



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

THE SUMMER GETAWAY! Spring is upon us; it is time to start thinking about those summer getaways. Amusement parks, beaches or just the backyard barbecue. Or, for those who want the chance to get away from all the hustle & bustle, a trip to the mountains & forests of America's national & state parks. America has 63 national parks (this writer has visited 36) & more than 6,000 state parks. The establishment of national parks began with Yellowstone in 1872. While these & other national wonders & treasures were being protected, as late as 1930, land management was not well-practiced across the USA. Then in 1933, came the young men of *Roosevelt's Tree Army!*

THE TREE ARMY: The Dust Bowl of the 1930s came about due to much more than just drought & heat. For years, the government suggested practices for managing soil & land that caused the amazingly fertile topsoil of the Midwest & great plains to wash away. Overplanting, overuse, erosion & lack of crop rotation & variation depleted the soil's nutrients. Worse, over-clearing the land had removed the strong roots required to hold the soil in place & prevent erosion. Poor terracing caused floods that washed the soil away & prevented water from being retained on farmland. This week, in 1933, just after FDR's inauguration, the Civilian Conservation Corps was established. Many of FDR's New Deal policies & programs were failures that only served to make government bigger, more powerful, more wasteful & by the Administration's own remarks, unnecessarily extended the Great Depression. But the CCC may have been one program that served a purpose for America, her people & land. While Roosevelt's Interior Department would hold on to some of those terrible farming practices well into the decade, Roosevelt's Tree Army went to work. From 1933 to 1942, more than 3M men served in the CCC, including my dad. Impoverished young men, ages 17 & 18, could spend two years in the CCC. They were paid \$30 a month; \$25 of that was sent to their families. They lived in CCC camps around the country; ironically, my dad was near the small town of Cleveland, VA. (The town, today, boasts a population of 150; research reveals in 1930 it was about 250.) My dad talked of planting trees, fixing roads & repairing flood damaged areas, building walls & terracing the land. The Tree Army planted more than 3.5B trees! Yet, planting trees was just one of their accomplishments. These young men spent more than 6.5M days fighting forest fires & in the days before drones & satellites, built some 3K fire lookout towers! The boys worked to terrace over 30,000 miles of land. They dug gullies for run-off & built retaining walls that directed water back to the farmland. These boys also learned skills that would serve them in future jobs – surveying, construction & even trained farmers on land conservation. Some famous Americans served in the CCC: Actors Raymond Burr, Robert Mitchum & Walter Matthau; Author Hunter Gibson (father of actor Mel Gibson); baseball Hall-of-Famers Stan "the Man" Musial & Red Schoendienst; boxing champion Archie Moore & one of America's greatest heroes, Chuck Yeager. So if your summer getaway takes you to the forest or across America's vast farmland, remember the 3M boys who helped the land during the Great Depression. If you stop at a state park, you may want to find out if it was one of the more than 700 built by the boys of the CCC. Or, if you visit one of America's national parks, many of those trails & older cabins were built by the CCC. Some of those national parks, like Great Smoky Mountain or Big Bend, were constructed entirely by the CCC. If summer getaways aren't your thing, but winter skiing is more your style, guess what? Before the 1930s, there was no USA 'ski industry.' Skiing boomed in the 1930s as the CCC cleared ski trails & built ski tows & ski lifts! Our land is a beautiful gift. It provides us food, water & resources for fuel & power. It is here for us to utilize, to enjoy & to care for & conserve. If we take care of the land, it will take care of us & provide us with God's Grace & Bounty. From John Muir, *"Everybody needs beauty as well as bread, places to play in & pray in, where nature may heal & give strength to body & soul."*

INDUSTRY NEWS: A bit more about trees: *Treeswift* raised \$4.8M led by *Pathbreaker Ventures* for its forest monitoring drones & *Draper Associates* led a \$1.5M pre-seed round for Australia's *Lord of the Trees*, drone technology to plant tree seeds. *Umamo Foods*, protein from seaweed, raised \$3M in seed funding led by *AgFunder*. French alt-protein chicken company *Umiami* closed a \$30M Series A led by *Astanor Ventures*. *Season Health*, meal delivery tailored to patients with

