



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WILLIAM POWELL AND **CLARK GABLE**, two of the 1930s biggest stars, box office draws & acclaimed actors with many a classic film, were great friends! They dated & loved the same woman, Jean Harlow (Gable's love was said to be platonic), & married the same woman, Carole Lombard. They were traditional men's men - enjoying hunting, fishing, horse racing, baseball, drinking & carousing! At the end of a long night, they often could be found on Wilshire Blvd, at the back door of one of their favorite haunts. They would pound on the door until the owner opened up. Demanding to be fed, the owner of the Brown Derby, Ray Cobb, would take the remains of the day & make them a salad!

UNDERSTANDING SALAD: We eat salad at least three times a week. With a base of organic mixed greens, crispy romaine & often large basil leaves, I conjure up all the fresh organic veggies & fruits we have available! If we need a bit of protein, I add perhaps cheese, eggs, chickpeas or organic chicken or turkey. Then I concoct an olive oil & apple cider vinegar dressing, adding all kinds of spices, or maybe some ground mustard seed & honey for a healthy, refreshing dinner... sometimes even breakfast! If we are on the go, our favorite stop is *Salad and Go* – local, fresh & fast! If we have a bit more time, we will hit *the Original Chop Shop*, *Wildflower Bread Company*, *Birdcall* or even *Panera*! Of course, if you add heavily breaded & deep-fried chicken nuggets; burnt & blackened chicken breast or rich creamy dressings, a salad may not be what is best for you. But in general, everybody understands that eating salad is healthy! It is understandable that we all understand that salad is healthy. Each ingredient is so healthy, we all understand that! And if we understand that salad is healthy, each of us understands that we will be healthier. Salad is so understandable, & we all need to work together to understand that salad is understandably healthy for us. Then it will be understood by everyone that salad is healthy & everyone will understand that what we all will understandably know that salad is understandingly healthy. And if we as a community understand that salad is healthy, we can share that understanding with everyone in the community, so that everyone in the community has an understanding of the understanding that salad is understandably healthy. And when we share this understanding beyond our communities, we can help everyone understand what we understand, so everybody will understandably understand the understanding that we ourselves so deeply understand, the understanding that salad is so understandably healthy. And for those who don't understand this understanding, we must understandably share our understanding, because we want all of our communities & all of those in our communities, to rightfully understand what we all now understand, which is that we understand the understandableness of the understandability of the understanding & the understandableness of an understandably health salad. We need to understand it is our duty, & our understandable commitment, to share this understanding with our fellow citizens, because all of us deserve to understand this understanding, because this understanding is so important. And everyone who joins our community deserves this understanding. For these newcomers, each of us must understand our role in helping these newcomers understand this understanding. Because we all understand that government, understandably, can only do so much. We also understand that the government can & should do more to help those who don't understand, understand. Which is why we all understand that the government must, understandably, raise taxes so that those who don't understand can understand & are given every opportunity to understand what we all understand, & that is to say, the understandability of the underlying understandability of this understanding that we all understand, that salad is understandably healthy. We understand that if everyone can share this understanding, that the world will be understandingly healthier. We all understand that in a healthy world, where everyone understands what we, ourselves, understand, the understandable important understanding of a healthy salad, everyone will enjoy the benefit & happiness of the understanding. The world will understandably reap the benefit of this understanding. We all understand this. Yes, each of us does SO understand this. Each & every one of us understands that everyone must understand this understanding. It is undeniably an understanding we must all understand; indeed, we must understand it is within ourselves to understand our understanding & share our understanding so that all can understand that this understanding makes the world a better place. Nothing has ever been so understandable, that it is our understandable duty, our right, to share our own understanding with those who do not yet understand, because when they do understand, we all see the understandable beautiful future that we can all share together, understandably! This is what we all understandably dream; the simple, understandability that salad is understandably healthy. Which is why we must all understand this understanding. If we understand, share our understanding, that understanding will understandingly be passed to future generations, so they understand the understandable understanding of the undeniable understanding of the understandable understanding of a healthy salad. And – now this is important – if we understand the understanding of this essay, which is not about how the Cobb Salad got its name, but about the undeniable importance of understanding of salads; then we won't have to spend the next four years eating nothing but salad! *Understand?*

