



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



MATHEMATICAL PERFECTION. Bertrand Russell felt math was as beautiful as art or music, but purer & more austere. Mathematical perfection is why bridges & buildings don't collapse; airplanes fly & humans reach space & return. The perfection of equilateral & isosceles triangles, the Pythagorean Theory or a proof completed with the fewest steps, variables or assumptions. Perfect numbers are the sum of their divisors. The number 6 is a perfect number, the sum of its divisors (1 + 2 + 3), as are 28, 496 & 8,128! The largest perfect number found to date is almost 50M digits long & mathematicians search for a larger one. A daunting task, much like creating the perfect Christmas!

BEAUTY, PERFECTION AND CHRISTMAS: Bertrand Russell was on to something in his belief that mathematics was a perfection, a beauty, purer & more austere than paintings & music. There is a tangible precision to mathematics such as a pie cut into equal parts. Beauty, & perfection, are intangible, they only exist in the eye of the beholder. Perfection exists only in the abstract, only as an illusion. Something to strive for, but unattainable, untouchable, unreal. This is why coaches focus on excellence & execution ([Habitual Excellence, ALL EARS!!, 1/2/21](#)), not perfection. Yet we all seek the perfect career or job, the perfect spouse or partner, the perfect vacation, the perfect house & home. And we all, at one time or another, have tried to create the perfect holiday, the perfect Christmas. It seems the notion of a perfect Christmas runs through each of us, some of us more than others. But why? Why is creating the perfect Christmas so important to so many of us? At Christmas, people work hard to find the perfect gift, make the perfect dinner or put up the perfect, most beautiful tree & decorations for their loved ones, family & friends. Often, people believe a perfect Christmas can make up for the shortcomings of the past year or set the stage for a better new year. They hope the perfect Christmas will heal past wounds & bring friends & family closer, or back, together. It does not take an advanced degree in Psychology or Sociology, or a deep understanding of great philosophical thinking, to understand peoples' desire for the perfect Christmas. Christmas is a season of giving, forgiveness, renewal, beauty, promise & hope. God, in His love, gave to us the gift of His only Son, born here on Earth to forgive us of our sins & to give us a chance to start over. The shepherds saw the beauty of His Glory in the heavens. A star, filled with promise & hope, guided their path & the path of three wise men, to the newborn King. They in turn brought Him gifts, the humble gifts of peasant herders & the rare gifts of gold, frankincense & myrrh, the gifts of kings. They were humbled by the hope given to them, for a new life, a new world. A perfect, serene, beautiful story, simple yet meaningful. And once a year, we mere humans try to recreate this perfect story. Our love drives us to give the perfect gift, create the dazzling display, find a way to mend, forgive or even forget past transgressions & seek the promise another new year brings. And while we may be able to cut the Christmas mincemeat pie into six equal parts, the perfect Christmas is just an illusion, an abstract vision. If we strive too hard to create the perfect Christmas, we will miss the beauty & the meaning of the season, this season of love, kindness & hope. And that beauty is itself, indeed, perfection.

INDUSTRY NEWS: Dairy-free frozen dessert *NadaMoo!* raised \$10M led by *District Ventures Capital*, *InvestEco* & *Killam Investments*. *Grupo Bimbo* led a Series A funding round for Ecuador-based *LiveKuna*, superfood snacks, cereals, pastas & alternative baking flour. *The Every Company*, alt-egg, raised \$175M (lifetime funding now at \$233M) co-led by *McWin Food Ecosystem Fund* & *Rage Capital*, with involvement from *Temasek*, *Grosvenor's Wheatshaf Group*, *TO Ventures* & *Prosus Ventures*. *Hellowater* raised a \$2.4M Series A round from several investors. Potato giant *McCain Foods* invested \$55M in Irish frozen plant-based food company *Strong Roots*, taking a minority stake. *Dispatch Goods* raised \$3.7M in seed funding to boost its reusable container infrastructure for restaurants, led by *Congruent Ventures* with *Bread & Butter Ventures*, *Precursor Ventures*, *Incite Ventures*, *MCI* & *Berkeley SkyDeck* involved. *Pod Foods*, inventory management platform, announced \$13M in funding, partly Series A & other funding, with *M12*, *Moment Ventures*, *Industrious Ventures*, *Unshackled Ventures*, *Barrel Ventures*, *Relish Works*, *X Factor Ventures*, *XRC Labs*, *K2 Global* & *Graphene Ventures* taking part. Tractor & farm machinery manufacturer *CNH Industrial* acquired software platform *NX9*, a data-sharing platform for connected agricultural & forestry machinery. *Reef* acquired virtual kitchen startup *2nd Kitchen* for an undisclosed sum. *Kainos Capital* sold its portfolio company, kid's brand *good2grow*, to *Wind Point Partners*. *BlueTriton Brands*, natural spring water, has acquired certain assets of *Saratoga Spring Water Company*. *Sysco* will acquire *Continental Grain's The Coastal Companies*, fresh produce distributor & processor.

