



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT'S THE FIRST NIGHT of a long westward covered wagon trip. The animals are fed & watered, the pots & pans are scrubbed & put away & the kids are bedded down for the night. The men likely gather around the campfire for one last cup of coffee or something stronger. The talk turns to whether it is better to pull a wagon by horse, mule or oxen; the *miles per grain bag* each pioneer is getting or Prairie Schooner practicality versus Conestoga luggage space. Two men likely put money on whose team is the fastest & plan to race at the "*Wagons Ho!*" to prove who has the most *actual real* horsepower! The world keeps turning, but some things have never changed!

FIX OR REPAIR, DAILY: The vastness & richness of the American continent, a desire for a better way of life, the innate American sense for adventure & rugged individualism inspired America's mobility. That desire for adventure & travel only grew as Henry Ford made the automobile affordable to most Americans. Henry Ford wanted to deliver to all Americans the best engineered car, at the lowest cost & available in any color, as long as that color was black. For the first quarter century, *Ford* did just that & the *Model T* ruled the roads. But by the mid-1920s, *Ford* had fallen behind the other car companies, especially *Chevrolet*, in style & engineering. Henry's son Edsel, after much arguing, convinced his father to change direction & the 1927 *Model A* wowed the automotive world. The *Model A* was a jump forward in engineering, speed, horsepower & luxury, becoming a favorite of the gangster world! But production costs were much too high & the 1929 crash sent *Ford* into another tailspin. There have been many cars over the years that have been innovative in engineering & style. Among these, my favorite, the '37 *Cord*, the '38 *Buick* convertible, the '49 *Merc* & the '57 *Chevy Bel Air*. The muscle cars of the 1960s gave us the *Chevy Camaro*, *Plymouth Roadrunner*, *Dodge Charger* & another favorite, the *Pontiac GTO*. *Ford* rose to prominence again with the *Mustang* & its more powerful Carroll Shelby engineered version. But *Ford* blew it again in the 1970s, with mismanaged production & quality. To save on production costs, they upsized the *Mustang* to the *Torino* line, the *Pinto's* gas tank blew-up on impact & cheap, low-grade Japanese steel rusted quickly. I was firsthand witness to *Ford's* quality; my first car a 4-year-old '72 *Ford Maverick*. While the *Ford* 5.0 liter, 302cc, V-8 engine was one of the best small V-8s ever made, to say the car had rust problems would be disrespectful to the awesome power of rust. Fender & door panels would randomly fall off, so frequently, I stopped going back to pick them up! Once the battery fell through the fender & bounced off the tire! Rusty rims caused daily rim leaks, tire changing & rim sanding. When the door hinges rusted through, a buddy at the *Texaco* station welded the door back in place, needing then to enter the car *Dukes of Hazzard* style. An always open window & holes through the door panels meant shoveling the inside of the car in winter. And in the winter, snow entering the car through the door panels would cause mini snow storms inside the car while driving! With a powerful engine & no body weight, the first quarter mile of any road was mine, all mine. But if I applied the brakes too quickly, I had to turn into the curb to prevent the car from fishtailing, applying principals of force, gravity, thrust & motion. As my first car, it now lies in the *junkyard & stardust* that make up my memories, for as Russian American author Vladimir Nabokov said, "*I shall be dumped where the weed decays. And the rest is rust, & stardust.*"

INDUSTRY NEWS: *Good Karma Foods*, who recently bought the company back from bankrupt *Dean Foods*, completed an undisclosed investment from *Valor Siren Ventures*. *Clio Snacks*, refrigerated chocolate-

