



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



AS AMERICAN AS APPLE PIE . . . or baseball, hot dogs & *Chevrolet*. There was apple pie in England, but it was made with unsweetened apples & an inedible shell. The American colonists found sweet apples plentiful in America, & with the help of Johnny Appleseed, apple pie became a favorite & staple of the American household. As the pioneers drove westward, dried apples came along with them. Wherever Americans established their new roots, apple pie warmed the home, soul & senses. Fruit & berries for every type of pie were abundant as Americans went west in their Pursuit of Happiness, a better way of life for their families & their small slice of this Great American Pie.

SLICE OF PI(E): Pi is interesting because it is both constant & endless. Simply put, pi is the mathematical constant that is the ratio of a circle's circumference to its diameter; approximated by 3.14159 or 22/7. The ancient Babylonians & Egyptians knew & understood pi, knew it was a constant, & employed it in their mathematics, science, engineering & architecture. The Greeks, first Archimedes then Ptolemy, continued to explore pi, as did the Chinese in the 5th century AD. Newton's calculus allowed pi to be calculated to hundreds of digits, more than enough for any practical application. Today, pi has been calculated by supercomputers to almost 70T digits. It never repeats, there are no patterns, & it has no end. In many ways, pi is analogous to the universe itself – never repeating, never ending. In college, our math 'fraternity' was Pi Mu Epsilon; we were responsible for administering & scoring annual high school math competitions. This week we celebrated Pi Day, March 14th. And who doesn't love pie? Fruit pies, cream pies, custard pies, pecan pies, shoofly pie, fried pie, meat pies. Apple pie in the fall, pumpkin pie at Thanksgiving, mince pie at Christmas & key lime pie in Florida next to the ocean on a tropical day; Shepherd's pie in a pub or pork pie & chicken pot pie on a cold winter day. And of course, a pizza pie on Friday night after a long week of work or school. We love pie in all its forms, which is perhaps why the word has entered our vernacular in so many expressions & idioms, especially as a term of endearment: sweetie pie, cutie pie, sugar pie, honey pie. Because pie is SO GOOD & appeals to everyone, a wonderful person is sweet as pie, nice as pie or polite as pie! We would all like our lives to be in apple pie order, from the French *nappe pliee*, meaning neatly folded. If someone rues their life choices or another celebrates the good times of their life too much, they may end up pie-eyed. In either case, if they talk too much about it, we might wish they would shut their pie hole! We could have a pie-eating grin when we are over pleased with ourselves, but a taste of humble pie like spending *Thirty Days in the Hole* or stepping in a cow pie could do us all a bit of good. We all have pie-in-the-sky hopes & dreams, wanting our piece of the pie, & hope these dreams will be as easy as pie to achieve. But pie is only easy when we sit at the counter of our favorite diner & order a slice. Someone had to make that pie, & even with the modern conveniences of frozen crust, canned fruit purees & electric mixers, pie takes time to prepare & bake to achieve its wonderful outcome, shall we say, piefection? The government has their fingers in every pie & easily takes a piece of your pie, the pie you worked long & hard to bake. If you have enough, it may be nice to share a piece of your pie, but no one wants to see a piece of pie wasted. The American Pie is not endless, its circumference & diameter are shrinking every day, as the government continues to waste the pie. Soon we may drive our American *Chevies* to levees only to find the levees are dry. And even when the levees run dry, the government will beg, borrow or print pie, to dole out slices of the American Pie to those at the counter of this American diner trying to get their piece, a slice for which they did not do the hard work it takes to bake & maintain it. America's freedom & its riches have been achieved through the hard work of our citizens & their efforts to protect our shared American values, like Motherhood & Apple Pie! From entrepreneur & motivational speaker, Jim Rohn, "*We must learn to help those who deserve it, not just those who need it. Life responds to deserve not need,*" & from George Washington, "*Let your heart feel for the afflictions & distresses of every one, & let your hand give in proportion to your purse; remembering always the estimation of the widow's mite, but, that it is not every one who asks deserve charity; all, however, are worthy of the inquiry, or else the deserving may suffer.*"

INDUSTRY NEWS: *Serenity Kids* raised \$52M led by *Stride Consumer Partners*. *Sanzo* raised \$5M with celebrity investors involved. *Liquid Death* secured \$67M at a \$1.4B valuation with *SuRo Capital*, *Live Nation*, *Science, Inc.* & *Gray's Creek Capital Partners*. Consumer platform *Aterian* took a \$200K minority interest in ghee butter maker *4th & Heart*. *Tiny Health*; infant microbiome testing startup, raised \$8.5M led by *Spero Ventures*; *TheVentureCity*, *Overwater VC*, *Next Coast Ventures* & *Peterson Ventures* were involved. *Arable Capital Partners* made a strategic investment in *Progressive Produce*, specializing in potatoes, onions & asparagus. *Tierra Biosciences*, AI technology to customize proteins, closed an \$11.4M round led by *Material Impact*. *Burcon Nutrascience* raised \$4.3M in a private placement for its plant-based protein development platform. Netherlands-based 1-2-

