



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



HUMPHREY BOGART WAS COOL! So cool, that the “uncoolest” actor of all time, Woody Allen, to get the girl in *Play it Again, Sam*, tried to be like Bogart. So cool Bogart could handle the strong-minded, strong-willed, powerful actress Lauren Bacall, on screen & off. He married the gorgeous actress (known as “*The Look*,” for a withering glance lost somewhere between shy & piercing) when she was 19 & he was 45. Bogart always knew what to say, what to do, how to react: “*When you’re slapped, you’ll take it & you’ll like it.*” Or when Ugarte (Peter Lorre) asks Rick (Bogart), “*You despise me Rick, don’t you?*” Bogart replies, “*If I gave you any thought, I probably would.*” Now, that is cool!

THE COOL FACTOR: It is difficult to define “cool.” When it comes to actors, Bogart had it – his contemporaries fell short. Jimmy Cagney’s & Edward G. Robinson’s characters were always prone to an underlying violence from within. Cary Grant was suave & debonair, but his characters were often flustered for comedic effect. John Wayne was always just strong & heroic; he didn’t need to be cool! The 1950s & 1960s brought actors who tried to portray cool. Robert Mitchum did; but despite their reputations, Brando & Dean were not cool. Their characters were filled with angst, rage, tears & at times, just a bit too whiny! Clint Eastwood’s characters, despite the iciest of stares, settled every dispute with a six-shooter or a .44 Magnum. Paul Newman & James Garner were more likely to handle a situation with their wits, a bit of flair & a smart mouth. But the coolest of them all was Steve McQueen. McQueen was cool whether racing from the Nazis on a motorbike in the Alps, chasing bad guys in ’68 390cc *Mustang* through San Francisco, driving a dune buggy on the beach or riding shotgun on a hearse. It seems like everyone tries to find a way to be cool, even Snoopy in his *Joe Cool* persona. People try to do it with their attire or style, a fancy car or a hip drink in their hand while sitting at the bar, clinking ice cubes in a glass like Don Draper or sipping an overpriced fancy-logoed can of water. But it takes more than fancy clothes or a ragtop with a big engine (I mean a convertible, not some old guy at a dance club with a toupee) to be cool. Most people are trying to be cool, mimicking someone they see as cool, or what they think cool looks like! From Oscar Wilde, “*Most people are other people. Their thoughts are someone else’s opinions, their lives a mimicry, their passions a quotation.*” A person can’t make themselves cool, they either are or aren’t. Cool emanates from within; it’s about being comfortable in your own skin, your own words, your own thoughts. Cool is about saying what you think, with an innate sense that some people need to hear harsh words & others require kind support. And cool is about dealing with any fallout or push back with the same smooth coolness. From Mahatma Gandhi, “*I will not let anyone walk through my mind with their dirty feet,*” & from Frederick Douglass, “*The soul that is within me no man can degrade.*” Cool is not grace under pressure, it is about not feeling or noticing any pressure, & more importantly, not caring about the pressure. And when it comes to speaking one’s mind, cool is being able to tell off authority with a wink & a smile, the insult that is not really an insult! McQueen, as an American Flyer in a Nazi POW camp to the Kommandant: “*I haven’t seen Berlin from the air or ground, & I plan to do both before this war is over.*” Bogart, as Sam Spade, to the District Attorney: “*Mrs. Spade didn’t raise any children dippy enough to make guesses in front of a district attorney & an assistant district attorney & a stenographer.*” Cool is all about being oneself, in every aspect, in every situation, never trying to behave or act like anyone else. More importantly, cool doesn’t care, from André Gide, “*It is better to be hated for what you are than to be loved for something you are not,*” & from Herman Melville, “*It is better to fail in originality than to succeed in imitation.*” Not being yourself, pretending to be something you are not, does its own self-damage & blurs the lines of one’s own personality. From Anais Nin, “*When one is pretending the entire body revolts,*” & Oscar Wilde wrote, “*No man for any considerable period can wear one face to himself & another to the multitude, without finally getting bewildered as to which may be the true.*” To be yourself, not worried about others’ opinions, is the ultimate in cool, from e.e. cummings, “*To be nobody-but-yourself - in a world which is doing its best, night & day, to make you everybody else - means to fight the hardest battle which any human being can fight; & never stop fighting...It takes courage to grow up & become who you really are.*”

INDUSTRY NEWS: *Chubby Snacks* raised \$3.25M for its PB&J sandwiches. *Pulp Culture*, alcoholic fermented beverages, raised a \$7M series A led by *The Kale Fund*. *Partake* raised \$11.5M from *Cleveland Ave.*, *Fearless Fund*, *Supply Change Capital*, *Kaya Ventures*, *Marcy Venture Partners*, *CircleUp Growth Partners*, *Black Star Fund*, *Lotus Bakery’s FF2032* & *Black Capital*. *Liquid Death* raised \$70M at a \$700M valuation led by *Science, Inc.*, with plans to enter the ice tea segment. *Gaia’s Farming* raised

