



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WHEN I WAS A KID, my dad drank & I loved baseball. These were not unconnected circumstances; my mom insisted my Uncle Ben take me to baseball games at Cleveland Stadium. Once a summer we went to the park; the giant smiling mascot sign greeted us as we arrived. The grass was so green, the sky so blue & the foul lines cut a perfect isosceles triangle across the field. During batting practice, the crack of the bat echoed in that cavernous, nearly empty old stadium. It was a heaven, a haven, from parents who argued about money, bills, Dad's drinking & getting food on the table. I saw my heroes & learned important life lessons, like how to lose with dignity & to win with grace.

HALL OF FAME LESSONS: This isn't the first time *All Ears!!* has discussed baseball & life ([The Church of Baseball; 03/02/19](#)). There was so much to learn from the men who played the game back then, beyond how to win & more importantly, how to lose (which my home team had lots – *LOTS* - of practice at doing). The lessons I learned were delivered on the field between the foul lines, by players, *by men*, who loved the game! In the past year, baseball has had 10 hall-of-famers pass on. Sadly, these were my boyhood heroes. Their passing, for me, marks the passing of time & the passing of a game that is now played outside the foul lines, influenced by noise & money. As a kid, I hoped to find these hall-of-famers' baseball cards in that nickel pack. When their pictures were on the cover of my uncle's Baseball Digest or Sporting News, I tore it off to hang it on my bedroom wall! One of these greats was Al Kaline, one of the best right fielders of all time. He was not a showman; his coolness & modesty reminded the older generation of Joe DiMaggio, *The Yankee Clipper*. In 22 years with Detroit, *Mr. Tiger* made the game look effortless, exuding a quiet confidence in his own abilities, at the plate or in the field. Another, Lou Brock, set every base-stealing record of the day & retired as the all-time leader. He would take his lead off first base, intensely scanning the field, absorbing & understanding the nuance of every move or glance of the pitcher, catcher & second baseman. Then the sudden burst of total speed, racing to second base, sliding hard but cleanly. *Sweet Lou* was not the most determined player on that St. Louis Cardinal team. That honor belongs to perhaps the fiercest competitor ever in baseball, pitcher Bob Gibson. On TV, a close-up of *Bullet Bob's* eyes, staring down the batter, scared an 8-year-old me. On the field, Gibson hated the batter, with an intense hate, & had only one goal, an out. In 1968, he did what is unimaginable in today's world of 6-inning pitchers on strict pitch counts. He set a record with a 1.12 ERA & threw 13 shutouts among his 28 complete games. On the biggest stage, he struck out 17 batters in a World Series game. But the greatest pitcher of that era was Tommy Seaver. Everything about *Tom Terrific* was perfect – his leg kick, the push off his back leg, his release. The *art & science of pitching* was Tom Seaver. Again, unimaginable today, when he set a then record of 19 strike outs in a 9-inning game, *he struck out the last ten batters he faced*, giving every last ounce of effort, for a complete game! And among these ten men was the immortal Henry Aaron. *Hammerin' Hank* faced every bit the abuse Jackie Robinson did, but like Robinson, he placed himself above it all. With gentlemanly grace & dignity, he went out every day to not just play the game, but to be *the best ever*. I remember clearly every detail of #715; Braves relief pitcher Tom House leaping to catch the ball as it sailed over the wall into the Braves bullpen. Aaron was calm at the plate, almost looking as if he were about to fall asleep. Then came a quick, fast swing; his power emanating from his wrists, bat meeting ball & sending the ball whistling in a sharp line drive. These men played within the rules, competed intensely & cleanly. They never asked that the rules be changed, never complained about their circumstance. From these heroes I learned the *Gentlemanly Art of Sportsmanship* & true modesty, to give your all & put forth every effort, to hustle, to strive for excellence, to compete until the game is over & not to quit in the face of adversity. But these lessons also came from names few remember, like *Scrappy* Jack Brohamer or John Lowenstein. These players were *hustlers*. Branch Rickey once described Eddie Stanky, another hustler, like this. "*He can't hit, he can't field, he can't throw & he's slow. All he can do is G**D*** beat you!*" Baseball is a great meritocracy. Players rise to the level of their abilities. But just because they were not born with God-given talents, did not mean they couldn't compete & have success. *It's not what you are born with, it's what you do with what you have*. From Henry Aaron, "*In playing ball, & in life, a person occasionally gets the opportunity to do something great. When that time comes, only two things matter: being prepared to seize the moment & having the courage to take your best swing.*"

INDUSTRY NEWS: *Gathered Foods*, maker of *Good Catch* plant-based seafood products, raised \$26.35M from *Louis Dreyfus Co.*, *Unovis Asset Management* & *Big Idea Ventures*. Cultured fat-cell tech startup *Mission Barns* raised a \$24M from *Gullspang*

