



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



I AM NOT A HISTORIAN. But I have read a lot about history & continue to read, study & learn. History is a passion of mine; at an early age flipping through our *Funk & Wagnalls & American History Encyclopedias* that mom got for buying groceries at *IGA & Fazios*. History is important. Great thinkers warn us about not knowing or understanding history: We are doomed to repeat it & we will not understand the present. History is the great teacher, a proving ground for the success or failure of ideologies, economies, governments, innovations & efforts. Often, the present eerily resembles the past. The following may sound like current events. This is not today, *this was then*.

THIS WAS THEN: On September 1, 1939, Nazi (*National Socialist Workers' Party*) Germany invaded Poland from the west. Just 17 days later, the Soviet Union invaded Poland from the east. The Polish units fought bravely, the few modernized, mechanized units having some success, but Poland collapsed in a few weeks. While England & France began to mobilize & strengthen the Maginot Line, protecting France's eastern frontier, the Nazis & Soviets divided Poland. Both the Nazis & Soviets began to commit mass atrocities & murders, killing dissidents, Jews, Gypsies, gays & others thought undesirable & imprisoning native Poles to workcamps. The race- & ethnicity-focused Nazis began relocating ethnic Germans from other countries, including the Soviet Union, to Poland to 'Germanize' it. So how did the world reach this point? Weak & ineffectual western leaders allowed both the Nazis & Soviets to annex traditional lands without resistance. They allowed both countries (& the Japanese Empire) to violate treaties & trade agreements with no response. Western media, including American stalwarts *The New York Times & Time Magazine*, openly praised & lauded the industrial, infrastructure, agricultural & societal success of socialism, communism & fascism, all of the same ideological root. (From von Mises & Hayek, *fascism is communism with a thin veneer of capitalism*.) In many cases, western media just repeated the lies & propaganda of these tyrannical states, giving the lies a *thin veneer of truth*. Western society & governments were filled with those who supported & sympathized with these evil ideologies, including members of FDR's cabinet & American industrialists, who ignored traditional American values & admired the efficiency of these 'forced-labor' societies. They took advantage of complicated trade agreements & relationships. As Western Europe settled into the so-called *Phony War*, much of the West remained neutral. The Phony War was anything but for the enslaved people of Poland. Along Germany's western border there were minor skirmishes. Nazi Germany's U-boats wreaked havoc on shipping, sinking merchant & warships from all nations, neutral or not. The Soviets feared Nazi land, sea & air power. They believed the Nazis would easily dispatch the Western Allies, then seek to win the valuable resources of the Soviet Union. Hitler's plans were just that & more, to fuel & feed his people & armies with resources & slave labor from his conquests. The Soviets needed a geographic buffer, hence their uneasy alliance with Germany in Poland. Stalin wanted Finland to create a buffer around Leningrad, better sea access through Finland's ports & easy access to Norway's iron deposits, whose main trading partner was Germany, & to a smaller extent, Britain. After months of failed discussion to get Finland to cede territory, the Soviets invaded Finland on November 30, 1939. The Soviets' strategy was a mass invasion, men & armament, creating terror. The Finns were badly outnumbered. They begged the West for guns, planes, tanks & armies. The west slowly deliberated & even when France & Britain were prepared to send 150K men to help, Norway & Sweden refused passage. Norway feared Britain's desire for its iron deposits. The Nazis & the Soviets warned of a broader escalation if the West interfered. Volunteers from Norway & Sweden, exiled Poles & people from the Soviet-usrped Baltic countries flooded Finland to help. Despite the Soviets' military prowess, the game Finns, fighting for their country, held & repelled the Soviets for months. The Finns used the terrain & bitter cold (below - 40° F) for fast-moving ski troops to conduct guerilla warfare & hit the Soviets in key positions. Their snipers created fear in the Soviet troops. One, Simo Häyhä, named the *White Death* by the Soviets, was responsible for more than 500 hits. The Finns invented the *Molotov Cocktail* for blowing up tanks, named for the Soviet Foreign Minister. Several times the Soviets had to withdraw & reform. They had believed that native Russians & communists living in Finland would help their efforts & move the country to an armistice. But despite ongoing peace talks, the war dragged on. A few months into the conflict, the Finns had lost less than 1,000 troops while the Soviets had lost more than 30K. But time & manpower were on the Soviets' side & finally, in mid-March, the Finns accepted the Soviets' terms for peace. Soon the Finns, Norway, Sweden, the USA & other neutral countries would find this ending meant nothing to the conquest plans of both the Nazis & the Soviets. Within months, the Nazis invaded Norway, Denmark, Holland, Luxembourg, Belgium & France. Hitler, having learned the weaknesses of the

Soviet military, attacked the Soviets less than a year later. The history of the Earth's greatest conflict, its mass death & destruction, teaches us this lesson: Weak leadership bent on appeasement; complicated trade agreements that do not place sovereign security first; & ignoring America's traditional freedom-focused values, will result in disaster. Then, or now.

