



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

FOR MOST OF RECORDED HISTORY, from the ancient Greeks into the Age of Enlightenment, most all scientific, mathematical & philosophic thinking was based on the writings of one man. His influence was the basis for the study of logic, reason, ethics, physics, metaphysics, natural law, biology, zoology, psychology, economics, government, military, poetry, music, reason, criticism & much more. Dante referred to him as 'the master', Aquinas as 'the philosopher' & the Islamic culture as 'the first teacher.' His thinking was so far advanced, it was 2,000 years until Newton, Locke, Hume, Kant & Smith advanced his many theories. This man was Greek philosopher Aristotle.

ARISTOTLE: According to some sources, Aristotle passed away at the beginning of March in 322 BC., 2,344 years ago. His teacher was Plato, whose teacher was Socrates. While little is known of his life, his father, from whom he learned the sciences, was doctor to the King of Macedonia. He joined Plato's academy as a teenager, then traveled to enhance his studies. In 343 BC, at age 40, Aristotle was asked by Phillip of Macedonia to school his son, Alexander, whom the king wanted to make Great! In 335 BC, Aristotle settled in Athens, where he finally took to writing his many works. Aristotle is certainly among the most quoted thinkers in *ALL EARS!!*, because his philosophy, logic & reason are so incredibly timeless. His commentary applies even to today's world – this maddening, confusing, often infuriating, yet in most ways, still beautiful world. We share a few thoughts from this remarkable teacher, *without commentary from this unworthy disciple*, that apply as well today as ever:

- Life cannot be lived & understood, simultaneously.
- Our problem is not that we aim too high and miss, but that we aim too low & hit.
- It is impossible, or not easy, to alter by argument what has long been absorbed by habit.
- To Unlearn is as hard as to Learn
- The man who is truly good & wise will bear with dignity whatever fortune sends & will always make the best of his circumstances.
- Laughter is a bodily exercise, precious to Health
- Young People have exalted notions, because they have not been humbled by life or learned its necessary limitations; moreover, their hopeful disposition makes them think themselves equal to great things. That means having exalted notions. They would always rather do noble deeds than useful ones. Their lives are regulated more by moral feeling than by reasoning - all their mistakes are in the direction of doing things excessively & vehemently. They overdo everything - they love too much & hate too much; the same with everything else.
- The tyrant, who in order to hold his power, suppresses every superiority, does away with good men, forbids education & light, controls every movement of the citizens & keeping them under a perpetual servitude, wants them to grow accustomed to baseness & cowardice, has his spies everywhere to listen to what is said in the meetings & spreads dissension & calumny among the citizens & impoverishes them, is obliged to make war in order to keep his subjects occupied & impose on them permanent need of a chief.
- The only stable state is the one in which all men are equal before the law.
- It is the mark of an educated mind to be able to entertain a thought without accepting it.
- Virtue means doing the right thing, in relation to the right person, at the right time, to the right extent, in the right manner & for the right purpose. Thus, to give money away is quite a simple task, but for the act to be virtuous, the donor must give to the right person, for the right purpose, in the right amount, in the right manner & at the right time.
- If something's bound to happen, it will happen. Right time, right person & for the best reason.
- Love is composed of a single soul inhabiting two bodies.
- Find the good. Seek the Unity. Ignore the divisions among us.

INDUSTRY NEWS: Snack maker *Belgian Boys* received a \$7M raise led by *Equilibra Ventures*. *Unami Meats* raised \$2.4M, co-led by *Better Bite Ventures* & *CULT Food Science*. *Inaru* raised \$1.5M to build a vertically integrated ecosystem for production of

organic cacao in the Dominican Republic, with funding from *The Helm*, *1517 Fund*, *MarsBio VC*, *West Ventures*, *Gaingels*, *Sorenson Impact Foundation* & leaders from companies including *Hershey*, *Soylent*, *Unity Technologies* & *Robolox*. *Weee!*, North American Asian eGrocer, raised \$425M in Series E financing led by *SoftBank Vision Fund 2*, with *Greyhound Capital* & existing investors involved. *Flashfood*, food near expiration date eCommerce platform, raised \$12.3M led by *S2G Ventures*. Sweden's *Mycorena*, which makes a mycelium protein ingredient for meat alternatives, raised €24M. *Starship*, delivery robots, raised \$42M (just a month after raising €50M) from *NordicNinja*, *Taavet+Stenn*, *TDK Ventures* & *Goodyear*. *DoorDash* acquired *Bbot*, a hospitality-tech startup that simplifies digital orders & payment; terms not disclosed. *Riviana Foods*, subsidiary of *Ebro Foods S.A.*, will acquire specialty rice, quinoa & grain producer *InHarvest* for approximately \$48.75M. *Made by Nacho*, a cat food company founded by Nacho Flay & his father, Bobby Flay, raised \$14M led by *CAVU Venture Partners*, with *New Fare Partners* & *Mars' Companion Fund* involved. *I & love & you*, premium pet food & treats, (& among our mini-goldendoodle DJ's favorites) received an undisclosed investment from *L Catterton*.

