



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



RICHMAN BROTHERS WAS FOUNDED IN 1853 in Portsmouth, Ohio. They then moved to the growing city of Cleveland. For the next century & a half they offered a quality men's suit at a fair price. They sold their suits nationwide, all made in their own factory on E. 55th St. They ran their company on family values; offering flexible work hours, maternity leave & profit sharing long before it was common. They fought off unionization & during WWI, they turned their huge factory over to the government to be a hospital for returning soldiers. Nearly 40 years ago, I stood in one of their stores. I didn't have a dime in my pocket, honestly, *not a penny*. What I was, was highly motivated.

MOTIVATIONS: I wasn't completely empty-handed. I had an offer letter from the largest bank in the city. I was to start work in one week, my first job after college. I had one suit, my interview suit, 4-years old & off the rack from *Sears & Roebuck*. I had grown a couple of inches in college, & working 70 hours a week loading lumber in a warehouse had made the suit tight across the chest & shoulders. I showed the gentleman at the store my offer letter, with a salary number 4 or 5 times larger than anything my parents had ever earned together in a year. I begged him for two suits & promised to be back to turnover my first paycheck to him. He kindly agreed & fitted me for a stylish grey pinstripe & dark blue suit. The kindness didn't stop there. A good friend's wealthy uncle called & said he had some of his older shirts, ties & belts for me. He was close to my size, the shirts fit nicely & were Italian-made quality I could never afford. He even gave me an overcoat! I carefully picked his monogram off the cuffs & pockets of the shirts. I showed up at work that Monday feeling pretty good, looking like I belonged, in a day & age where your suitcoat stayed on all day long. My boss assigned me a project in the ACH (automated clearinghouse) department, which was having problems. I was to document the workflows. I quickly did that, looked at the work I completed, & began to worry that what I was doing wasn't worth the money they were paying me. Motivated, I asked more questions, found some ways to improve the processes to prevent errors & save time. Then I worried again! I thought I would get fired for finding so many problems & being cocky enough to propose changes. In my 30+ year career at the bank I had some great bosses & some absolutely horrible ones. But it was my first boss that gave me some great advice, something he said to me that has stuck with me all these years. Sending me off to represent him in a meeting, he told me to *"remember that if you really want to know what people are saying, figure out what their motivation is. The words may change from situation to situation, but their motivation remains the same. Their motivation is who they really are."* This advice has served me well professionally & personally. The list of people's motivations can read like an expanded list of the *7 Deadly Sins: Greed, Lust, Power, Money, Fame, Fortune, Revenge, Hate*. Hopefully, we find in our lives more people motivated by *Happiness, Kindness, Faith & Family*. But seeing past people's flowery words, or even what is said about them, takes keen perception & an unbiased eye, to look deeper into their souls. Many people spend a great deal of their lives hiding their true motivations. Life, in some ways, is like a poker game, with experienced players. *Every hand's a winner & every hand's a loser*, & you are seeking the 'tell,' the nervous twitch or eye movement that indicates what they are holding in their hand or in this case, in their soul. In today's society, it is much harder as social media, biased news sources & even current social conventions *mask* those all-important tells of people's souls. It's people's actions & behaviors that speak to the motivations of their soul. Thomas Aquinas tells us, *"The soul is known by its acts,"* & from Victor Hugo, *"The production of the soul is secrets of unfathomable depth."* Cicero warns, *"Diseases of the soul are more dangerous & more numerous than those of the body."* Find those whose souls are true. Horace asked, *"Why do you hasten to remove anything which hurts your eye, while if something affects your soul you postpone the cure until next year?"* Walt Whitman offers, *"Re-examine all that you have been told... dismiss that which insults your soul."* If you do, you may find what George Eliot believed, *"Blessed is the influence of one true, loving human soul on another."* The kindness of the *Richman Brothers'* salesman, motivated my soul with gratitude. For the next 10 years, until *Richman Brothers* shuttered its doors nationally, I purchased all my suits, shirts, ties & shoes from him & him alone.

