



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



MOST DADS ARE NOT HOWARD CUNNINGHAM, but they are also not Al Bundy. My Dad, ([ALL EARS!! My Dad, 11/11/17](#)), like most dads, fell well in between. He was born 100 years ago today, the sixth of seven children. The oldest three had been born in Italy. Lena, who was born in 1918, died in my Nona's arms during the 1919 Spanish Flu outbreak. Dads pass to us many qualities & traits; some genetic, some taught, some by both good & bad example. Dads also impart a grasp of our roots & heritage, *of who we are!* My roots are simple & humble with a deep love & respect for America & those who serve, for farmers, for working men & women & for my Italian heritage!

GARLIC TRADITIONS: Whether it is genetic characteristics or just learned behavior from family traditions & examples, this 2nd generation American certainly displays many of the traits associated with being Italian! I have strong, deep feelings which I openly & honestly express! I obviously love to tell, shall we say, weave a story, although **ALL EARS!!** readers miss the added emphasis of my moving hands! I have an appreciation for music, art & literature & I am easily moved by story & song! Who & what I love, I love deeply, passionately & unconditionally! Everything worth undertaking, I approach enthusiastically! Generally, I have a joy for living! Cooking for & nourishing those I love is a primary *raison d'être!* And being Italian, while every meal is only complete with good food & conversation, no meal is complete without olive oil & garlic, *which we have been pantry-loading for decades!* Garlic is one of the oldest crops known to man because of its powerful flavor & its easy cultivation in most climates! Ancient pagans & Egyptians buried garlic with their kings & queens to protect them as they crossed to the other side & to honor the gods of the afterworld. Later, nobles literally turned up their noses to garlic, viewing the bulb as a food of the peasants, used to add flavor to their daily gruel! Garlic has been valued over the centuries for its medicinal properties, good for the heart, lowering blood pressure & cholesterol. It is a powerful antimicrobial, antibiotic & antioxidant. Its properties have been shown to fight cancer, help prevent Alzheimer's, dementia & fight the common cold! And of course, it prevents vampire bites & this writer swears it is why mosquitos stayed away during a Hot (swampy Cleveland) August Night! These qualities are only amplified by fermented black garlic (which has a sweet taste & texture similar to figs or dates) & when wrapped in bacon is good for both the heart & soul! Chef & writer Louis Diat, who reintroduced Vichyssoise to the world at the NYC Ritz Carlton in the summer of 1917, said, "*Without garlic I simply would not care to live,*" & "*There are five elements: earth, air, fire, water & garlic.*" From author Leo Buscaglia, "*There are many miracles in the world to be celebrated & for me, garlic is the most deserving.*" Chef Marcel Boulstein felt, "*Peace & happiness, begin, geographically, where garlic is used in cooking.*" Author JG Ballard tells us, "*If you can smell garlic, everything is all right,*" which is probably why William Shatner advises, "*Stop & smell the garlic! That's all you have to do.*"

INDUSTRY NEWS: *Tanka*, meat snacks, raised \$2.5M led by *Candide Group*. *Cooks Venture*, heirloom chickens, raised \$10M led by *SJF Ventures & Cultivian Sandbox*. *The Better Meat Co.*, meat enhancing proteins, raised \$8.1M led by *Greenlight Capital & Green Circle Foodtech Ventures*, with *Johnsonville Sausage* involved. *CPT Capital* led a \$91.3M raise for alt-protein company *Geltor* with *ADM Ventures* involved. AI grocer demand planning tool, *Shelf Engine*, raised \$12M led by *GGV Capital*. A DTC sampling service, *Sampler*, raised \$4M led by *StandUp Ventures & BDC Capital*. *Vive* closed a C\$7.2M round, led by

Urbana Corporation, for its nano-tech process that improves the delivery of existing crop chemical or bio-based inputs by wrapping them in nano-scale polymers so that they remain unaltered. Israeli startup *SavorEat* raised \$3M for its 3D-printer that uses infrared light to cook a plant-based burger that it prints. *New Age Beverage* will acquire multi-level marketing company *ARIIX* & four other international brands, with a combined projected revenue of over \$500M & a 75-country presence. *Unilever* will divest most of its tea business but keep its *Lipton* brand in India & Indonesia & its RTD partnership with *PepsiCo*. *Campbell Soup* sold its stake in *Acre Venture Partners Fund* to private market investment firm *Stepstone* for \$40M, considerably less than the \$85M *Campbell* invested.

Sprouts Farmers Market rode a 9.1% comparable sales increase & a 500% eCommerce increase to an overall 16% sales gain & twofold jump in 2nd QTR net income. *Albertsons*, in its first post-IPO earnings report, saw 1st QTR comparable sales rise 26.5%, digital sales rise 276%, revenue grow 21.4% with a beat on earnings expectations. *Amazon* reported a three-fold growth in on-line grocery sales during a strong 2nd QTR. *Blue Apron* reported its first positive quarter with a 2nd QTR net income of \$1.1M, revenue rising 10% & 20K new customers acquired. After earning \$1.4B in 3rd QTR a year ago, *Starbucks* had a loss of \$678M on a 38% revenue dip. Revenues fell 30% & earnings 68% in 2nd QTR for *McDonald's*. *Mondelez* saw revenue drop 3.2% & earnings rise 10.5% in 2nd QTR. Revenue grew 2.8% & profit rose 18.4% in *Nestlé's* first half. *Kellogg* showed a net income jump of 21.4% on flat 2nd QTR revenue. *Kraft Heinz* took a \$3B impairment charge on the value of certain businesses & lowered guidance despite beating analyst forecasts for 2nd QTR adjusted earnings & revenue.

Walgreens has doubled the number of same-day curbside pickup locations to 8600 USA wide. Reportedly, *Lidl* is looking to sell some 15 undeveloped retail sites they purchased when looking to expand their USA presence. Walmart may be looking to expand its healthcare clinics into Florida & has announced plans for six of these health centers in the Atlanta area. *ShopRite* follows *Heinen's* lead by using the salad making robot, *Sally*. *FreshDirect* will use *Fabric* technology for a micro-fulfillment center in Washington, DC to expand offerings & launch same-day service. *Instacart* & *Costco* will launch same-day delivery in Canada. Major retailers have formed a partnership to speed up the development of a viable alternative to the plastic bag. *Trader Joe's* will not remove the brands that were suggested by an online petition. *Post* will partner with *Dunkin'* to introduce a pair of RTE cereals inspired by *Dunkin'* coffee beverages. *BrightFarms* is now in over 2K stores with its hydroponic greenhouse grown produce. *McDonald's* will close 200 of their 14K locations, half of which are in *Walmart*, due to low sales. *Dunkin'* will close 800 locations in the USA that amount to just 2% of USA sales & close 350 international stores. *Mondelez* will reduce 25% of its SKUs that account for just 2% of revenues. *SupplySide West* & *NACS* have been cancelled.

Global clean label food product sales are expected to reach \$180B in 2020, according to *Euromonitor International*. *Mordor Intelligence* reports that the market for clean label ingredients will have a 6.75% CAGR, growing to \$51.1B in 2024. More than \$1.1B has been invested by big food brands & groceries in alt-proteins so far in 2020, according *FAIRR*, more than double the total 2019 investment.

MARKET NEWS: Markets were generally higher. The FED stated plans to hold steady & use all tools to support the economy. Personal income fell in June but spending rose. While the GDP contracted by a post WWII record, the contraction was less than the experts predicted, a 9.5% contraction during the quarter.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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