



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



BEFORE WMMS 100.7, HOME OF THE BUZZARD, rocked Cleveland & the nation in the 1970s, Cleveland had another radio station that was #1 in the Nation, WIXY 1260. WIXY was led by a number of innovative radio jocks, including Larry 'the Duker' Morrow, Lou 'King' Kirby, Bobby 'Magic Man' Magic & Dick 'Wilde Childe' Kemp. It was June, a month before my 8th birthday, as I stepped out of the car with Mom & Dad. My older sister, home alone, was blasting WIXY on the back porch. The song that was playing stopped me in my tracks. There was something haunting, unforgettable, about the lyrics & music: "It was the third of June, another sleepy, dusty, delta day."

SONGS OF LIFE: Journalist Charles P. Pierce, in his now classic & likely banned 2001 *Esquire* magazine essay, "162 Reasons Why it is Great to be an American Male," wrote about these songs of life at #82: "Bob Dylan: Ever notice how so many of the songs you never had time for & didn't understand when you were younger all make perfect sense now? F[orget] Nostradamus. This guy's always known your future, good & bad." That was certainly true for my best friend & me in 1977. His mom was taking him to college for his first semester at Duke. I went to their house to feed the cat. He had left a cryptic note, lyrics from Dylan's *Stuck Inside of Mobile (with the Memphis Blues Again)*. A few days later I started college at John Carroll University. I was definitely naïve & very overwhelmed. I might not have made it through the day if his girlfriend & future wife **CALL EARS!! FOR A REASON, 5/8/21** had not been next to me in class. That evening (in the days when long distance communication required pen, paper & a stamp), I wrote my best friend a letter. I started the letter with a line from Dylan's *My Back Pages*, "I aimed my hand at the mongrel dogs who teach." For years, until long distance calling plans came into existence, our letters included a Dylan quote, to explain how we were currently feeling. For most of us, there are song lyrics that either meant something to us at the moment we heard them, or maybe have stayed with us for life. In college - working & going to school - family, friends & even professors told me I couldn't keep up the pace, that I was headed for disaster. To me, that was inspiration, & *Molly Hatchet's* 1979 song, *Flirtin' with Disaster*, constantly played in my head. When I was loading lumber alone in a lumber yard at the end of a 12-hour day, either on a hot, sweaty summer evening or a freezing winter night, Waylon Jennings' "Lonesome, On'ry & Mean" seemed appropriate. Most couples have "our song" or like us, a few (*I Melt with You, Ain't Even Done With the Night, I Don't Want to Miss a Thing, Drops of Jupiter*). There are songs that make you happy just to sing or hum along (*Long Cool Woman, Jessica*) & how can you really *Celebrate!* without *Kool & the Gang?* There are songs you have to turn off when they play, because listening is just too heart wrenching, like Clapton's *Tears in Heaven*, & songs that make you realize just how damn lucky you are, like Clapton's *Wonderful Tonight*. As we age there are songs that provide us reflection on our lives (*Good Ole Boys Like Me, Like a Rock*) & songs that give us a warm nostalgic feeling (*Summertime, Grazing in the Grass*). Perhaps the reason songs are so meaningful to us comes from Hans Christian Anderson, "Where words fail, music speaks." Songs touch us, reach us deeply, hit us in ways mere words do not & fortunately, as Bob Marley points out, "One good thing about music, when it hits you, you feel no pain."

INDUSTRY NEWS: *Sow Good*, freeze-dried fruit & vegetable products, raised \$3.7M to expand production. Food technology startup *Hyfé Foods* raised \$2M led by *The Engine*, a venture firm from MIT; other investors participating in the pre-seed round include *Blue Horizon, Caffeinated Capital, Supply Change Capital, Lifely, Gaingels & Hack Ventures*. *Joywell Foods*, microbes used to produce ultra-sweet proteins found in fruits & berries, raised \$25M led by *Piva Capital*. *Evolved Meats*, a Canadian cultured meat company, raised C\$2M led by *Maple Leaf Foods* with *Big Idea Ventures, Garage Capital, Saltagen Ventures* & others. Chicago-based, sparkling adaptogenic water brand, *heywell* secured an investment from *Mastersfund*. *Brevel*, microalgae protein, raised \$8.4M in a seed round from *FoodHack, Good Startup VC, Tet Ventures & Nevateam Ventures*. *FarmWise Labs* raised \$45M for its weeding robot *Titan*, co-led by *Fall Line Capital & Middleland*; *Taylor Farms* & others participated. *Claridge Food Group* made a strategic \$40M investment in *WeCook Meals*, RTE food processor in Quebec & Ontario. *Sifter* raised a \$5M seed round to ramp up its nutrition-as-a-service *Sifter Retailer Solutions*, led by *Valor Siren Ventures*, with participation by *Hyde Park Angels & Wintrust Ventures*. *Galley Solutions*, restaurant management platform, raised \$14.2M led by *Astanor Ventures*. *Stable*, a platform to help farmers & food companies better hedge commodity price volatility, raised \$60M led by *Acrew* with participation from *Greycroft, Notion Capital, Syngenta & Continental Grain*. *Regrow*, regenerative agriculture practices, raised

