



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



A CHILD SITS ON SANTA'S LAP. We know the question Santa asks, "*Have you been a good little boy or girl this year?*" The child does not go through a moral, ethical, theological & philosophical review of their actions & behavior over the past year. The child does not recall or recant the times they were scolded by their parents, that little lie told or that little push or tease on the playground. The child simply replies, "*Yes, Santa!*" Why? Because the potential reward, just for believing, is so great! The child easily sweeps away an uneasy conscience or potential regret to reap an untold wealth of gifts, thus throwing out the window that age-old Christmas paradigm, *Naughty or Nice?*

NAUGHTY OR NICE: In my parents' little coal mining home town in Western Pennsylvania, a lump of coal in your Christmas stocking for being naughty was a real possibility. During the depression, it was likely welcomed & immediately tossed in the coal stove to warm the house. Today, it would be frightening for a child to get a lump of coal in a Christmas stocking, as coal (despite its ability to be burned cleanly & efficiently, & along with oil & other fossil fuels, the only real chance to straighten out our economy & put the country back on the path to prosperity) is believed to be destroying the planet! It sometimes seems that in today's world, that the naughty or nice, wrong or right, paradigm has been replaced with believing or not believing. Believers are always nice & right. Non-believers are naughty & wrong. Believers get rewarded! They get included, invited to the best parties, events & places, get friends, both in the real world & in the virtual world. They get likes & follows! They get millions of views on *Tik Tok!* And believing is made easy when all of the media, in all its forms, presents the same story in the same way. Believing becomes so very easy. Investigation, on the other hand, is difficult, takes time & effort. Yet every day, with just a little investigation, we see stories & the mantras associated with them, proved false. The wrongdoers, those that propagated these falsehoods, do not get the perfunctory lump of coal. They instead often receive praise for '*doing their part*' to protect the mantra! The mantra is the reason even those who commit the most obvious & heinous crimes seem not to get their lump of coal. As such, criminals are allowed to roam our cities & threaten citizens & shop owners; world-renown terrorists are released to continue killing; politicians remain in power; & celebrities & athletes stay in the limelight! This is why believing without any investigation, just becomes superficial repetition – in one ear & quickly out the mouth. This bypasses the rational thinking of our brain & the conscience of our heart & soul. Perhaps there is nothing wrong with a superficial belief in Santa Claus. However, Santa Claus without the naughty or nice paradigm makes Christmas nothing more than a gateway drug to socialism, communism & fascism – a promised utopia that never gets delivered to the satisfaction of its believers. This is why believing in the true Miracle of Christmas takes investigation - in the brain, heart & soul. Just believing in this Miracle is not enough. If so, everyone could reap the reward, a reward that is immeasurable by any monetary standard we can understand. We are told that while many will want the reward, the path to the reward has a gate. That gate is narrow & low, only the humblest, only those who have investigated with their brains, hearts & souls, shall pass. And while one may think the paradigm of naughty or nice applies for entry, nice, in itself, is not enough. Being nice is just something superficial if it does not include the lessons from the Christmas Miracle – love, kindness, understanding, compassion, peace & goodwill toward all.

INDUSTRY NEWS *Poppi* closed on a \$25M round led by *CAVU*. *NotCo* will expand its AI offering with a \$70M investment (at a \$1.5B valuation) led by *Princeville Capital*; other investors include *Tiger Global* & *L Catterton*. Strawberry vertical farm *Winter Farm* raised \$46M from the *Quebec Government*, *Investissement Québec* & others. *Mad Capital*, ag-financing platform, raised \$4M in a seed round led by *Trailhead Capital* with