Taste, a B2B food ingredient supply chain platform, raised an undisclosed amount led by *Icos Capital* with *Navus Ventures* involved. The founder of *CoreFX Ingredients*, food ingredient powders, is acquiring a majority stake in the company from the Irish dairy processor *Ornua*. *Sambazon* acquired the acai & smoothie bowl business of *SunOpta*; terms not disclosed. *Green Boy*, a supplier of plant-based, non-GMO & organic ingredients, invested in *Sigma Oil Seeds*, plant-based & organic oil provider. *Unifrutti* acquired & the Peruvian operations of *AvoAmerica* from *Solum Partners* & *Alpine Fresh*. *GrubMarket* acquired North Carolina-based *Performance Produce*. In New Zealand, poultry supplier *Ingham Group* acquired *Bostock Brothers* for NZ\$35.3M. *McCain* sold its fresh potatoes producer *CelaVita* to Dutch investment group *Nimbus*; terms not disclosed. In the UK, *Butlers Farmhouse Cheeses* acquired soft cheese producer *Hampshire Cheese Company*; terms were not disclosed. Cultivated meat companies *UMAMI Bioworks* & *Shiok Meats* will merge. Vertical farming solution provider *AGEYE* acquired vertical farm platform *HYVE*. C.A. *Fortune* acquired food & beverage agency *SRW*. Grocery eCommerce tech company *Wynshop* acquired *Halla*, an AI startup specializing in personalization. *Boston Market* was denied chapter 11 protection & will need an investor to stay solvent. *WK Kellogg* will focus on improving operations before looking to M&A. *Campbell* completed the *Sovos* acquisition & set up a new business unit, *Distinctive Brands*. *Nestlé* investors are asking the company to lessen its dependency on unhealthy products, though *Nestlé* disputes the investors' claim that 75% of sales are from unhealthy products. The USDA is distributing \$40.5M in grants to support organic products.

The *Kroger/Albertsons* merger court date is set for August 26th in Oregon. *Kowalski's* & *Gelson's* are closing unprofitable locations. *Dollar Tree* will close 1,000 stores, mostly *Family Dollar* locations, after a \$1.7B loss. Also, *Dollar Tree* will be adding products priced up to \$7. *Coborn's* will add tech-enhanced *Picadeli* salad bars at 15 locations. *Strack & Van Til* will use eCommerce provider *Homesome* for online shopping. *HEB*-owned *Favor Delivery* joined *Toast Partners*, allowing restaurants to integrate *Favor's* marketplace POS platform. *Family Dollar* will use *Ibotta* for digital offers & coupons. *Sprinkles Cupcakes* will launch a CPG chocolate line. *Danone* will discontinue *Silk Nextmilk* & *So Delicious Wondermilk* due to poor sales. *Jones* will launch its first alcohol SKU, *Spiked Jones Hard Craft Soda*, in collaboration with cider crafter *Rainmaker*. Switzerland's *Planted* launched its alt-meat steaks in 25 restaurants. *Tyson* will close its pork plant in Perry, Iowa, losing 1,200 jobs yet announced they would have jobs for 52K people who have entered America illegally. *John Deere* laid off 150 workers expecting a 15% decline in sales through October. *Hormel* is striving to achieve a \$250M improvement in operating income by 2026. *ADM* identified & corrected certain intersegment sales that were not recorded properly in the ongoing investigation of its accounting practices. *Bayer* will release an AI platform to help farmers manage their purchases, tools & inputs. Upcycled food processor *Treasure8*, will partner with *Suja Life* to transform organic sidestreams into premium ingredients. *Snickers* replied to one of the many lies spread last week, stating that they have not reduced the size of their bars or the number of bars in their multi packs. New York City is clamping down on wood & coal fired pizza ovens because your desire for a great slice of pizza will ultimately destroy the world. The new law, requiring replacement of pre-2016 ovens, may cause more than 100 pizzerias & bagel shops to shut down on April 27 & increase the cost of pizza. American farmers have filed a lawsuit against this administration for its \$4B loan forgiveness program which specifically excluded a class of farmers based on race, violating the Constitution.

From *Market Force*, *Trader Joe's*, *Wegmans*, *Publix*, *ALDI* & *Sam's Club* ranked highest in consumer loyalty while *Wegmans*, *Publix*, *Trader Joe's*, *H-E-B* & *Sam's Club* all received high marks at customer experience. Total USA online grocery sales in February were \$7.9B, down 10.5% YOY according to *Brick Meets Click/Mercatus*; lower average order value was the driver. A study from *Clear Channel* shows that in many ways GenZ & Baby Boomers have similar grocery shopping habits & preferences. From *Global Data*, 91% of consumers are extremely or quite concerned about the ultra-high processing of alt-proteins & plant-based alternative products. From the *Farmer's Business Network*, farmers need \$1B in near-term financing to maintain agricultural operations. From University of Pittsburgh researchers, high consumption of protein (more than 22% of daily diet) can lead to plaque build-up in the arteries. The Midwest maple syrup season started early causing producers to scramble. Major cocoa processors cannot afford to buy beans, continuing to hit the chocolate market supply & prices as chocolate sales demand hits record highs. *Wells Fargo* reported that high egg & chocolate prices will put a dent in consumers' Easter preparations. USA pork & lamb exports started the year strong while unit beef exports were lower; inflation drove dollar value higher. Soft red winter wheat & white winter wheat production is lower by 16.5% & 9.5% respectively this season.

MARKET NEWS: Markets were lower for the week as Inflation gained steam in February for the 4th straight month, The CPI rose 0.4% in February & 3.2% YOY; core CPI rose 3.8%. Meanwhile, this administration proposed a budget that would increase the deficit with more spending on anti-American value initiatives. The budget proposes tax hikes, as well as ending the previous administration's 2017 tax cuts which allowed more Americans, across all demographics, to move out of poverty than ever before. February retail sales were below expectations. Wholesale prices rose greater than expectations.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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