



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**OUR FIRST CHRISTMAS TOGETHER** was just six months after we met. The gifts my much better half gave to me were absolutely amazing, because they showed me just how well she already knew me! An art deco style poster from the 1939 Chicago World's Fair & a pair of cufflinks, imbedded with 1940 French postage stamps. Gift giving began in early ancient tribal times, often to acknowledge an accomplishment or success. Christmas gift giving dates to early Christianity, a representation of the *Gifts of the Magi* to the baby Jesus. Almost always, gifts are given as an expression of love, with the intention to create happiness. But in truth, there is a big difference between gifts & giving.

**GIFTS AND GIVING:** Among the many fond memories of my Christmas gifts is one not-so-fond memory. It was Christmas, my freshman year in college. My mom surprised me with a 13-inch black & white TV for my bedroom. I was angry & upset! Dad was unemployed, mom was working at a discount store & I was working my tail off to get through freshman year. A black & white TV for my bedroom seemed extravagant & unnecessary, especially at the whopping price of \$68. While today \$68 may not even pay for a tank of gas, in 1978 it was almost the cost of a college credit hour! My mom wanted me to have the TV to break up all the studying I was doing in my room during college. Actually, that TV was used for the next 30 years, until the FCC changed transmissions from analog to digital. Gifts should be an expression of love, a desire to bring happiness to the receiver, given to satisfy a desire or need. But sometimes, instead of being an expression of love, gifts are a replacement for love. From author Robert Louis Stevenson, "*You can give without loving, but you can never love without giving.*" Think of the classic 1950s marriage – executive husband & 'dutiful' housewife! The husband spends long hours at the office, dinner meetings, business meetings at the country club over golf & drinks; the wife raises the kids, cleans house & cooks dinner, usually rewarmed late in the evening. But the husband brings the wife gifts of jewelry & minks, a replacement for the true gift of love. Many people, both the giver & the receiver, measure love by the quantity, size & price of the gifts. But a true gift of love, & given in love, cannot be measured in integers, height X width X depth or dollars. The true gift of a love is not presents, but presence, presence in someone else's life. Being there, giving ongoing love, support, understanding, care, compassion, kindness & warmth. Giving these gifts are infinite in amount & size, & cost nothing. They are extremely valuable, never wear out & with proper care, will last forever. They are the true gift – the giving of oneself in someone else's life! From American author Kahlil Gibran, "*You give but little when you give of your possessions. It is when you give of yourself that you truly give.*" Nietzsche explains why giving is so valuable, comparing the act of giving to gold: "*How did gold get to be the highest value? Because it is uncommon & useless & gleaming & gentle in its brilliance; it always gives itself. Only as an image of the highest virtue did gold get to be the highest value. The giver's glance gleams like gold, it is gleaming & gentle in its brilliance: a gift-giving virtue is the highest virtue.*" More than one philosopher & theologian has told us that the more we give, the more we receive. American editor, writer & Republican abolitionist George William Curtis eloquently reminds us that giving of ourselves is a reward in itself: "*The fragrance always stays on the hand that gives the rose.*"

**INDUSTRY NEWS:** Nut & oat milk brand *Malk Organics* secured \$9M led by *Benvolio Group* & *Rotor Capital*. *KDP* will invest \$863M for a 30% stake in *C4 Energy* maker *Nutrabolt*. *Post Holdings* led an oversubscribed A3 round for *PeaTos*. *Black Sheep Foods*, plant-based lamb, raised \$12.3M with *Unovis*, *AgFunder* & others involved. *Doehler Ventures* is investing in UK-based *Clean Food Group*, a cultivated alternative to palm oil. Indian consumer nutrition platform *HealthKart* raised \$135M led by *Temasek*. *Oda*, Norway's leading grocery delivery, raised \$151M at just a \$353M valuation; investors included *Kinnevik*, *Verdane*, *Summa Equity*, *Rasmussen Group*, *Prosus* & others. *Solis Agrosciences*, R&D crop development services for Agtech companies, closed a major growth capital financing led by *Hermann Companies*, *Jim McKelvey* & *BioGenerator Ventures*. *Sound Agriculture*, crop nutrients & plant breeding,

