



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WHEN PROTESTANTS WILLIAM AND MARY removed Catholic James II from England's throne, one of history's great minds was not allowed to attend school due to religious persecution. His family had to live at least 10 miles from London. This Catholic boy was taught to read by an aunt. He studied Chaucer, Horace, Homer, Virgil, Shakespeare & Dryden; becoming a great satirical & epic poet. He gave us these phrases we still use: "To err is human, to forgive, divine;" "To damn with faint praise;" "A little learning is a dangerous thing;" & "Fools rush in where angels fear to tread." Alexander Pope, an optimistic philosopher, optimistically told us, "Hope springs eternal in the human breast."

ETERNAL HOPE: Last week, I was in an interesting conversation about hope. There seemed to be three points of view. On one end there was a view that there was no such thing as hope, that people just go about their day doing what they need to & knowing what they have to do, be it personal or business. On the other end was a view that hope was merely wishful thinking - an unattainable or unlikely would-be outcome. My view was a bit more middle of the road: hope is a form of planning, of seeing a possible outcome in an opportunity & working toward it. But all these points of view are to some extent each part of the optimistic philosophy. We all apply each of these views as we grow through the stages of our lives. Among the optimistic philosophers was Socrates who, along with those that followed him, held to a hopeful belief that man could reach his best 'moral self' simply through self-examination & observation of the human experience. Gottfried Leibniz proclaimed that God had created the best of all possible worlds. Issac Newton, based on his physics & mathematical principles, believed in a divinely ordered world & human condition; that what happens, happens for a reason, a philosophy to which we ourselves ascribe ([For a Reason, 5/8/21](#)). As a child, our hopes may be very simple, yet very much out of our control to achieve. A child hopes for a certain present for Christmas or a birthday or a trip to Disney World! Or if the child isn't quite as fortunate, they may just be hoping that mommy & daddy don't fight, get drunk or worse; or that they & their siblings make it back & forth to school safely. A child can do very little to influence these outcomes; it is perhaps just wishful thinking. But as we grow, enter adulthood & become adults, we have the opportunity to fulfill our hopes. We may set our sights on going to the perfect college, landing the perfect job or seeing a relationship blossom into something permanent. We may suddenly have new ideas for what we want in our lives or business, & then seize opportunities to lead us in that direction - our hopes becoming the target of our plans & the actions we take. Kierkegaard tells us, "Hope is passion for what is possible." Unfortunately, we often get so caught up in repeating what we need to on a daily basis to sustain our 'habit of living' that we abandon any hopeful thoughts. We are simply stuck in the rinse & repeat cycle with the too highly automated washing machine blinking a code in our face. But we need to have hope just to continue on, to leave any burdens behind us & seek something more sublime. From 19th century English political reformer Samuel Smiles, who believed new attitudes were more important than new laws, "Hope is like the sun, which, as we journey toward it, casts the shadow of our burden behind us." As we age, it may be normal to have less 'dreamy' personal or professional hopes, or have hopes, like a child, that are just the other side of worry or fear. We hope our child makes good choices; that the loud clunk from the air conditioner, refrigerator, toilet or car does not mean something needs to be fixed; that a mysterious mail envelope, email or unknown phone caller will not be a problem. Nelson Mandela warns of this attitude, "May your choices reflect your hopes, not your fears." As we age, our maturity leads us to other hopes that are far from unattainable. Perhaps we comfort ourselves by doing what we can, but we can only hope for world peace, an end to child hunger & a science-based realistic plan for environmental conservation. Try as we may to have an impact, we can only hope that Americans will see the faults, errors, crimes, lies & gaslighting of the current leadership & make good choices going forward. Perhaps the philosophical question that needs to be answered is whether or not such a thing as eternal hope exists, & in times of despair, do we have the faith to muster the courage to have such hope live within our human breast? Should we abandon all hope in the face of the unsurmountable & place ourselves while we are still alive in Dante's purgatory? Civil right activist James Baldwin reminds us, "Not everything that is faced can be changed. But nothing can be changed until it is faced." It takes courage to face these challenges, from Admiral Charles W. Nimitz, our Navel leader in the South Pacific during WWII, "God grant me the courage not to give up what I think is right even though I think it is hopeless." In the darkest moments we can find hope. From 18th century Irish author Oliver Goldsmith, "Hope, like the gleaming taper's light, Adorns & cheers our way; And still, as darker grows the night, Emits a brighter ray." From that darkness, hope can lead us to new heights! From Cervantes, "The phoenix hope, can wing her way through the desert skies, & still defying fortune's spite; revive from ashes & rise." But, like a poke in the eye, the greatest thought on finding & keeping hope comes from the head Stoooge himself, Moe Howard, "Keep laughing. As long as you're laughing you still have hope."

