



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**THERE ARE STORIES THAT STAY** with you for life. For me, some of these come from my parents, stories of their growing up during depression & war. Some are historical, stories of people; their courage, valor or innovations. Some stories come from old movies, like *Casablanca*, with its lessons of integrity, ethics, morals & cause; or the destruction caused by hate, obsession & revenge in *The Searchers* or *Winchester '73*. And then, there are the great works of philosophy & literature, like *The Republic*, *To Kill a Mockingbird* or *Atlas Shrugged*, that change your view of the world. But for every story we hear, it is what we take away from it, learn from it & hold dear in our heart & soul.

**THIS IS JUST A STORY:** Imagine a world where those in power control everything. They rule the known world. They tax away every penny from the people, enslave them to do their bidding, tell them what to do, where they can go, how they can live. Those in government & those wealthy elites in control live very well. This is not so for the rest of the people. The rulers use the tax money & slave labor to build roads, move water, build ships, wage wars & build monuments & temples to their idols. Slavery, debauchery, murder & sadism are rampant in this society. Now imagine a child is born into this society, wrapped in rags. His only destiny is to follow in his father's profession. Yet this boy, as he moves toward manhood, begins to speak his mind. He tells people what he knows, believes, thinks, feels. He does not just speak to the people who want to listen, but to those who don't want to, because he believes they should hear his message. He speaks about tolerance & forgiveness, goodness & kindness, individual responsibility & integrity, ethics & morals. He speaks of the dangers of idolizing government, wealth & power & how to find the true path to happiness. Importantly, he speaks of how we must teach our children. For this, those in power seek to silence him, persecute him. Even within his own people, his own tribe, there are those who persecute him, ignore him, abandon him. Among the few men who listen to his every word, follow his path from village to village, witness his acts of goodness, there are those who then turn against him in his time of need. Those in power finally take their ultimate revenge, permanently silencing him – at least so they think. But what he predicted comes to pass, more people come to listen & understand. His most ardent followers write down his words. Taking his example, one travels to the seats of power to share his words. And though he himself is persecuted; more people hear the story. Though more & more people hear this message, believe this message, it takes more than 300 years for those in power to finally understand this message. Today, there are those who believe in this simple story so strongly, they use it to guide their daily lives. They call it the greatest story ever told, yet its essence can be shared in less than a couple dozen sentences. There are others who, especially at this time of year, bring the story into their lives & hearts, think about what it means to them, even if it is just for a few weeks. Then there are still others who ignore this story, disparage the story or perhaps worse, use the story only when it only serves them an advantage. This is why it is just a story, like any other story. A story may say to us very simple things; *"It doesn't take much to see that the problems of three little people don't amount to a hill of beans in this crazy world,"* or *"It's a sin to kill a mockingbird,"* or *"For God so loved the world, that he gave his only begotten Son, that whosoever believeth in him should not perish, but have everlasting life."* It is what that story, that message, means to us: what we hear from it, hold from it, live from it. It is how we compare the story to the world today, to who we are ourselves today, to the path we choose to move forward. A story is just a story, randomly arranged words; common words we use every day. If the paper the story is written on burns, the internet zaps the story into never-ethernet-land or we forget the words or don't repeat them, the story disappears. But if what we take from the story lives inside us, within our hearts & souls, there to guide our daily lives & actions - we become the story, its messenger, its Word; and the story lives on, for the next person to hear, understand & learn. A story that lives inside of us, the more that we ferment on what it truly means, becomes more powerful when told by our own words, actions & deeds, for as American novelist Raymond Chandler said, *"A good story cannot be devised; it has to be distilled."*

**INDUSTRY NEWS:** Plant-based meals maker *Mosaic Foods* raised \$6M in a seed round led by *Gather Ventures* with participation from *Greycroft & Alleycorp*. Plant-based baby food *Amara* raised \$12M, led by *Eat Well Group*. *Riceworks*, a gluten-free rice snacks manufacturer, has received a seven-figure investment from *Decathlon Capital Partners* & others. DTC canned wine company, *Maker*, raised \$2.3M from *Pear VC*, *Marcy Venture Partners* & a number of angels. *Juicy Marbles*, a Slovenian alt-meat start-up, raised a seed round of \$4.5M. Israeli alt-dairy startup, *Imagindairy*, raised \$13M led by *MoreVC*, with

