



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



LITCHFIELD

JACK LIVES IN THE COUNTRY dutifully watching over his ward, the young heiress, Cicely. He invents a wayward brother, Earnest, to visit in London, in order to court his friend Algernon's cousin, Gwendolen. In London, Jack is known as Ernest, taking on the persona of a young man of society. Algernon admits to Jack that he has employed a similar ruse, an invalid friend in the country, Bunbury, who he 'visits' to get out of tedious social obligations. Learning of the young, rich, Cecily, Algernon goes to the country. He begins to charm her, pretending to be the wayward Earnest, who Cecily has always had a secret desire to meet! From there, things get confusing & let us say, farcical!

TRAGICAL FARCE: *The Importance of Being Earnest* was the pinnacle of Oscar Wilde's career & the last play he wrote before going to jail. (*Advice? Make sure your lovers do not have vengeful & powerful fathers.*) The play is archetypal of the literary farce! There are lies, deceptions, misunderstandings, various ruses, false identities, slamming doors, comical situations (who would forget a baby in a handbag at Victoria Station) & lies to cover for other lies! The literary farce has been around for centuries. Shakespeare used the literary techniques of the farce to poke fun at nobles & the ruling class, in plays like *Twelfth Night*, *The Comedy of Errors* & *The Taming of the Shrew* (which has been oft-copied, as with the musical *Kiss Me Kate*, but dust off the Cybil Shepherd/Bruce Willis *Moonlighting* episode for a real laugh). The mid-20th century brought a number of classic farces to stage & screen, *Arsenic & Old Lace*, *To Be or Not to Be*, *Charley's Aunt*, *Waiting for Godot*, *Some Like it Hot* and many more. The late '50s & early '60s brought the bedroom farces, which had risen to fame in Paris in the 1890s. In movies like *Pillow Talk*, *Lover Come Back* & *Boeing-Boeing*, couples engage in elaborate schemes, misrepresent who they are & have giant misunderstandings before a happy ending; or if you are Tony Curtis & Jerry Lewis, fleeing in a Paris cab from three angry stewardesses. Classic TV brought the farce into our homes. Almost every episode of *I Love Lucy*, *Three's Company* & *Frasier* are farces. Farces involve seemingly normal people suddenly caught in an outlandish situation & then creating a web of lies to deal with it. Farces offer us a chance to laugh at humankind, the extravaganza we might get ourselves into trying to be a dancer in our husband's nightclub act, date a pretty girl or obsess over the slightest indiscretion & plot an elaborate revenge, only to see it all backfire. And while the farce on stage & screen gives us great amusement & that much needed belly-laugh, real life farces are not funny, just tragic & embarrassing. From Samuel Taylor Coleridge, "*Farce is nearer tragedy in its essence than comedy is.*" Many philosophers & authors felt that life itself, & the history we create, is just a whimsical farce. From French surrealist poet Arthur Rimbaud, "*Life is the farce which everyone has to endure,*" while French philosopher Michel de Montaigne thought we were all simply watching the farce played out in front of us, "*Is it not a noble farce, wherein kings, republics, & emperors have for so many ages played their parts, & to which the whole vast universe serves for a theatre?*" Mark Twain, too, felt life to be a farce, commenting, "*There are times when one would like to hang the whole human race & finish the farce.*" French poet Francois Rabelais also believed life to be a farce, his last words: "*I go to seek the Great Perhaps, bring down the curtain, the farce has been played out.*" British writer & historian, Henry Walpole thought differently, "*Life is a farce & should not end with a mourning scene.*" But what farce teaches us is to face life's tragedies with a bit of a laughter, at our own human failings. English novelist George Gissing was among those who thought so, "*Life is a huge farce, & the advantage of possessing a sense of humor is that it enables one to defy fate with mocking laughter.*" English political philosopher Henry St. John offers, "*Thus it is in the farce of life. Wise men spend their time in mirth; it is only fools who are serious.*" Shakespeare famously penned, "*All of Creation's a farce. Man was born as a joke. In his head his reason is buffeted like wind-blown smoke. Life is a game. Everyone ridicules everyone else. But he who has the last laugh laughs longest.*" Often, good advice, even about dealing with life's tragical farce, comes in the simplest form, like a simple exchange between Bill Watterson's *Calvin & Hobbes*. When the two grimly reflect, "*They say the world is a stage. But obviously the play is unrehearsed & everybody is ad-libbing his lines. Maybe that's why it's hard to tell if we're living in a tragedy or a farce;*" Calvin responds, "*We need more special effects & dance numbers.*"

