



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



THE SUMMER I TURNED FOURTEEN, my mom was watching a neighbor's baby. Before the days of baby carriers, she laid the small sleeping infant on the sofa, piling blankets & pillows alongside. I was to watch the newborn while she brought in the clothes drying outside on the line. I dropped into a catcher's stance next to the sofa, hands forward, like Johnny Bench awaiting a Don Gullett fastball. I was totally overwhelmed with the enormous responsibility, if just for a few minutes, of protecting a precious, fragile new life. Each day, we try to protect fragile items: a special Christmas ornament, a family heirloom, a loved one's ego, our very own sanity & this sacred, fragile freedom.

A RANDOM DATE: We hear these phrases, "*Freedom isn't free,*" or "*Every generation must earn its freedom.*" How true are these statements? Recent history, for those paying attention, would seem to indicate our freedoms are constantly under attack. There is an always growing list of things we must - or must not - say or do. Our personal health choices, the laws that protect us, the opinions we hold, the politicians we support, the platforms we communicate on, even the exact words we use are under assault from federal, state & local governments; the media & its trolls; the tech giants & the so-called elite universities. If recent history is not enough, remember that in the course of human existence, totalitarianism is the prevalent form of government under which most people lived. Even today, vast swatches of the world live with autocratic governments & even those countries that claim to be democracies seem to creep ever forward toward what would be considered a 'ruling-elite,' a self-serving group of individuals seemingly one evil victory away from living in a James Bond villain biosphere in the middle of the ocean, far removed from the chaos they created. Do we really need to fight for our freedom, every day? Is this our responsibility? Let's consider a random day in history, the day this is being written, early in the morning of February 23. Including some *historically scant* pre-Hellenic years & the dark ages, there have been just 2700 February 23rd's in the course of recorded history. Let's look at the 'freedom history' of this random date. Freedom came under assault in 303 AD when Roman emperor Diocletian destroyed the Christian church at Nicomedia, beginning years of Christian persecution. In 1944, the Soviets, while still fighting the Nazis, began the forced deportation of Chechens from the North Caucasus to Central Asia. In 1988, Saddam Hussein began a genocide of Kurds & Assyrians in Northern Iraq. In 1820, a plot was uncovered to assassinate the British cabinet & in 1917, Russia's February Revolution began, eventually leading to the Soviet Union. But many times, on this date in history, people have stood up for freedom! In 1898, just a month after releasing *J'Accuse*, charging the French government with antisemitism & wrongfully imprisoning Captain Alfred Dreyfus, Émile Zola was arrested. In 1945, Filipino guerillas alongside the US 11th Airborne freed 2100 prisoners at Los Baños. On that very same day, the Poles took the Nazi garrison at Poznań, liberating the city's inhabitants & American troops liberated the capital of the Philippines, Manila. And while all that was taking place, on the tiny island of Iwo Jima, six members of the United States Marines raised the American flag on top of Mount Suribachi. But perhaps the greatest stand for freedom on February 23 occurred in 1836, when a small band of Texans & Tennessee volunteers stood their ground at a tiny church in San Antonio, as the siege of the Alamo began. Sometimes, on February 23rd, it seems that God may have played a hand! Abraham Lincoln escaped an assassination attempt in Baltimore to arrive secretly in Washington DC for his 1861 inauguration, the first step in preserving the Union & freedom. In 1778, Prussian Major General Friedrich Wilhelm von Steuben arrived at Valley Forge, to begin training the freezing & fledgling Revolutionary Army, turning Washington's ragged men into soldiers. Among those with February 23rd birthdays? Paul Tibbets, when as a colonel in the Army Air Corps, piloted the *Enola Gay* over Hiroshima; journalist & columnist William Shirer, whose *Rise & Fall of the Third Reich* remains a must read & sociologist, educator, activist, reformer & NAACP founder W.E.B. Dubois. These are just a few of the many 'freedom-focused' events that took place on this random date in history. In every single case, the fight was for basic human freedoms – worship, expression, opinions, life & speech. The most important of these freedoms, the one that protects all the others, is Freedom of Speech. From President Harry Truman, "*When even one American - who has done nothing wrong - is forced by fear to shut his mind & close his mouth - then all Americans are in peril,*" & from George Washington, "*When the freedom of speech is taken away then dumb & silent we may be led, like sheep to the slaughter.*" It seems remarkable that on this randomly selected date, that in 1455 occurred the most significant development in the fight for free speech & thought. The Gutenberg Bible became available, breaking the hold of Rome on the populace, by bringing the Word of God directly to the masses; establishing the printing press as the most powerful tool ever created to protect our freedoms!