covered Greek yogurt bars, raised \$8M led by *Alliance Consumer Growth* with *AF Ventures* involved. Asian e-grocer *Weee* raised \$35M led by *DST Global*. *Sol Cuisine*, frozen foods, closed a \$10M round led by *BDC Capital* with *EDC*, *New Acres*, *InvestEco* & *Planted Power* involved. Recyclable packaging company *TemperPak* raised \$31M led by *Wheatsheaf Group*, eCommerce needs increasing sales. *PowerPollen*, on-demand pollination provider, raised \$13M from *Iowa Corn Growers Association* & *Ag Ventures Alliance*. *Datasembly*, real-time pricing comparisons, promotions & availability data for retailers & CPG brands, raised \$10.3M led by *Craft Ventures* with participation from *Valor Siren Ventures*. *Cascadia Managing Brands* has taken an equity stake in enhanced water startup *Krisp Drinks*. *Barn2Door*, an online platform enabling farms to sell directly to consumers, raised \$6M led by *Bullpen Ventures* with *Quiet Capital*, *RAINE Ventures*, *Lead Edge Capital*, *Global Founders Capital* & *Sugar Mountain Capital* involved. *Diageo* acquired *Aviation American Gin* & its parent *Davos Brands* for \$610M. *Sovos Brands* acquired better-for-you pancake & waffle mix *Birch Benders*. *Primo Water NA* acquired the Texas & Tennessee assets of bottled water firm *Mountain Glacier*. *Glanbia* acquired Canadian flavor ingredient company *Foodarom*. *Manna Pro Products*, pet care & nutrition, will acquire *Doggie Dailies*, premium dog nutritional supplement & wellness products. Clean-label *Florida Food Products (FFP)* acquired *Amelia Bay*, provider of fresh brewed tea extracts, coffee extracts & botanicals. *JBS* will restart its efforts for a USA IPO. *Kings/Balducci's* parent has filed for Chapter 11 bankruptcy & has accepted a stalking horse bid from *TLI Bedrock*.

Walmart will host an online health care forum, *Walmart Wellness Live*. *Lidl* will invest \$500M in 50 new Mid-Atlantic stores, adding 2K new employees. *Instacart* & *Hannaford's* will partner on same-day delivery. *BJ's Wholesale* will offer curbside pickup. *Amazon* opened the first *Amazon Fresh* store in California. The *Arch Cart Sanitizer* is a new automated solution for grocery cart sanitation that uses EPA approved chemicals & eliminates one-time-use grocery store wipes. *Beyond Meat* will launch a DTC website. *Ferraro* has partnered with *Alloy*, a data platform for consumer goods brands, to bring more visibility to its supply chain & optimize on-shelf availability. *Coca-Cola* will offer buyouts to 4K employees in a restructuring effort that includes reducing business units & operational duplication. The second annual *PepsiCo North America Greenhouse* accelerator program winner was *Spudsy*, sweet potato puff snacks. Popular NYC *Levain Bakery* will launch its first ever CPG products.

GlobalData recognized our friend, Dr. Lori Shemek, as the #1 health & wellness influencer during the 1st QTR of 2020. Per the *Distilled Spirits Council*, craft distillers lost 41% of their sales (\$700M in revenue) due to the closure of restaurants & tasting rooms. The *National Confectioners Association* indicated candy sales grew 3.8% since March, with chocolate increasing 5.5% & premium chocolate leading at 12.5%. Per *IRI*, stay-at-home increased all bread product sales, with hamburger & hot dog buns up 11.4% YOY & unit sales up 7.4%. Per *dunnhumby*, 45% of worldwide grocery shoppers are satisfied with online grocery shopping, a jump from 27% in June. Per news site *The Manifest*, 62% of consumers have favored buying groceries in-store during the past three months while 22% have used online grocery delivery & pickup. The *Journal of Nutrition* reports that a daily dose of 600 mg of lipoic acid helped obese individuals reduce weight & lose body fat. *NMI* research shows 25% of USA consumers have tried CBD at some point.

MARKET NEWS: The S&P & Nasdaq ended the week at closing records & the DOW is now 2020 positive. Housing statistics were strong & unemployment filings met expectations. The FED noted that the economy is recovering faster than predicted, a possible V-shaped recovery.

SEEDS, SPROUTS, GROW, HARVEST!
THE LITCHFIELD FUND – *Tom Malenjo*

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