



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WE WERE RIDING in my uncle's 1963 *Oldsmobile Holiday 98* to visit the cemetery at St. Patrick's church. Most of my dad's family was buried in the graveyard. The narrow dirt road, closely lined with old growth trees, was steep & narrow. My uncle was ready to get rid of this huge gas-guzzling automobile, so he had been letting the maintenance slide. Among its problems was bad suspension & shocks. The road was so steep, the front of the car was dragging on the ground as we approached the top. But then we began the descent, down the back side of the mountain, arriving in a small dale where the church & graveyard sat. There, at the bottom of the hill, was a place aptly named.

APPLY NAMED: Place names - for cities, counties, states, rivers, etc. - originate in several ways. These places could be named to honor a famous person or a first settler. Often, they are named for another city or town from where the first settlers or founders had previously lived. Many names come from Native American words or early European explorers. Sometimes, the name reflects something about the geography or landscape, or an event that happened in that location. Let's take a look at my birthplace, Cleveland, Ohio & the surrounding area. Cleveland was named for its founder, Moses Cleaveland (yes, with an A, the newspapers shortened it for the masthead). Cleveland sits in Cuyahoga County & the Cuyahoga River splits the city into east & west. Cuyahoga, a Native American word (in Cleveland, children are taught not to say Indian, they must instead say Guardian) for 'crooked river,' descriptive of how the river curves back on itself more than once. (For those of us who lived there in the 1960s & 1970s, Cuyahoga could have meant 'burning river' for how often the polluted river caught on fire.) There is the suburb of Bedford, named for Bedford, NY, the hometown of its first settlers. Cleveland has two predominant geographical features. First, there is the higher altitude area to the east & southeast, leading to many mundane & boring suburb names: Maple Heights, Mayfield Heights, Broadview Heights, Cleveland Heights, Shaker Heights, Garfield Heights (named for President Garfield), Bedford Heights, Willoughby Hills & what must be extremely high-altitude areas that require even more emphasis: Highland Heights & Highland Hills. Lake Erie, the other major geographical feature, provides more boring city names: Eastlake, Westlake, Avon Lake, Lakewood, Mentor-on-the-Lake & Geneva-on-the-Lake. Place names often arise from events occurring at that location. (There are six USA cities named Battle Creek!) Early French explorers thought a river east of the Cuyahoga was a gateway to the Ohio River & Mississippi River. When they realized it was not, they were saddened, *shall we say chagrined?* Thus, we have the Chagrin River & Chagrin Falls, Ohio. We now live in Maricopa County, named for the local Native American tribe (or is it a Guardian tribe?) named Cocomaricopa by the Spanish explorers. We reside in Scottsdale, in the East Valley, where retired USA Army chaplain Winfield Scott settled in 1894. Many cities were named by their first European settlers for their patron saints & missions they established: St. Louis, St. Augustine, St. Paul & a host of Sans & Santas! But geographical or area features seem predominant in USA place names. Think of all the cities whose names include the words land, heights, mount, hill, crest, butte, canyon, valley, dale, vale, hollow, grove, desert, landing, rock, forge, crossing, creek, brook, spring, falls, beach, port, cove, rapids, lake, bay, island, isle, key, harbor, field, view, green, park, pike, mills, fort, wells, point, east, north, west & south! Rural areas seem to have the most interesting names - Pigeon Forge, Tinker's Creek, Owings Mills & Butcher Hollow (pronounced holler) of Loretta Lynn fame. Twenty USA towns or cities have the word delta in their names. Deltas are generally rich, fertile land, because the flooding & run off from nearby hills brings with it rich topsoil. Land at the base of the hills or the mountains, with rich top soil & good water, is referred to agriculturally as 'bottomland.' Bottomland is generally considered the best for farming, though as Barbara Stanwyck pointed out in *Christmas in Connecticut*, "some say it is & some say it isn't!" The aptly named area at the bottom of the hill in Pennsylvania, where St. Patrick's Church & my family's graves lie, is in an area named *Cameron's Bottom*. With St. Patrick's Church there, the locals referred to this spot as *Irish Bottom*. Bottomland areas like this rich farming area, provide us with the Earth's bounty, that is, *the fat of the land!* Those areas are often referred to as *fat bottom*. Therefore, there is no reason for anyone to cancel the best Queen song from the latest release of Queen's Greatest Hits! While the lyrics may refer to physical characteristics, the words could just be referring to all the wonderful & lovely girls from rich farming areas! Or, the words could refer to (as legend holds) to Brian May's *apt* description of his very own guitar, which in the 1970s & 1980s definitely did *make this rockin' world go round!*

