



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



JULY! JULY IS THE ESSENCE of summer. In the Northern Hemisphere, the hottest month of the year. Hot days & sweltering nights. Dog day afternoons & midsummer night dreams. Lazy days & star-filled nights. It seems appropriate that July is National Hot Dog Month & National Ice Cream Month! Barbecue grills & hot fudge sundaes. And sweet corn, fresh from the farmer's market. It seems fitting that July's birthstone is ruby – hot days, rising mercury, a giant red sun casting its warmth. While April is a month for renewal, October for reaping & December for reflection, the month of July is about the fun! Maybe this is why July babies, as adults, tend to be more optimistic!

OPTIMISTIC JULY: The quasi-sciences tell us that July babies are charming, funny, incredibly loving & devoted, inwardly emotional yet outwardly self-controlled & artistic, in addition to optimistic. The month of July is named for Julius Caesar, who was born sometime in the middle of the month. In 44 BC, in his honor, the Roman Senate changed the name of his birth month from Quintilis. Caesar was a very optimistic man. From Plutarch, we know that Caesar was warned by a soothsayer, more than once in his life, to beware of the Ides of March. Soothsayers were sort of the Roman Empire's version of a social media influencer - *they held a lot of power!* But Caesar, being optimistic after conquering the known world & about to be made emperor, defied the soothsayer & headed to the forum. His wife, Calpurnia, also begged him not to go to the forum that day & we all know it takes a really optimistic man to defy his wife! So Caesar headed to the forum in the middle of March in 44 BC, only to be assassinated. Proving another supposed trait of July babies, to forgive but not forget, his dying words were, "*Et tu, Brute?*" But optimism does seem to be a characteristic of July babies. From July's Henry David Thoreau, "*If one advances confidently in the direction of his dreams & endeavors to live the life which he has imagined, he will meet with a success unexpected in common hours.*" Independence Day baby Calvin Coolidge, a top 5 Best USA President, was optimistic: "*If you see ten troubles coming down the road, you can be sure that nine will run into the ditch before they reach you.*" Those born in July seem to remain optimistic even when they encounter setbacks. The great actress, Olivia de Havilland, (July 1), believed, "*One must take what comes, with laughter.*" From American film director George Cukor, "*You can't have any successes unless you can accept failure,*" & American architect, R. Buckminster Fuller, "*Mistakes are great, the more I make the smarter I get.*" Optimistic people keep trying! The King of NASCAR, Richard Petty, who in 1967 won an astonishing 27 of 48 races, including 10 in a row, had this attitude, "*No one wants to quit when he's losing & no one wants to quit when he's winning.*" America's first naval hero, July baby John Paul Jones, like King Richard knew the value of not quitting, shouted, "*I have not yet begun to fight;*" as did Admiral David Farragut (July 5), boldly ordering, "*Damn the torpedoes! Four bells, Captain Drayton, go ahead. Jouett, full speed!*" July's optimists see a beautiful world with a field of opportunity! Perpetual optimist Satchel Paige, born on July 7, said, "*No man can avoid being born average, but no man has to stay average.*" Ethiopian Emperor & hero, Haile Selassie, born on July 23rd, optimistically wrote, "*Let us set our goals too high; let us demand more of ourselves than we believe we possess!*" Industrialist Henry Ford (July 30) saw unlimited possibilities: "*Impossible means that you haven't found a solution yet.*" And America's original songwriter, Stephen Foster, also appropriately born on July 4th, certainly saw a beautiful world! His most famous lyric? "*Beautiful dreamer, wake unto me, starlight & dewdrops are waiting for thee.*" Likewise, mathematician & philosopher, July's Gottfried Leibniz, who was one of the great rationalists, optimistically rationalized this, "*We live in the best of all possible worlds.*" While quasi-science may suggest that July babies are optimistic, real science & statistics does tell us something about July babies – they are much more likely to be left-handed!

Industry News: Coffee maker *Steeped* raised \$5M. *Phytolon*, fermentation-based food colors, raised \$14.5M led by *DSM Ventures*. In Brazil, *Veg Capital* invested \$184K into plant-based protein startup *Conví Foods*. *Maolac*, superfoods based on the health benefits found in breast milk, raised \$3.2M led by *Our Crowd*. *Fyto*, aquatic super plants, raised \$15M led by *GV* with participation from *AgFunder*, *Refactor Capital*, *First Star Ventures* & *Bolt*. Canada's *TMRW Foods*, plant-based proteins, raised C\$2M from *TELUS Pollinator Fund for Good* & others. Another alt-protein start-up, *Project Eaden* raised

