



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WE TURNED BACK THE CLOCKS earlier this week. The sun now sets early, leading to the prospect of a cold, dark winter, locked down against the elements. In Greek mythology, Hades, god of the underworld, kidnaps Persephone when her mother, Demeter, would not allow them to marry. A distraught Demeter, goddess of the harvest, brings winter to the world as she searches for Persephone. Zeus intervenes & Hades returns Persephone & spring arrives. But Hades, in an act of treachery, gives Persephone a pomegranate. Upon eating its seeds, she is forced to spend 3 months a year with Hades, bringing winter each time as she crosses the river Styx into the *inferno!*

DANTE'S INFERNO: *Inferno, Purgatorio & Paradiso*, the three parts of Dante's epic poem, *The Divine Comedy*, tell the tale of what happens to the human soul in the afterlife. As the *Inferno* begins, Dante falls asleep on Holy Thursday & dreams he is lost in a cold, dark forest. He begins to ascend a mountain but his path is blocked by three creatures, each representing a sin that prevents a soul from attaining heaven: a she-wolf (wantonness), lion (violence & bestiality) & leopard (fraud & malice). Dante descends the mountain & falls asleep, to awake on Good Friday to the Roman poet Virgil. He learns the only path to salvation is to recognize his sins & to do so, he must journey with Virgil through the Gates of Hell, beneath a sign that reads, "*Abandon all hope, ye who enter here.*" They enter limbo, where Virgil lives, with other souls of the uncommitted; those who took no sides, were neither good nor evil, but only looked out for themselves. In limbo, Dante meets the *great minds*, who with Virgil will guide Dante through Hell: Socrates, Plato, Aristotle, Homer, Ovid, Cicero, Seneca, Thales, Hippocrates, Heraclitus, Euclid, Ptolemy & others. Limbo is only the first circle of Hell, there are eight remaining concentric circles. The deeper into hell, the worse the severity of the sin, each with a punishment fitting the crime (poetic justice) & Satan himself at the center. Dante describes each circle in vivid, illustrative detail that has often been copied in literature, art & film. The second circle of Hell is lust, followed by gluttony, greed, wrath, heresy & violence. The last two circles, for the two sins that Dante believed were the most severe, are for fraud & treachery. The eighth circle, fraud, is an evil stone ditch, to characterize the decay of civilization & filled with those who caused it: the seducers, panderers & flatterers; the hypocrites & thieves; the falsifiers who sow discord & fraud; & the barrators, those corrupt politicians who enriched themselves by trafficking in public office. The barrators are boiling in black pitch to represent their sticky fingers & dark deals, guarded by creatures with 'evil claws' who tear at their flesh. In the ninth circle, *an icy Hell*, are those who committed treachery; to their kin (frozen up to their necks in ice, but able to bend their heads from the wind) & worse, to their country (frozen in ice, but unable to move their heads, gnawing on the heads of other traitors). Why did Dante, like Plato & Aristotle, see fraud & treachery, as the worst of sins? These sins involve breaking a promise & trust. It takes cunning, calculation, planning & intent. It is not a sin of passion or desire. It is a sin that demonstrates a violation & weakness of the human soul. In the center of Hell is Satan himself, who committed the ultimate treachery, that against God. Sophocles tells us, "*Things gained through unjust fraud are never secure.*" From philosopher Richard Whately, "*All frauds, like the wall daubed with untempered mortar... always tend to the decay of what they are devised to support.*" Ben Franklin felt, "*Tricks & treachery are the practice of fools, that don't have brains enough to be honest,*" as did Francois de La Rochefoucauld, who said, "*Cunning & treachery are the offspring of incapacity.*" Maria Louise Ramé, like Dante, thought, "*There is no knife that cuts so sharply & with such poisoned blade as treachery,*" as

does fantasy author Jim Butcher, “*The reason treachery is so reviled is because it usually comes from someone you didn't think could possibly do such a thing.*” Fortunately for Dante, he awakens from his dream on Easter morning, ready to begin his journey through *Purgatorio*, where sinners repent & pray for forgiveness & his journey onto *Paridisi*o.

