



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**LEADERS, REAL LEADERS,** display many different characteristics & responsibilities. One of the chief duties of all leaders is to clearly define the mission. When a young ensign, the future 35<sup>th</sup> President, arrived at Tulagi, after the USA Navy & Marines had wrestled it from Japanese control, he was greeted by a billboard. The billboard laid out Halsey's mission statement, clearly & eloquently displayed in a mere seven words. Today's uber-sensitive generations would find the statement appalling, but every seaman, soldier & airman of the 3<sup>rd</sup> Fleet knew exactly what was to be done. More importantly, they learned something absolutely essential: Halsey was with them, *in the fight!*

**IN THE FIGHT:** In today's world, social media has blurred the line between leaders & those who have lots of followers. If someone has millions of followers & gets thousands of likes, they are assumed to be a leader. Their words get elevated, they themselves get viewed as leaders of movements, causes or ideas. But more often than not, we see these same so-called leaders fall short. They preach what is right for us to do, believe, say, think; how to raise our families or even take care of our bodies & health. Then we see they themselves not abiding by their own words. The rules they advocate are for us, not for them. They are not *in the fight*. Every person wants to know the leader is with them, willing to fight for the cause. St. Crispin's Day, October 25<sup>th</sup>, is approaching, the day on which **ALL EARS!!** celebrates leadership. On this day in 1944, when Commander Earnest Evans turned his small destroyer against an overwhelming Japanese naval armada, outnumbered & outgunned, he was clearly in the fight. The other USA destroyers followed his lead, & though Cmd. Evans & many other brave men were lost off Samar that day, they turned the Japanese back, saving the lives of thousands of the men landing on Leyte, including a young PFC from the Pennsylvania farms & coal mines. In 1415 at Agincourt, the French had a force far superior in number & capabilities. The English men knew this & so did King Henry. Henry walked among his troops, & spoke to them, in the words that Shakespeare wrote, "*We few, we happy few, we band of brothers; For he today that sheds his blood with me, Shall be my brother.*" King Henry was in the fight, prepared to share his blood alongside his men. The English, like the Americans off Samar, won the day. As Britain was being bombed by the socio-fascist *National Socialist Workers Party*, the German *Nazis*, Lawrence Olivier recited Henry's speech on the BBC to boost the British morale. When Churchill delivered his praise of the Royal Air Force, in the defense of England during the Battle of Britain, Henry's speech may have inspired these words, "*Never in the field of human conflict was so much owed by so many to so few.*" In Henry's speech he reminds his men that on the vigil of St. Crispin they will declare, "*'Tomorrow is St. Crispin.' Then will he strip his sleeve & show his scars. And say 'These wounds I had on Crispin's day.'*" Henry also tells his men how those who sat out the fight will behave: "*And gentlemen in England now a-bed, Shall think themselves accursed they were not here, And hold their manhoods cheap whiles any speaks, That fought with us upon Saint Crispin's day.*" Why on almost every St. Crispin's Day does **ALL EARS!!** retell these stories? Because we believe, like Fleet Admiral William 'Bull' Halsey, "*There aren't any great men. There are just great challenges that ordinary men like you & me are forced by circumstances to meet.*" And, Like King Henry, we believe it is our duty to tell these stories, "*This story shall the good man teach his son; And Crispin shall ne'er go by, From this day to the ending of the world, But we in it shall be remember'd.*"

**SHARING OUR STORY:** We were so pleased to [share a bit about our businesses & our life with Shoutout Arizona](#). Thanks to the folks at *Shoutout Arizona* for this opportunity to tell our story!

**INDUSTRY NEWS:** Frozen single serve coffee capsule *Cometeer* closed a \$35M Series B round (\$100M in total raised to date) from *D1 Capital, Elephant, Tao Capital, Addition Ventures, Avenir, Greycroft Partners & TQ Ventures*. South Carolina based *Amick Farms* will acquire Mississippi based *Wayne Farms'* poultry production complex. *Blank Street*, specialty coffee, raised \$25M led by *General Catalyst & Tiger Global*. *Grounded Foods*, plant-based cheese alternatives, raised \$2.5M from *Big Idea Ventures, Stray Dog Capital, Route 66 Ventures, Nucleus Capital, Kale United & Presight Capital*. *AVEC* mixers closed a \$1.2M round led by *Gather Ventures*. *Lebby Snacks*, chickpea snacks, raised \$1.1M in seed funding led by *Sukhlahi Venture Fund*. *MusclePharm*, sports nutrition & lifestyle supplements brand, raised \$7M with a senior secured notes offering. *No Evil Foods*, plant-based meat, raised an undisclosed bridge financing from *Big Idea Ventures & New Protein Fund I*. *BIOMILQ*, cell-cultured human milk, raised \$21M led by *Novo Holdings & Breakthrough Energy Group* with *Blue Horizon, Spero Ventures, Digitalis Ventures, Green*