participation from *Bonaventure Capital, Homecoming Capital* & others. *Eratani*, farm management software, raised a \$3.8M seed round, led by *TNB Aura* with participation from *AgFunder, Trihill Capital & B.I.G. Ventures*. Crop breeder *Equinom* raised \$35M led by *Synthesis Capital* with participation from *Bunge Ventures, Praesidium, BayWa, CPT Capital, Fortissimo & Phoenix*. Food delivery startup *Circus* raised €11M to expand across Germany; investors in the seed round include *BlackMars Capital & 2bx*. *B&G Foods* will sell *Back to Nature* to *Barilla America* to reduce debt & focus its portfolio. Frozen food brand *Red's All Natural* was acquired by *Bansk Group*. *JBS USA*, bought assets from *TriOak Foods*, a Midwest-based pork producer, for an undisclosed amount. *Europastry* acquired the frozen bakery manufacturing business of *Dawn Foods*. *Flowers Foods* acquired Utah's *Papa Pita Bakery*, whose primary brands include *Papa Pita, Bubba's Bagels, Great Grains & Maya's Tortillas*. *MuscleFarms'* assets will be sold at auction.

Saladworks is now part of *Kroger's* in-store food halls at 2 stores. *Publix* has announced a 4th Kentucky location. *Winn-Dixie* is adding stores in Florida. *Sobey's* will lose \$25M due to a cybercrime that impacted its pharmacy & self-checkout. *SpartanNash* will partner with *Afresh* in pilot to use AI to manage its fresh departments. *Food City* will use *Sifter* for consumer choices. *Walmart* launched a *Text to Shop* functionality, replacing its text concierge service, *Jetblack*, which it ended two years ago. *Instacart* is expanding grocery presence in Canada, adding *Metro* banners *Super C, Adonis & Food Basics*. *Meijer* will expand delivery with *Uber*. *Food Lion* will expand delivery with *Instacart*. *Shipt* will deliver for *PetSmart*. *Grubhub* will partner with last-mile robotic delivery company *Kiwibot* for USA college campuses. *Uber Technologies* will partner with *Cartken* for autonomous delivery robots in Miami. *Bunge* will build a \$550M protein concentrate plant in an Indiana facility. *Ynsect* will build its second USA insect farm in partnership with *Ardent Mills*. *Joywell Foods* rebranded as *Oobli* & launched chocolate bars with 70% less sugar featuring its fruit sweet protein brazzein. *Yuengling's Ice Cream* will develop CBD products. *Mars* will add a 20g protein sports bar to its *Snickers'* offerings. *Imperfect Foods & Misfit Markets*, as part of their recent merger, will reduce 20% of their sales force. *IFF* will shed \$100M in costs through headcount reductions & other measures. *CVS & Walgreens* will pay \$10.7B to settle opioid lawsuits. The founders at *Health-Ade* will step away; Chris Lansing has been appointed CEO. *Walmart* will deliver 10K items from stores in Arizona, Florida & Texas by drone.

From the USDA, sales of organic products increased 13% over 2 years. From *Brick Meets Click/Mercatus*, on-line grocery stores fell 10% in November as price increases hit older Americans. Food prices were 12.1% higher in November YOY, driven by fruits & vegetables, cereals & bakery products, dairy & related products & nonalcoholic beverages. From *Nation's Restaurant News*, *Chipotle, Starbucks & Five Guys* have lost their place among the top 24 restaurants in customer loyalty. From *PYMNTS*, in October, 54% of men & 47% of women engage with restaurants via digital channels, while only 42% & 31% respectively do so with grocers. From *TouchBistro*, restaurants are at 75% of pre-government mandated lockdowns but margins are tighter. Colombian ag exports to the USA are predicted to grow by as much 250% in the next decade. Heavy rain in California has halted the strawberry harvest. Desert ice is slowing lettuce harvest.

MARKET NEWS: Markets cratered once again this week. Early in the week, investors seemed to welcome the fact that November inflation came in at 'only' 7.1%. seemingly completely missing the point that this level of inflation is economically unsustainable. The love was short lived, as retail sales fell 0.6% in November, consensus estimates were for a 0.1% decline. The FED raised rates another 0.5%, bringing rates to the highest level in 15 years & hinted at additional tightening in 2023. USA household wealth experienced the second fastest drop in history as this administration's attempt to destroy the USA economy is apparently working, with *Lending Club* reporting that 63% of Americans are living paycheck to paycheck. The Philly FED reported that this administration's BLS overstated 2022 job growth by 1.1M jobs.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenga*

V9issue27.12.17.22

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.