INDUSTRY NEWS: Kids brand *Mission MightyMe* raised \$2.35M. LA-based *Salt & Stone*, body care products, received an undisclosed investment from *Humble Growth*. *Vitamin Well*, a Swedish provider of protein bars & sport beverages, received an undisclosed investment from *Cinven*. *L Catterton* made a strategic investment in Asia's *Vieve*, plant-based drinks consumed with spicy Chinese cuisines. *High Rise Beverage Company*, CBD & THC seltzers, raised \$1M from undisclosed investors. In Israel, *Ever After Foods*, cultivated meat, received a \$10M investment from *Pluri*, one of its joint venture owners along with the *Tnuva Food-Tech Incubator*. Fungi alt-meat maker *Adamo Foods* raised

a \$2.5M seed round. In Japan, *Secai Marche*, an application that connects farmers directly with restaurants & retailers in Southeast Asia, raised \$2.1M with *Beyond Next Ventures*, *Spiral Ventures Asia*, *Mitsubishi UFJ Capital*, *Future Food Fund*, *Tsuneishi Shoji*, *Fukuoka Sonoriku* & others. In New Zealand, meal planning & grocery shopping app *MenuAid*, rebranded to *Appetise* after raising NZ\$4M with *Kiwi VC Icehouse Ventures* & *OIF* involved. In India, *Zepto*, instant delivery provider, closed on \$340M at a \$5B valuation with *General Catalyst* & *Mars Growth Capital* leading the round. In Australia, *Cauldron* received a \$2.8M government grant to scale its precision fermentation. In Finland, *Collo*, IoT analyzers to optimize beverage production, raised €5M co-led by Swedish *SEB Greentech Venture Capital* & Dutch *FORWARD.one* with *Scale Capital* involved. Belgian sustainable agriculture startup *Hedera-22* raised €2M. *Mars* will purchase snacks producer *Kellanova* for \$35.9B, the largest Food & Beverage transaction since the \$45B merger of *Kraft Heinz* in 2015; *Kellanova* will become part of *Mars Snacking*. *Conagra* acquired *Sweetwood Smoke & Co.*, maker of *FATTY Smoked Meat Sticks*. *Above Food Ingredients* will buy the specialty-crop food ingredients division of food & feed ingredients supplier *The Redwood Group* for \$34M in cash & stock. *Tilray Brands* will acquire four craft beer makers from *Molson Coors*: *Hop Valley Brewing Company*, *Terrapin Beer Co.*, *Revolver Brewing* & *Atwater Brewery*. After more than a year, *Minerva* received Brazilian government approval to acquire plants from *Marfrig*. *Performance Food Group* will acquire South Florida distributor *Cheney Bros.* for \$2.1B in cash; *Cheney Bros.* boasts \$3.2B in annual revenues. *Calavo* sold its fresh cut business to *F&S Fresh Foods* for \$83M. *AB Mauri NA* acquired craft liquid yeast brewer *Omega Yeast Labs*. Buyout firm *Tide Rock* acquired Bohemia, NY-based *Glenn Wayne Bakery*, a family-owned & operated wholesale manufacturer of baked goods including donuts, muffins, Danish, pastries, cookies & brownies. *Butterworks Farm*, Vermont-based producer of yogurt & other dairy products, was acquired by a group of private investors. *South Mill Champs*, mushroom grower, acquired *Baird Produce*, located in the *Tampa Wholesale Produce Market*. *Legacy Food Group* acquired Alabama-based *Halsey Foodservice*. *Front Range Holdings* acquired *The Cookie Place*, a franchisee of more than 60 *Great American Cookie* locations. *Bansk Group* acquired pet health company *PetIQ* for \$1.5B in cash (\$31/share). *WellSpring Consumer Healthcare* acquired an intimate care line *vH essentials*. *Pegasus Tech Ventures* is partnering with Tokyo-based snack food company *Calbee* to foster innovation & growth by investing in emerging technology companies across the United States, Europe, Israel & Asia.