Northwest Farms & Proterra Investment Partners have acquired *Willamette Egg Farms* from *Post Holdings* subsidiary *Michael Foods*, increasing their cage-free egg production. *Symrise AG* will acquire *Giraffe Foods*, producer of customized sauces, dips, dressings, syrups & beverage concentrates from *Graham Partners* & the founding Powell family for an undisclosed amount. *J.M. Smucker* sold its private label dry pet food business to *Diamond Pet Foods* for \$33M. *Nestlé* sold \$10B of its *L'Oréal* shareholdings back to the beauty/personal care company. *Jack in the Box* will acquire *Del Taco Restaurants* for \$575M at \$12.51 per share. Online bulk-products retailer *Boxed.com* completed its IPO with SPAC *Seven Oaks Acquisition Corp.* & announced a technology agreement with *Google*. Singapore-based *Grab*, food delivery, completed its merger with Nasdaq-listed SPAC *Altimeter Growth Corp.*, netting \$4.5B at a \$40B valuation, now the world's largest SPAC.

Publix will be looking to open a second store in Kentucky. *Food Lion* just opened its 75th new store in 2021. *Jewel-Osco* has opened a micro-fulfillment center just outside of Chicago. *Kroger* will build its 16th *Ocado*-powered automated warehouse in North Carolina. *Walmart* will add a fulfillment center in Tennessee. *DoorDash* will join the ultrafast delivery market in NYC with a dedicated set of drivers for its *DashMart* virtual C-store brand, with an eye on expansion. *Uber Eats* now offers additional retailers like *Walgreens*, *Rite Aid* & *GoPuff*. *Ahold Delhaize* will expand its *Instacart* 30-minute delivery across its additional banners. Robotic delivery start-up *Coco* will enter the grocery industry with a pilot at *Erewhon* & a new remote operated, larger capacity vehicle designed with *Segway*. *Shipt* & digital commerce solution provider *Wynshop* will offer same-day delivery services for regional grocers. *Big Y Foods* now offers same-day ordering & pickup through its *myPicks* online ordering service. *Bristol Farms* will use *DoorDash* for same-day delivery in SoCal. Canadian grocer *Goodfood Market* has launched on-demand quick delivery to highly dense key neighborhoods in Montreal. *Tcho* chocolate will move all its products to plant-based over the next few years. *Mondelez's Tate's Bake Shop* has introduced a new line of cookies that are certified vegan & kosher. *Dole* plans on launching upcycled food products in late 2022 as part of its specialty foods group. After several years of R&D, *Startchy Inc.* has launched *Yumbrella*, a certified-organic coating for the apple industry to reduce spoil & claiming to be the first washable coating for the USA fruit & vegetable industry. *Pairwise* is using gene-editing technology to change the DNA of blackberries & black raspberries to remove the seeds, improve the plant structure & remove thorns from the bushes to make harvesting more efficient. *HEMAMI*, the meaty taste & aroma flavor from *Motif FoodWorks*, is now commercially available for large-scale distribution to customers. *Post Holdings* will spend \$86M on a new 215K sq. ft. manufacturing facility in West Jefferson, Ohio for *BellRing Brands'* protein drinks, expected to create 200 new jobs. *RE Energy* will expand its existing facility in Denmark, to supply over 8.8M lbs. per year of *Arrabina* prebiotic fiber from *Comet Bio*, who recently completed \$25M in financing. *Oatly* is planning three new global production sites by 2023 with a goal to self-produce 60% of their inventory. *Riceland Foods*, the world's largest miller & marketer of rice, will invest \$13.2M to expand its plant in Arkansas. *Kraft Heinz* will combine its USA & Canadian businesses to increase agility & innovation. *Schwan's* & *Conagra* are involved in a trade secrets lawsuit involving a former *Schwan's* research scientist. From *Food Business News*, higher fertilizer prices & tight supplies may limit next year's acreage. Several states are considering ending grocery taxes amid out-of-control economic policy generated inflation.

Major grocery brands held half of the top 10 spots in the annual ranking of customer trust & loyalty in *Qualtrics' 2022 Experience Index*, with *Costco*, *Amazon* & *Kroger* topping the list. From *Placer.ai*, brick & mortar visits on the day before Thanksgiving rose substantially over both 2020 & 201, at the major grocers, club stores & big box retailers. From *Supermarket News*, inflation & increases in food-at-home spending will elevate revenues for traditional supermarkets, per Scott Mushkin, founder/CEO, *R5 Capital*. From *SurveyGoo*, for *Ingredient Communications*, consumers will stop buying a food, beverage or nutrition item when its price increases an average of 40%, with increases varying on specific products like milk (52.4%), bread (51.8%), meat (50.6%), coffee (48.3%), bottled water (46.7%), fresh vegetables (47.2%), fresh fruit (45.3%), chocolate (31.3%) & potato chips (32.8%). *Canada's Food Price Report 2022* forecasts an overall food price increase of 5% to 7%, the largest increase in 12 years, with dairy, restaurants, bakery & vegetables among the highest increases. Fresh vegetable prices in China have risen 30.6% YOY. From *Sagacious IP*, the number of patents granted & published globally for healthy snacks are projected to be greater in 2021 when compared to any of the last four years. From *Catalina*, cough/cold remedy sales have increased 68.1% this year, while immunity-boosting product sales rose 86.7%, vitamin sales rose 31.2% & sleep aid sales rose 44.8% on a two-year basis. From *Deloitte*, restaurant carry-out & delivery appears to be making a permanent shift, as close to 2/3 of consumers are using these services once a week & plan to continue. From the *Journal of Immunology Research*, the gut microbiotic of people with mild cognitive impairment is different than others & could be an indicator of potential decline.

MARKET NEWS: Markets were higher. Inflation rose 6.8% YOY, the largest increase since 1982, with energy costs, due to USA government economic policy which has decreased the supply & production of domestic oil, being the driver.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenga*

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