



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**AN ALL EARS!! READER** asked me for the ten texts that every child should read by age 18. It would be easier to select 10 individuals whose writings should be studied, than just ten texts written by the great thinkers in our history. My first three are easy to pick. I will save #1 & #2 for the full list, but firmly planted in the third spot is Niccolò Machiavelli's political treatise, *The Prince* ([Of Princes, 10/03/20](#)). Our educational system now teaches this text like a *Classics Illustrated Comic*, reducing it to a tag line that in actuality Machiavelli never wrote. Rich in wisdom & guidance, applicable to every aspect of this human existence, it still remains the foremost text ever written on leadership.

**LEADERSHIP DAY 2022:** Once again, *ALL EARS!!* advocates for October 25<sup>th</sup> to be proclaimed Leadership Day. Henry V delivered his St. Crispin's Day speech to his *Band of Brothers* on October 25, 1415, at the Battle of Agincourt. On October 25, 1944, Commander Earnest E. Evans turned his tin boat Fletcher-class destroyer around to charge an overwhelming Japanese naval armada that intended to destroy the American Army as it was landing on the island of Leyte. Despite losing his ship & his life, Cmdr. Evans' actions caused the Japanese to believe they were at the disadvantage & they departed the battle. Cmdr. Evans' bold leadership saved the landing, the lives of countless young men, including a young PFC from the rolling hills of Western Pennsylvania. On Leadership Day, *ALL EARS!!* explores the qualities of good leaders & leadership. In truth, there have been many terrible leaders in the history of the world. Some rose to power by fear & intimidation, the strongest in the tribe or the one with the most followers. Others gained power by unseating the current ruler, often through assassination or murder. Many were nothing more than con artists, fooling the masses to gain power, using trickery, deceit or force to manipulate the will of the people. Some were simply granted the position, the next-in-line, as with a hereditary monarchy & sadly, political parties. And finally, there are those people, the ones that Edmund Burke feared the most, who took power simply because of a lack of existing leadership, a lack of good men willing to step forward: "*The only thing necessary for the triumph of evil is for good men to do nothing.*" At best, these leaders were just incompetent fools. Worse are those who sought power to advance, exploit or protect their own criminal activities, further amassing untold riches. At worst, these people were evil thugs with a rampant perversion for the conquest of their enemies & the people they hate. Terrible leaders leave in their path disease, death, destruction, crime & ruin. History proves this out, from Nero, onto Ivan, Hitler, Stalin, Pol Pot, Castro & a host of others who have led a nation & its people into a hellish, often anarchistic, nightmare. It is not just nations that are destroyed by a bad leader. A bad business leader can cause demoralization, confusion, poor quality, lackluster results & bankruptcy. A terrible family leader, whether that role falls upon the shoulders of a father, mother or both, can result in children with a lack of education, morals, ethics, common decency & faith – in themselves, humanity or God. The main purpose of a leader, their *raison d'être*, their *prime directive*, should be to make things better, not worse! From the hero of Texas independence, Sam Houston, "*A leader is someone who helps improve the lives of other people or improve the system they live under,*" & tire magnate Harvey Firestone, "*The growth & development of people is the highest calling of leadership.*" Leadership has been called '*a heady cocktail,*' & it is, mixing a rush of two potent liquors, great power & great responsibility. Those we honor as great leaders – Washington, Jefferson, Lincoln, Churchill, Welsh, Wooden, Lombardi, Patton, MacArthur & so many others – understood how to stir, shake & serve this drink, & most likely had read Machiavelli: "*It is not titles that honor men, but men that honor titles.*"

**INDUSTRY NEWS:** Gluten-free pasta producer *It's Skinny* completed an investment from *Decathlon Capital Partners*. *Day One Beverages*, sparkling CBD water, received an investment from AZ-based *Vincere Capital*. Biotech company *Mycoworks* received an undisclosed investment from *GM Ventures*. *Crisp*, Amsterdam-based eSupermarket, raised €75M, *Target Global* & *Keen Venture Partners* involved. Indonesia's B2B catering service *Waku* raised \$1M led by *Nasa Ventures*. Canada's *Scout Canning* closed on \$4M led by *Semillero Partners* & *Export Development Canada*, with participation from *Almanac Investments*. *Wilkinson Baking*, fully-automated commercial bread baking robot, raised \$3M from *Columbia Ventures*, *Rich Product Ventures* & angel investors. *Gather AI*, drones used for inventory in warehouses, raised \$10M led by *Tribeca Venture Partners* with participation from *Xplorer Capital*, *Dundee Venture Capital*, *Expa*, *Bling Capital*, *XRC Labs* & *99 Tartans*. *Smart Apply*, a precision sprayer for orchards & vines raised \$3M led by *Serra Ventures*. *Synonym*, a financing & infrastructure development platform