INDUSTRY NEWS: *Schoolyard Snacks*, old time snacks made better, raised \$5M from *Lyra Growth Partners*. The *Naked Market* received \$6M in funding from *Holtzbrinck Ventures*, *BEB Capital*, *Integrated Capital*, *Sequoia Capital's Scout Fund* & others. *Innovopro*, plant-based protein ingredients, raised \$18M led by *Jerusalem Venture Partners*, with *Icos Capital*, *iAngels* & *Rabo Food & Agri Innovation Fund*. *Whoop*, wrist-based heart rate monitor with monthly services, raised \$100M led by *IVP*. *Onfleet*, grocery & retailer delivery management software, raised \$14M, led by *Kennet Partners*. *Brookwood Financial Partners* put \$235M into C-store operator *Yesway*. Canadian cannabis company *Aphria* will acquire USA *SweetWater Brewing Company* for \$300M. Gluten-free baker *GeeFree Foods* was acquired by *The Fillo Factory*. *Ocado* acquired two robotics companies to increase its capabilities, *Kindred Systems* (\$262M) & *Haddington Dynamics* (\$25M). *Ingredion* will acquire 100% of *Verdient Foods*, Canadian plant-based protein manufacturer. *Pandya Restaurant Growth Brands* acquired *Corner Bakery Cafe* from *Roark Capital*. *Amici Partners Group* will acquire *Friendly's Restaurants*, which filed bankruptcy to facilitate the sale.

US Foods reported a 1¢ 3rd QTR loss as revenue dropped 10.5%. *Wakefern* reported fiscal sales that increased 9.75% due to high demand. Strong comparables & 114% online USA growth at *Ahold Delhaize* led to a 6.8% sales increase & a 8.6% increase in profit, though net profit was down due to pension plan provisions. *Sprouts Farmers Market's* 3rd QTR income grew to \$62M from \$26M on a 4.2% comparable sales gain & a 9.5% revenue increase. *Weis Markets* saw 3rd increases in sales (14.4%), comparables (14.8%), ecommerce (160%) & income (118.8%). *Publix* saw 3rd QTR net income rise 62.7% with a 18.3% sales increase & a 16.5% comp-sales increase. Overall, *Amazon* net sales rose 37% & net income jumped to \$6.3B from \$2.1B.

Natural Grocers by Vitamin Cottage celebrates its 65th year in business. Italian marketplace *Eataly* will use *Mercato's* ecommerce platform to offer same-day grocery delivery in NYC, Boston, Los Angeles & Chicago. *Sam's Club* will use *DoorDash* for same day prescription delivery. *Walmart* ended its contract with *Bossa Nova Robotics* to supply inventory control robots to more than 1,000 stores, apparently opting for humans. *Whole Foods* launched *NotMilk*, made from pineapple & cabbage juices. *Dr. Praeger's* will launch its first refrigerated line, *Classic Veggie Burger* & *Chipotle Black Bean Veggie Burger*. *Impossible Foods* has doubled its R&D staff & is now distributing outside the USA in Singapore & Hong Kong. Also, there are reports that *Impossible Milk* may be on the horizon. *ADM* will build a new probiotics production plant, to meet growing demand, in Valencia, Spain. *Darifair Foods* is building a 47.5K sq. ft. corporate headquarters & innovation center in Jacksonville, FL. *Amy's Kitchen* will open a 65K sq. ft. frozen pizza plant in California. California passed a measure exempting 3rd party delivery platforms from reclassifying drivers as employees. The USDA reports households spent an equal portion of income on food in 2019 & 2020.

MARKET NEWS: Despite election uncertainty, markets rose, indicating that investors feel Senate & House results will prevent regulations that will crush the economy, small business & free markets. October new jobs came in higher than expected & unemployment claims fell.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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