



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**INDEPENDENCE DAY!** The Fourth of July! The birth of our Nation. This Nation! The greatest nation on Earth. America. The United States of America! America the Beautiful! Independence Day is **ALL EARS!!** favorite holiday! Why? Because we love America! Unabashedly. Unapologetically. We love what she stands for – freedom, peace, brotherhood, self-government. We love our National Anthem. We love our Grand Old Flag; the red, white & blue. We stand, hand over heart, a tear on our cheek. Again, why? Because we truly understand what our Founding Fathers were attempting to create & the great blessings that they bestowed upon us; we, the citizens of these United States!

**GREAT BLESSINGS:** Lately, there seems to be people who deride our system of self-government. They feel other systems of government, especially socialism & communism, are better than America's capitalism-based democracy. Socialism & communism, & fascism, are all born from the same idea – that a ruling elite, one person or a small group, knows what is best for everyone. They know what rights you should be allowed. They know what type of house you should live in & what kind of car you must drive. They know what medicine you can or cannot take. They know what food you should eat. They know what crisis is going to kill you. They are the only ones allowed status, wealth & privilege. They are allowed protection while others must deal with crime on the streets. Their children can have the best schools, your children must attend public schools. These people enter the public debate, saying, "*The American system has failed,*" "*This is not Constitutional,*" or "*This is not what our Founding Fathers intended.*" In truth, they are not looking to debate, they are only seeking to spout angry hyperbole. More importantly, they enter this so-called debate with an intellectual dishonesty. These people, & many others, have not even read the *Declaration of Independence* or *Constitution*, & certainly have not spent time studying it. They have not read *The Federalist Papers*; they are likely not even aware of its existence or know why it was written. They have not studied the history that the Founding Fathers had studied, nor have they studied the history these men were actually living. They have not read the works of the great minds that the Founding Fathers had studied intimately – Plato, Aristotle, Aurelius, Aquinas, Dante, Descartes, Machiavelli, Newton, Burke, Hume, Johnson, Locke & Smith, among others. And it is unlikely that these people have read the great minds that have exhorted & explained the greatness of America – de Tocqueville, Hayek, von Mises, Russell, Friedman, Sowell & Churchill. And finally, these people who expound the virtues of other political systems, certainly do not understand that communism, socialism & fascism are systems of death, destruction, oppression, poverty, injustice & violence; and most importantly, they are missing the one quality that makes America great, as de Tocqueville so elegantly explained, they are not, like America, self-correcting. Our Founding Fathers understood, & had seen for themselves, that throughout history civilizations were formed for the benefit of the ruling elite; monarchs, despots, conquerors & marauders. Our Founding Fathers understood that a decent civilization, the civilization these rugged Americans had scraped together out of a vast wilderness, was not created for the benefit of a ruling elite. They knew the important reason it was created – *to protect the weakest amongst us*. So they created government by the people. The same people whose rights, throughout history, had been oppressed for the benefit of a ruling elite – those with evil intent who would use their ruling power for their own wealth, societal oppression & destruction. These self-governing people, would have through a voting process of one vote per legal citizen, be able to correct the system. A system designed with its own set of checks & balances. A system that would protect the rights of the individual. And in two documents, the two documents that shook the world like no other save The Bible, expounded those rights. To speak, worship & write freely; to not have these rights oppressed; & to protect ourselves from these rights being taken away. And when these men, our Founding Fathers, thought about these rights, at the moment that they pledged *their lives, their fortunes & their sacred honor*; at that moment when they told the world of these **self-evident, unalienable rights** of man, that can never be taken away as they are not granted by man or government but only by God, they wrote of three rights: *The right to life, liberty & the pursuit of happiness*. In that order. The right to life, liberty & the pursuit of happiness - our great American blessings!

**INDUSTRY NEWS:** *Atomo Coffee*, bean free coffee, raised \$40M in Series A round led by *S2G Ventures*, *AgFunder* & *Horizons Ventures*. *Onda*, tequila seltzer, raised a \$12.5M growth round led by *Aria Growth Partners* & Clayton Christopher. with *25madison* & others involved. *Eclipse Foods*, plant-based dairy products completed a \$40M Series B round led by *Sozo Ventures*