for biomanufacturing, raised a pre-seed round of \$6.3M led by *Andreessen Horowitz, Giant Ventures, Blue Horizon, Siddhi Capital, FJ Labs & Global Founders Capital*. Animal free, alt-fat producer *Nourish Ingredients* raised \$28.6M led by *Horizons Ventures* with *Main Sequence Ventures & Hostplus* involved. *Hoxton Farms* raised \$22M for a pilot cultivated alt-fat facility, co-led by *Collaborative Fund & Fine Structure Ventures* with *AgFunder, Founders Fund & others* involved. Superfood brand *Your Super* was acquired by *The Healing Company*, a new wellness-oriented platform, that recently closed a \$150M from *i80 Group* for future acquisitions. *Nestlé* acquired *Seattle's Best Coffee* from *Starbucks* for an undisclosed amount. *GrubMarket* acquired produce distributor *Rainfield Marketing Group*. *Real Brands* acquired *Boulder Botanical*, a manufacturer of wellness, sports medicine, herbal supplements & CBD products, from *Frankens Investment Fund*. *Ruiz Food Products*, Mexican frozen foods, purchased *Culinary International*, contract manufacturer of frozen & RTE Mexican foods. *Primo Water Corporation* acquired bottled water manufacturer *Crystal Spring Water*; financial terms not disclosed. *SunOpta* sold its sunflower business to *Pacific Avenue Capital Partners* for \$16M. *Kalera* will sell its seed business & some international assets to reduce cash burn & focus its efforts on its USA farms. *Healthier Choices Management Corp.* acquired *Green's Natural Foods*, an organic & natural health food & vitamin chain with eight store locations in New York & Northern New Jersey. *Sunny Sky Products*, c-store & foodservice beverage solutions, acquired aseptic beverage producer *GoodWest* from *Palladium Equity Partners*, no terms were disclosed. *Pernod Ricard* will buy country music star *George Strait's Codigo 1530 Tequila*. The *United Soybean Board* awarded \$1.1M to Purdue University, the University of Arkansas & the University of Missouri to build an infrastructure for soy-based value-add products. *Instacart* lowered its valuation to \$13B, following earlier cuts this year to \$24B & \$15B per *Bloomberg & The Information*. *Danone* plans to shed its Russia business interests may create an almost \$1B write-off.

*Trader Joe's* will add 3 more stores this year in Oregon, Rhode Island & Maryland. *Cardenas Markets* will open 5 California stores. *Loblaw* will freeze prices on more than 1,500 no name brand items to help consumers fight inflation. *Kroger* opened an eCommerce fulfillment center in the Detroit metro area. *Sam's Club* completed the rollout of *Braincorp's* robotic inventory scan towers across all its footprint. *Boxed* will expand its fresh rapid delivery service beyond New York City with new fulfillment centers in Westchester County & Brooklyn. *Deliveroo* will exit the Netherlands, citing the inability to achieve market position. *Unilever* will partner with *Waitr's* ASAP platform for nationwide delivery of its ice cream products from both restaurants & Unilever's virtual storefront, *The Ice Cream Shop*. *Amazon* is adding more than 100 items to its *Aplenty* private brand line. *Essentia* water founder Ken Uptain & former CEO Scott Miller will launch *Yesly*, an enhanced canned water brand. *Gatorade* will launch a gummy line. *Jones Soda* will debut a drink with a higher dose of THC, *Mary Jones*. *Cappello's* launched a frozen *Low Carb Lifestyle Uncured Pepperoni Pizza*. *McDonald's* is offering *Krispy Kreme* donuts at nine locations in Louisville. *Impossible Foods* is working on an alternative filet mignon. *John Deere* will move production from China to Louisiana with a \$30M investment in its Thibodaux facility. Cultivated meat company *Mosa Meat* is expanding its Netherlands processing plant. Teen eco-terrorists in England destroyed milk in supermarkets, because if they don't like dairy no one is allowed to like dairy. *Beyond Meat* & former co-manufacturer *Don Lee Farms* have agreed to a confidential settlement for two contentious lawsuits. A judge ruled that *Bang* can use \$34M of a \$100M credit facility to keep the lights on during its bankruptcy hearings.

From *Placer.ai*, *Target* saw a 28% jump in sales during its Deal Days. Foodservice sales in C-stores increased 20.5% in 2021 according to the *2022 Convenience Store News Industry Report*. From *Statista*, the global baby food market will reach nearly \$100B by 2024, with most of the growth coming in North America. From a worldwide study by *Mood Media*, consumers are shopping in-store to immediately get their groceries & to discover new products. Per the *Organic Produce Network*, while there was a 4.1% increase in dollars, there was a 4.5% drop in 3<sup>rd</sup> QTR organic produce volume. From *Acosta*, frozen food sales are being driven by consumers who are seeking value, convenience & healthy options, though 98% recognize higher prices & most seek out deals. From *FMI*, more than 70% of consumers are adjusting their holiday grocery spending plans to account for inflation. From *PYMNTS & LendingClub*, 89% of consumers say inflation has driven grocery prices considerably higher. From *Incisiv & Wynshop*, digital grocery sales rose 14.4% in 3<sup>rd</sup> QTR but the average shopper basket contained five to six fewer items, as inflation continues to erode consumer buying power. From *Morning Consult*, 72% of consumers are simply choosing to buy less at the grocery store to deal with inflation. From *ProducePay*, nearly 50% of both produce growers & buyers are struggling to deal with constant price volatility. From Tufts University Friedman School of Nutrition Science & Policy & published in *JAMA*, if patients had access to medically tailored meals, in just the first year, 1.6M hospitalizations would not be needed & \$13.6M would be saved. The USDA revealed the most recent round of bird flu has destroyed 47M birds.

**MARKET NEWS:** Markets were generally higher. The Fed is preparing for another 0.75% interest rate hike to combat this administration's inflationary policies, as inflation has risen 12.8% since February 1, 2021.

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

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

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