



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**SOME PEOPLE**, like me, are savers. Savers focus on reuse – paper clip, plastic utensils or chopsticks from take out, a ribbon, a bow, a remaining screw from building a new bookshelf – savers are thinking, *"Someday, I am gonna need that!"* My tendencies come from depression era parents & legal immigrant grandparents. Having nothing, they saved everything. Old window panes covered seedling boxes for warmth, old pipes framed the backseat of a '32 Plymouth for a comfortable bench & an old door on vegetable crates made a work table. But let's face it, everybody saves stuff – be it in a kitchen junk drawer, on a cluttered bookshelf or garage workbench or in the *hall closet*.

**THE HALL CLOSET:** America needed a laugh during the Depression. In 1935, America took the time to sit by the radio & laugh with the cheerful & humorous residents of Wistful Vista. There, a host of zany neighbors & town folk dropped in on the residents of 79 Wistful Vista, *Fibber McGee & Molly*. An America desperate for laughs soon made *Fibber McGee & Molly* the most popular show on radio. For the next 25 years, well into the television era, America tuned into their radios to listen to Fibber's antics & schemes & Molly's firm but sweet condemnation, *"T'aint funny McGee."* The McGees were played by a real-life married comedy team, Jim & Marian Jordan. Jim was the 7<sup>th</sup> of 8 children born on a farm. Marian was the 12<sup>th</sup> of 13 children born to a coal miner. They met in the church choir & married just as Jim set sail with the other WWI doughboys. After the war, they went into vaudeville, then on to radio. The McGees won their radio home by purchasing a lottery ticket from the Wistful Vista Development Company. *The winning ticket number?* 131,313 – which certainly must have brought an ironic smile to the faces of down-on-their-luck Americans. The neighbors who popped in on the McGees included their pompous neighbor, Throckmorton P. Gildersleeve, played by the gravel-voiced Hal Peary, *"You're a hard man, McGee."* Peary's appearances, usually in an argument with Fibber, became so popular that soon *The Great Gildersleeve* launched on radio, movies & even TV (played by Willard Waterman). Others included Mayor La Trivia (a copy of popular NYC mayor Fiorello La Guardia) played by Lucille Ball's TV straight man, Gale Gordon & Marjorie Carstairs, played by popular character actress Bea Benaderet. The show had several running gags – friends or spouses that were only talked about, every location mentioned was at the corner of 14<sup>th</sup> & Oak – but what the listening audience waited for was Fibber to need something from the hall closet. "Now where did I put that," Fibber would wonder out loud. Soon, he would remember it was in the hall closet & despite Molly shouting a warning, Fibber would open the door to a cacophony of crashes & booms, to which, after a pause, Fibber would respond with, *"Someday, I am going to have to clean that closet."* Surely, the hall closet or junk drawer or shelf was not a new phenomenon in the first half of the Great American Century. And unlike my parents & grandparents, I am blessed enough to not consider saving every item with a future possible, though unlikely, use. Maybe there is something in our human DNA that makes us uneasy to rid ourselves of useful things. Perhaps it is a fear of the future, a desire to preserve the past or just plain laziness! But we all need a place for our 'stuff' – the *Scrabble* game that has not been played since the advent of computer games, that old bowling ball, a pair of gardening shoes, a coat with a tear in one sleeve. Of course, among all that 'stuff', there is probably another box with more 'stuff'. But a discussion of 'stuff' is a George Carlin routine, which we will save for a future issue of *ALL EARS!!* Plus, I should clean that hall closet.

**INDUSTRY NEWS:** *PlantBaby*, clean-label products for infants & children, raised \$4M in seed funding led by *Big Idea Ventures & The Fund LA*. Canada's *Chinova Bioworks* raised \$6M to expand its clean-label, mushroom-based preservative, led by *DSM Venturing & Rhapsody Venture Partners* with *Rich Products Ventures* involved. *Saltalk*, virtual kitchen eCommerce platform to help aspiring chefs launch virtual restaurants, closed on \$8M led by *Foothill Ventures*. *Peckwater Brands*, delivery-only restaurant network, raised £15M, led by *Stonegate Group & SoftBank*.