INDUSTRY NEWS: *Wandering Bear Coffee* raised \$5M from existing investors. *Rasa*, maker of caffeine-free coffee alternatives, raised \$3.25M. *Jocho Fuel*, sports & lifestyle nutrition products, closed a \$30M round from *Goode Partners*. Fermented bee-less honey *MeliBio* raised \$5.7M led by *Astanor Ventures*. *Umario Foods*, food-tech to use seaweed as a new source of protein, closed a \$3M seed round led by *AgFunder*. Israeli *Resugar*, an all-natural compound that tastes & behaves like sugar in industrial settings, raised \$3M, led by Eitan Yochananof, CEO of Israeli grocery giant *M Yochananof & Sons*. *Good Food Technologies*, plant-based pork, raised a \$1.5M seed round led by *Gobi Partners* with *LeverVC*, *DayDayCook* & *Brinc* involved. Germany's *Perfeggt* raised €3.6M in a pre-seed round for its chicken-less eggs from *Gorillas*, *Foodspring* & *MyMuesli*. *Mavi.io* launched its in-car dashboard commerce offering with a \$1.775M from a group of angel investors. Livestock management app *Breedr* raised \$15.8M led by *Investbridge Capital*. Canadian crop management platform *IntelliCulture* raised C\$1.7M led by *Emmertech*. Produce distributor & vender *One Step Vending* acquired 51% of vertical farm *Light Leaf Farms*. California *Giant Berry Farms* made an undisclosed investment on vertical farm *OnePointOne* & will partner to grow strawberries. *Famous Hospitality (Famous Dave's)* will buy *Barrio Queen*, a Mexican restaurant chain, for \$28M. *Sundays for Dogs*, a human-grade, air-dried pet food brand, raised \$10M led by *Imaginary Ventures*. India's *Licious*, a tech-first, fresh animal protein brand, raised \$150M led by *Amansa Capital* with *Kotak PE*, *Axis Growth Avenues AIF – I* & others. *Instacart* lowered its valuation from \$39B to \$24B as business slows, competition increases & it launches eCommerce marketplace enhancement for retailers. Investors *Macellum Advisors* & *Ancora Holdings Group* are trying to replace *SpartanNash's* chairman & two other board members in a battle over the grocer's direction. From *AgFunder*, agrifoodtech investments hit \$51.7B in the past year, an 85% YOY increase.

Bristol Farms opened its first *Newfound Market* in Irvine, CA, a food hall concept that includes several fast-casual food venues as well as a full-service artisan Italian restaurant. *New Seasons Market* plans a new store in Milwaukie, OR, for the fall of 2023. *Ahold Delhaize USA's Peapod Digital Labs* will use software from *Trace One* to provide its private-brand suppliers product & packaging specifications. IoT tech *SmartSense by Digi* will add 32K sensors to monitor food freshness & supply in an expanded relationship with *Giant Eagle*. *Kroger & NVIDIA* will build a state-of-art AI lab & demonstration center to expand *Kroger's* freshness initiatives, improve shipping & shopping experience in stores, with simulations designed to accurately reflect store layouts & operations. *Instacart* will offer access to their marketplace platform to retailers to drive an improved omnichannel experience. *Instacart* will add a surcharge to cover the ever-increasing energy costs caused by government economic policies. *Walmart* opens a fulfillment center in Alberta, Canada & to attract talent, open tech centers in Atlanta & Toronto. Robotic firms *Berkshire Grey* & *Swisslog* will partner to offer retailers improved order fulfillment & productivity. *URB-E* will use its eBikes to deliver greens from indoor farm *Square Roots* to retailers in NYC. UK retailer *Morrison's* will use *Gopuff* for quick-delivery. *Schwan's Home Delivery* will change its name to *Yelloh*. *Oatly* is raising prices as poor harvests have pressured supply. *Campbell* is setting new nutrition standards for its products. *Lancaster Colony* will add *Arby's* sauces to its licensing business. *Blue Apron* is adding breakfast options. *Beyond Meat* & *PepsiCo* will debut plant-based jerky, the first snack of their partnership. *Pairwise* will use its gene-editing platform *CRISPR* to launch *Conscious Foods*, whose first product will be new nutrient-dense, leafy salad greens called *Conscious Greens*. *Walmart* is suing *BJ's* for infringement on its *Scan & Go* technology.

In *Newsweek's America's Most Trusted Companies 2022*, *Southeastern Grocers (Winn-Dixie, Harveys Supermarket, Fresco y Más)* was the highest ranked supermarket & 3rd among retail stores. *UNFI*, *Costco* & *Kroger* were in the top ten, with *Grocery Outlet* at #11 & *Target* at #12. From *IFIC*, 40% of customers say they are clean eaters, while 68% say they will opt for clean ingredients when shopping. From *210 Analytics* using *IRI* data, sales of frozen & refrigerated alt-meats fell YOY 1.7% & 3.9% respectively. From *Kearny*, alt-meats will reach a 22% share of meat purchases once price parity is achieved. From *SPINS*, the *Good Food Institute* & the *Plant-Based Food Association*, plant-based food sales reached \$7.4B in the past year. Researchers at *Johns Hopkins Children's Center* confirmed what your mother & grandmother always knew, chemicals found in broccoli & other cruciferous plants can fight the viruses that cause COVID-19 & the common cold. In studies from the *Cranberry Institute*, daily cranberry consumption helps cardiovascular health. Oil extracted from a common type of microalgae could be used to replace palm oil, according to a study published in the *Journal of Applied Phycology*. Colombia will increase avocado exports to the USA by 30% in 2022 & 50% by 2024. Sugar prices are rising as energy costs continue their steady climb since January 20, 2021.

MARKET NEWS: Markets were slightly higher. Inflation is 2.8% higher than wage growth.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – Tom Malenka

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