Kroger had an all-around up 4th QTR, with increased income despite heavy inflation costs; the stock price rose. In *Publix's* 4th QTR, net sales were up 12.4%, comparable sales rose 10.5% & net earnings rose 3%. *Target's* strong 4th QTR was driven by an 8%+ jump in both comparables & traffic with a 9.4% growth in revenue & a 19.4% increase in net EPS. *Grocery Outlet* had a down 4th QTR from a year ago but met analyst targets. *Dollar Tree's* net sales increased 4.6%, same-store sales increased 2.5%, but net income was down slightly on inflation, supply & freight costs. *JM Smucker* took a 4th QTR impairment charge on the *Rachael Ray Nutrish* brand, resulting in a 73% drop in net income on slightly lower quarterly sales. *Hostess* posted a net income of \$36.5M after a slight loss last year, with sales up 16%. Both *Beyond Meat* & *Maple Leaf Foods* reported down 4th QTRs, as *Beyond Meat's* widening loss sent its stock tumbling & *Maple Leaf Foods* announced an altered strategy. *Hello Fresh* saw YOY growth in 4th QTR; but slowing growth may cause the meal-kit provider to introduce RTE meals. *Monster* reporting record 4th QTR sales with lower net income. *Celsius* beat 4th QTR revenue estimates & increased net income 7.5X YOY.

Whole Foods announced a new initiative called the *Local & Emerging Accelerator Program* which will offer local brands mentorship, education & financial support to support growth. *Albertsons* will have *Goldman Sachs* & *Credit Suisse* perform a review of strategic alternatives to maximize growth & shareholder value, with one analyst suggesting a sale of underperforming stores may help the retailer compete in omnichannel. *Piggly Wiggly*, the iconic southern grocery, will enter the Northeast with the opening of a store in Watertown, NY, per its parent, *C&S Wholesale Grocers*. *Wegmans* will enter the Connecticut market. *Dollar Tree* will significantly expand its *Family Dollar/Dollar Tree* combo stores. *Amazon* will close its book stores, focusing brick & mortar on *Amazon Fresh*, *Whole Foods Market* & *Amazon Go* stores with *Just Walk Out* technology. *Aramark* opened *Zippin*, a checkout-free store, at Houston's *NRG Stadium*. *Kroger* will open an *Ocado*-automated fulfillment center in the Cleveland region. *Ahold Delhaize* continues its move to self-distribution, opening a Pennsylvania DC. *Walmart's* third-party marketplace & fulfillment arm grew 500% in 2021. *Farmstead* will partner with *Circle K* to explore innovative supply chain, distribution, e-commerce fulfillment & marketing models. *Misfits Market* is now available in all of the lower 48 states with its expansion into Montana, Wyoming, North Dakota & South Dakota. *Rosie*, eCommerce provider, is offering a white-label mobile app solution to independent grocers. Distribution platform *Pod Foods* launched a data-driven discovery engine to connect any retailer, in any location, with *Pod Foods'* infinite warehouse of emerging brands, along with *Pod Foods'* supply chain management platform. *Saladworks* will open 20 new ghost kitchen locations in partnership with *Combo Kitchen*, beginning later this month. *Magic Spoon* will introduce a snack bar for a limited time while *Eat the Change* introduces a children's veggie snack. *Givaudan* introduced *PrimeLock+*, a technology that encapsulates & protects the flavor & fat in plant-based meats, releasing them during cooking & consumption. *Diageo* opened a new \$100M Illinois production facility. *Lifeway* shareholders filed with the SEC to seek the removal of CEO Julie Smolyansky & explore strategic alternatives.

From *dunnhumby*, *Walmart* was the top pick for best value for the money (54%) with *Aldi* next (18%), followed by *Kroger* (10%) & *Amazon* (18%). From *Chr. Hansen*, 48% of consumers take probiotics daily or almost daily in foods or supplements, with most of them consuming at breakfast & though dairy products. From the *NPD Group* & *National Restaurant Association*, on-premises dining was 19% of transactions in November, 2021, down from 39% in February of 2020. Carryout actually declined slightly, while drive-thru rose to 42% of traffic (up from 26%) & delivery rose to 9% from 3%. Scientists in Norway published a study in *PLOS Medicine* showing a diet heavy in fruits, vegetables, beans & grains will add 10 years to 20-year-old's life span & 3 years to an 80-year-old's life who started a plant-based diet. Even a partial plant-diet could add up to 6 years.

MARKET NEWS: Markets were down despite an unexpected positive jobs report. The impact of economic policy blunders continues as the trade deficit is at a record gap.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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