Re:Food, Humboldt Foods, Green Monday Ventures & Enfini Ventures. Acid League, beverages & condiments, raised \$4.75M led by InvestEco Capital & BrandProject. Chicago's Dom's Kitchen & Market, grocery startup co-founded by Bob Mariano, raised \$15M in seed funding from Cleveland Avenue, Valor Siren Ventures, Molto Capital, Wasson Enterprises & Beljade. Tortuga, harvesting robotics, raised \$20M led by Lewis & Clark AgriFood with Root Ventures, Spero Ventures, Ceres Partners, Colorado Impact Fund, AME Cloud Ventures, Morado Ventures, Grit Ventures & Remus Capital involved. Retail consumer vision & analytics to track inventory & behavior technology company, Trax, raised \$640M led by SoftBank Vision Fund & BlackRock. AutoStore will sell 40% of its company to SoftBank for \$2.8B, at a \$7.7B valuation. Endless West, alcoholic beverages created by replicating molecular structures, raised \$21M from Horizons Ventures, Litani Ventures, North East Family Office & SOSV. Vertical farm AppHarvest acquired robotic harvesting firm Root AI for \$60M in stock & cash. C r lia, a Paris-based producer of frozen & refrigerated dough, acquired private label producer US Waffle & received an equity investment from Continental Grain. Brynwood Partners acquired De Wafelbakkers, manufacturer of branded, co-manufactured and private label frozen pancakes, waffles & French toast, from The Oklahoma Publishing Co.; terms were not disclosed. Bell Food Group, through its Hilcona AG subsidiary, will acquire Aryzta AG's Swiss sandwich business; terms not disclosed. Kemin Industries acquired Proteus, whose clean ingredient technology improves the yield, nutrition & quality of beef, chicken & plant-based proteins. Smartway, French food waste AI management, raised \$11.8M led by Supernova Invest. Utz Brands acquired certain Central Florida distribution rights from National Food Corp. to accelerate Utz's market share in the region. Private equity firm Kelso & Company acquired specialty foodservice distributor Ferraro Foods from Kainos Capital; terms not disclosed. Singapore-based Grab, grocery & restaurant delivery, payments & ride hailing, is expected to raise \$2.5B & create a \$35B SPAC with Altimeter Capital Management, based in California. Tencent backed China-based MissFresh online grocer may seek a \$500M USA IPO. Reuters reports Impossible Foods may initiate an IPO or SPAC merger in the next 12 months.

McCormick saw 1st QTR income (12%) & sales (22%) increases; supply chain efficiencies helped meet demand. Reed's reported 4th QTR net sales rose 50% & net loss improved to \$2.7M from \$3.5M. EPS rose 10.6% & sales 4.6% in Walgreens' 2nd QTR.

Bashas' Family of Stores will expand with the hiring of 700 employees. Whole Foods has begun distributing its own beer to 36 stores from a small brewery in one of its Houston stores. Instacart continues to expand beyond grocery in a partnership with Michael's. Hello Fresh & Sodexo will partner for on-campus meal-kit delivery. UNFI has launched an ecommerce marketplace (using Mirakl technology) enabling emerging products not currently at UNFI's DCs to be ordered & shipped directly to retail customers nationwide. Shopify now offers merchants a grocery marketplace through an app from supplier GreenDropShip to fulfill more than 20K natural/organic products, including food, beverages, vitamins, supplements, baby products & household items. Anheuser-Busch will invest \$100M to find ways to upcycle its spent barley. Monogram Foods (meat snacks, hot dogs, corn dogs, pre-cooked bacon, smoked sausage, appetizers) will build a new 135K sq. ft. production facility in Massachusetts. La Primera Tortilla Factory will invest \$2.7M & add 14 employees to its facility in Sunland Park, NM. Molson Coors debuted a new organic, low-calorie brew, Coors Pure. One Rock Capital Partners has renamed recently acquired Nestl 's Waters to BlueTriton Brands. New Seasons Market & New Leaf Community Markets will eliminate single-use bottles of water. Caulipower will launch gluten-free frozen cauliflower-based linguine & pappardelle. Coca-Cola is once again facing consumer backlash, this time for its position on fair elections. McDonald's joins in lawsuits charging big chicken producers with price-fixing. Missouri courts upheld a law that prohibits plant-based proteins being labeled as meat.

In dunnhumby's Pulse Survey, Walmart was ranked #1 by consumers for delivering the best value, followed by Kroger, Aldi & Amazon. Their survey found 43% of consumers are spending more on food. From PowerReviews, on-line grocery shopping has increased fourfold since 2017. Per SPINS, plant-based sales grew 27% in 2020, to reach \$7B, with 57% of USA households making purchases, up slightly from 53%. Although consumers will continue to home cook, Numerator forecasts meat, herbs & spice sales to decrease as out-of-home eating increases. Kroger reports that 70% of customers choose their grocer based on the quality of fresh products, focusing on bananas, berries, tomatoes & bagged salads. The grocer also predicts stronger chicken sales. Fresh fruit sales rose 8.9% & vegetable sales rose 14.2% per FMI-The Food Industry Association; fresh produce sales reached \$70B. Research from Lightspeed/Mintel found nearly 70% of consumers currently use products with a functional benefit, while 40% use products with three or more functionalities. A study from Lancet Diabetes & Endocrinology indicates moderate doses of Vitamin D (400-1000 IUs) protect against acute respiratory conditions; higher doses do not. In the Markon Cooperative Fresh Crop Report, strong consumer demand is causing potato stocks to diminish quickly & prices are rapidly rising.

MARKET NEWS: Markets rose this week despite higher-than-expected unemployment, inflation & producers' prices. Production & services indexes were lower.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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