£500K for its hemp milk, from undisclosed investors. *Gourmey*, lab grown foie gras, raised \$48M to move from R&D to commercialization, led by *Earlybird Venture Capital*. Seed gene-editing platform *Inari* raised \$124M with *CPP Investments & Flagship Pioneering* in the round. Vertical farm *Elevate Farm* raised C\$26M with *Brightspark Capital & others*. Australian Food waste startup *Optomni* raised \$130K led by *Skalata Ventures* for its wholesale trading platform featuring supply/demand prediction for growers & wholesalers. India's *Falca*, farmer advisory service & marketplace, raised \$3M from *Inflection Point & others*. Iceland's *GreenBytes*, an app to manage restaurant food waste, raised €1M led by *Crowberry Capital* with *APX & other* angel investors involved. Poland's *Foodsy* raised €1.24M for its surplus food buying platform with *CofounderZone, Satus Starter Funds & others* participating. Israel's *Hyper Food Robotics*, autonomous pizza kitchens, received an undisclosed investment from *Velocity Ventures* for a 2023 launch. *Stellar Pizza*, pizza making robots on pizza trucks, closed on \$16.5M led by *Marcy Venture Partners*. *Tractor Zoom*, farm equipment procurement platform, raised \$5M in a Series A led by *Builders VC & Bienville Capital*. *The Rounds*, a no annual fee, household staple eCommerce site, raised \$38M led by *Andreessen Horowitz*. *Investcorp* acquired a majority stake in *Sunrise Produce*, a SoCal produce distributor. European-based ingredient provider *Solina* will acquire *Saratoga Food Specialties* for \$587M. *Wind Point Partners* purchased fresh foods distributor *FreshEdge* from *Rotunda Capital*. *Puratos UK* acquired *Fourayes*, the UK's largest fruit processor & commercial jam manufacturer for bakeries, desserts & dairy; financial terms were not disclosed. *Fresh Del Monte* has taken a 39% stake in *Decapolis*, with plans to roll out *Decapolis Food Guard* blockchain-based traceability solution. *SpartanNash* has sold four food production & distribution facilities to *Provender Partners* for \$29.9M. *Walmart* will purchase micro-fulfillment center developer *Alert Innovation*, financial terms not disclosed. *Big Idea Ventures* made seed investments in 17 alt-protein brands through its pre-seed investment bi-annual *New Protein Accelerator* program. In bankruptcy, grocery delivery *Buyk* is soliciting offers for its IP & other assets. *Constellation Brands* will divest part of its mainstream & premium wine portfolio to *The Wine Group*. Also, *Constellation Brands* took a \$1.1B write down on its \$4B investment in *Canopy Growth*.

Dom's Kitchen & Market is set to open its second location in Chicago. To attract workers, *Schnucks* is allowing employees to choose their own work schedules. *UNFI* is beginning to reinvest in its Mid-Atlantic supermarket chain *Shoppers*, once scheduled for divestment. *Amazon* looks to hire 150K employees for the holiday season. *Walmart GoLocal* has surpassed its year-end projection to deliver from 5K retail & business locations. *LoBlaw* will partner with *Gatik* for driverless delivery. *Gorillas* opened a new central distribution center in Queens. *Gopuff* launched *Goodnow*, a new private label line of health & wellness items, including medications & at-home test kits. *Gopuff* will also partner with *Grubhub* on delivery. *Flowers Foods* now has a website to gather consumer feedback on its new products, beyond the traditional bread offerings. *Misfits Markets & the Upcycled Foods Association* have launched an innovation challenge for brands. Two tech platforms, *Dematic & Upshop*, will partner to supply integrated fulfillment that allow grocers to retain & manage their own customer data. *Ingredion* will partner with *HowGood*, a database of food & personal care product sustainability, to source ingredients that meet customer demand for sustainable ingredients. *Hostess* introduced *Bouncers*, tiny versions of *Twinkies, Ding Dongs & Donettes*, on trend for consumers looking for bite-size portions. *Boston Beer*, with continued falling sales, will introduce a spirits-based *Truly* seltzer. Pea protein maker *Puris* launched its first consumer product in plant-based eggs, *AcreMade*. *PepsiCo* will invest \$100M in its Romanian production facility. *UNFI* opened a 125K sq. ft, refrigerated distribution center in Londonderry, NH to expand its New England distribution. *JBS* will close its USA *Planterra* operations. *Tyson* will move 1K jobs from Chicago & South Dakota to its Arkansas headquarters. About 6% of employees at *Impossible Foods* were laid off as the company reorganizes. *Hilmar Cheese* is investing \$600M in a cheese & whey protein processing plant in Kansas. *Hi-Food* by *CSM Ingredients* invested €20M in a new headquarters & production plant in Parma, Italy. *Sysco* driver strikes are hitting distribution centers outside of the New England area.

From *Dunnhumby*, 73% of households with incomes over \$100,000 per year place a premium on low base prices when deciding where to buy groceries. Gen Z consumers are less likely to view brands positively (27%) compared to other age groups (33%), according to *Morning Consult*. In an *Ardent Mills*' survey, consumers expressed interest in buying an item containing ancient grains, with close to 90% wanting to know more about ancient grains. *Kroger* released its candy projections for Halloween 2022, with *Reese's Peanut Butter Cups* at the top of the list followed by *Snickers, Kit Kat, Hershey Bar, Tootsie Roll, Twix, M&M's, Butterfinger, Milky Way & 3 Musketeers*. The price of Halloween candy is up 34% YOY. From *IRI*, USA sugar-free chocolate sales rose 27% YOY, while volume sales were up 14%, faster than sales of other chocolates. From Texas A&M University, USA avocado consumption has increased 61.2% over the past 30 years, with imports increasing more than 20% in the last decade. Egg prices hit another record high. From *PMMI*, the value of USA packaging equipment is up 12.1%, YOY.

MARKET NEWS: Markets barely held on to early in the week gains. Job openings plummeted more than 10% as the recession sets in & FED interest hikes cool the job market. First time unemployment claims rose. Gas prices are on the rise again.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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