with participation *Forerunner Ventures, Initialized Capital, Gaingels & KBW Ventures*. *Current Foods* raised \$18M in seed funding for its sushi-grade, plant-based alternatives, led by *Greatpoint Ventures & Union Grove* with *Electric Feel Ventures, Astanor Ventures & Tenacity* involved. *Munk Pack*, low-sugar snack bars, closed on \$5M in funding. *The Simple Root*, vegetable-based dips & spreads, will debut in the USA later this year with investment backing from *Pilot Lite & Toronto's McCain Foods*. *Avant Meats*, cell-cultured alternatives, raised \$10.8M led by *S2G Ventures* with *SWEN Capital Partners, Regal Hotels & Thia Ventures* involved. *HappyVore*, plant-based meats, raised €35M led by *Invus* with *Artal, BPI France & others* involved. *Pure Harvest Smart Farms* raised \$180.5M led by the *Olayan Group* with *Metric Capital Partners & IMM Investment* involved. *Unilever* invested \$120M in *Genomatica*, a palm oil alternative made via microbial fermentation. *AlgiKnit*, seaweed into textiles, raised \$13M led by *Collaborative Fund* with *H&M, Starlight Ventures & others* involved. *Magical Mushroom Company*, fungi for sustainable packaging, raised bags €3.4 million led by *Ecovative Design*. *Unilever* invested \$120M in *Genomatica*, a palm oil alternative made via microbial fermentation. *MamaMancini Holdings* acquired a 24% minority interest in *Chef Inspirational Foods*, fresh & frozen prepared foods, for \$1.2M in cash & stock, with an option to purchase the remainder. *Prosus* led a \$39M Series B round for corporate food ordering benefit platform *Sharebite*. *KIN*, tailored delivery & takeout options based on neighborhood demographics, raised \$3.7M from *Optimus Capital & others*. *Nexenic*, maker of *Steady*, a portable steamer to heat food, raised \$1.9M from a Swiss catering organization. India delivery giant *Zomato* will acquire quick delivery *Blinkit* for \$568M. *Nestlé* acquired New Zealand honey & supplement maker *The Better Health Company*. *Puratos* acquired France's *Rapidle*, personalized e-commerce solutions, & will merge it with *Bakeronline*, a digital bakery platform that *Puratos* acquired four years ago, to expand its online bakery options. *McCain Foods* purchased crop-monitoring AG-data business, *Resson*. *Ben & Jerry's* sold its Israeli business to a local licensee to escape its controversial business practices. *Ocado* raised £578M in a public offering. *Kalera* started trading on Nasdaq at \$14 per share after approval of its merger with *Agrico Acquisition Corp*.

*The Fresh Market* celebrated its 40<sup>th</sup> anniversary. *Giant* will relaunch its local produce boxes featuring in-season produce sold through *Giant Delivers*. *Save a Lot* is running new ads showing their private label brands overtaking legacy brand items. *Amazon* now has an analytics tool that allows CPG suppliers to track shopper interest in products they sell in *Amazon Go & Amazon Fresh* stores. *KPI*, logistics solutions, & *Phononic*, cooling technology, will partner to offer automated, temperature-controlled crates & totes to improve the cold supply chain. *Little Leaf Farms* reports it now has 42% of the indoor-grown leafy greens retail sales market. *Conagra Brands* opened a new 245K sq. ft. state-of-the-art vegetable & rice processing facility in Minnesota to support its *Birds Eye* brand. *Agropur* will invest \$34M in its ice cream & frozen novelties plant in Truro, Nova Scotia. *Kroger* will invest \$70M for a 35K sq. ft. expansion of its *Tamarack Farms Dairy* with an aseptic milk line that will allow the retailer to offer new dairy products. Phoenix-based *Cult Artisan Beverage* launched its bottle *Botanical Infusion* in 380 *Sprouts*. *Beyond Meat* will introduce a plant-based steak analog. *Just Ice Tea* will be introduced by Seth Goldman. *Nestlé* developed a healthier cheese in partnership with *NIZO*, a fat-reduced cheese that is a near-equivalent to full-fat Edam. *King Arthur Baking* has launched a new collection of keto-friendly baking mixes & pizza dough flour. *Panda Express* is rolling out robotic cookers. *Clif Bar* settled a \$10.5M lawsuit claiming its kid's bar contained too much sugar to be labeled healthy.

*H-E-B* was the USA's top-ranked online grocery retailer in the *dunnhumby eCommerce Retailer Preference Index*; ranked ahead of *Amazon, Walmart, Sam's Club, Kroger, BJ's & Sprouts*. From *Apptopia*, supermarket mobile app usage has risen sharply (13%) as consumers seek relief from the government policy driven inflation. From *Placer.ai*, consumers are reacting to higher prices in superstores, grocery stores, discount grocers & restaurants by reducing visits, with a significant decline in foot traffic during 2<sup>nd</sup> QTR from 1<sup>st</sup> QTR. Self-checkout terminal providers shipped 200K units in 2021 & will exceed 300K by 2027, per the *RBR Global EPOS & Self-Checkout 2022* report. The *International Dairy Foods Association (IDFA) & Research America* found that Americans' favorite ice cream flavors at the scoop shop are Cookies N' Cream, Vanilla, Chocolate, Mint Chocolate Chip & Strawberry. Meanwhile, at the grocery store, Americans' favorite flavors are Chocolate, Cookies N' Cream, Vanilla, Strawberry & Chocolate Chip. In a survey from *Frito Lay*, 42% of consumers prefer a snack that is a flavor combination such as sweet & spicy or tangy & salty. From the University of Kentucky & published in the *Drug & Alcohol Dependence*, 64% of CBD products contain traces of THC, in some cases, enough to trigger positive test results. Declining production volume has sent cocoa prices higher. Blueberry prices will rise as California's harvest is ending early & the Northwest's harvest season is starting late. From the *American Farm Bureau Federation*, American's 4<sup>th</sup> of July cookout will cost 17% more due to government spurred inflation.

**MARKET NEWS:** The markets continued on a downward track, as stocks closed their worst first half since 1970! The Consumer Confidence Index tumbled. Final revision of 1<sup>st</sup> QTR GDP came in even lower, as the economy shrank 1.6%. The full year GDP forecast is -1.0% as government policies seem to have purposefully driven the economy into recession.

## **SEEDS, SPROUTS, GROW, HARVEST!**

**THE LITCHFIELD FUND** – *Tom Malenka*

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