



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**TODAY'S ATHLETES** & many other celebrities, because they have a platform, feel they can state their opinion on any subject, at any time. It does not matter if they know anything about the subject or not. Nor does it matter if they are repeating hearsay, gossip, outright lies, false narratives or tired, well-worn mantras. Nor do their own numerous transgressions matter. They do it, as arrogance precedes sensibility. In the '80s, there was a popular athlete, a seemingly nice guy, who was, we might say, mouthy. He disliked being called a role model. This drew outrage; his response was: *If I am your child's role model, something is wrong – YOU should be your child's role model!*

**ROLE MODELS:** We have the impression, that in today's world, many fathers are missing in action. It has been decades since movies & TV portrayed fathers with the character of an Andy Taylor or Howard Cunningham. Instead, most fathers are portrayed at best, bumbling, foolish & incompetent; or at worst, uncaring, criminal & violent. But with our own eyes we can see the evidence of missing fathers, as crime rages daily on our city streets. For many years, studies have shown the importance of a father being in the house. A missing father has an enormous impact on the children, especially on boys. In the traditional sense, fathers add a sense of stability in a household, as bread winner & disciplinarian. This was not true in the case of my family, where mom shared the (often day-old) bread winner role & served fully as the disciplinarian. And while my dad had his shortcomings, that I more fully understood as I reached adulthood, *there* was one thing my dad was – *there!* There, present in my life. No, with his fourth-grade education, he never helped me with my homework. He was never very willing or happy to play catch after a long day's work. And he certainly never imparted some great life philosophy that I have since carried with me. But he was there, talking to me. Telling me stories, sharing how he grew up; about his parents, his experiences, the farm, the coal mines, the war. The greatest gift my dad left me was a sense of who I am - where I came from, how I got here & how I fit in the world. And the most important thing he showed me was to get up every day, dust yourself off & do it again. Both little known American short story writer, Clarence Budington "Bud" Kelland (*"My father didn't tell me how to live; he lived, & let me watch him do it."*) or the great Mark Twain (*"Good fathers not only tell us how to live, they show us."*) would agree that a father, being there, in the house, doing what a father is supposed to do, each & every day is what is important. The heroic Dietrich Bonhoeffer explains a father's presence this way, *"A father acts on behalf of his children by working, providing, intervening, struggling & suffering for them. In so doing, he really stands in their place. He is not an isolated individual, but incorporates the selves of several people in his own self."* When a father is not present, by default, a child's learning falls tragically to the schools or the streets & we see this impact on those same streets. Four hundred years ago, British poet George Herbert understood this, *"One father is worth more than a hundred schoolmasters."* I would like to think that the way my dad felt about raising a son was similar to what American politician Frank Clark felt, *"A father is a man who expects his son to be as good a man as he meant to be."* Because of my dad, I try to remain true to my roots - humble, hardworking & I hope, honorable. Maybe that is why the opening verse of Don Williams' recording of the Bob McDill song, *Good Ole Boys Like Me*, always moves me with emotion: *"When I was a kid Uncle Remus would put me to bed, with a picture of Stonewall Jackson above my head. Then daddy came in to kiss his little man, with gin on his breath & a Bible in his hand. He talked about honor & things I should know, then stagger a little as he went out the door."* Here is to all the dads who give their children roots!

**INDUSTRY NEWS:** DTC cereal maker *Magic Spoon* will launch in *Target* following an \$85M series B investment led by *HighPost Capital* with *Siddhi Capital*, *Coefficient Capital*, *Constellation Capital* & others involved. *NuSkool Snacks*, low sugar protein bars, raised an undisclosed amount from the founders of *Super Coffee*, *Liquid I.V* co-founder Hayden Fulstone, & Tim Tebow. *Nuts For Cheese*, dairy-free, plant-based, artisanal cheeses, raised \$5.35M led by *Forage Capital Partners*. *Danone Manifesto Ventures* has taken a minority stake in oat-milk, RTD coffee & tea brand, *Minor Figures*; financial terms disclosed. *Little Leaf Farms*, CEA (controlled environment agriculture) packaged lettuce, raised \$300M with equity financing led by *The Rise Fund* & debt funding from *Bank of America*. USA startup *Moleaer* closed on \$40M