diabetes & chronic kidney disease, raised \$34M led by *Andreessen Horowitz*. Online grocer *Jüsto* raised \$152M led by *General Atlantic* to expand within Brazil, Mexico, Peru & Latin America. *Better Origin* raised \$16M led by *Balderton Capital* for its AI insect mini-farms to provide poultry feed. *Mid-Day Squares* raised \$10M (at a pre-money \$35M valuation) led by *Siddhi Capital*, with *BFG*, *Selva Ventures*, *Harlo Entertainment* and a group of individual investors. *Sunscoop*, frozen dessert, raised \$2M led by *Vibrant Ventures*. *GrubMarket* acquired NJ-based supplier & exporter *Regatta Tropicals*. *Post Holdings' Weetabix Food* acquired *Lacka Foods Ltd.*, producers of *ÚFIT*, RTD protein shake brand, in an all-cash deal. *L'Occitane* acquired a majority stake in *Grown Alchemist*, a clean skincare brand, for an undisclosed amount. *Nestlé* is discussing the potential sale of its *Mousline* mashed potato business to investment fund *FnB*. *Publix* will issue a 5 for 1 stock split. *Westrock Coffee* will go public in a SPAC with *Riverview Acquisition*, at a more than \$1B valuation. IPOs have plummeted 72% in 1st QTR, a result of the disastrous economic policies of Washington DC.

Conagra had 3rd QTR results that topped estimates for earnings & revenue but were lower than the previous year as inflation impacted costs. The company warned of more consumer price hikes. *McCormick* exceeded 1st QTR expectations as supply chain issues eased. *Constellation Brands* posted 4th QTR earnings, inclusive of its cannabis business, that beat consensus estimates, but future guidance disappointed investors.

Amazon Fresh opened the first of four planned Virginia locations. *Save Mart* will reportedly add hundreds of items this year to its private label offerings. *Kroger Restaurant Supply* debuts in Dallas, offering restaurants competitive wholesale pricing & seven-day-a-week delivery. Also, *Kroger* will offer *Bed, Bath & Beyond* products on-line. *Walmart* opened the first of five new *Walmart Health Centers* in Florida. *Walmart* will increase truck driver pay & benefits & begin a new driver development program. *Wakefern Food* will test the *Simbe Robotics' Tally* shelf-scanning robot for autonomous inventory management. In Seattle, *Town & Country Markets* is moving goods between its stores using battery-powered vehicles, supplied by *PacWesty*, that owns & operates the vans. *DoorDash Drive & eGrowcery*, a retail food industry eCommerce platform, will partner to provide supermarkets access to an expanded delivery fleet by utilizing *DoorDash's* white label fulfillment platform that powers direct delivery for businesses. The *EWG* released the *Dirty Dozen & Clean Fifteen*, with the usual suspects at the top of lists. *The Better Meat Co* will launch a mycelium foie gras product. *Vital Farms* debuted *True Blues*, a blue shell heirloom egg, at *Whole Foods Markets* locations. *Beyond Meat* can now be found at 2K *Rite Aid* stores. *Bartek Ingredients* will invest \$160M in a new facility intended to be the world's largest malic & food-grade fumaric acid production plant. *SunOpta* opened its new headquarters & innovation center in Eden Prairie, MN. *Mars Wrigley* will invest \$175M to expand chocolate candy plant in Kansas, for production of *Snickers*, *Milky Way* & *3 Musketeers*. *The Real Good Food Co.* opened a new USDA-certified, gluten-free manufacturing plant in Bolingbrook, IL. *Kalera* opened a 90K sq. ft. greenhouse in Aurora, CO, its fifth. Workers at a New York *Amazon* facility voted to unionize. *Gordon Foods & Square Roots* have opened a new farm in Ohio. *KDP* CEO & Chairman Bob Gamgort will step down this summer & be replaced by Ozan Dokmecioglu, current CFO & president of the international division.

Aldi is the fastest growing USA grocer, adding 2.2M sq. ft. of space, compared to 2nd place *Publix*, who added 1.3M sq. ft., per *Jones Lang LaSalle*. From *IRI*, consumer expectations are high for hosting spring celebrations despite food prices. From *Advantage Sales*, 40% of grocery consumers are purchasing less items, 33% are visiting the store less often, 50% are finding lower cost channels & 40% have switched to store brands. From *Brick Meets Click*, grocery sales were off 6% in March YOY, though grocery delivery rose 20%. From the *Private Label Manufacturers Association (PLMA)* & *IRI*, private brands gained 6.5% in 1st QTR dollar sales, while national brand sales increased only 5.2%. A public health study from Columbia University suggests cereal fiber intake is associated with lower instances of cardiovascular disease. From *Advances in Nutrition*, prunes have been found to have bone-protective properties for postmenopausal women & men over 50, due their antioxidant & anti-inflammatory properties, as well as its impact on the gut microbiota. From *PitchBook*, the indoor farming sector will grow at a 14.4% CAGR from \$79.3B to \$155.6B by 2026. The USA reopened PEI potato imports. As fertilizer prices rise, manure supplies are running low.

MARKET NEWS: Markets were generally lower for the week. On-going jobless claims rose. Extended consumer credit had the highest single month growth in more than 20 years.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenga*

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