participation from *Entrée Capital*, *S2G Ventures*, *Collaborative Fund*, *New Climate Ventures*, *Green Circle Foodtech Ventures* & *Emerald Technology Ventures*. Animal-free milk maker, *RWDC Industries*, closed on \$95.1M led by *Temasek*. Infant human-milk nutrition company *Helaina* raised \$20M co-led by *Spark Capital* & *Siam Capital*, with participation from *Primary Venture Partners*, *Plum Alley Investments* & *Barrel Ventures*. Alt-dairy company *New Culture Foods* closed on \$25M led by *Ahren Innovation Capital* & *CPT Capital*; the round includes *ADM Ventures*, *Be8 Ventures*, *S2G Ventures*, *Future Ventures*, *Kraft Heinz* venture arm *Evolv Ventures*, *SOSV's IndieBio*, *Bee Partners*, *Mayfield*, *Alumni Ventures Group* & *Bluestein Ventures*. Alt-protein *Sundial Foods* raised \$4M from *Nestlé*, *Food Labs*, *Clear Current Capital*, *SOSV/IndieBio* & others. *Impossible Foods* closed on \$500M (its lifetime capital raise now at more than \$2B), led by *Mirae Asset Global Investments*. *Vivent* raised \$2M for its commercial crop health diagnostic system that alerts growers to early warnings of disease, pests & other threats; *Astanor Ventures* & *ePlant* led the round. Farm management platform *Fasal* raised \$4M, led by *3one4 Capital*, with participation from *Omnivore* & *Wavemaker Partners*. *Salted*, a LA startup creating digitally native quick-service restaurant brands, raised \$16M in Series A funding led by *Creadev*. *Dent Reality* raised \$3.4M for its augmented reality tech that can help consumers navigate stores & inventory. *Jinx*, a clean-label superfood dog nutrition brand, raised \$28M in a Series A, led by investment advisory firm *The Merchant Club*. German retailer *Schwarz Group*, parent of *Lidl*, will purchase & operate *XM Cyber*, an online cyber security firm, as an independent unit. Turkish start-up *Getir* agreed to acquire British rival *Weezy*, another ultrafast grocery delivery company. The *Cerelia Group* will acquire *General Mills'* European dough businesses. *Riveter Capital* acquired *Healthy Lunch Box*, high-quality, nutritious meals to children & adults, for an undisclosed sum. *Constellation Brands* & *Monster* may be in a deal discussion, per *Bloomberg*. Indoor farm tech company, *Local Bounti*, completed its \$1.1B SPAC with *Leo Holdings*.

*Metro* posted a slight decrease in 4<sup>th</sup> QTR sales & a small increase in earnings. *Dollar Tree* saw increases in income & comparables in 3<sup>rd</sup> QTR but a 31% drop in earnings. The dollar store will shift its price point to \$1.25 to pass inflation costs along to the end consumer while adding more consumables to its stores. *Post Holdings* had mixed 4<sup>th</sup> QTR results & expressed concerns for inflation & supply chain pressures for 2022. *J.M. Smucker* beat analyst estimates for 2<sup>nd</sup> QTR & raised full year forecasts. Sales in 3<sup>rd</sup> QTR for *SunOpta* rose but merger costs led to a \$3.8M loss. *Aryzta* reported a 10% 1<sup>st</sup> QTR revenue increase. *Celsius* sales rose 157% but higher costs resulted in a 3<sup>rd</sup> QTR earning miss. Despite a strong 3<sup>rd</sup> QTR with growth in sales & gross profit, *Oatly* warned on full year revenue due to production & supply chain issues. A \$27M loss in *Blue Apron's* 3<sup>rd</sup> QTR led to a 12% drop in its stock price. *Uber Eats'* core restaurant delivery business was profitable on an adjusted EBITDA basis for the first time ever in 3<sup>rd</sup> QTR. *Aramark* reported a strong 4<sup>th</sup> QTR with a return to positive income & volumes nearing pre-mandatory government lockdowns.

*Foxtrot* will open on Chicago's Magnificent Mile. *Albertsons* is testing smart carts made by Seattle-based *Veeva* at several retail locations. *The Giant Co.* will partner with *A3MediaCo* to beta test of *SocialShelf*, an in-aisle & eCommerce advertising tool to give shoppers information on smaller & midsize brands before buying. From *Food Navigator*, *Thrive Market* has passed the 1M customer mark, with 1/3 of sales generated by its private label brand, with more private label offerings planned. *Walgreens* has opened a micro-fulfillment center in Missouri, the third of nine it plans to open nationally. *Uber* will deliver CBD products in the Ontario, Canada area. *Hazel Technologies*, fresh produce extended shelf-life will open a Fresno, CA research center. *Mondelēz International* will invest \$122.5M over three years to boost capacity & create a fulfillment center at its Virginia location. *T. Hasegawa USA* will continue to operate from its USA headquarters in Cerritos, CA, but will shift current manufacturing from its facility in Corona, CA, to a new, 60K sq. ft., larger plant they are building in Rancho Cucamonga, CA, for sweet food & beverage flavors. *McCormick* unit *FONA International* has broken ground on a 15.6K facility in Geneva, Illinois for future growth & manufacturing. *Sysco* plans to make 1/3 of its trucking fleet electric by 2030. *Tupperware* will selectively idle factories after lower-than-expected demand left the company saddled with too much inventory. *Buitoni* & *Impossible Foods* will launch alt-meat-filled ravioli in two flavors. *Once upon a Coconut* was certified organic. Supply chain pressures are causing a bottle shortage for wine & spirit makers. The DOJ will oppose the *US Sugar* acquisition of *Imperial Sugar*, which will now head to litigation. Kara Goldin has been replaced as *Hint* CEO.

From *Acosta*, consumers continue to show a preference for sustainable products. *NBJ* projects global supplement sales to reach \$167.49B by year's end. *NielsenIQ* reports that on-line searches are much higher for pet foods with healthy qualities. Peruvian grapes exports passed the \$1B mark. Prince Edward Island potato imports have been shut down due to potato warts.

**MARKET NEWS:** Markets were down this week on global health concern. USA consumer confidence fell to its lowest level in 10 years after reaching record highs just 2 years ago.

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

**THE LITCHFIELD FUND** – *Tom Malenka*

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