



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE RISE OF ROBOTS! Robots & artificial intelligence, are taking over the world! *Well, at least our industry!* AI-powered robots can make pizzas, fulfill online orders, deliver groceries, scan shelves for inventory control, check on soil & crop health, water & feed those crops & harvest them! Each week **ALL EARS!!** reports these AI & robotic advancements, from tracking our shelf selections, sending us ads based on facial, age & gender recognition to taking payment for purchases! Seeing the progress in animal cell & fungi meat cultivation, we may be just nine years from when the cyborgs send a *terminator* back to 1984 to find Sarah Conner, using the L.A. *telephone directory!*

THE TELEPHONE DIRECTORY: When Arnold Schwarzenegger, as the *Terminator*, returns in time to 1984 Los Angeles, he has no idea where to find & kill Sarah Conner. Sarah will soon be a mother! Her child will be rebel John Connor, leader of the 2029 rebellion against the cyborgs! The *Terminator* uses the Los Angeles telephone directory, finding the books in telephone booths. *How archaic!* Telephone booths disappeared because of cell phones (*does Superman now change into his superhero costume in his OtterBox?*) & telephone directories have fallen out of use because of the internet & conservation concerns. As early as the late 1600s, many cities had a *city directory* for finding people & businesses! The first telephone directory was printed in New Haven in 1878, listing 50 private residences & businesses, using a single sheet of cardboard. The yellow pages premiered just 5 years later, purely by accident! In 1883, a printer in Cheyenne, WY ran out of white paper, so he printed the business directory on yellow paper. The first official yellow pages were printed in 1886. The iconic AT&T 'walking fingers' logo appeared in 1962 & the classic "Let your fingers do the walking through the yellow pages" tagline & jingle ran in print & on television during the 1960s & 1970s. The yellow pages listed businesses by one or more classifications & also alphabetically. (Businesses used AAA to begin their names, to be the first listing a reader would find!) The yellow pages were pure marketing genius. As old-fashioned & out-of-date as it sounds, the yellow pages were there, in every consumer's house, every day. Businesses paid for advertisements, so they could say something about their products & services & offer testimonials to differentiate themselves, showcase their products & services & get the consumers to choose *them*. Often, the ads contained a map, so the consumer could find them! The yellow pages were *Google, Google Maps, Yelp, Angie's List, etc.*, all in one giant tome! Brands would do well to emulate the yellow pages, not just for presenting themselves to consumers, but also to investors. Brands need to differentiate themselves for investors, who are searching *their own directory* of possible targets. Brands need to showcase their products, services, story, financials, strengths, product/service attributes & keep that information updated, ready & available for investors! These are tough tasks for growing, rapidly changing emerging brands! Brands need to make the investor stop & look, again & again, like a yellow page ad! Relationships, the ones that grow & result in an investment, need to develop over time in confidence & trust! After all, isn't the brand & investor relationship something of a courtship, resulting in an *investment marriage?* Brands need to be like suitors on an internet dating site, providing important information while boldly courting an eventual partner, remembering what Spenser & Cervantes almost said, "*Faint heart never won fair investor!*"

INDUSTRY NEWS: *Keurig Dr Pepper* acquired Chicago-based caffeinated sparkling water maker *Limitless* for an undisclosed amount. Soil sensing & data analytics company *CropX* has acquired cloud-based precision

irrigation provider *Crop Metrics*; terms were not disclosed. *Rebound Technologies*, a refrigeration technology development firm which customizes output based on immediate need, has closed \$5M from *Clean Energy Ventures*, *Skyview Ventures* & *Autodesk Foundation*. *Oh My Green*, a concierge service for office food, acquired *Byte Foods*, which sells & stocks proprietary refrigerators. Taiwanese tuna trader *FCF* appears to have won the bid for *Bumble Bee*, according to court filings. *Fairway Market* will file for bankruptcy & seek buyers for its stores, with five New York City stores & its distribution center going to *ShopRite* for about \$70M.

Kroger is divesting *Lucky's Market* & now *Lucky's* announced it will close 32 of its 39 locations across 9 states. *Whole Foods* will close its North Carolina *Gluten-Free Bakehouse* & source product from other gluten-free bakeries. *Flowers Foods* will invest \$25M in its Lynchburg, Va., baking facility for expansion & organic production. *Mondelez* patented a process for manufacturing chocolate using soluble corn fiber that reduces the sugar & calorie content in chocolate products by 50%, while maintaining taste. *Coca-Cola's Powerade* brand is adding zero-sugar *Powerade Ultra* & *Power Water*. *Harmless Harvest* is launching new organic spoonable & drinkable yogurts. *Beanfields* will launch *Cracklins*, plant-based pork rinds. *Nestlé* will launch plant-based sausages in a variety of flavors under its European brand *Garden Gourmet* & in the USA through *Sweet Earth*. *Beyond Meat* now has a multi-year pea protein supply agreement with French supplier *Roquette*. *Conagra* will include keto friendly cake mixes in its *Duncan Hines* offerings. *88 Acres* will launch a line of protein bars online, with an exclusive offering globally at *Whole Foods*. *Sysco* CEO Tom Bené will step down & will be replaced by former *CVS Health* executive Kevin Hourican. The *National Grocers Association* & *Retailer Owned Food Distributors & Associates* have halted plans to merge; no details were released. *The Food Marketing Institute* has changed its name to *The Food Industry Association* to expand its representation of the food marketplace to include suppliers & other partners. Industry groups are excited by the passage of the USMCA, per *Supermarket News*. Due to a class action lawsuit, *Ben & Jerry's* will drop its 'happy cows' tagline. We assume the plaintiffs surveyed the cows & found a reasonable amount of discontent.

Millennials (50%) are the biggest users of grocery pickup (once a week) according to *Acosta*. Millennials spend 40% of their grocery budget online, followed by Gen Z (37%) & Gen X (32%). Per the *Center for Science in the Public Interest*, online grocery platforms' marketing & promotions are undermining Americans' efforts to eat healthier by promoting unhealthy products. Per *Rabobank*, grocery online beer, wine & other alcohol spirits sales are only a fraction of what they could be due to poor merchandizing & distribution. Online alcohol sales grew from \$87M in 2017 to \$295M in 2019, with online beer sales growing 120%, wine just under 100% & spirits 150%. *Food Dive* reports that according to *IWSR Drinks Market Analysis*, wine consumption decreased (0.9%) in 2019 for the first time in 25 years. Beer sales fell 2.3%, distilled spirits rose 2.3% & hard seltzers increased 43%. The historic trade deal with China could mean more than \$35B of USA agricultural products purchased in 2020.

PARTNERSHIP UPDATE: Congratulations to Alex Bayer, co-founder & CEO of *Genius Juice* (www.geniusjuice.com) on a great performance on *ABC's Shark Tank*! Watch the Sharks praise the great taste of Genius in this [clip](#).

MARKET NEWS: Markets were slightly lower at week's end on the CDC's virus report.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malengo

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