INDUSTRY NEWS: AWAKE, caffeinated chocolate brand, closed a C\$5M round from Btomorrow Ventures. WILDE Brands closed a \$20M funding round led by Karp Reilly with celebrities & others involved. Wonderbelly, antacid maker, raised \$12M Loft Growth Partners, with participation from L Catterton, Silas Capital & others. ZBiotics, anti-hangover shots using genetically engineered probiotics, raised \$14M from Able Partners & Seaside Ventures. Eva Longoria joined Siete Foods as an investor & strategic advisor. Cultivated meat producer Mosa Meat raised €40M led by Lowercarbon Capital & M Ventures. Indonesian mobile coffee cart operator Jago Coffee raised a \$6M Series A round led by Intudo Ventures & Beenext Accelerate. Buyers Edge Platform, digital procurement solutions for the foodservice industry, raised \$425M from General

Atlantic, Blackstone, Morgan Stanley & others. Israeli precision agtech company *Greeneye Technology* raised \$20M to scale USA operations; the round was led by *Deep Insight*, with participation from existing investors *Syngenta Group Ventures*, *JVP*, *Orbia Ventures* & others. In Sweden, *OlsAro*, weather resilient wheat varieties, raised €2.5M led by *Future Food Fund* & *PINC*, with participation by *AgFunder*, *FLORA Ventures*, *Mudcake* & others. *Bite*, kiosk restaurant ordering solutions raised \$9M led by *Staley Capital* with *Graham Partners*, *Food-X*, *One Way Ventures* & *Tamarisc Ventures* involved. *Juicer*, competition pricing for restaurants, raised \$5.3M led by *York IE*. In Denmark, *Reduced*, fermented natural food ingredients from food agriculture industry waste, raised €6M from *Novo Holdings*, *Einar Willumsen*, *EIFO* & *Rockstart Agrifood*. In Finland, *NPHarvest* raised €1.3M led by *Nordic Foodtech VC* for their wastewater recycling platform. In Japan, *Spiber* secured \$65M for its fermented *Brewed Protein* material used in the fashion, automotive & personal care industries. *Vitalfluid* raised €5M for its *Plasma Activated Water* that replaces fertilizers & pesticides; the round included *Future Food Fund*, *Graduate Entrepreneur Fund*, *Horticoop* & *Innovation Industries*. *Hy-Vee* will acquire *Strack & Van Til Food Market* & its 22 locations. *SpartanNash* acquired *Metcalfe's Market*, a three-store grocery chain in Wisconsin. *7-Eleven* completed the acquisition of 204 *Stripes* c-stores & *Laredo Taco Company* locations from *Sunoco*. *TGI Fridays* will be acquired by its largest franchisee, UK-based *Hostmore plc* who will then have 600 locations in 44 countries. *Forward Consumer Partners* has made its first purchase, acquiring a majority stake in Virginia's *Firehook Bakery*. *McCain Foods* acquired a majority stake in *Strong Roots*, a frozen veggie company in Dublin; *McCain* had already invested \$55M for a minority stake in 2021. *Glanbia* will acquire *Flavor Producers* from *Aroma Holding* for \$300M plus deferred considerations. Snack manufacturer *Our Home* is acquiring two manufacturing plants (Berlin, PA. & Fitchburg, MA) from *Utz Brands* for \$18.5M. *Pepsi's* largest bottler, *Varun Beverages*, acquired beverage manufacturer *BevCo* from *The Rohatyn Group*, terms not disclosed. *CHS* has signed an intent to purchase agreement for eight grain assets in five states from Minneapolis-based *Cargill*. In the Netherlands, *Zalmhuys Group*, fresh & frozen fish, took a minority stake in local supplier *Anova Seafood*. Also, Netherlands poultry processor *Plukon Food Group* acquired Polish processor *Algas SP*. India's *Ghost Kitchens* acquired *Shy Tiger Brands*, terms not disclosed. Food product developer *Mattson* acquired food consultant *Hyde Park Group*. *King Ranch* acquired a 50% stake in *Cobalt Cattle*, the fourth-largest cattle feeding operation in the USA with six feedyards in Colorado, Kansas & Texas. *Nature's Miracle Holding* will acquire SaaS vertical farm platform *Agriify*. Nebraska will allocate \$5.1M in assistance to meat processing facilities. In Chicago, milk & ice cream manufacturer *Oberweis Dairy* filed for Chapter 11 bankruptcy owing \$4M in debt. Performance marketing network *Ibotta* completed its IPO.