\$38M led by *Galvanize Climate Solutions*. *Mazen*, porcine vaccinations, raised \$11M led by *Fall Line Capital* with *AgFunder*, *1330 Investments*, *Addison Laboratories*, *SLO Seeds Ventures*, *Cal Poly Ventures*, *Next Level Ventures*, *Kent Corporation*, *Ag Startup Engine*, *Ag Ventures Alliance*, *ISAV & Summit Ag*. *Ocado*, who already held an undisclosed minority stake in *Myrmex*, will purchase the remainder of the robotics technology startup firm for \$10.2M to take full control. *Firmenich & Royal DSM* will merge, creating an \$12.3B industry sales leader in nutrition, beauty & wellbeing. *Bolthouse Farms* will acquire the *Starbucks' Evolution Fresh* brand. *Beneo* acquires *Meatless*, a Dutch plant-based ingredients company, for an undisclosed sum. *General Mills* sold *Hamburger Helper & Suddenly Salad* to *Eagle Family Foods Group* for \$610M for capital to pursue acquisitions. *Nestlé Health Science* will acquire Brazilian organic, plant-based food maker *Puravida* for an undisclosed amount. *Lactalis* will acquire Australian yogurt company *Jalna*. *GrubMarket* bought *Spring Valley*, a Texas-based produce company & its Arizona affiliate, *Produce Connection*. *FAT (Fresh. Authentic. Tasty.) Brands* acquired the *Nestlé Toll House Café by Chip* franchise from *Crest Foods*; financial terms were not disclosed. *Synthesis Capital* launched a \$300M food tech fund. *Redbud Brands*, a consumer brands holding company focused raised \$46M in new funding led by *Satori Capital*. Nelson Peltz, founder of *Trian Fund Management*, owns 1.5% of *Unilever* & will join its board, likely to push for divestiture of low performing units.

Meijer will offer hydroponic lettuce from *Revolution Farms*. *Lidl* laid off staff & dropped prices on more than 100 items to help consumers deal with inflation. *Wegmans* is ready to open its 1st Washington DC store & *Lidl* will open its third store in the area. *Foxtrot* opened a new location near *Wrigley Field*. *Dollar General* will pilot checkout-free technology in about 200 stores, with 700 new stores planned this year. *Kroger* will add a spoke *Ocado* facility in Central Ohio. Also, *Kroger* will offer a digital farmers market for local products. UK's *Asda* will continue to add efficiency to its supply chain with *Scottsdale's Blue Yonder* & its technology alliance partner *Bringg*. *Walmart* will complete automation of all its 42 regional distribution centers using *Symbiotics*. *Walmart* continues to expand its delivery partnership with *DroneUp*, reaching 4M customers in 6 states. *Unilever* will deliver ice cream using *Flytrex* drone delivery service. According to management, *General Mills* has raised prices 5 times in the past year. *Del Monte* will expand its crop portfolio by planting row crops on their resting lands between core crop seasons. *Bowery Farming* opened its largest smart farm in Bethlehem, PA, transforming a non-arable industrial brownfield site into farmland. Private label coffee & tea maker *FreshBrew* will invest \$10M to expand its roasting production, bottling & canning capabilities. *Gopuff* will close 11 urban warehouses permanently & may close another 11 to reduce costs. *Good Meat*, the cultivated meat division of *Eat Just*, signed an exclusive multiyear agreement with biotech process engineering company *ABEC* to build 10 250,000-liter bioreactors for meat cultivation. *JBS* has introduced a plant-based bacon. *Coca-Cola* will discontinue *Honest* teas later 2022 to expand its *Gold Peak & Peace Tea* brands, but will continue the *Honest Kids* brand. *KIND* expects to reach \$1B in USA sales. *Boston Beer* will offer THC brand *TeaPot* in Canada beginning this summer. *Mondelez* debuts a new brand smash-up a sandwich cookie that features a *Ritz* cracker, peanut butter flavored crème joined to a layer of original *Oreo* vanilla crème & an *Oreo* cookie. *Ripple* will launch protein enhanced oat milk. *Walmart.com* will start offering *Blue Apron* meals. *Starbucks* follows *McDonald's* in exiting the Russian market. The *BBB's National Advertising Division* responded to challenges, recommending that *Goli Nutrition* remove product efficacy claims for its *Ashwagandha* ingredient. *Sweegen* won a patent dispute with *Pure Circle* over their stevia product. The FDA ruled that tagatose must be classified as sugar.

From a *Harris poll*; *Trader Joe's*, *H-E-B* & *Wegmans* were ranked in the top five for corporate reputation; *Kroger* & *Publix* made the top 25. *GlobalData's Top 25 Global Retailers* list ranked, by revenue, *Walmart*, *Amazon*, *CVS Health* & *Costco* as the world's largest retailers. Other companies operating in the USA include *Kroger*, *Walgreens*, *Target*, *Ahold Delhaize 7-Eleven*, *Albertsons* & *Circle K*. *Edge by Ascential* forecasts USA eCommerce sales will grow from a 24.6% share to a 30.5% share of total retail sales by 2026 & that *Amazon* will replace *Walmart* as the top retailer. Organic food sales growth in the USA slowed to just 2% (\$57.5B) in 2021, according to the *Organic Trade Association*. From *IFIC*, 52% of all consumers are following a diet or eating pattern, up from 39% last year; 33% are interested in losing weight, 33% are interested in eating for their long-term health & the top trend is clean-eating. Also, while more consumers want to make food choices that are environmentally sound, few are willing to pay more for a product. In the same study, comfort food snacking rose to 73% of consumers, up 15% compared to 2021, with 25% of consumers saying they eat when they are stressed. From *Morning Consult*, 60% of grocery consumers said they did not purchase an item because it was unavailable or the price was too high. From *Acosta*, 54% of diners are eating out less & one third are reducing their spend by frequenting less expensive restaurants. An excess of bananas is causing Mexican farmers to throw away their crops or sell it for animal feed. The USDA approved Ecuadorian avocado imports.

MARKET NEWS: Markets were mostly lower. *ADP* reported the weakest growth in new jobs since the mandated government lockdowns began in March of 2020. Labor Department data showed slower job growth & inflation outpacing wage growth.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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