



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**WHAT WE KNOW ABOUT PLINY THE ELDER** comes from his nephew, Pliny the Younger. A Roman commander, he wrote the *History of the German Wars*, a 20-book effort! A natural philosopher, he accumulated the world's history & science *knowledge-to-date* in his *Naturalis Historia*. This work became the standard model for all future encyclopedias. During the reign of the despot Nero he laid low, but fell back into favor when his friend, Vespasian, became emperor. Pliny, a large asthmatic man, died attempting to rescue a friend as Mt. Vesuvius erupted, overcome by the volcano's gases. It is Pliny the Elder who is credited with saying, "*Home is where the heart is.*"

**HOME AND HEARTS:** As good citizens, we are all doing our part by spending more time at home, to protect not just ourselves & our families, but also our communities. For most of us, fortunately, home is a safe & happy place, & where our hearts are. French Renaissance philosopher Michel de Montaigne saw his home as his refuge in times just like this, saying, "*It is my retreat & resting place from wars, I try to keep this corner as a haven against the tempest outside, as I do another corner in my soul.*" Roman statesman Cicero felt, "*There is no place more delightful than home.*" WWII Medal of Honor winner Vernon Baker thought, "*Home is where the heart can laugh without shyness. Home is where the heart's tears can dry at their own pace.*" And more than 2500 years ago, Chinese philosopher Confucius wrote, "*The strength of a nation derives from the integrity of the home.*" And while we love our homes, being with our families & teaching our children values & integrity, as Americans, we want our freedoms! Our *precious, fragile, sacred* rights, protected by our Constitution, to do what we need to, want to & what is best for ourselves & our families; to work, play, worship & travel as we see fit & appropriate. During this very Holy Week of Easter & Passover, many of us will not be able to gather at our places of worship or be together to celebrate in faith & fellowship with family & friends. Yet, it is important to remember the significance of these two holidays. It was the sheer strength of the Israelites' faith that allowed their homes to be *passed over* by the 10<sup>th</sup> plague God cast upon the Egyptians, the death of their first born. Easter & the Bible remind us that strong faith brings a *rebirth of the spirit*. As we stay at home, have faith that *this tempest* will pass. Keep faith in America, its people & its values, to bring about a *rebirth & renewal*. We are Americans, we want to work, play, visit, worship, help & learn! Americans always go forward boldly! First, across our Great Plains, deserts & mountains! Then, we crossed the oceans, both to protect the freedoms of others & to bring humanitarian comfort. We have gone into space, leading the way for all of Humankind & we will continue to do so! And we will return to work; restart our businesses, build this economy back up & make it better than ever. We will return to the churches, synagogues, schools, restaurants, theaters, ballparks & playgrounds. We will restart this economic engine cautiously & intelligently, but we will do it! We will do this because we are Americans & we are endowed by the Creator with the *self-evident, unalienable* right to do just that. President Ronald Reagan may have been speaking of Lebanon, but these words seem appropriate today, "*If we miss this chance to make a fresh start, we may look back on this moment from some later vantage point & realize how much that failure cost us all.*" May a spirit of faith & hope fill your heart this Holy Week of Passover & Easter.

**INDUSTRY NEWS:** Food ordering system *Allset* raised \$8.25M, to meet increased demand for online takeout orders, from existing investors *Andreessen Horowitz, Greycroft, SMRK VC Fund* & new investor *Inovo*

*Venture Partners*. SwineTech raised \$5M led by *Innova Memphis* for its pregnant sow health monitoring technology. *Nestlé* acquired London-based *Lily's Kitchen*, a premium pet food. *Ingredion* acquired a 75% stake in *PureCircle*, as the stevia producer restated 2019 earnings & determined an almost \$80M loss due to inconsistency in recording transactions. *Save A Lot* (owned by PE firm *Onex Corp.*) completed a deal that cut about \$500M from its debt & raised \$350M from lenders.

Several grocers are introducing one-way aisles to keep customers from passing each other & employing technology to limit shoppers in the store. Groceries are deploying more robots to clean floors, stock shelves & deliver groceries. Single use plastic bags may come back into use as retailers are banning reusable bags for fear of spreading germs. Grocers continue to add pay & benefits for workers. *Albertsons* & *UFCW* are petitioning for a temporary designation of 'extended first responders' or 'emergency personnel' for supermarket associates that will then allow them to be prioritized for testing & personal protection equipment. *Walmart* & *Sam's Club* will do a health check on employees for everyone's safety. *Instacart* will expand its consumer insights platform to help companies manage supply as volumes surge. *Publix* will offer contactless payment at all its stores. *HEB* will sell prepared meals from local restaurants & has expanded *Favor's* delivery range. *Hy-Vee* is offering free pick-up. *Shake Shack* will offer cook-at-home meals. Some *Panera* & *Subway* restaurants are among those turning into makeshift grocery stores, selling restaurant ingredients for a safe & fast way to obtain groceries. *Stop & Shop* will partner with *Uber* to provide rides at a 50% discount for customers over age 60 during shopping hours reserved for seniors. Supplement manufacturers, amid surging sales, were deemed essential businesses in recent guidelines. Food manufacturers find themselves breaking output records. *Credit Suisse* forecasts CPG sales to spike 30% over the next few months. *Unilever* will focus on making products in larger sizes for speed & efficiency during the next few months. The Nevada Governor closed the state's health food stores. *Cargill*, *JBS*, *Tyson*, *Smithfield Foods*, *Maple Leaf Foods* & others have closed several plants over health, cleaning & sanitization concerns. *Club Demonstration Services*, who performs sampling service for *Costco*, will cease operations to assure future viability. *FMI/The Food Industry Association* is partnering with search service *Eightfold.ai* to help place unemployed workers with a platform called *Eightfold Talent Exchange*. *Southeastern Grocers* is looking to hire 5K workers. *Sprouts* continues to open new stores, 3 in the last month. Australia's dietician & chef designed meal delivery brand *MACROS* will launch its service, *Mighty Macros*, in the USA. *Darigold*, the marketing & processing arm of *Northwest Dairy Association*, will invest \$67M in processing upgrades to support its aseptic ultra-filtered milk brand *FIT*. *MGP Ingredients* launched *ProTerra*, a line of textured pea proteins. *Applegate* launched *Well Carved*, a line of meat & plant mixed burgers & meatballs. *Cargill*, privately owned, will forego 3<sup>rd</sup> QTR financial results to focus on employees & production. *Panera* is being sued over the amount of real blueberry in their bagels. *Jones Soda* CEO Jennifer Cue stepped down & Jamie Colbourne was named interim CEO.

**MARKET NEWS:** Markets showed some recovery this week with the S&P posting its best week in 46 years & the DOW closing 27.6% higher than recent lows. Unemployment filings continued to rise. Markets seemed to take comfort in a pending economic reopen, government infusions, practical social distancing, decreases in the original oft-cited horrific models (now reduced to 2.8% of the original numbers) to a range within a normal flu season & the lack of risk to people without underlying health conditions. Also, hospital bed & ventilator usage is significantly lower than models predicted. OPEC reportedly will cut May & June production by 10M barrels a day, which should help oil prices rebound.

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

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

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