



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

**WE ALL KNOW THE STORY.** And as heartwarming as the ending might be, the sheer desperation of George Bailey, as he prays on the bridge that he had never been born, deeply moves each of us. Clarence, the world's favorite wingless angel, saves George from his fate & grants him his prayer. He shows George what the world would be like if he had not been born. George begins to realize that his mere presence in other people's lives made a difference. George was always kind, decent, caring, just trying to do the right thing. He prays for his world to return to normal & Clarence grants his prayer. Clarence reminds him, "*Strange, isn't it? Each man's life touches so many other lives.*"

**TOUCHING LIVES:** English poet, soldier, statesman & cleric John Donne wrote nearly 500 years ago, "*No man is an island, entire of itself; every man is a piece of the continent, a part of the main.*" While few of us may ever exert the positive influence that George Bailey had on his community, family & friends; his story & John Donne's classic verse reminds us that our life is intertwined with all of mankind, or at least those with whom we come in contact each day. This is why it is so important to be positive, helpful, kind & considerate - our words & actions impact others. As a spouse or a parent, there is certainly the opportunity to have a significant impact on people's lives & to some extent, their destinies. As a leader, such as a manager or boss, this can certainly be true, too. Suppose as a leader in your organization you have a job to fill. A department that just went through a merger needs an accountant to find & fix a number of financial issues. You hire a contractor, hoping it will be a short-term role. The man you hire turns out to be a good worker & a great human being. Because he is new to town (he moved for a girl, of course) & doesn't know many people, you invite him to join you & your buddies for golf, poker night, an annual venison roast. Now a friend, you invite him to join you at a football game & he sees his alma mater beat the home team in the Big House. Eventually, he needs a full-time job, he won the girl & they are getting married. You work with your leadership team to find him a permanent role. You are invited to the wedding & meet his family. He is a great worker & great guy. You present him with more opportunities & his career moves forward. Ready to start a family, he humbles you by asking you to be a reference with the adoption agency, so he can legally adopt his wife's children. Soon they have children of their own. He moves on to other departments as his career options expand. Then he is offered a job outside the organization, a great opportunity for his now growing family. As he leaves, he humbles you again, thanking you for all you have done for him. But you remind yourself, you simply presented options he deserved. He made his choices & then made the most of them - through hard work, integrity & kindness. Albert Camus wrote, "*Life is a sum of all your choices.*" As Robert Frost wrote, in the path of our life we are constantly faced with "*two roads diverged in yellow wood,*" we choose one & continue along to our destiny. Sometimes though, as Rick Blaine says, "*It seems that destiny has taken a hand.*" The path of life, the choices made, may place destiny in the wrong city, in the wrong building, on the wrong floor on an otherwise idle sunny Tuesday morning in September. And while you realize in your head there was really very little you had to do with it, you were simply doing your best to offer someone choices they deserved, you still lose a little piece of your soul & your heart. John Donne's poem continues, "*Any man's death diminishes me, because I am involved in mankind & therefore never send to know for whom the bells tolls; it tolls for thee.*" Rest in Peace as the bell tolls, my friend.

**INDUSTRY NEWS:** *Compound Foods*, a synthetic coffee startup, raised \$4.5M from *Lowercarbon Capital*, *SVLC*, *Humboldt Fund*, *Collaborative Fund*, *Maple VC* & *Petri Bio*. *CHKN Not Chicken* raised \$4.5M led by *Stray Dog Capital*. *Cove Kombucha* raised \$4.5M from *Canaccord Genuity*, with debt financing provided by *CIBC* & *Atlantic Canada Opportunities Agency*. *Cajoo*, French instant grocery delivery, raised \$40M led by *Carrefour* with *Headline*, *First* & *XAnge* involved. *Zippin*, checkout-free tech, raised \$30M from *OurCrowd*, *Maven Ventures*, *Evolv Ventures* & *SAP*, bringing its total capital raised to date to \$45M. *Olio*, an app selling surplus or near expiration products, raised \$43M led by *VNV Global* with participation from *DX Ventures*. Indoor ag hydroponics startup *Fork Farms* secured \$2M funding led by *TitletownTech*. *Blendid*, smoothie-making robots, raised \$2M from various investors, bringing the company's total raise to \$20M. *Carbon*

