



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



AT THIS TIME IN JUNE, I always think about the Declaration of Independence. It was on June 11, 1776, that the Continental Congress selected the Committee of Five - Thomas Jefferson, Benjamin Franklin, Robert Livingston, John Adams & Robert Sherman - to write the greatest, most significant document ever penned by human hand. These men were brilliant, Jefferson & Franklin among the world's true geniuses. While three of them had formal education, Franklin was a dropout & Sherman never went to school. These brilliant men had something in common, they had acquired their mass of knowledge by reading everything that had ever been written, all *The Great Works!*

THE GREAT WORKS: A while back a regular *ALL EARS!!* reader asked me for the 10 books I would suggest every child read by age 18. Picking just 10 texts would be a daunting task. And would it not be the height of arrogance to lay my feeble judgement on the greatest minds of humankind? Yet, a quick glance at today's education system shows an emphasis on indoctrination, not education. Children are taught that they will be responsible for destroying the world. They are instructed to question their very self-being. They are made aware of knowledge inappropriate & not comprehensible for their level of maturity. And if these children are fully aware of their surroundings, they may realize the guilty go free & the innocent are persecuted. Much like priest & professor William Ralph Inge, (but for different reasons than the 3-time Nobel Prize nominee), we believe, "*The proper time to influence the character of a child is about a hundred years before he is born.*" That is why, as we finish the ninth year of this humble weekly rag & move onward to year 10, we rely heavily on the great minds & the great works of history to supplement our essays. So this author accepts the challenge of ten books with a few caveats – some are particular manuscripts, others refer to the general works of a particular great mind & there will be more than ten! First, the founding documents of our great Nation, the *Declaration of Independence*, the *Constitution* & the *Federalist Papers*. It is simply amazing that reading these will take less than two hours & render every other text on government (or the humongous set of laws always being passed) completely needless. To further this education on America, add Alexis de Tocqueville's *Democracy in America*. The *Bible* is next. Forget the religious aspect. Read it to understand the power of faith & the morality – the bad guys still lose & the good guys win, despite their many human flaws & frailties. And the bad guys are damned to suffering in hell; not released without bail or getting million-dollar book contracts. Then add Dante's *Divine Comedy*, this epic three-part poem, *Inferno*, *Purgatorio* & *Paradiso*. Now comes *The Prince*. Put aside your preconceptions of Machiavelli. This is the greatest text on leadership & social interaction ever written. It applies to personal, professional & political situations. The list now becomes more difficult. Works from two philosophers set the stage for 2,000 years of thinking: Plato's *Republic* & all of Aristotle, but mainly his *Eudemean* & *Nicomachean Ethics*. From there it is an easy step to reading John Locke, Edmund Burke, David Hume & George Santayana. I would not be true to my mathematical roots if I did not add philosopher/mathematicians Newton, Descartes, Spinoza & a healthy dose of Bertrand Russell. To further understand the social construct, without reading the great philosophers, there is *To Kill a Mockingbird*, *Atlas Shrugged*, *Brave New World*, *Man's Search for Meaning*, *The Chronicles of Narnia* & *1984*. To truly comprehend economics, besides Machiavelli, there is Adam Smith, Ludwig Von Mises, Friedrich Hayek, & Milton Friedman; then add Galbraith & Keynes to learn how to do it wrong. When it comes to biographies, there is Isaacson on *Franklin*, Chernow & Ellis on *Washington*, Roberts on *Churchill*, Frederick Douglass's autobiography, Goodwin's *Team of Rivals* & Metaxos on *Bonhoeffer*. There are dozens upon dozens of novelists, playwrights & poets that should be read but above all, Shakespeare is a must to understand all aspects of human nature. Does this complete a child's education? Of course not. But these works certainly provide a basis for critical, rational & well-rounded thinking. The *Declaration of Independence* is an everlasting text, in its very construct, as to how to frame an argument or position - preamble, indictment, failed warnings, denunciation, conclusion – backed by those who pledge their *Lives, Fortunes & Sacred Honor*. Jefferson & his colleagues had gained the knowledge of the world *by reading*. It is no wonder JFK, hosting a dinner for Nobel Prize winners at the White House, uttered this now famous remark: "*I think this is the most extraordinary collection of talent, of human knowledge, that has ever been gathered together at the White House, with the possible exception of when Thomas Jefferson dined alone.*"

INDUSTRY NEWS: *Icelandic Provisions* raised \$18M in funding from *Kvika & Hamrar Capital Partners*. *Reed's* closed on \$5.6M of financing, including participation from Hong Kong-based *D&D Source of Life Holding* & *Union Square Park Capital Management*. *Renewal Mill* has closed some of its Series A round, led by *Beyond Impact Advisors* with *ICA Fund* involved. *Quorn Foods* will invest in *Prime Roots'* \$30M round & partner with the mycelium deli meat maker for expansion. Mycelium bacon maker