INDUSTRY NEWS: *TMRW Foods*, a Canadian producer of plant-based gluten-free proteins, raised \$2.6M in seed funding from several investors. Plant-based dairy alternative startup *Misha's Kind Foods* raised \$3M in seed funding from *Marcy Venture Partners Fund II LP & Lisa Shamus & Partners*. *Starday*, a data-driven new food designer for

healthy products, raised \$4M from *Equal Ventures, Slow Ventures, Haystack, Great Oaks Venture Capital, XFactor Ventures & ABV*. Food trend-spotting platform *Ai Palette* has raised \$4.4M led by *Exfinity Venture Partners & pi Ventures*, with participation from *AgFunder, Decacorn Capital & Anthill Ventures*. *Cirkul*, beverage flavor cartridge water bottle, raised \$30M led by *AF Ventures* with *SC Holdings & Siddhi Capital* involved, bringing the company's total funding to \$41.6M. Soil testing startup *Biome Makers* raised \$15M led by *Prosus Ventures* with *JME Ventures, Seaya Ventures, Pymwymic & Viking Global Investors* involved. Agricultural digitized testing & certification start-up, *ZoomAgri*, raised \$3.3M from *SP Ventures, Artesian & GrainInnovate*. *Point Pickup Technologies* acquired eCommerce platform *GrocerKey*, enabling *Point Pickup* to offer retailers an alternative to *Instacart* & other third-party grocery delivery services. *Taylor Farms* enters the greenhouse growing market with an investment in *Pure Green Farms*. *GrubMarket* acquired *Atlantic Fresh Trading*, which adds Pennsylvania & Georgia to their coverage area. *DoorDash* ended investment discussions with grocery delivery company *Gorillas*.

Schnucks will rollout *Simbe Robotics' Tally* inventory control robots to all 111 of its stores. *Amazon* unveils its own private label grocery line in the UK. *Albertsons* is piloting *Instacart* for online grocery pickup service in six major cities. *Walmart* launched *Walmart GoLocal*, utilizing its delivery platform to provide last-mile delivery capabilities & services to third-party retailing businesses. *Shipt* has debuted *Preferred Shoppers*, a feature that lets members pick their favorite *Shipt* shoppers. *Thrive Market* will open a Pennsylvania distribution center, its third USA location. *Misfits Market*, online grocer that sells soon to be thrown out products, has added Arizona, Nebraska, New Mexico & Oklahoma, with access now in 43 states. *UNFI & RangeMe* will partner on discovery & fulfillment for small to midsize purchasers. *Vow*, cell-cultured meat, will partner with *Nourish Ingredients*, animal fats fermentation, to add fats to cell-based meat for realistic taste. England's *Moolec & Grupo Insud* have formed a joint venture to combine their plant & cell-based technologies to develop alt-protein ingredients & solutions. *SJW Robotics* offers a fully automated Asian restaurant kiosk (100 sq. ft, with 36 different ingredients) that uses induction heating to dispense meals in under a minute. It can make 250 meals before it needs to be refilled. *Beanfields* adds to its puff offerings with a new puffed rings line. *General Mills* will pilot entry into the animal-free dairy category with a cheese brand called *Renegade Creamery*, developed utilizing dairy proteins made through microbial fermentation. *Yuengling*, in partnership with *Molson Coors*, will debut in Texas. *Danone*, owner of *Horizon Organics*, plans to cancel all its contracts with organic farmers in the northeast next August, leaving many farmers without buyers for their milk. Bear Grylls, outdoor adventurer & survivalist, has joined the upcycled salmon skin snack brand *Goodfish* as a co-founder. *Lyft & Oscar Meyer* will partner to offer Lyft customers a ride in the iconic *Weinermobile*.

TABS Analytics reports that grocery shoppers are increasingly using *Walmart*, with the percentage of consumers saying they purchase food from the retailer rising to 75% in 2021, up from 71% in 2020 & 57% three years ago. From *Numerator*, 95% of consumers are noticing the price increases, with 54% planning to cut back on desserts & candy, 47% on prepared foods/deli items, 47% on organic/premium items, 45% on soda/juices, 31% on alcohol & 23% on sustainable or environmentally friendly items. *Brick Meets Click/Mercatus* reports a slight decrease in July's on-line grocery shopping as compared to June. Online grocery shoppers place a higher priority on being able to choose when their order will be delivered than on how quickly it will show up, according to a study in the *MIT Sloan Management Review*. Various studies, including a recent one from *Acosta*, continue to confirm that on-line shopping is becoming entrenched among consumers. From *Euromonitor*, 31% of consumers seek products without artificial sweeteners. *The National Restaurant Association* reports 19% of consumers have stopped going to restaurants, with 37% doing take out only. Wages for fast-food workers climbed 10% in the 2nd QTR, with high turnover rates, per *Black Box Intelligence & Snagajob*. From *Mintec*, the cost of containerized over ocean shipping has risen more than 300% & will remain elevated.

MARKET NEWS: Markets rose to highs based on FED Chairman Powell's tapering comments, despite a week of geopolitical failures & disasters.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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