



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**THE KINGDOM OF ITALY** began in 1861 & existed through WWII. It was really a series of elected socialist, communist & fascist despots with the identical ideology of centralizing power in a select few & suppressing individual rights & liberties. They nationalized private industry, appropriated private land, engaged in voter fraud to stay in power & their followers, including anarchists, fought openly on the streets. The continuing unrest led to the political rise of a socialist newspaper editor, who joined the fascist party after serving as a corporal in WWI. Fortunately, in the early 20<sup>th</sup> century, my family had already arrived in the USA, pursuing the American Dream.

**THE AMERICAN DREAM:** My mom's dad, my Nono, came to America in 1912, at just 17 years of age. He was sponsored by a distant cousin & had a job promised in a western Pennsylvania coal mine. At that time, both were necessary to immigrate to the USA & only the worst jobs were available to Italian immigrants. They either went to work in grimy factories or on the docks of eastern cities or on the farms & in the coal mines of the Midwest. My Nono came as the Italian government seized his family's olive farm & his brother joined the communist party. Just five years later he went back to Europe, a drafted American Doughboy, to fight the Central Powers in France & Belgium. After the war, he went back to Italy to marry my Nona, his 4<sup>th</sup> cousin; likely an arranged marriage. Not yet a USA citizen, he stayed on the move in his few short weeks there, fearful that if the government found him, he would be conscripted into the Italian Army. They married at St. Peter's in Rome before embarking on a ship back to America. Upon return, my Nono found out that because he was in the USA the required amount of time & had served in the Army, he had been granted USA citizenship. He never returned to Italy; never saw his family again. They moved into a small A-frame house leased from the coal company, shopped at a company store & leased land from the company to grow crops & raise chickens, an occasional pig, goat or cow either for food or milk. The leased land was important, as coal veins ran dry & the technology of the time had limitations, so growing your own food was essential to surviving. They lived through two world wars, pandemic, the Red Scare, depression & a mine cave-in that broke my Nono's back. They raised a family, saw sons & grandsons serve in the USA military, loved America, John L. Lewis, Harry Truman & JFK. Their American Dream was to give those who came after them, including me, the chance at a life better than what they had in Italy. But their story is not unique. Many Americans, born here or legally immigrated, have a similar story. For some it's a story of education & job. For others, it is about opening a store front or offering a product, seeing a business grow, creating jobs & opportunity for others, giving back to community & church. But for all, it's a story of drive, hard work & determination, with the only limits one's own abilities. Author John Updike summed up his view of the American Dream as follows, *"I still believe in the American Dream. I see it in terms of freedom & a government that trusts its people to exercise freedom, that this government allows you to give, allows you to explore & doesn't dampen your own creativity with a lot of dictums or dogmas or restraints. So, insofar as we can remain a free country that allows for the interplay of personal energies, I think this is still a country that is not only working towards a dream, but actually is the dream in action."*

**INDUSTRY NEWS:** *Blackstone Growth* led a \$200M round in *Oatly*. *Instacart* raised another \$100M from *T. Rowe Price*, with a new valuation of \$13.8B. Plant-based chicken nugget maker *Nuggs* completed a \$4.1M round with *Lerer Hippeau*, *AgFunder*, & former *Whole Foods* CEO *Walter Robb*. *Prime Movers Lab* led a

\$15M investment in *Upward Farms*, indoor aquaponics farming. *Fresh Direct* acquired Canadian produce distributor *Mike & Mike's*. Warm cookie delivery startup *Tiff's Treats* raised \$15M from *CIC Partners*, *Morgan Stanley Expansion Capital*, NBA star Dirk Nowitzki & fashion icon Kendra Scott, among others. Detroit-based *Ellis Island Tea* has received an investment from comedian Kevin Hart. *Constellation Brands* sold *Paul Masson Grande Amber Brandy* to the *Sazerac Company* for about \$255M & acquired *Empathy Wines*, a direct-to-consumer wine producer. Yakima, WA fruit-based ingredient company *FruitSmart* has merged with *Carolina Innovative Food Ingredients (CIFI)*, a supplier of sweet potato-based ingredients. *Vital Farms*, pasture-raised eggs, will file for an IPO & apply to list on NASDAQ under the symbol VITL.

*Food Lion* will double the number of stores using *Instacart* for delivery. *Kroger* is reportedly not giving change in coins for customers' cash purchases, instead putting the money on loyalty cards or giving it to charity. *Meijer* announced the opening of 5 new Midwest supercenters. *Kroger*, *Albertsons Cos.*, *Publix*, *CVS*, *Walgreens*, *Target*, *Walmart* & *Sam's Club* will require all customers to wear masks. *Stop & Shop* will offer *Nutrition Partners*, connecting customers with registered dieticians, at no cost. *Amazon* is introducing *Dash Cart*, a smart cart that allows shoppers to bypass checkout. *Snack Magic*, a DTC eCommerce site, offers snack products in 14 different categories, from large companies & from small brands. *Thermomix* added a shoppable recipe feature to its smart-cooking appliance brand's *Cookidoo* meal-planning platform. Per the *Wall Street Journal*; *Tyson*, *Cargill*, *JBS* & other meat producers are exploring robot butchers. *Hershey* plans a \$135M expansion to its Stuarts Draft, VA plant, creating 100 jobs. Irish dairy processor *Ornua* is investing \$10M to expand its Wisconsin cheese ingredients operations. *PLT Health Solutions* & *Nutriati* will introduce *Artesa Textured Pulse Protein*, a new yellow pea protein & chickpea flour ingredient used in alt-meat & alt-fish products. Israeli startup *Redefine Meat* released its first Alt-Steak plant-based products, using the company's patent-pending 3D food printing technology. *Heinen's* has installed *Sally*, a salad making robot from *Chowbotics*. *Chipotle* will pilot cauliflower rice as a low carb option. The English Royal Family is selling gin infused with bay & mulberry leaves from the Queen's garden to offset lost tourism revenue & support the Royal Art Collection Trust. *Kroger* will offer *Home Chef* with *Impossible Burger* option. *Diageo*, in partnership with venture company *Pilot Lite*, launched *Puplex Limited*, a packaging company with a wood-made, plastic-free, paper-based spirits bottle, which will debut in 2021; *Unilever* & *PepsiCo* are looking at using the bottle. The *Anheuser-Busch Foundation* will commit \$530K to four USA land grant universities to advance sustainable agricultural practices. The FDA will restart onsite inspections soon.

Per *Innova Market insights*, consumer interest in keto & low-carb/high protein diets continued to rise as keto-claim global product launches rose 239% in 2019. Per *210 Analytics*, *IRI* & *PMA*, fresh produce has regained the market share that had been lost to frozen & canned vegetables during the first half of the year. According to *Retail Feedback Group*, overall satisfaction with online grocery fell slightly during the first six months of 2020, with *Amazon* rated slightly better than *Walmart*, *Instacart* & traditional supermarkets. Plant-based meat sells 23% more when the products are placed in the meat section, per *Kroger* & the *Plant Based Foods Association*. Per the USDA, sugar supply will grow 9% in 2020.

**MARKET NEWS:** The Dow & S&P had a 3<sup>rd</sup> straight positive week as retail sales rose 7.5% in June, 1.1% YOY, a good sign for the economic recovery. Vaccine successes added to the positive news. The CPI rose 0.6% driven by increases in at home food segment prices. Jobless claims fell very slightly.

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

**THE LITCHFIELD FUND** – Tom Malenka

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