED GDP estimate & the Blue Chip Consensus both tanked this week as the economy is clearly in a free fall.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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