*Goat Brand Labs*, a DTC brand aggregator, raised \$50M from *Winter Capital*, *Vivriti Capital*, *9Unicorns*, *Venture Catalysts*, *Oxyzo* & others. *Rohlik*, a food delivery startup, raised €220M led by *Sofina* with *Index Ventures* participating. *Symbrosia*, seaweed-based feed additive, raised \$8M led by *Danone Manifesto Ventures*. *BioLumic*, ultraviolet lighting tech for horticultural & cannabis growers, raised \$13.5M led by *OurCrowd*. Canadian vertical farm *Vision Greens* raises \$7M from private investors. India's farmer-to-business digital marketplace *WayCool Foods* raised \$40M led by USA investor *57 Stars Global Innovation Fund*. IoT-enabled personalized chai beverage tea bot maker *Chaayos* raised \$53M led by *Alpha Wave Ventures*. *Mondelēz International* will buy *Clif Bar* for \$2.9B, a payout that could increase with growth. *Glanbia Nutritionals* acquired *Sterling Technology*, a South Dakota based manufacturer of dairy bioactive solutions, for \$60M plus deferred considerations. *Driscoll's* will purchase *Berry Gardens Growers Ltd.* the UK's largest berry grower co-operative. *GrubMarket* acquired *QBIX Analytics*, data analytics & business intelligence solutions. *Florida Food Products* will acquire *Javo Beverage*, proprietary technology to create coffee, tea & botanical extracts. Family Office consortium *37 Baking Holdings* acquired *Gold Standard Baking*, North America's largest maker of croissants. *AgCertain Industries*, a subsidiary of *Ames*, has purchased *Maytag Dairy Farms* from *Midwest Growth Partners*. *Redwood Capital Investments* will acquire *Grain Craft*, the largest independent miller in the USA; terms not disclosed. *Sapporo USA* will acquire *Stone Brewing* for \$165M. *KDP* acquired non-alc, RTD cocktail brand *Atypique*. Europe's *McWin* has launched a *Food Tech Fund*, with €250M, to make investments focused on the food value chain.

*Publix* broke ground on its 1<sup>st</sup> Kentucky store with plans in the works for 2 more. *Raley's* opened its 4<sup>th</sup> O-N-E market in California. *Grocery Outlet* entered its 8<sup>th</sup> state with a new store in Maryland. For *Sobey's* parent *Empire*, 4<sup>th</sup> QTR sales rose 13.3% with a slight EPS increase; strategic initiatives showing results. *Giant* added two new beehives at its corporate headquarters in Carlisle, PA, following the theft of 60K bees earlier this year, with plans to house 450K honeybees in nine beehives. *Kroger* will open an *Ocado*-powered online only fulfillment center in Denver. *Loblaw's* will use *DoorDash* for rapid 30-minute delivery, a new dark store-powered rapid delivery. *7-Eleven* has partnered with *Waitr* to expand its on-demand food ordering & delivery options. *Kroger* & *Harris Teeter* are taking social media fire after removing products with patriotic messaging from their shelves in response to a local politician's complaint. *Kellogg* will split into 3 companies, one for cereal, one for snack & one for plant-based foods, believing that growth for each segment can be better driven as independent organizations, similar to the *Kraft* spin-off of *Mondelez*. *B&G Foods* will restructure into four business units – Spices and Seasonings, Meals, Frozen & Vegetables, & Specialty, which will be the largest unit. *Kraft Macaroni & Cheese* is getting a makeover, with a new name, *Kraft Mac & Cheese*. *Danone*, to fight high prices, will cut its product variety to adapt to consumer changes. *Post* will relaunch *Waffle Crisp* cereal, discontinued in 2018. *Truss Beverage* will expand its portfolio with 15 new CBD beverages for summer. *Bang* will leave *PepsiCo's* distribution network. *Infarm* will build its 3<sup>rd</sup> vertical farm in Columbia, MD. *Bel Brands* & *Land O'Lakes* will expand their sustainable farming program with five additional farms ranging in size from 450 to 2,000 dairy cows. The Supreme Court refused to hear *Bayer's* appeal of lower court rulings about *Roundup*. *Mars* CEO Grant Reid will retire later this year & be replaced by Poul Weihrauch, president at *Mars Petcare*.

From *FMI*, 41% of shoppers are buying more store brands & 77% intend to keep doing so to fight high prices. From *Research & Markets*, the USA energy drink market was \$14.3B in 2020 & will grow at a 6.87% CAGR to reach \$21.0B by 2026. In a survey from *Popmenu*, almost 60% of restaurant owners see their business at or returning to pre-government mandated lockdowns levels. More than 50% cannot find enough workers & more than 40% say their business will not survive another government mandated lockdown.

**MARKET NEWS:** Markets spent the week recovering from previous lows. The PMI Manufacturing & Services indexes moved closer to contraction. New job filings & ongoing unemployment claims both were higher. The University of Michigan consumer sentiment index was revised lower than its recent lows, after reaching its record highs in 2018 & 2019. Existing home sales fell. The FED Chairman reported that the economy is shrinking.

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

THE LITCHFIELD FUND – *Tom Malenka*

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