INDUSTRY NEWS: Functional beverage *Tru* raised a \$6.5M series A led by *BTomorrow Ventures* & the venture arm of *British American Tobacco*. Gummy candy *Better Sour* raised a \$1M pre-seed round from undisclosed investors. *SBJ Capital* made an undisclosed financial investment in *Rishi Tea & Botanicals*. *Wild Microbes* raised \$3.3M in a pre-seed round for its precision fermentation. Belgian protein ingredient company *Paleo* raised \$12.7M led by *DSM Venturing* & *Planet A Ventures*. *Future Fields* raised \$11.2M to scale its fruit fly protein tech, backers include *AgFunder*, *Toyota Ventures*, *Bee Partners*, *Builders VC*, *Amplify Capital*, *Green Circle Foodtech*, *Siddhi Capital* & others. *Three Chord Bourbon* secured \$8M in Series A funds from undisclosed investors. *FreshToHome*, an online grocer that operates in India & the United Arab Emirates, raised \$104M led by *Amazon*. *Swap Robotics* closed on \$7M, led by *SOLV Energy*, for its solar automated vegetation robots. Crop protection solution provider *Robigo* raised \$6.85M, led by *Congruent Ventures* with *Good Growth Capital* involved. *Source.ag* closed on \$23M for its greenhouse tech; *Astanor Ventures* led the round. Seaweed-based material producer *Loliware* raised \$15.4M from *L Catterton*, *Alumni Ventures Group* & others. *Pure Salmon* secured \$507M from the Saudi government to build aquaculture salmon farms in Saudi Arabia. *Starco* acquired meal replacement company *Soylent*. Investment firm *ICV Partners* acquired the *Desi Natural* & *Noga* brands from *Raymundo's Food Group* for an undisclosed sum. UK's *Somfolk*, a CPG holding company, purchased snacks & toppings brand, *Munchy Seeds*; terms not disclosed. *Tyson Foods* acquired Tennessee's *Williams Sausage*, a processor of fresh & fully cooked sausage, bacon, sandwiches; terms not disclosed. *Pure Flavor* acquired greenhouse *Cervini Farms C5* in Leamington, ON. *Homegrown Organic Farms* expanded into blackberries, currants, cranberries & the kiwi berry through the acquisition of *HBF International*. Restaurant tech company *Toast* acquired display & drive-thru tech provider *Delphi* to strengthen its drive-thru solution offerings. Commercial real estate trust *Realty Income* agreed to invest as much as \$1B to develop indoor farm space for vertical farming startup *Plenty*.

Strong comps pushed *Walmart's* 4th QTR above Wall Street estimates, but the retailer warned of a tough 2023 horizon. *SpartanNash* saw 4th QTR increases in revenue & net income, driven primarily by inflation. *Loblaws*' reported an all-around increase in 4th QTR numbers, consumers moving to discount stores driving sales. Earnings were a miss as sales rose for *KDP* in 4th QTR. *Nestlé* will continue to increase prices despite reporting price increases hurt volume & income in its most recent earnings report. *Fresh Del Monte* saw a 2% 4th QTR sales increase; profit more than doubled due to price hikes. Revenue at *Beyond Meat* fell 20.6% in 4th QTR as the company lost \$66.9M.

Foxtrot opened an Austin location. *Hy-Vee* ended its employee discount service due to fraud. Separately, due to lack of use, *Hy-Vee* ended its *Scan & Go* app. *Aldi* began a partnership with *DoorDash* for delivery across its footprint. *Target* will add six sortation centers as part of a \$100M investment in delivery. Following its acquisition of *Imperfect Foods*, *Misfits Market* will close 3 fulfillment centers. *Rich Products* will invest more than \$100M for expansion at its Brownsville Texas plant that makes *SeaPak* & *Farm Rich* appetizers. *Impossible Foods* has filed to reduce its workforce another 132 employees in California. *Kraft Heinz* plans to capture \$2B in incremental net sales from innovation through 2027. To optimize SKUs for efficiency, *Nestlé* will exit its C\$150M Canadian frozen foods market. *Sunkist* celebrated its 130th anniversary. *Daily Harvest* will launch into retail later this year. *Google Cloud* & *Accenture* will partner to offer *Accenture's ai.RETAIL* platform on *Google Cloud* to help retailers use AI & data in pricing, promotions, assortment & supply chains decisions. Retailers are locking up products due to rampant crime causing a sales drop for both retailer & supplier. Per the FDA, it's all milk. *Miyoko Schinner* is being sued by her former company for alleged violations of her employee exit agreement which include possession of intellectual property.

From *ASCI*, pick-up is the highest rated aspect of grocery shopping for consumers. Overall, supermarket satisfaction was unchanged YOY, with *Trader Joe's*, *Costco*, *Publix*, *HEB*, *Aldi* & *Wegmans* the highest rated retailers. From *Advantage Solutions*, 43% of consumers find frozen foods to be of value, 33% like the quality of frozen meals & 50% feel frozen fruits & vegetables are as good as fresh. From *IRI* data reported by *210 Analytics* & *Hillphoenix*, January meat sales fell after the holidays as consumers felt the wrath of unchecked economic policy-induced inflation. From *KMPG*, consumers expect that inflation will drive up their grocery bills in 2023; inflation is also impacting overall consumer optimism. Egg prices are up 70.1% YOY. From the *2023 Slice of the Union* report from *Slice*, the community of independent pizzerias, mushrooms toppings grew the most last year, appearing on 8.9% more pizzas, while pineapple toppings declined 6.1%. From the University of Michigan's *National Poll on Healthy Aging*, 13% of people over 50 are addicted to highly processed foods. Chilean citrus exports fell 32%.

MARKET NEWS: Markets collapsed during the week on inflation fears stoked by a higher-than-expected PCE; the FED suggesting more interest rate hikes; an increase in treasury yields & the administration's stumbling & warmongering trip to Europe driving an alliance of America's enemies. Household debt reached a 15-year high. The FED reported USA credit card debt hit a record \$986B, well on its way to \$1T as current economic policies continue to strangle Americans.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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