raised \$75M led *BMO Impact Investment Fund* & others. French ag robotics startup *Naiø Technologies* raised \$33M led by *Mirova*. Norway's *Avisomo*, vertical farming, raised €2M in seed funding. Canada's *GoodLeaf Farms*, vertical farming, raised \$150M led by *McCain Foods & Power Sustainable Lios*. Forest management platform *Gaia AI* raised \$3M led by E14 with participation from *Ubiquity Ventures*, *Space Capital* & *SOSV's HAX*. *Getir* acquired ultrafast grocery delivery rival *Gorillas*. *Intelligent Foods*, acquired 15-minute meal kit service *Gobble* for an undisclosed amount, bringing it together with its *Sunbasket* offering. The *Ferrero Group* will acquire *Wells Enterprises* & a position in the North American ice cream & frozen novelties with brands such as *Blue Bunny*, *Blue Ribbon Classics*, *Bomb Pop* & *Halo Top*. *Mill Point Capital Partners* acquired *Seviroli Foods*, a manufacturer of frozen pasta & other food products. *Second Nature Brands* acquired *Brownie Brittle* from *Encore Consumer Capital*; terms not disclosed. *From the Ground Up* acquired *Velocity Snack Brands* & its *Popchips* brand. Beverage investment group *Golden Grail Technology* acquired *Sway Energy* drink. *USANA Health Sciences* acquired *Rise Bar* & lifestyle provider *Oola* for undisclosed amounts. *California Dairies* will acquire *DairyAmerica*. *Peterson Farms Family of Companies* acquired the fresh-cut processors *Fresh Innovations California*. Supply chain SaaS platform *Orderlion* acquired French competitor *Supli* to expand its digitized B2B food supply chain. *Dine Brands Global* will acquire the 138 location fast casual concept *Fuzzy's Taco Shop* brand from *NRD Holdings* for \$80M. Restaurant management platform *MarginEdge* raised a \$45M led by *Ten Coves Capital*. *Unilever* may be considering a \$3B sale of several of its ice cream brands, including *Klondike* & *Breyer's*.

*ShopRite* operator *Village Super Market* said inflation drove 1<sup>st</sup> QTR sales gains of 5.2% as net income increased by 51%. Despite 1<sup>st</sup> QTR YOY increases in revenue & earnings, driven by the natural channel, *UNFI* missed estimates. Strong snacks sales, price increases & an improved supply chain helped drive sales up 15% & net earnings up 16% in *Campbell's* 1<sup>st</sup> QTR.

*Yahoo Finance* named *Costco* as its company of the year. *Walmart* & *Target* warned of price increases & store closing due to the impact of theft & crime. *Flashfood* expanded its presence with *Stop & Shop* in NYC & will bring its lower waste platform to *Yellow Banana's Save A Lot* stores. *Instacart* will deliver fresh cut Christmas trees. Ecommerce platform *eGrowcery* has added foodservice planning, ordering & delivery functionality to its platform. *Uber Freight* & *Aurora Innovation* will expand their autonomous vehicle pilot with a new commercial lane between Fort Worth & El Paso. *Orbillion Bio*, cultivated meat from 'heritage' breeds such as Wagyu & elk, will team with bioprocesser *Solar Biotech* to scale production. *Kraft Heinz* will launch a non-dairy *Philadelphia Cream Cheese*. *Popcornopolis* & *Takis* will partner on a new hot chili pepper & lime popcorn. *Bel Brands* will add additional alt-dairy products. *PepsiCo* will open its first UK oat testing laboratory to test & analyze thousands of oat samples for milling & nutritional requirements. *Smucker* will build a 29K sq. ft. *Uncrustables'* R&D facility on its Orrville campus. *Mondelez* opened a new Virginia supply chain distribution center. Indoor vertical farm *Crop One* opened a second facility in Hazle Township, PA. *Believer Meats* will invest \$123M in a new cultivated meat facility in North Carolina, claimed to be the world's largest. Single-serve frozen entrees maker *Bellisio Foods* will invest \$40 to expand its production facility in Jackson, OH, creating 177 new jobs. The *Wall Street Journal* reports that *PepsiCo* will eliminate hundreds of jobs at its headquarters. *Blue Apron* will reduce its workforce by 10%. The European Patent Office revoked an EU patent held by *Impossible Foods*, perhaps adding fuel to its USA patent dispute with *Motif Foods*. *Uber Eats* will pay a \$10M fine in Chicago for listing restaurants without their consent.

From *IRI*, food prices increased 13%, YOY. Canada's *Food Price Report 2023* shows a 5% to 7% food price increase in 2023, with Canadian families spending \$1000 more a year on food due to inflation. From *Swiftly*, 67% of consumers are struggling to pay for groceries. From *Kroger's 84.51°*, 95% of plant-based consumers either maintained or increased their spending on plant-based foods. Grocery stores added 4.5K employees in November & restaurants added more than 60K as the industry gears up for holiday volume. Celery prices are up 42%.

**MARKET NEWS:** Markets saw the worst week in 4 months on a disappointing PPI & Blackrock's intense recession warning.

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

THE LITCHFIELD FUND – *Tom Malenka*

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