



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

KNOWLEDGE IS POWER! The phrase is attributed to Sir Francis Bacon, but what he actually wrote was "*ipsa scientia potestas est*," or "*knowledge itself is power*." It was Thomas Hobbes, who as a young man served as Bacon's secretary, who actually wrote, "*scientia potentia est*," (*knowledge is power*) in his classic treatise, *Leviathan*, in 1651. *Leviathan* speaks to the construct between society & an absolute monarch. For Hobbes, keeping the state of nature (a time without government & laws) at bay required a powerful & undivided government. Knowledge, for these power-hungry despots, was indeed power. Hopefully for the rest of us, knowledge is a step on our path to wisdom.

KNOWLEDGE: Information & data alone are not knowledge. Information & data *verified as true & properly sourced*, becomes knowledge. Knowledge (as we discussed in [Wisdom of the Aged, ALL EARS!! 7/10/21](#)), coupled with experience & observation, leads to understanding & then to wisdom. There is no denying that knowledge provides leverage, which is why the despot acquires "*knowledge*". To hide the truth, the despot's knowledge is actually made up of lies that are disguised as data & information, which are used to gain power. The despot then creates fear & uses intimidation in order to solidify power, exercise control & dominate the masses. Despots tell the masses to not believe what they see with their own eyes or hear with their own ears. Eventually, the masses believe the lies, becoming tamed & cowed. Author George Bernard Shaw, who supported murderous communist (Stalin) & fascist (Mussolini) dictators, revealed this, writing, "*Beware of false knowledge; it is more dangerous than ignorance*." False knowledge will not just cause us to make bad decisions & choices, it prevents us from learning the truth, stubbornly clinging to many false ideas. From Mark Twain, "*The trouble with the world is not that people know too little; it's that they know so many things that just aren't so*." Epictetus warns what happens when we know false information, "*It is impossible for a man to learn what he thinks he already knows*." Intellectual, social & human growth comes from continually expanding our knowledge. To do so, we must first recognize what we don't know! Copernicus writes, "*To know that we know what we know & to know that we do not know what we do not know, that is true knowledge*." But knowledge in itself is not enough; we need to apply reason to our observations & experiences to reach understanding & wisdom. Einstein felt, "*Any fool can know. The point is to understand*," & from Immanuel Kant, "*All our knowledge begins with the senses, proceeds then to the understanding & ends with reason. There is nothing higher than reason*." Freud would concur, "*Knowledge is the intellectual manipulation of carefully verified observations*." But real knowledge, & the wisdom that comes through understanding, is meant to be used & shared: *this is the true power of knowledge!* Goethe tells us, "*Knowing is not enough; we must apply. Willing is not enough; we must do*," as does Chekov, "*Knowledge is of no value unless you put it into practice*." John Locke speaks to the sharing of our knowledge, "*... Understanding is for two ends; first, for our own increase of knowledge; secondly, to enable us to deliver & make out that knowledge to others*." Henry Wadsworth Longfellow understood the power of shared knowledge & wisdom: "*A single conversation across the table with a wise man is better than ten years mere study of books*." A mind, filled with new knowledge & wisdom, is never the same. Emerson wrote, "*The mind, once stretched by a new idea, never returns to its original dimensions*." This is what the despots fear! An educated & wise populous, who see the lies & manipulation! They see the true facts that are always there, no matter what they are told to believe. From Aldous Huxley, "*Facts do not cease to exist because they are ignored*." With true facts & true knowledge, people can then make wise choices; from Benjamin Disraeli, "*The more extensive a man's knowledge of what has been done, the greater will be his power of knowing what to do*." The despot of course, wants the masses to be unknowing of the truth & of their own God-given rights, which need to be defended, for as Boutros Boutros-Ghali stated, "*It has long been recognized that an essential element in protecting human rights was a widespread knowledge among the population of what their rights are & how they can be defended*."

AND SPEAKING OF KNOWLEDGE: This week, [Brandjectory](#) launches an updated new website with exciting new features, including a one-of-a-kind Knowledge Base™ - a comprehensive, CPG founder-centric and industry focused resource of tools & articles from our industry experts, covering building an investor-ready business & navigating the capital raise process. We heard from brand founders that they wanted more strategic education, so our *Brandjectory* founders created hundreds of articles across dozens of topics, sharing our 100+ years of business & CPG expertise, knowledge & maybe, a bit of wisdom! We have also added a brand profile audit, to help brands best present themselves to investors & help investors efficiently research brands. *And, we*

will be having more of our exclusive, highly-acclaimed small group founder & investor meet-ups! Want to know more? Click [this link for more detail](#) or join us for [our regularly scheduled office hours](#)!