INDUSTRY NEWS: *Apeel* raised \$250M led by *Temasek*, with *Andreessen Horowitz & Mirae Asset Global Investments*, at a more than \$2B Valuation. *Caliwater* raised \$2M from private investors. *First Bev* acquired a controlling stake *Health-Ade*, the deal backed by investors that include *Manna Tree*. Meal delivery service *Trifecta* raised \$20M led by *Spring Lake Equity Partners*, with participation from *Data Point Capital, Raptor Group & Hall Group*. *Kindred Ventures* led a \$2.7M round in adaptogen coffee *Taika*, with *Obvious Ventures* involved. *Sound Agriculture*, bio-designed crop inputs, raised \$45M led by *Leaps by Bayer*, with *Northpond Ventures, Cavallo Ventures, Fall Line Capital, S2G Ventures & Syngenta Group Ventures* involved. *Red Sea Farms*, saltwater-fed farming facilities, closed a \$16M round led by *AppHarvest & Bonaventure Capital* with *Wa'ed Ventures, KAUST Innovation Fund & Global Ventures* participating. *Milk Specialties Global (MSG)* acquired a *Kay's Processing & the Kay's Naturals* consumer brand with plans to expand processing for extruding proteins products used for snacks & meat alternatives. *Cox Enterprises*, already an owner in *BrightFarms*, acquired the indoor-agriculture company. *GrubMarket* acquired NY-based *L&J Produce*. *Ayr Wellness*, a vertically integrated cannabis operator, acquired *Levia*, cannabis infused seltzers, for \$20M. *Tilray* bought \$166M of the convertible debt of California-based *MedMen Enterprises*, giving the Canadian CBD producer a majority stake & a chance for possible entry into the USA marijuana market. *Grupo Bimbo* will acquire the Brazil baking businesses of *Aryzta*, as *Aryzta* intends to focus on its European baking business.

Net income at *Target* in 2nd QTR was up 7.4% & revenues was up 9.5% as traffic rebounded (9% comparables) for deli, café & bakery. *Walmart* had strong growth in 2nd QTR with help from the grocery & fresh categories. *BJ's* 2nd QTR revenue rose 5.6% & comparables rose 4% with a small increase in net income, as eCommerce increases helped push performance. *SpartanNash* has a down YOY 2nd QTR but beat estimates on net income. *Flower Foods* raised full-year guidance despite a slightly lower 2nd QTR. *Oatly* reported a record 2nd QTR revenue of \$146M up 53.3%, along with a significant slip in gross profit margin. Net loss was \$6.3M at *Laird Superfood* in 2nd QTR as sales increased 64%. *Reed's* posted a \$3.1M 2nd QTR loss on revenue of \$11.3M. *Beyond Meat* had a larger loss than expected in 2nd QTR, but beat estimates on revenue as foodservice bounced back. *HelloFresh* blew past consensus 3rd estimates & raised guidance as YOY orders rose by 71%. Earnings (52%) & net revenue (41%) rose as vegetable oils for biofuel drove *ADM's* 2nd QTR. Net income (137%) & net sales (89%) soared at *MGP Ingredients* in 2nd QTR. *Bunge* increased full-year forecasts as 2nd QTR saw adjusted earnings up 40% & net sales increased 63%. *Ingredion* posted a strong 2nd QTR with increased income (170%) & revenue (31%). Income rose 254% in *Starbucks' 2nd QTR* as traffic rebounded with revenue rising 43%.

Giant Eagle is the first grocer to accept *PayPal & Venmo*. *Albertsons* is introducing a for fee membership program with free unlimited delivery. *Aldi* is seeking to hire 20K new workers. *7-Eleven* will partner with *Minibar Delivery* to deliver alcoholic beverages within 30 to 60 minutes from 600 locations. Burger chain *Wendy's* plans 700 ghost kitchens by 2025 in partnership with a parking lot startup, *Reef*, who may be North America's largest parking lot operator & has been piloting ghost kitchens in its lots. *Chipotle* will test an in-house made plant-based chorizo. *Beyond Meat* has filed for a trademark extension to *Beyond Milk*. *Nestlé* launched *Lean Cuisine* bowls with cauliflower pasta. *FreshRealm* has 5 new production facilities planned to be opened through early 2022 to meet growing demand. *Quorn Foods* opened a new culinary development center in Dallas to create a chicken substitute for foodservice operators. *Mars, Tyson*, insect farming specialists *Aspire Food Group, Protix & Beta Hatch* will team with Texas A&M & other universities to establish an insect farming research center. *JBS's Planterra Foods*, opened a new headquarters in Lafayette, Colorado with a plant-based R&D innovation center.

Bloomberg Intelligence suggests that the global plant protein market, now at \$29.4B could be \$162B & 7.7% of the global protein market by 2035. In a study from *Kerry*, probiotic use & awareness has grown by double digits in the past year. *IRI, NielsenIQ & 210 Analytics* report that 86% of shoppers purchase vitamins & supplements, with 17% planning to spend more on these products. From the Harvard School of Public Health, five or more 1 oz. servings of walnuts per week led to a higher life expectancy in older adults. Peruvian avocado exports rose 152% to a new record & Guatemalan cauliflower increased 140%. Wheat prices are rising on demand & lower forecasts. The USA apple forecast is up 2.7%.

MARKET NEWS: Markets were lower, with economic indexes reporting below forecast, along with lower-than-expected retail sales. Geopolitical & FED policy concerns lowered market confidence.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malengo*

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