*Generation Fund, Alexandria & Gaingels. Fresh Street*, a grocery store built exclusively for click & collect grocery shopping, raised \$4M in seed funding from private investors. Fast delivery *Gorillas* raised nearly \$1B led by German-based food-delivery service *Delivery Hero*, with *DST Global, Tencent, Atlantic Food Labs, MSA Capital & Thrive Capital*. *Locale*, which enables customers to order from several bakeries & restaurants & be delivered in one box for just a \$5 delivery fee, raised \$2M led by *Decent Capital* with *Goodwater Capital & Esas Ventures*. CBD start-up *Dutchie* raised \$350M led by *D1 Capital* with *Tiger Global, DFJ Growth & Thrive Capital* involved. UK vegan restaurant chain *Neat Burger* raised \$7M at a \$70M valuation. *Instacart* acquired smart shopping cart company *Caper* in a \$350 million cash & stock deal. *Canopy Growth* will acquire *Wana Wellness* for \$297.5M. *Swift Prepared Foods* (a *JBS* subsidiary) will acquire *Sunnyvalley Smoked Meats* for \$90M. *Coborn's* acquired Upper Midwest grocery chain *Tadych's Econofoods*. *Love Beets USA* launched a new venture, *Offshoot Brands* to expand their portfolio of healthy brands through acquisition that currently includes *Genuine Coconut, Veggie Confetti & The Happy Snack Company*. *Atlantic Food Labs* will rebrand as *FoodLabs* & launch a €100 million food tech fund to invest in food, health & sustainability startups. *AeroFarms* will not merge with *Spring Valley Acquisition Corp*. *Portillo's Hot Dogs* will file for an IPO.

*Kroger Private Marketplace*, powered by *Kroger's 84.51°* data analytics arm, is a new service enabling CPG brands & ad agencies to use *Kroger* shopper data to drive ad campaigns. *UNFI & DoorDash* will collaborate to bring eCommerce capabilities to smaller independent retailers. *New Seasons Market* will employ *Afresh's* operating system for its fresh foods. *Dollar Tree* will improve demand forecasting & replenishment processes using retail optimization software provider *Relax Solutions*. *Grocery Outlet* is launching *Instacart* service for 68 California stores. *Gopuff* launched its 30-minute instant-needs delivery service in New York City. *Farmland* will expand its delivery area. UK grocery chain *Tesco* opened a frictionless store in central London technology from Israeli AI-tech startup *Trigo*. *Walmart* is conducting a beta test of *Walmart Text to Shop*, allowing customers to send *Walmart* text messages naming products to add to a virtual cart. *Walmart* will build a new, 720K sq. ft. high-tech distribution center for fresh & frozen groceries in South Carolina set to open in 2024 creating 400 new jobs. *Delipop* is a European start-up that operates pickup kiosks for multiple grocers in select urban areas for convenience pick-up versus delivery. A Connecticut restaurant has employed a robot delivery tray, from *Richland Robotics*, to replace wait staff. Israel-based food technology company *InnovoPro* will launch the first textured vegetable protein made from chickpeas. Philippine based *Century Pacific Foods* will bring its *Unmeat* plant-based meat alternative brand to select USA cities. *Israeli Future Meat Technologies* plans a USA plant in 1 to 2 years. *Mission Barns*, cultivated fat from animal cells tech company, will partner with *Silva Sausage* produce hybrid sausages combining cell-cultured fat & plant protein. *Israeli Future Meat Technologies* plans a USA plant in 1 to 2 years. *Ferrero North America* will build a new chocolate processing facility in Bloomington, Illinois. *GNT Group, BV*, manufacturer of *Exberry Coloring Foods*, will invest \$30M to expand its operations in North Carolina. *Bonumose*, a tech startup with patented technology to produce allulose & tagatose will build a \$27.7M production & R&D facility in Virginia & grow its partnership with *Hershey*. *Nestlé USA* will introduce *Nestlé Rallies Nut Butter Bombs*, a refrigerated snack featuring chocolate & nut butter. *Barry Callebaut* debuts *Elix*, a nutraceutical drink & ingredient elixir made of 100% cacao fruit. *Tyson* will bring *Dickey's Barbecue Ribs* to retail. *Stonyfield* will work with farmers whose contracts were cancelled by *Danone*. John Catsimatidis, owner of *Gristedes Supermarkets*, predicted that food prices will spike 10% in the next two months. *Organic Trade Association* CEO Laura Batcha will step down next year after 10+ years.

*Costco Wholesale* was picked by consumers as Canada's most respected grocery/food retailer, in research conducted by *Dart Insight & Communications*. From *Mercatus/Incisive*, 75% of online shoppers prefer store pickup, with a huge increase in those regularly using pickup over 2020. From *January Digital & Coresight Research*, 59% of consumers plan to buy online this holiday season, up 7% from last year, with 56% saying they will buy more health-related products than last year. *Forrester* estimates that 72% of retail sales in the USA will take place in brick & mortar stores into 2024. The top reasons for shopping in store, *Forrester* found, are to test products (47%) & immediate satisfaction by purchasing on site (38%). From *Winsight*, YOY wholesale food prices rose 8.6%. From *Magnify Money*, for certain product categories, conventional food prices are growing more rapidly than organic, which is still higher priced. From NYU School of Public Health, 57.5% of USA calorie intake comes from ultra-high processed foods, up from 53.5% in an ongoing study. The consumption of minimally processed food dropped to 27.4% of all calories, from 32.7%. From *Acosta*, 50% of consumers are doing restaurant carryout or drive-thru more often than they did in 2019. From *Lightspeed*, half of USA restaurants are planning to explore robotics to fill hiring gaps.

**MARKET NEWS:** Markets were higher this week. The consumer confidence index's recent ten-point drop, per economists at Dartmouth & the University of London, is an indication that America has been dragged into an economic recession following 4 years of one of the best economies in American history.

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

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

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