Walmart posted a stellar 2nd QTR following a solid 1st QTR as the retailer posted gains domestically & internationally with growth in financials, comps, grocery, eCommerce & household penetration; the stock rose for the week. *Natural Grocers by Vitamin Cottage* had a strong 3rd QTR as net sales jumped 9.7%, comparables grew 7.2%, daily average transaction count rose 4.7% & net income was up 29%. In a mixed bag of results, *SpartanNash* reported weak sales in 2nd QTR with a dip in comparables but saw a bump in EPS, improved cash & reduced debt. In *Maple Leaf Foods'* 2nd QTR, operating income improved (despite a drop in sales), reduced its net loss YOY & reaffirmed full year guidance. Sales were down in *Corbion's* 1st half, but the company rebounded with improved income results. *JBS* reported a strong 2nd QTR with a 6.8% increase in revenue & a 50% increase in gross profit. Revenue jumped 49% for *Jones Soda* in 2nd QTR as its loss widened from \$1M to \$1.6M. In the UK, *Deliveroo* reached its first ever profit.

Schnucks converted all of its discontinued *Eatwell Markets* to the *Schnucks* banner. *Wawa* will expand to West Virginia. *T&T Supermarket*, Canada's Asian grocery retailer, will open its first store in California, its 3rd store in the USA. *Rite Aid* will complete the closure of all 186 Michigan stores under its restructuring agreement & pullout from the Great Lakes region. At *Trader Joe's* first unionized store in Hadley, MA, workers have petitioned the NLRB to hold a decertification vote. *Erewhon* customers can now get a whole-body MRI scan from *Prenuva* at *Erewhon* locations. *Instacart* will partner with *Ibotta* for digital coupon access. *Campbell Soup* debuted a line of chunky burger-based soups in vegetable beef, Texas-style barbecue & cheesy jalapeño flavors. *Quorn Foods* will blend its mycoprotein ingredient with meat to make products such as burgers & sausage. *Flow Beverage* debuted a sparkling water line. *Impossible Foods* opened a brick & mortar retail location in Chicago. *Blue Cross Blue Shield of Tennessee* introduced a statewide food-as-medicine initiative with *FarmboxRx*. *Tyson* will cut 500 workers at its Wilkesboro plant, about 20% of the workforce. *Fonterra* & *Superbrewed Food* will partner to produce functional biomass protein using their combined platforms. *Cargill* & *Goanna Ag* will pilot an irrigation efficiency platform in the Mississippi Delta cotton fields. *Mission Barns* launched a new bioreactor to scale cultivated meat & fat. *Heinen Brothers Agra Services* launched an unmanned air & ground crop spraying robotics system named *Kelly Hills Unmanned Systems*. Some delivery drivers are refusing to invest the time to pick up at stores where products are locked up because of this administration's lack of criminal enforcement. Also, one Presidential candidate wants to go after corporations & retailers for price gouging instead of reversing the inflationary policies that we have come to understand were her initiatives; industry organizations are preparing to dispute these claims. *Upside Foods* is suing the state of Florida over its cultivated meat ban. Four state attorneys have filed to allow *Kroger's* acquisition of *Albertsons* proceed. After 2 bad quarters & with just a bit over one year in his position, *Starbucks* fired their CEO & replaced him with *Chipotle's* CEO, Bruan Niccol. *Chick-fil-A* named Susannah Frost as the new president. Cookie icon & a pioneer in several fields, Famous Wally Amos, passed away.

From *Brick Meet Click/Mercatus*, the USA online grocery market ended July at \$7.9B, 9.2% higher than the prior year; delivery sales surged 22%. From *Datassential*, 67% of Gen X consumers say they have changed their grocery shopping habits due to this administration's inflation policies; 60% of all consumers changed their buying habits. From *SPINS*, USA sales of plant-based milk fell 5.2% in the past year, with units down 5.9%. Reports show the Washington apple harvest to be in the normal range. The USA durum wheat crop is expected to be the highest in 6 years. Poultry & egg forecasts show steady growth through 2033; eggs prices took another leap higher in July.

MARKET NEWS: Markets worked on recovering this week as a September rate cut took focus. Home prices rose in 89% of all metro areas. Builder confidence slid & several production indexes showed contraction. Retail sales rose 2.7% YOY in July, though *Stifel* reported spending weakened across all income levels during the last six weeks. The core PPI rose 2.4%, which unlike the message of popular media, is not "cooling." As proof, July CPI came in at 2.9% & Core CPI was 3.2% YOY. Prices are up more than 20% across the board since the current administration took over, initiated spending policies that destroyed the economy & drove up debt. If this continues, the price of salad will just get higher. Understand?

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malloy*

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