INDUSTRY NEWS: *Fly by Jing*, DTC condiments, raised \$5M led by *Prelude Growth Partners*. *Miyoko's Creamery* raised \$52M led by \$40M from *PowerPlant Partners* with *Cult Capital*, *Obvious Ventures*, *CBT Capital* & *Stray Dog Capital* participating. *Constellation Brands* has taken an undisclosed minority stake in *Hop Wtr*, a non-alcohol, calorie-free sparkling water. Swiss alt-protein company *Planted* raised \$21M, with plans to introduce a schnitzel product, from *Vorwerk Ventures*, *Gullspång Re:food*, *Movendo Capital*, *Good Seed Ventures*, *Joyance*, *ACE* & *Be8 Ventures*. Preparing to launch its first formula product after years of scientific development, baby nutrition company *ByHeart* raised \$90M led by *D1 Capital Partners* with *OCV Partners*, *Polaris Partners*, *Bellco Capital*, *Two River*, *Red Sea Ventures* & *Gaingels* involved. *Cargill* made an investment in *AnimalBiome*, a start-up using microbiomes for pet digestive & skin health. *Spinn*, connected, centrifugal coffee brewing tech, raised \$20M led by *Spark Capital* with *Alexa Fund* & *Bar 9 Ventures* participating, bringing the company's total raise to \$37M. *GoPuff* did complete a \$1B raise with *Blackstone Horizon*, *Guggenheim Investments*, *Hedosophia*, *MSD Partners*, *Adage Capital* & several existing investors. European *Uber* competitor, *Bolt*, raised \$713M with plans to enter food delivery. *Merqueo*, a full-stack food delivery company controlling a vertical supply chain, raised \$50M led by *IDC Ventures*, *Digital Bridge* & *IDB Invest*, with *MGM Innova Group*, *Celtic House Venture Partners* & *Palm Drive Capital* involved. *Bridford Group* led a \$5.9M round in plant genome editing start-up *Hudson River Technologies*. The *Carrefour Group* acquired a minority stake in France's *Cajoo*, 15-minute grocery delivery. *GrubMarket* acquired *Grant J. Hunt Company*, a produce wholesaler on the West Coast. *Tocaya Organic Modern Mexican* (an **ALL EARS!!** favorite) & *Tender Greens* will merge into an all-new parent company, *One Table Restaurant Brands*. *High Bluff Capital Partners*, owners of *Quiznos* & *Taco Del Mar*, acquired *Church's Chicken* from *FFL Partners*. *Rockshield Capital* has acquired two plant-based companies, *Belle Pulses*, a processor of green and yellow split peas & *Sapientia Technology*, pulse-based snacks, meat alternatives & dairy alternatives. *John Deere* has acquired *Bear Flag Robotics*, robotic farming solutions, for \$250M. *Lifeway Foods* will pay \$5.8M for dairy farm *GlenOaks Farms*. *PepsiCo* will sell *Tropicana*, *Naked* & its other North American juice brands to PE-firm *PAI Partners* for \$3.3B. *Sunrise Strategic Partners*, emerging healthy brands accelerator, has added additional funding from *Trilantic North America* & added former *ONE* brand CEO Peter Burns as managing partner.

Earnings were lower at *Publix*, but 2nd QTR sales & same-store comparables rose 3.9% & 2.3%, respectively. *Weis Markets* saw lower 2nd QTR numbers for earnings, comparables & sales. For *Treehouse Foods* 2nd QTR net income was \$8.4M, up from a prior year loss of \$1.5M, with sales down 3.7%. Double digit 2nd QTR growth for sales & income led *Hostess* to raise its full year guidance. Earnings for *Kraft Heinz* beat 2nd QTR earnings estimates but fell short on revenue, impacted by divestitures & reduced growth. *J&J Snacks* rebounded in 3rd QTR with a strong showing in income & sales across all segments.

Albertsons has launched its new grocery delivery subscription, *FreshPass*. *Kroger* will begin its ghost kitchen partnership with *Kitchen United*, offering six national brands. *Whole Foods* will add a delivery charge in 6 markets to cover its rising costs. *UNFI* has entered into an agreement to supply the plant-based eCommerce platform *Vejii*, which should improve *Vejii's* product availability & margins. *Motif FoodWorks*, biotechnology to develop plant-based ingredients that mimic the properties naturally found in meat, dairy & eggs, will partner with King's College London & Imperial College London mechanical engineers & dentists to understand the mechanics of chewing & the impact to the sensory perception of food. *Mondelez* opened an *Oreo Café* in East Rutherford, NJ. *Bayer* will stop selling *Roundup* for residential use in 2023. Only 4% of hog farms will meet California's hog breeding standards & will not be able to sell pork products in the state, which will cause a California bacon shortage.

From the *National Retailer Association*, families will on average spend \$848.90, \$59 more than last year on back-to-school items. Total back-to-school spending will reach \$37.1B, up from last year's record \$33.9B. From *Inmar Intelligence*, 75% of consumers are seeing shelf shortages as stock-piling continues. *Morning Consult* reports that retailers like *Kroger*, *Whole Foods* & *Costco* rank high in consumer trust, along with other retailers, who have both a brick & mortar & an eCommerce presence. From *Momentive*, 72% of consumers who know about food waste want to shop at a grocer who is committed to reduction. The *FMI* reports that 39% of consumers prefer grocery stores as their prepared-meal choice, but see retailers as lacking menu options. *Pipsplay* reports 48% of American have tried meal-kits & 83% feel meal-kits help them cut down on restaurant visits. Broccoli & cauliflower prices are rising.

MARKET NEWS: Markets rose on jobs numbers, which beat expectations, though the people in Washington DC continue to consider crippling lockdowns & spending increases.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malengo*

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