



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**CHRISTMAS COMES BUT ONCE A YEAR.** What makes Christmas so special is that it is not a single day; *it is a whole season!* A whole month of merriment. Thirty days (or so) of post-Thanksgiving fun. An immersive experience - holiday-themed everything – food, clothing, decorations, movies, television, music, advertising & sales. You may try to avoid it, but most likely it is unavoidable. As we write this week's *ALL EARS!!*, Christmas Eve is just hours away. Just like that, Christmas will be upon us! We busy ourselves with last minute preparations wondering how did Christmas arrive so quickly? Why are we surprised it's just days away? Why do we want to just take a Christmas pause?

**A CHRISTMAS PAUSE:** Everyone has a busy life. Whether it is work, running a business, family matters, housework, volunteer work, social obligations or other activities, our normal lives are busy without the addition of the holiday season. While we stressfully try to handle it all, the days tick away. Suddenly, it is Christmas - it seems as if the whole season has just passed us by! What would you do if you could hit the pause button on the holiday season? What if you could stop the world from spinning for just a day & then fully embrace the Christmas Spirit? Would you bake one more batch of cookies? Read one more Christmas story to your kids? Find that extra special gift for that ultra-special person? Visit a shut-in relative? Spend an evening singing carols? Spend more time decorating, shopping or wrapping presents? Plan a party with family & friends? Spend more time with your favorite charity, perhaps providing food or meals to those who need help or wrapping one more, unfathomably important gift for a forgotten child? Or might you sit & reflect on the *Reason for the Season*? Would you wonder about what seems to be the worldwide scarcity of goodwill, love, kindness, understanding & acceptance? Perhaps you might contemplate what you could do to change that, whether it be among your family, friends, community or the world. Maybe you would simply reflect on your own life, thinking about what you would change for the future & most importantly, happily count your blessings. Maybe, just maybe, you would sit in front of the warmth of a crackling fire, bathed in the sparkling lights of a Christmas tree or menorah, sipping a spiced eggnog, hot chocolate or hot rum toddy. And while you sit there, whether you relax, reminisce or reflect, will you allow yourself to be filled, your heart & soul, with the *Spirit of the Season*? From 20<sup>th</sup> century American Poet, Edgar Guest, known as the *People's Poet*, "*At Christmas a man is at his finest... He is almost what he should be when the Christmas season's here... he's thinking more of others than he's thought the months before, & the laughter of his children is a joy worth toiling for. He is less a selfish creature than at any other time; When the Christmas spirit rules him, he comes close to the sublime.*" But why should any of us be only at our best, only transcend to some true spiritual, virtuous exalted version of ourselves, for just 30 days of every year? Is the Christmas Message so difficult to absorb? Is a kindly smile; a helping hand; a thoughtful, attentive ear; or constant conscious gratitude for the simple joys & blessings of our lives so difficult to master the other 335 days of the year? Christmas comes but once a year, but the Christmas Spirit, if we choose, can be with us all year. From American President Calvin Coolidge: "*Christmas is not a time nor a season, but a state of mind. To cherish peace & goodwill, to be plenteous in mercy, is to have the real spirit of Christmas.*"

**INDUSTRY NEWS:** *Lineage Logistics*, global cold storage solution provider, raised over \$700M for expansion. *BigBasket*, an India-based eGrocer owned by conglomerate *Tata Sons*, raised \$200M at a \$3.2B valuation.

German restaurant management software solution *allo* raised €1.4M; *Keen Venture Partners* led the round. *Kodama Systems*, reforestation solutions, raised a \$6.6m seed round co-led by *Breakthrough Energy Ventures* & *Congruent Ventures*. Israel's *FreezeM*, insect farming technology, raised €6.3M from the European *Innovation Council*. The *Perfetti Van Melle Group* will acquire *Mondelez's* gum business for approximately \$1.35B including *Trident*, *Dentyne*, *Chiclets*, *Bubbaloo*, *Bubbalicious* & others. *Mars* will acquire frozen & shelf-stable whole-fruit snacking brand *Trü Frü* for an undisclosed sum. Nuts & dried fruit processor *John B. Sanfilippo & Son* acquired *Just the Cheese* from the *Specialty Cheese Company*; terms not disclosed. *Hain Celestial Group* sold the *Westbrae Natural* brand to *Bush Brothers*. Biotechnology ingredient companies *Novozymes* & *Chr. Hansen* will merge, with *Novozymes* paying \$12.3B for *Chr. Hansen*. *IFF* will sell its savory solutions group to *PAI Partners*, for about \$900M. *Peterson Farms Family of Companies* acquired trucking company *JVC Enterprises*. *Freshii*, with 343 locations, will be acquired by *Foodtastic* for approximately \$74.4M. British grocery delivery startup *YourGrocer* closed after failing to raise \$1M via crowdfunding.

*Costco* reported positive numbers for 1<sup>st</sup> QTR with a larger share of the overall grocery market. At Canada's *Dollarama*, operating profit rose 11.5% in 3<sup>rd</sup> QTR & sales rose 14.9%. While still reporting a loss, *Rite Aid's* 3<sup>rd</sup> QTR earnings & revenue beat estimates; the company lowered full year guidance. Revenue was lower but profits were higher at *Calavo* in 4<sup>th</sup> QTR. At *General Mills*, 2<sup>nd</sup> QTR sales were flat, profit beat estimates & full year guidance was raised; the cereal maker will once again raise prices.

*Raley's* will open new *Bashas'* corporate headquarters in Chandler, AZ. *Just Eat Takeaway* will partner with supermarket chain *Co-op* on-demand grocery delivery across Britain. *The Better Meat Co.* entered a joint development agreement with *Maple Leaf Foods* subsidiary, *Greenleaf Foods (Lightlife & Field Roast)*. *Mary's Gone Crackers* is expanding into Canada. *Bunge* will invest \$550M in a new soy processing facility in Bellevue, OH. *Rainforest* has added a distribution center in Massachusetts. *Alamance Foods*, CPG manufacturer, will invest \$42M to expand its operations in Graham, NC. Tyler Ricks will take over as CEO of *SuperCoffee*.

From *Marcum, LLP*, grocery executives are upbeat about 2022 performance & opportunities for more improvement in 2023. *Newsweek's America's Most Responsible Companies* list contained three food retailers: *Kroger*, *Target* & *Sprouts Farmers Market*. *Aldi*, *Lidl* & *Grocery Outlet* sales are outpacing overall grocery sales growth in 2022, according to *Coresight Research*. From *Datasassembly*, Christmas dinner will cost 20% more this year. From *Colliers & Global Data*, 61.3% of consumers are shifting to private label brands to save money, with 48.2% of middle-income & 17.6% of high-income shoppers are searching for values. Private label is forecasted to be 21.6% of sales by 2026. Research from *Grocery Dappio* found that 87% of shoppers will use digital ordering to make grocery purchases in 2023 with a 16% increase in pickups. According to *SPINS*, shelf-stable soup sales grew 10.6% in 2022 to \$8.23B, driven by inflation. Cold desert weather is impacting Romaine crops.

**MARKET NEWS:** Stocks were not showing any Christmas Spirit this week; prices fell faster than the snow in the Midwest! The Senate & House moved forward with the 4,155-page theft of \$1.7T from hardworking Americans to pay-off the government's political cronies & America's enemies; support societal-decaying programs & bankrupt America. Home sales are down 35% YOY, per the *National Association of Realtors*.

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

THE LITCHFIELD FUND – *Tom Malenka*

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