for its nanobubble technology that treats & enriches water systems for agriculture & aquaculture; the round was led by *Apollo*, who was joined by *Husqvarna Group* & existing investors. *Virridy*, satellite-connected sensors for managing water, energy & agricultural resources, raised \$5.5M led by *Accord Capital*. *Wonder*, mobile restaurant delivery service featuring chefs cooking meals curbside from a food van, secured \$340M led by *Bain Capital Ventures*. Coffee brewing equipment tech company *Fellow* raised \$30M in a series B round, led by *NextWorld Evergreen*. *Reduced* (ingredients, flavor enhancers & food products upcycled from waste & excess produce) raised €2.9M led by *Vækstfonden* & *VÅR Ventures*, with *Rockstart*, *Pollen Capital* & others involved. *Armored Fresh*, almond-milk alt-cheese, raised \$23M led by *Korea Development Bank* for expansion into USA. *Celerant Capital* acquired *Krier Foods*, a family-owned beverage aluminum canning company. *Apollo Global Management* will acquire *Cardenas Markets* & combine it with *Tony's Fresh Market*. *SpartanNash* acquired Michigan's *Shop-N-Save Food Centers*. *SYSTM Foods* acquired *Chameleon Cold Brew Organic Coffee* from *Nestlé* & *REBBL*; terms not disclosed. *Moolec Science*, genetically modified plants that produce proteins found in animals, will go public on Nasdaq through SPAC with *LightJump Acquisition*, at \$504M valuation.

Net earnings at *Kroger* in 1<sup>st</sup> QTR soared 5X on an 8% sales increase & a jump in identical store sales. Sales rose 10.3% & income rose 19.4% in *Flower Foods'* 1<sup>st</sup> QTR, but the company lowered future guidance. *Sabra* saw a large drop in 1<sup>st</sup> QTR results & a significant drop in market share due to a salmonella linked plant closure, not the first time for the hummus maker. *Soylent* is projecting sales of \$100M in 2022

*BJ's* latest expansion will open a new footprint in Indiana. *Sprouts Farmers Market* will use *Pod Foods'* nationwide distribution full-service wholesale B2B marketplace to provide 130 southeastern *Sprouts* stores access to a virtual warehouse of emerging CPG brands. *Grubhub*, will partner with autonomous robot maker *Cartken* to expand its campus delivery service. The economy has forced instant delivery firm *Jokr* to shut down its USA operations. *Food Products (FFP)* opened up a clean label food innovation center & lab at its headquarters in Eustis, FL. *PepsiCo* opened a new \$8.5M, 172K sq. ft. full scale warehouse in Georgia, creating more than 50 jobs. *Post* will invest \$110M to expand its cereal production capacity at its Sparks, NV facility, creating dozens of new jobs. More than 1800 people will lose their jobs as *Smithfield's* closes its California pork processing facility due to state laws that are seemingly designed to hurt the supply chain & raise prices for consumers. *Ferrero* will invest \$214M to expand its *Kinder Bueno* chocolate processing plant in Bloomington, IL. *80 Acres Farms* will expand its vertical farming into Kentucky & Georgia. *IKEA* will partner with *InFarm* to grow greens inside its stores to supply to the chain's restaurants. *Batory Foods* will add *Incredo* sugar from *DouxMatok* to its portfolio of food ingredients. *Mars* will partner with *Perfect Day* to enter the non-dairy chocolate with a new brand *CO2COA*. *Chipotle* will test cauliflower rice in several states. *Target* has introduced a new private label line of pre-mixed cocktails, *Casa Cantina*, as part of *Target's* Wine & Spirits Selects assortment of adult beverages. *Panera* opened its first *Panera To Go*, a pickup and delivery-only location, in Chicago. *Picnic* will expand its pizza-making robot pilot with foodservice giant *Chartwells Higher Education* to include five schools in the USA. *Impossible Foods* has filed a lawsuit against *Zoglo's Incredible Food* over claims of a confusingly similar trademarks.

Food & beverage is the most trusted industry per *Morning Consult*; while consumers are loyal to a brand, they are switching loyalties due to a decline in product quality, an increase in price or because the brand stands for a cause with which they disagree. The online grocery market fell 12.3% in May from April, down \$1B, as consumers move to club & mass market to combat government caused inflation, per *Brick Meets Click/Mercatus*. The USA specialty food market reached \$175B, up 7.4% from a year ago, according to the *Specialty Food Association*, growing from last year's 5.8% YOY increase. From *Green Giant*, broccoli is the USA's favorite vegetable in 29 states, followed by corn, carrots, potatoes & asparagus. A study on men published in the *ACS Journal of Agricultural & Food Chemistry* shows that drinking one beer daily, with or without alcohol, reduces the risk for several chronic diseases because it increases the variety of bacteria in the gut. Peru's grape exports will set a record at \$1.4B. Egg & egg product prices will continue to decline as cases of HPAI decline, per *Advanced Economic Solutions*. Despite a recent 44% price increase, avocado demand remains consistent.

**MARKET NEWS:** Markets cratered once again, finishing lower than the market on January 20, 2021. The FED raised rates 0.75%, the largest increase in 28 years. Consumer sentiment reached a all-time low. May retail sales took a large drop, despite inflationary impacts. Mortgage rates hit a 14-year high & new unemployment filings were higher than expected.

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

THE LITCHFIELD FUND – *Tom Malenka*

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