INDUSTRY NEWS: Scottsdale-based *Yerbaé* raised a \$4M+ round. Beauty & fashion multi-brand company *D'Amelio Brands* will enter CPG offering *D'Amelio Foods* branded snacks, with a \$5M strategic investment with *Fifth Growth Fund*. Brain health bar *Mosh* raised \$3M. Mushroom-based protein brand *Enough* raised \$43.5M co-led by *World Fund & CPT Capital* with participation from *AXA IM Alternatives, HAL Investments, Onassis Group, Tailored Solutions & Scottish Enterprise*. B2B biotech company *Jellatech* raised \$3.5M led by *byFounders* for its animal free collagen & gelatin. *CAVU Consumer Partners* led an \$11M raise for *Native Pet*, pet supplies. Dog food brand *Jinx* raised \$17.9M led by *The Merchant Club & Align Venture; AF Ventures & Era Ventures* participated. *Bushel*, software solutions for agribusinesses & farmers, raised \$26M led by *The Banc Funds Company*. At-home product testing company *Highlight* raised \$18M led by *Acre Venture Partners & HearstLab*, with *Nestlé & Kraft Heinz* involved, to expand its product testing process for CPG companies. *Roland Foods*, part of *Vestar Capital Partners*, acquired *ifiGOURMET*, importer & distributor of products for the baking, pastry, confectionery & ice cream industries; terms not disclosed. *Tilray* acquired *Truss Beverages* & assumed \$211M in debt from parent company *HEXO*. *MSG Distributors* acquired *Boxed*. *Planting Hope* acquired the assets of *Argo Tea* from *Golden Fleece Beverage*. *Karakuri*, robotic chef, sold some of its assets to USA foodservice equipment company *Henny Penny* for £350K. *Roark Capital* offered \$9.6B for *Subway*. *Instacart* will file for an IPO on Nasdaq with the symbol *CART*.

Mixed results & slower growth in 2nd QTR caused *BJ's* to lower its full year forecast. *Cencosud*, parent of *The Fresh Market*, reported worldwide 2nd QTR growth & will add 22 *Fresh Market* locations in the next 2 years. *Lancaster Colony* reported a down 4th QTR as value write downs on certain brands impacted earnings. Sales & adjusted EBITDA were higher in *Corbion's* first half as price increases offset unit/mix volume changes. Sales fell 14% & *SunOpta* recorded a slightly larger YOY loss in 2nd QTR as inflation took a bite of the plant-based milk market.

Publix banned pets in its 1400 stores. *Lidl* will open a store in the Bronx. *BJ's* will open another Tennessee warehouse. *Walmart* will expand its drone delivery with *Alphabet's Wing* in Texas. *Dollar General* opened its first dual distribution center, 1M sq. ft. in Blair, NE to serve 1,000 stores with its traditional & its *DG Fresh* supply chains. *Giant Food* will close 3 eCommerce facilities in Maryland, Virginia & Delaware to localize fulfillment. *Plenty* expanded distribution to *Whole Foods & Gelson's* in California. *Blender Bites* will expand to 1,600 *Walmart* locations. *Target* will launch baby food under its *Good & Gather* label. *Tillamook* will enter frozen with pizza & mac & cheese. *Lifeway Foods* will increase its *Farmer Cheese* production. *Modelo* has officially passed *Bud Lite* as America's biggest selling beer. *Jimi Biotech* developed a stem cell line to produce cultivated deer antler which has dietary importance in China. *Getir* is cutting 11% of its workforce. *Alexander & Hornung*, a *Perdue Farms* subsidiary, will close its St. Clair Shores, MI, processed meat plant by the end of the year. Ice cream manufacturer *Wells Enterprises* is expanding its facility in Dunkirk, NY, doubling the current production output. *88 Acres*, allergen-free bars & butters, completed a new facility in Canton, MA. *The Better Butchers* plans to open a Vancouver, CA, cultivated meat butcher shop within the next two years. *Food52*, online recipe provider, will partner with *Chicory* for their on-line shopping experience. *Imperfect Foods* will partner with beverage platform *Drinks*, to sell wine that would have gone to waste or is produced with eco-friendly practices. Soil insights startup *Trace Genomics* & distributor *Taurus Agricultural Marketing* will partner to bring soil-testing products to Canada. David Best will become *Coborn's* CEO when current CEO Dave Meyer retires. *Glanbia* appointed Hugh McGuire as the new CEO.

From *National Grocers Association & FMS Solutions*, sales growth at 77% of independent grocers was below the inflation rate. Approximately 26% of Americans used online grocery shopping services in 2022, according to *Euromonitor*, double 2019. The *Feedback Group* reports that consumers are still shopping for sales, using coupons & switching to private brands to fight inflation. An *FMI* survey shows parents are more often & more likely to shop online, eat at home, cook their own meals & eat healthy. From the *Hartman Group*, taste & simple ingredients drive consumer beverage choices, with hydration & nutrition following. *AgFunder* reports *SPINS* data showing demand for oat milk is declining after years of growth. The global craft rum market will reach \$2.5B by 2031 (a 5.5% CAGR), per *Transparency Market Research*. A study from the University of Amsterdam shows eco-friendly paper & bamboo straws are harmful to human health & the environment, containing PFAs & other forever chemicals.

MARKET NEWS: Markets were mixed. FED comments suggest continued but cautious rate hikes. Both *JPMorgan Chase & Standard Charter* indicated this administration's BLS overstated job growth by more than 500K jobs so far this year!

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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