



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE RAILROADS EXPANDED AFTER 1870 & small towns boomed along the routes. These towns built opera houses to bring entertainment & culture to small town America. In this *Golden Age of American Opera Houses*, entertainers rode the trains from town to town. There were circuses, vaudevillians, medicine & wild west shows, plays, gospel preachers & educational programs. The great performers of the day road the trains on this circuit, including The Four Cohans, Eddie Foy, Lily Langtry, Jenny Lind, Edwin Forrest & Sarah Barnhardt. The well-known authors, such as Mark Twain, Artemus Ward & Charles Dickens also spoke & the now seldom mentioned, Josh Billings.

TRANSCENDING WISDOM: It was Josh Billings who brought '*the squeaky wheel gets the grease*' into common use in his poem, *The Kicker!* Mr. Billings, the pen name of Henry Wheeler Shaw, was born in Massachusetts into a family with several members serving in Congress. His wit was well on display, when in college, he stole the clapper from the campus bell. He died in Monterey, Ca., his death described in Chapter 12 of John Steinbeck's *Cannery Row*. Mr. Billings left us wisdom that transcends the centuries & seems to apply as much today as it did in the 19th century. We share some of his wisdom, without additional comment:

Half of the troubles of this life can be traced to saying yes too quickly & not saying no soon enough.

As a general rule, if you want to get at the truth - hear both sides & believe neither.

As scarce as truth is, the supply has always been in excess of the demand.

If you do not know how to lie, cheat & steal, turn your attention to politics & learn.

Love looks through a telescope; envy, through a microscope.

It ain't what a man don't know that makes him a fool, but what he does know that ain't so.

I never knew a man troubled with melancholy, who had plenty to do & did it.

Most people when they come to you for advice, come to have their own opinions strengthened, not corrected.

Be like a postage stamp. Stick to one thing until you get there.

Laughter is the fireworks of the soul.

Liberty, like chastity, once lost, can never be regained in its original purity.

Flattery is like cologne water, to be smelt, not swallowed.

It is the little bits of things that fret & worry us; we can dodge an elephant, but we can't dodge a fly.

The greatest thief this world has ever produced is procrastination & he is still at large.

If you ever find happiness by hunting for it, you will find it, as the old woman did her lost spectacles, safe on her own nose all the time.

Money will buy a pretty good dog, but it won't buy the wag of his tail.

INDUSTRY NEWS: Lab created coffee *Atomo Coffee* raised \$9M from *S2G Ventures*, *AgFunder*, *Bessemer Venture Partners* & *Horizon ventures*. *Impossible Foods* raised \$200M led by *Coatue*, with *XN*, *Mirae Asset Global Investments* & *Temasek* involved. *District Ventures* made an undisclosed investment in Canadian gluten free start-up *Queen Street Bakery*. *GrubMarket* acquired *Grand Foods*, a meat supplier & processor, as it continues to expand its capabilities. *Bayer's* venture arm, *Leaps by Bayer* & *Temasek* have formed a new vertical farm venture, *Unfold*, which raised \$30M. *Root AI*, artificial intelligence & robotics supporting indoor & greenhouse farming raised \$7.2M from several investors. *Indigo Agriculture*, connecting farmers with food & beverage brands, raised \$360M from *Alaska Permanent Fund* & *Flagship Pioneering*. *Covet PR*, a CPG/wellness public relations firm was acquired by digital marketing company *Power Digital*. Prior

to auction, it is rumored *Harbin Pharmaceutical*, GNC's largest shareholder, will buy GNC for \$550M in cash & assume \$210M of liabilities.

Sales remained strong (up 18.1%) during *Natural Grocers'* 3rd QTR, with income up 134.8%, despite fluctuations in foot traffic, basket size & transactions size. *SpartanNash* had a 4X increase in 2nd QTR net income with a 300% eCommerce jump & a 9.4% net sales increase. Net income grew 167% for *Ingles Market* in 3rd QTR on a 12% sales increase. *Weis Markets* saw income double & sales rise 23.7% in 2nd QTR. *Grocery Outlet* reported 2nd QTR increases in net sales (24.5%), comparables (16.7%) & adjusted net income (189.2%). Demand shifts at *Post* resulted in a 15.8% net income increase in 3rd QTR as sales fell 7.1%. *Treehouse Foods* posted a 2% revenue increase & a \$1.5M loss, lower than last year's \$172M 2nd QTR loss. *Flower Foods* saw 2nd QTR sales rise 5% & net income 9%, branded retail sales driving results. *Smithfield Foods* lost \$72M in 2nd QTR after spending \$350M to mitigate health related issues.

Walmart will pilot same-day delivery with *Instacart* in four markets. *Circle K* will add no-contact checkout. *Kroger* will expand its ship-to-home marketplace with more than 50K products from third-party sellers. *Kroger's QFC* division will pilot contactless payments. *Southeastern Grocers* has launched contactless curbside pickup & home delivery for prescriptions. *American Shaman* will open a pilot CBD store inside a *Price Chopper* location. *Nestlé* is collaborating with *With/n*, an emerging lifestyle app that helps people create a customized wellness plan. *Kroger* will partner with multiplatform media company *Meredith Corp.* to drive product sales. *CVS* is now stocking (at 2K plus stores) more than a dozen grocery & personal care products manufactured by online retailer *Public Goods*. Vertical farm *Plenty* will supply greens to 430 *Albertsons* in California. *Giant Foods* will offer *Cook-in-the-Bag* entrees & sides. *Vital Farms* is launching its first ever finished consumer product, *Egg Bites*, with veggies, cheese & meats. *Sun Basket* meal-kits will add chef-created, no-prep, *Fresh & Ready* meals, which can be made in as little as six minutes. *Amazon* is reportedly looking at empty shopping mall space for additional fulfillment space. *Hostess* launched a new innovation lab, located in Kansas, with 20 researchers, product testers & bakers. *Scoular* will build a new manufacturing site in Idaho for a plant-based alternative protein made from barley. The USDA is proposing rules to reduce organic fraud, which may increase certification requirements. The onion recalls, grown by *Thomson International*, expanded.

Per the *FMI US Grocery Shopper Trends Tracker*, consumers are reporting shelves more fully stocked & fewer out of stocks. From *Chicory*, online grocery ordering seems to be stabilizing, at 60% of consumers using ecommerce & 43% ordering once a week. Per several studies, parents are planning safe & fun Halloween celebrations. From *IRI*, 70% of Americans report that another stimulus check will have no impact on their food, beverage or personal care purchases, although 21% said they would buy more meat & 20% more vegetables. No-alcohol, RTD CBD drinks had the most new product introductions of any beverage category in 1st QTR, per *Beverage Marketing*. At-home food prices fell 0.4%, likely reflecting more even demand. The *Journal of Biological Chemistry* reports that Virginia Tech researchers have mapped the biological process that produces allicin in garlic, which may then allow for farming more powerful antioxidant bulbs.

MARKET NEWS: Markets rose, hitting record highs, among economic news including increased inflation, lower consumer confidence & a significant drop in jobless claims.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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