



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

SURPASSING THE PREDICTIONS OF THE EXPERTS! This phrase appears frequently in *ALL EARS!!* But it is not just the economy where experts fail to make correct prognostications! In our lifetime, we have seen experts' forecasts, which have often predicted doomsday results, fail; be it in science, geology, meteorology, medicine, politics, agriculture, culture & sports (think 1969 Jets & Mets). Yet, as we often say, this old blue spinning marble in space & ol' Ma Nature seem not to care; they laugh at us mere mortals, trying to predict the future! Why do the experts fail so often? Because they fail to take into account the unreliability of the universe & fail to consider *The Human Factor*.

THE HUMAN FACTOR: Let's say the National Doohickey Association (NDA) wants to prove *doohickeys* are better sellers, higher quality & more preferred by consumers than *thingamajigs*. The NDA assigns an intern or hires a consultant with the mission of finding data or surveying customers to verify this thesis. *Enter the Human Factor!* The intern or consultant, to please the boss & to stay employed, finds the data or creates a survey that proves the result -- *Doohickeys are the Best!* But the Human Factor comes into play in other ways. Just as it is impossible to predict Ma Nature, it is also impossible to predict human nature & free will. Our Founding Fathers understood this, preserving our God-given right to our own free will in our founding documents. Free will *is* The Human Factor, human behavior is why the experts can't predict the future or get the outcome they expect. Free will, The Human Factor, is why people defy the odds & the norms. It is why people ignore the experts & do as they please. It is why people challenge those who try to restrict their free will. Free will is why Columbus & Lindbergh crossed oceans, why Armstrong stepped upon the moon, all defying the alarmists. Free will is why Marie Curie became a scientist in a male dominated world. Besides training & preparedness, free will is why Bannister broke the 4-minute mile & why Hillary scaled Everest. Free will is why Rosa Parks didn't move. Free will is why Jackie Robinson & Larry Doby broke barriers. Free will is why our military, police, firefighters & EMTs rush to danger. Free will is why the Irish grew the hedges high to secretly teach their children when religious intolerance made education illegal. And when the totalitarian regimes of socialism, communism & fascism demanded adherence to the Church of State, it was because of free will, The Human Factor, that people did not give up their church, synagogue & faith. And when those same *Isms* tried to silence free speech & free will, the Human Factor is why Frankl, Solzhenitsyn, Walesa & Bonhoeffer stood loud & strong. They understood what C.S. Lewis meant when he wrote, "*Evil comes from the abuse of free will.*" They were the living embodiment of philosopher Isaiah Berlin, who said, "*But to manipulate men, to propel them toward goals which you see but they may not, is to deny their human essence, to treat them as objects without wills of their own & therefore to degrade them.*" From Balzac, we have, "*Does not any limit imposed upon one inspire a desire to go beyond it? Does not our keenest suffering arise when our free will is crossed?*" Many feel, as *Invictus* tells us & Churchill states, "*My conclusion: free will & predestination, they are identical;*" we remain the master of our fate & the captain of our soul. That is the basis of the Human Factor, the fickleness of us mere mortals that confounds the experts, scientists & despots; that indomitable spirit & inalienable right, to believe as we choose, to speak freely, to educate our children as we desire, to worship in our faith, to make our own decisions about our health & well-being, to start a business when we want, to aspire to live untethered & to prosper as best as our abilities allow. As Epictetus wrote, "*You may fetter my leg, but Zeus himself cannot get the better of my free will.*"

INDUSTRY NEWS: Keto snack *Love Good Fats* raised \$10.7M led by *InvestEco Capital & Expert Development Canada*. *AiFi*, cashierless retail startup, raised a significant investment from *Qualcomm* & existing backers. *BrightFarms* raised \$100M led by *Cox Enterprises*. Natural energy shot *Proper Wild* raised \$3M to expand from eCommerce to retail stores. THC-infused drinks, *Deep Desert Beverage*, raised \$1.65M. Australian plant-based meat maker *v2food* has raised A\$77M (\$55M USA). *Arbor Investments*, a private equity firm investing in food, beverage & affiliated companies, closed a \$1.65B fund. *Kainos Capital* will buy *Nutrisystem*, *South Beach Diet* & other nutrition businesses from *Tivity Health* for \$575M. *Ocado* acquired a minority stake in robotics click & collect startup technology *Myrmex*. *Barentz International* will acquire Avon, Ohio based *Maroon Group*, a specialty chemicals supplier for the food, beverage, personal care, cosmetic, pharmaceutical & household/industrial industries. *McCain Foods* is looking to sell its *Sara Lee* frozen bakery business acquired in 2013. *Nestlé* will look to sell its *Pure Life*, *Poland Springs*, *Deer Park*, *Ozarka*, *Ice Mountain*, *Zephyrhills* & *Arrowhead* bottled water brands, which could bring \$5B. *Danone* may sell the *Vega* protein brand. As previously reported, *Southeastern Grocers* has finalized its plan for an IPO.

Albertsons reported 3rd QTR adjusted income that was more than double the consensus, as digital sales rose 243%, same store sales 13.8% & revenue 11.2%. While *Nestlé* saw 3rd QTR sales fall, their ecommerce sales rose 48% to reach 12% of total sales.

Meijer, to offer customers safe holiday shopping, is expanding online options with no-membership free pickup. *Albertsons* has introduced contactless payments & is testing eCommerce contactless pickup lockers. *Amazon Prime* members will have free 1-hour pickup at all *Whole Foods*. *Blendid*, contactless food kiosk that creates nutrient-dense customized drinks on demand, will open a kiosk at a *Walmart* store. *Kroger* has launched an AI-based digital tool, *Chef Bot*, that allows consumers to access recipes by tweeting photos & will also offer shoppable recipes through the *Whisk* platform. *Feastin*, a delivery service created by local NorCal restaurateurs, debuts as a service that delivers restaurant prepared meals, meal kits, desserts & alcohol from Bay Area restaurants & offers grocery staples from area purveyors & farmers. *Farmstead* will begin delivery in Charlotte. *Amazon* will hire 1500 employees as it expands in Chicago. *Aramark* debuted its *QuickEats Close Convenience*, a fully automated, frictionless, self-guided shopping experience. After 57 years, *Coke* will end production of diet soda *Tab*, which has had limited production for years. *Jack in the Box* & *Tyson's Raised & Rooted* will test *Jack's Unchicken* & *Jack's Spicy Unchicken* sandwiches in a few markets. *Banza* will enter the frozen pizza sector.

From *Acosta*, 55% of USA consumers are eating at home more often, with 44% eating breakfast at home every day, versus 33% earlier this year. About 47% are planning to continue to eat breakfast out less often or not at all. The *American Consumer Satisfaction Index*, a leading shopper poll, found overall satisfaction with food retailers decreased 3.8% between April & September, indicating a need to rebuild customer loyalty after recent supply & service issues. Per *GlobalData*, the RTD breakfast cereals category is expected to approach \$12.1B this year, up 10.8% YOY. *Worldpay* reports that 58% of USA consumers are spending more time online ordering from groceries & restaurants.

MARKET NEWS: Markets were mostly flat this week. Unemployment claims fell. Housing starts, building permits & home sales rose. The PMI Markit Indexes for Composite Output, Services Business Activity & Manufacturing all reached 20+ month highs in October, as the strong economic recovery is in progress!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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