



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**THE SCOTTSDALE AIRPORT** is among the busiest private airports in the country. The area's attractions are of course the climate, beautiful landscapes from desert to skiing, golf, a thriving business community & tech environment & regular events that attract tourists to the desert. Often, the area hosts the Super Bowl & NCAA football championship; this year the attractions after the New Year's Fiesta Bowl include the NCAA Final Four, Spring Training, The *Waste Management Phoenix Open* (AKA: The Greatest Show on Grass) & the *Barrett-Jackson Car Auction*. America loves cars & the open road; at the *Barrett-Jackson* you can find the perfect car for the ultimate road trip!

**ROAD TRIP:** Many years ago, I met an incredible man. His accomplishments included serving as a Navy Lt. Commander under Admiral Charles Nimitz, among those standing in the photo of Nimitz signing the Japanese surrender on the *USS Missouri*. He was a congressman, serving the Oakland area & spent several years as America's oldest mayor, in McCall, Idaho. He also served in the Eisenhower Administration as Under Secretary of Commerce for Transportation, working on the development of the Interstate Highway System. While it was Ike who moved forward interstate construction, the conception of a federal roadway system began in Congress some 40 years earlier. Today, a few sections of the interstate system remain unfinished & 4 state capitals are unserved by the highway system: Pierre, Jefferson City, Dover & Juneau. While the interstate highway system was a boon to America's commerce & people's mobility, Americans' desire for the open road lies off the six-lane freeway. Charles Kuralt wrote, "*Thanks to the Interstate Highway System, it is now possible to travel across the country from coast to coast without seeing anything.*" I remember our childhood trips from Cleveland to my parents' hometown in Western Pennsylvania. Just a half-hour from our Collinwood home we were in, what was then, the wild, green, rolling hills of Geauga County. Then there might be a stop at Pymatuning Lake; the Deer Park in Jamestown, PA, to feed the deer, fawns, sheep & goats; or if time permitted, a few rides at Conneaut Lake Amusement Park. Dad had a favorite watering hole about the half way mark on Route 19, where to mom's chagrin, he would stop for a few beers. There were billboards to read for our amusement & car games to play like counting license plates, cows, horses or *Mail Pouch* barns. There was a noisy metal bridge over the Allegheny in Kittanning & perhaps then a stop at *Old McDonald's Farm* to milk a cow. After about 4 or 5 hours on the road, a diner in Shelocta served greasy burgers & fries before passing through Mundy's Corner, hoping this time we might see a citizen on the street in this sleepy little town! The 1980s brought road trips across the Great American West, so much wilder & more unpopulated than it is today. The fun always lies off the highway - the scenic outlook, the amazing waterfall, the mom & pop diner, the cheesy tourist trap. Among the memories: marionberry milkshakes just off route 89 in Wyoming; a delicious Italian restaurant at 10,000 feet in Leadville; the train motel in Elbe; the Wigwam motel in Holbrook; the peaceful babbling Siuslaw River lapping near our deck in Florence; the cattle quietly grazing outside our motel room near the Russian River; the cattle on the streets of Winthrop & the best steak ever at a *Holiday Inn Express* in Kearny! These may be the places of which Melville wrote: "*It is not down in any map; true places never are.*" Just recently, we took a short trip across the desert to a northwest suburb to visit a new *Clean Juice* location. We stayed off the highway, taking the longer route across the desert, just to enjoy a landscape of saguaros, prickly pears, Christmas chollas, rock formations & the wide open endless western sky! While a roadmap or GPS can help you find a store, restaurant or doctor's office, as Robert Frost would tell us most of life's answers, understanding & adventures are not on the well-travelled super highway. Emerson reminds us, "*Do not follow where the path may lead.*" When we leave the path well taken, we learn so much, as American poet James Russell Lowell wrote, "*A wise man travels to discover himself.*" The journey not just opens our mind, but can in many ways humble & stabilize our soul. From French poet Anatole France, "*Wandering re-establishes the original harmony which once existed between man & the universe.*" The urge to wander, to see new sights, to make new memories, is just part of human nature. From Hans Christian Andersen, "*To move, to breathe, to fly, to float, To gain all while you give, To roam the roads of lands remote, To travel is to live,*" & from Ray Bradbury, "*Stuff your eyes with wonder, live as if you'd drop dead in ten seconds. See the world. It's more fantastic than any dream made or paid for in factories.*" The goal of travel is supposed to be the destination, but the true destination we seek lies within us! From Douglas Adams, author of *The Hitchhikers' Guide to the Universe*. "*I may not have gone where I intended to go, but I think I have ended up where I intended to be.*"

**INDUSTRY NEWS:** Planet A raised \$15.4M, led by *World Fund*, for its oat & sunflower seed alt-chocolate. *Perel*, supplements for women's hormonal stages, raised \$6M led by *Unilever Ventures*, *Willow Growth Partners* & *Selva Ventures*, bringing its total