*Robotics*, weeding automation, raised \$27M from *Anthos Capital*, *Ignition Capital*, *FUSE* & *Voyager Capital*. PE firm *Butterfly* has taken a majority stake in *Chosen Foods*, avocado oil & avocado-based kitchen staples. *Emmi Group* purchased the leading USA feta cheese brand, *Athenos*, from *Lactalis Group*. *Royal DSM* will acquire *First Choice Ingredients* who develops, produces & markets clean label fermented dairy-based flavor solutions, for \$453M. *Oterra* will acquire *Diana Foods*, natural colorings maker, from *Symrise AG*, terms not disclosed. *Mintec*, food, agricultural & commodity pricing & analytics, acquired *Kairos Commodities*, a Copenhagen-based provider of price & hedging forecasting & for grains, vegetable oils, dairy, meat, metals, packaging, energy, freight & currencies. *GrubMarket* acquired *Bartolotta*, fruits & vegetable provider to customers in the Northeast, Mid-Atlantic & Eastern Canada. *Catalent*, medicines & consumer health products, will buy *Bettera Holdings*, a maker of gummy vitamins, from *Highlander Partners* for \$1B in cash. *Twin Peaks* sports bar was acquired by franchisor *FAT Brands* for \$300M. Per *AgFunder*, *Agrifoodtech* startups globally raised \$24B, already close to the record for all of 2020 of \$30B.

*Publix* will open its first store in Kentucky in 2023. *Save A Lot* has sold 32 of its stores in the greater Cleveland, Chicago & Milwaukee areas to *Yellow Banana*, a local operator. *Hy-Vee* & *Johnson Fitness & Wellness* will open fitness equipment showrooms in selected *Hy-Vee* stores. *Amazon* is opening a drive-thru grocery in Boca Raton. *Whole Foods Market* will pilot *Amazon's Just Walk Out Tech* in select stores. *Lowe's Foods* will partner with *Delivery Solutions* for last mile delivery. Hispanic grocery chain *Cardenas Markets* will team with *Shipt* for same-day delivery. *Shipt* has added 1000 stores & 2M households in its most recent expansion. *Kellogg* will spend \$45M over the next 3 years to better position its RTE cereal supply chain. *Kraft Heinz* will pay \$62M in fines concerning accounting practices that needed several years of financial restatement. *Kraft Heinz* has raised prices on two-thirds of its products to pass inflation along to the end consumer, who ultimately & always pays the price. *AB InBev* filed a lawsuit charging *Constellation's* launch of two *Modelo Reserva* beers allegedly violate labeling laws. *Tyson & Perdue* will pay \$35M to settle additional chicken price-fixing charges. *Cargill* will open a large \$150M pectin factory in Brazil. *Cargill & AeroFarms* will experiment with indoor cacao tree growing. *Mastronardi Produce & AppHarvest* will form *FarmCo*, a joint venture to develop a portfolio of controlled-environment agriculture (CEA) facilities to expand *Mastronardi's* distribution supply. *Mastronardi Produce* also will partner with Colorado-based *VetaNova*, builder & operator of energy-efficient solar powered greenhouses. *Nature's Path Organic Foods* will debut a line of keto cereals & granolas. *Tyson Foods* launched *Hillshire Farm Snacked*; snack packs for kids containing meat, cheese, cookies, brownies or pretzels. *Stella Artois* introduces *Liberté*, a zero-proof version of the brand's blonde pilsner. *Boston Beer* will debut a sparkling Finnish long drink, *Bevy Long Drink*. *Hershey* will test a chocolate bar made from oats in select markets. *Essentia Water* introduces a 2-gallon box of water. *Del Taco* will expand in Florida. The FDA approved *Sensient Technologies* butterfly pea flower aqueous extract as a natural blue coloring that can be used in a variety of products. *Provectus Algae*, an Australian company, has developed a red food coloring from algae.

While *Research & Markets* reports a 11.9% CAGR through 2027 for the plant-based category *Simporter* reports that plant-based internet searches are down 10% as consumer trials cool down. Per *ACI Worldwide* & *PYMNTS.com*, 94% of consumers shop at physical stores some of the time & 34% do some grocery shopping online. Also, 56% would consider switching to stores that offered products such as apparel or home improvement items; 63% choose a retailer based on loyalty programs & about 50% want contactless or digital payment. In a study from *University of Florida* & the *Institute of Food & Agriculture Sciences*, kids' suggestions & implorations influence point-of-sale decisions more than spouses, significant others or close friends. Also, female shoppers are more likely to be influenced by their children, while men's impulse purchases tend to be impacted by their parents & colleagues. A study in the *New England Journal of Medicine* found that replacing table salt with a salt substitute that contains at least 25% potassium could cut the risk of stroke 14% among older adults & those at risk of cardiovascular events. Per *JAMA*, childhood obesity rose significantly during government mandated lockdowns, as 5 to 11-year-olds considered overweight or obese rose to 45.7% from 36%, with 5-year-olds having a 12.5% weight gain & the average 11-year-olds a 6% weight gain. *Pear Bureau Northwest* announced Oregon & Washington pear harvest is projected to be close to the 4-year average. A frost in Brazil, the world leader in sugar cane, pushed sugar prices to a four year high.

**MARKET NEWS:** The markets were lower each day this week as investors recognized poor economic indicators & continuing domestic & geopolitical failures.

**SEEDS, SPROUTS, GROW, HARVEST!**

**THE LITCHFIELD FUND** – *Tom Malenga*

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