\$8.1M led by *Creandum* to bring its animal-free steaks to retail shelves in 2023. French startup *Hors Normes* raised €7M for its platform to move rejected fruit & vegetables directly to consumers, from *Project A & Stride VC*. India's *The Baker's Dozen*, DTC bakery brand, raised \$5M led by *Fireside Ventures* for product development, team building & marketing. *Ghost Financial* will provide up to \$100M in financing to ghost kitchen *Cruising Kitchens* over the next 3 years. *Verdify*, recipe personalization platform, raised €800K in a seed round *Brave New Food Investments*, *Brightlands Venture Partners* & *Joles*. Agricultural biotech firm *Tropic Biosciences* raised \$35M to develop gene-edited high-performing tropical crops, led by *Blue Horizon* with *DisruptAD*, *Skyviews Life Science*, *Bloom8*, *Tekfen Ventures* & *Sucden Ventures*. USA agribusiness *FMC* will acquire Denmark's *BioPhero*, pheromone-based biocontrols for the crop-growing industry, for \$200M. *Aptean*, ERP provider, acquired *Produce Pro Software*, fresh & perishable supply chain & distribution software. *Amazon* has added restaurant delivery in a partnership agreement with *Grubhub*, with a 2% option for a stake in the company, which could grow to 15% based on performance. *Tyson Foods* purchased a stake in Saudi-based poultry provider *Tanmiah Food* to expand its global protein footprint. *Oterra* acquired India's *Akay Group*, a natural ingredients manufacturer. *Diageo*, the 2nd largest distiller in the world, has purchased *Vivanda*, a flavor-matching service for drink innovation. *Chocolate Works* acquired Oregon's *Moonstruck Chocolate*; terms not disclosed. *GS Foods Group*, a foodservice distributor owned by *Highview Capital* & *A&M Capital Partners*, acquired Missouri based foodservice distributor, *Graves Foods*. *Green Generation Fund* raised £100M to fund alt-protein startups, having already invested in eight companies, including *Biomilk* & *Change Foods*. *Shore Capital Partners* has closed on \$290M+ for its second food & beverage fund.

General Mills reported adjusted 4th QTR EPS rose 23.1% with revenue up 8% to beat analyst estimates. The company increased its dividend but warned on 2023 expectations. *McCormick* reported 2nd QTR performance that disappointed analysts with target misses. *Sodexo* reported 3rd QTR results that showed a 22.6% organic increase in revenues in its North American unit, putting *Sodexo* at more than 90% of its pre-government mandated lockdown revenues.

US Foods will expand its *ChefStore* foodservice locations. *Walmart* has brought its *In-Home Direct-to-Fridge* service into its *Walmart+* program. *Amazon* will use eCargo bikes in London, replacing some vans. *Gopuff* will deliver from *BurgerFi*. *Gorillas* will open a Jersey City service. *Quickly* customers in the Chicago, New York City & San Francisco Bay can now make scheduled orders for food from *Shef*, homecooked meals, including Indian & Bangladeshi cuisine. *New Age Meats* rebranded, now *New Age Eats*. *Catalina Crunch* will add new cookie varieties. *Diageo* & *Vita Coco* will partner on a new canned beverage, *Captain Morgan* with coconut water. *Tate & Lyle* will fund a two-year microbiome research project in partnership with *APC Microbiome Ireland*, a *Science Foundation Ireland* research center. Animal-free startup *Remilk* will partner with Israeli *Coca-Cola* bottler *CBC Group* to develop a line of animal-free drinks, cheeses & yogurts, to launch within 12 months. *Puratos* will partner with the *Future Food-Tech* event to launch an innovation challenge for early & mid-stage startups developing tech-enabled solutions for gut health. *Motif FoodWorks* has just engaged in a round of layoffs to focus on its ROI. *Bang Energy* maker *Vital Pharmaceuticals* will pay *Orange Bang* & *Monster Energy* \$175M plus a 5% royalty on all future net sales of *Bang*-branded products for its trademark infringement. *Ben & Jerry's* is suing *Unilever* for selling its controversial business in Israel. Liz Zolcak is the new president of *Fresh Thyme Market*. Farmers in the Netherlands, Poland & Italy are rising up against their overreaching & restrictive governments & the European Union placing limits on their livestock sizes & fertilizer usage, which will ultimately destroy their businesses.

Amazon will capture a more than 20% share of CPG sales during their Prime Day event next week, *Numerator* predicts. Food & beverage products with upcycled ingredients saw a 122% CAGR in the last 5 according to *Innova Market Insights*; more than 50% of consumers are worried about food waste & 62% are willing to pay more for these products. *NielsenIQ* reports that price inflation in several key segments such as meat, coffee, chocolate, water & soda is significantly outpacing average inflation rates. From Rutgers University, when dieters made just slight increases in their protein intake, they made better other food choices. Lower demand & better weather has led to a short-term drop in wheat prices though analysts predict higher prices in the longer term.

MARKET NEWS: Markets slightly recovered this week. New jobs were higher than expected, but inflation continues to outpace wage growth. The Atlanta FED estimates negative growth, with GDP coming in at -2.1%.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malanga*

V9issue04.07.09.22

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.