funding to more than \$12M. North Carolina-based *Elo Life Systems* raised \$20.5M to accelerate the development of its natural high-intensity sweetener, led by *Novo Holdings & DCVC Bio* with *AccelR8*, *Alexandria Venture Investments* & others involved. *Embark Ventures & EGB Capital* led a \$2.6M round in *Izote Biosciences* for its fermentation process without oxygen. Poland's *ZeroQs* raised €457K from *Freya Capital* for its smart shopping cart technology. *PhageLab*, applications to destroy multidrug resistant bacteria in livestock, raised \$11M from *Nazca*, *Collaborative Fund*, *Water Lemon Ventures* & others. *Saga Robotics* raised \$11.5M for *Thorvald*, its agricultural robot, from new & existing investors, including *Songa Investments* & *MP Pensjon*. *Rift Labs* will expand its indoor farm LED platforms with a \$4.5M investment from *Norselab*. *Inari*, seed gene-editing, raised \$103M at a \$1.65B valuation; involved were *Hanwha Impact*, *CPP Investments*, *Rivas Capital*, *NGS Super*, *State of Michigan Retirement System* & parent *Flagship Pioneering*. Spain's *Agrow Analytics*, precision irrigation, raised €650K led by *GoHub Ventures*, *Demium Capital* & *First Drop*. *Delivery Hero* exited its stake in *Deliveroo* in a deal valued at up to £82M. *Hy-Vee* became joint owner of *Exemplar Care*, which has clinics in Iowa offering primary & urgent care services to individuals & employer groups. *No Man's Land Foods*, meat snacks, was acquired by *Bansk Group*. Tom Brady's *TB12* & apparel company *Brady* will merge with *BodyArmor* co-founder Mike Repole's sneaker brand *NoBull* to form a wellness company. *Our Home* acquired the *R.W. Garcia* & *Good Health* brands as well as three manufacturing plants from *Utz Brands* for \$182.5M. Organic chocolate bar maker *Alter Eco Foods* was acquired by *Trek One Capital* from *Next World Evergreen*. *FreshRealm* acquired the operational assets of *Marley Spoon*, global subscription-based meal kit provider, for \$24M. *Raydia Food Group* acquired fellow food distributor *B&B Foods Distributors*. Baking company *Regal Foods* acquired *Love Handmade Cakes*, a baking company; terms not disclosed. *Sea Harvest* acquired *West Point Fishing* (canned-fish, fish oil & fish meal) & took 63% stake in *Aqunion*, an abalone supplier, for \$50.7M. *OCHO Candy* ceased operations due to a lack of funding despite having generated more than \$100M in sales over its history. *Love Good Fats* entered bankruptcy. From *Reuters*, *Hometown Food*, maker of *Pillsbury's* shelf-stable baking products & *Birch Benders*, is up for sale for \$800M. *Novozymes* & *Chr. Hansen* completed their merger; the new company; *Novonosis* has 10K employees. A class action suit has been filed against *Instacart* saying the company overstated prospects & downplayed risks prior to its IPO. *Walmart* announced a 3 for 1 stock split.

*Walmart* is planning to add 150 stores by 2029 & remodel 650 stores in 2024. Bargain priced *WinCo Foods*, which has seen higher growth recently, will open an 8<sup>th</sup> Arizona location in Goodyear. *Costco* will open its first business center in Alaska, in Anchorage. *Schnucks* will limit sales at self-checkout due to theft concerns. *Aldi* will pilot *Grabango* automated checkout. *Loblaw's* added 25 *Tesla* semis to double its electric fleet. *Dollar General* now offers produce in 5K stores & will partner with *Shelf Engine* on a national rollout of *Shelf Engine's* automated AI ordering technology for produce. *UNFI* will use *Symbotic's* powered robotic automation system in its soon-to-be-completed distribution center in Manchester, PA. *Robomart* will expand its self-driving store fleet with autonomous-vehicle manufacturer *PIX Moving*. *Starbucks*-trained baristas will prepare drink & food items at *GoPuff's* micro-fulfillment centers for after-hour 30-minute delivery. *Too Good To Go* launched a new AI-powered application for its close to expiration food management platform. Italy's *Andriani SpA* will invest C\$33.6M in a gluten-free, non-GMO production facility in London, ONT. *Nestlé* will lay off 216 workers at its Solon, OH facility in optimization efforts. *Elmhurst* will launch a plant-based sour cream. *Vita Coco* has discontinued the *Runa* brand. *Ocean Spray* is updating its almost 100-year-old brand identity & unveiled *Revl Fruits*, a lower sugar juice line. Robert Downey Jr. & Craig Dubitsky (*Eos* & *Hello* founder), launched *Happy* coffee. *KDP* will expand its *Lavazza's K-Cups* relationship & add its *Kicking Horse* to the pod format. *Rockstar Energy* will debut a functional mushroom-infused energy & mental boost beverage line called *Focus*. *Puratos* launched a clean label baking ingredient for added softness, *Intens Soft & Fine* that has a dominant soft sensation, increased moistness & a shorter bite. *Pureture* landed its first commercial partnership for its yeast-based casein with global dairy manufacturer *Namyang Dairy Products*. *Invaio Sciences* & *Louis Dreyfus Company* will three-year collaboration to address diseases affecting the citrus sector in Brazil. *Instacart* & the Department of Health & Human Services will work together to support food as medicine programs, research, outreach & policy priorities. Several fire departments battled a major fire at *Feather Crest Farms*, a broiler operation outside of Bryan, TX.

The *National Retail Federation* forecasted Super Bowl food & beverage spending at \$17.8B. The *American Customer Satisfaction Index* found a three-way tie for top spot between *Costco*, *H-E-B* & *Publix*. From a Vienna study, a plant-forward diet could reduce risk of developing type two diabetes by 24%. Produce prices are 12% higher at this time of year than any other year on record. USA flour production fell to its lowest level in 12 years. The California avocado crop is projected 12% lower this season.

**MARKET NEWS:** Markets continued upward. The FED indicated there would not be a March rate cut, that a soft landing was unlikely & that a 2% target inflation rate would not be set. The strong job report indicated a majority of new jobs are cyclical, in government or government run health care & education. Consumers (67%) surveyed say the economy is getting worse.

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

THE LITCHFIELD FUND – *Tom Malenga*

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