Danone saw a 2.5% 1st QTR drop in sales due to its Russian divestiture but North American sales rose. *Constellation Brands* bested 4th QTR estimates as its margins improved, benefiting from *AB InBev's* collapsing volume. Sales increased 11% at *Barry Callebaut* in the first half, but cocoa bean prices jumped 75% over the same time.

Amazon updated its position; the retailer will use its *Just Walk Out* in its small-format stores & *Dash Cart* will be used at grocery & large-format stores. *Aldi* launched check out free shopping with *Grabango*. *Wegmans* will open a new Charlotte location. *Wawa* plans to build at least 80 stores across North Carolina; 8 to 10 stores will open in 2024 & up to 15 more in 2025. *Gopuff* launched *Powered by Gopuff*, allowing brands to offer delivery from their own online stores in as fast as 15 minutes. Also, *Gopuff* will partner with *Misfits Market* for a nationwide launch of 300+ fresh grocery items. *Grubhub* will partner with *Mercato* for grocery delivery, its first foray away from foodservice. *Walmart* will use *Fox Robotics'* autonomous forklifts to 4 distribution centers. *Flashfood* doubled its food diversion activity in just 18 months. *JBS* will spend \$48M to double the processing capacity & workforce at its facility in Mato Grosso do Sul, Brazil, to make it the largest beef plant in Brazil. *Mission Foods* will invest \$46.5M over the next five years to build a new Mexican snack plant. *Ardent Mills* opened its 4th innovation center in Pullman, WA. In Wisconsin, Northcentral Technical College opened a fully farm-integrated butchery program, *Pasture to Plate Butchery*, to educate the next generation of Wisconsin meat processors. *Danish Crown* will close a Danish pork processing plant amid greenwashing findings. In Georgia, *Pecan Nation* & *South Georgia Pecan Company* will form a partnership for growing, processing & distributing pecans. *La Colombe* debuted its first new product under *Chobani*; *Draft Latte* in cans. *Danone* & *Hershey* will collaborate on an *International Delight Reese's Iced Coffee*. *General Mills* is adding more protein into the *Breakfast of Champions*. *Kraft Heinz* rebranded its sauces, dressings & spreads into the newly formed *Kraft Sauces* portfolio, with a new logo & a line of creamy sauces. *Barilla* discontinued production of *Tolerant Foods*. *Wakefern Foods* will expand the offerings in its *Paperbird Blue* line of better-for-you household goods. *Kerry* launched *Tastesense Salt* which allows formulators to use 60% less sodium in snacking products. *Oobli's* novel sweet protein fermented from the *Oubli* fruit received a GRAS acceptance. *Nobell Foods*, plant-based proteins, secured its 10th USA patent & rebranded as *Alpine Bio*. *Perfect Day* has been sued by its Italian contract manufacturing partner *Olon* over claims that *Perfect Day* hid their plans to move production to India. According to the Department of Labor, employees of five California poultry plants may be owed back wages & damages of \$3.8M. A bipartisan group in the House of Representatives is looking to introduce legislation to lessen enemy nations like China's influence on the food supply & remove domestic restrictions on USA farmers & food producers. *Gelson's* chose *Albertsons* veteran Ryan Adams to serve as its CEO/president, effective immediately.

From *FMI*, 92% of USA households eat meat or are flexitarians; 74% see meat as part of a healthy, balanced diet; 98% purchase meat almost weekly, spending \$99B at retail, the largest fresh spend category. More than 40% of consumers see price as a barrier to buying healthier products, per *Nutiani*. Inflation drove an increase in March grocery sales. Peruvian grape exports are lower due to weather issues - heavy rain & wind. Mexican avocado production is forecasted to grow 5% this year.

MARKET NEWS: Markets continued to drop. FED Chairman Powell indicated a rate cut may not occur this year as policy driven inflation remains well in place. That inflation caused retail sales to jump 0.7% in March. Housing starts & building permits were lower.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND — *Tom Malenjo*

V10issue44.04.20.24

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.