MyForest Foods raised \$15M led by its parent company, *Ecovative Design*. Derek Jeter will invest in *Meati* & become an advisor. Non-alcoholic spirits company *Aplós* raised \$5.5M led by *McCarthy Capital*. CPG co-manufacturing connection platform *PartnerSlate* raised \$4M led by *Supply Change Capital*. *Storewise*, retail automation, acquired *MarginMAX*, software to manage DSD & wholesaler items. *TreeHouse Foods* will acquire *Farmer Brothers* non-direct store delivery coffee business & a coffee facility for \$100M. UK supermarket chain *Asda* acquired a majority stake in convenience retailer *EG Group* for £2.3B. *Retention Brands* purchased the assets of personal care subscription service *Birchbox* for an undisclosed amount. In Australia, *Woolworths* supermarket acquired closed delivery company *Milkrun* & will relaunch under its *Metro60* banner. *Lipari Foods* acquired *Comercializadora Del Midwest*, a provider of Central & South American specialty items. Belgium-based *Greenyard* purchased Italian-style, plant-based gelato brand *Gigi Gelato*. *Stoli Group* acquired non-alc brand *Pathfinder Hemp & Root*. *US Foods* acquired *Renzi Foodservice*. *Batory Foods* acquired *Tri-State Companies*, a food ingredients broker, distributor & logistics provider, terms not disclosed. Maryland's *Flying Dog Brewery* was purchased by *FX Matt Brewing Company* for an undisclosed amount. *Papa John's* acquired 91 restaurants from the *M25 division* of *Drake Food Service* in the United Kingdom. *AeroFarms* filed for bankruptcy. *Ben Weiss, Bai & Crook & Marker* founder & former executive Chad Portas will launch *Substratum*, a combination ad agency & venture capital firm to work with BFY brands.

Wegmans will close one of its largest stores, a multi-level mall store, due to poor performance. *HEB* will bring a lower-price banner to Texas, *Joe V's Smart Shop*. *Foxtrot* will open its largest store in Austin. Canadian Asian-focused retailer *T&T Supermarkets* will open a 76K sq. ft. store in the Seattle area. *Whole Foods* opened in Washington DC. NYC grocer *Morton Williams* will roll out Israel-based *Cust2Mate* smart carts. *Cub Foods* implemented *Upshop's Expiration Date Management* platform, expecting to achieve \$1.5M million in annual shrink savings. *Instacart* will pilot a favorite shopper option. *AeroFarms* microgreens have launched in *Amazon Fresh* Stores nationwide. *Walgreens* will expand its private label *Nice!* to include cereals, granolas, instant oatmeal & oats. *Gelson's* launched its first private label ice cream brand. *AB InBev* will discontinue the *Hiball* energy brand. *Scharffen Berger* will add a 43% oat milk chocolate snack. *Ferrero* debuted *Kinder Chocolate* in the USA. *Silver Hills Sprouted Bakery* launched *Omegamazing*, sliced sandwich bread with each slice containing 400 mg of omega-3s. *Local Bounti* will add chicken to a salad kit SKU. *Beyond Meat* will launch a smash-style burger, *Beyond Smashable Burger*, to food service. *SunOpta* & *Seven Sundays* will partner on upcycled cereal. *McConnell's Fine Ice Creams* launched frozen *House-Baked Cookies* & *Organic Fine Ice Cream* flavors. *Oatly* has launched an oat-based cream cheese. *General Mills* will launch a *Häagen-Dazs* yogurt. *Blue Diamond Growers* & *Brightseed* will partner to explore the health benefits of California almonds. *Little Leaf Farms* will open its 2nd Pennsylvania greenhouse this fall & fifth overall. *Enzymite* & *Aleph Farms* will co-develop new proteins that lower costs & development time for cultivated meat production. *Butterball* & *Darling Ingredients* will explore the construction of a poultry rendering plant next to Butterball's Mount Olive, NC, facility. *Puratos* will expand with a new manufacturing & a new warehouse/distribution center in SoCal. Plant-based alternative *Meati Foods* will lay off 5% of its workforce. *Panera* will roll-out drive-thrus nationwide. *NielsenIQ* announced *Brandjectory* member *True Made Foods* as its inaugural pitch slam winner. *Aldi* faces a class action lawsuit for mislabeling its cereal bars for falsely claiming "naturally flavored." Food supplies are being impacted by illegal immigrants trespassing on farms, contaminating the water supply & soil.

Half of retail & grocery workers have witnessed a theft or attempted theft in the last 6 months per *Axonify*. From *PYMNTS*, 57% of consumers (roughly 96 million people) have bought RTE meals in the past month, the highest income earners leading the way. Also, from *PYMNTS*, 87% of grocery transactions are carried out in stores; only 12% occur online. *YouGov* & *Progressive Grocer* found 67% of consumers buy groceries from traditional grocery stores; of that, 41% use mass retailers, 30% visit dollar stores/discount stores, 21% order online & 15% venture to specialty stores. From *FMI*, 90% of grocery executives say private label is important to their sales & over 80% plan to increase private brand investments over the next 24 months. Additionally, *FMI* reports that to fight inflation, 70% of consumers are changing their meal plans & 60% are comparison shopping. From *Total Shape*, many consumers are making unhealthy food choices as fast food in many states is much less expensive than preparing meals. Dine-in dominates workday lunches, with 70% dining in, down from 79% in 2019, according to *Toast*. From *Black Box Intelligence*, restaurant sales fell for the third straight month; the average patron check size fell. The *International Dairy Foods Association* reports that the USA dairy industry added 60K new jobs, increased wages by 11% & had a \$41B increase in economic impact. Washington's cherry crop will be later & larger than last year. *Wells Fargo* reports wholesale egg prices are falling as avian flu wanes & producers can increase flocks. The USDA is forecasting record soy & corn production. From John Sosland, *Sosland Publishing*, the weather forecast for summer crops appears positive. The Salinas valley will have ample water this season as Mother Nature has (& as it always will) provided sufficient moisture this winter.

MARKET NEWS: Markets were very slightly higher with little news.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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