



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**IN THE 1990s**, I drove a *Nissan*. In 1997, *Nissan* unveiled my favorite Super Bowl commercial. A squadron of pigeons, wearing WWII flight helmets & goggles are in the briefing room, planning a mission. They take-off in *Top Gun* fashion to the tune of Kenny Loggins' theme song. A *Nissan* is leaving a car wash; the driver spots the approaching attack. The *Nissan* races for safety, skillfully maneuvering to avoid the pigeons' 'bombs' that land on weddings & tear up flowers. Dirty Bird & Sky Rat plan their final attack & zero in. As they lock on the *Nissan*, the *Nissan* swings into a garage. The pigeons slam into the garage door. The *Nissan* is safe, unblemished & out of the Danger Zone!

**DANGER ZONE:** We have officially entered the Danger Zone. Twice in just two months, there has been an assassination attempt on a former US President & current Presidential candidate. Then, the corrupt mainstream media & his even more corrupt political opponents say these attempts are because of his own dangerous rhetoric. Let's explore this. What's dangerous about putting America First? Would you say to your kids, "No dinner tonight, I gave all our food to a family in China!" Of course not! Why is it dangerous to want a secure border? Would you allow your neighbor to build his patio or pool on your property? And what if he had a bunch of relatives show up, whom you did not know & knew nothing of their backgrounds, beliefs or criminal records? What if he expected them to stay in your house without your approval? Would you allow them to do anything in your house, perhaps sleep in your bedroom or your child's bedroom if they wanted? Would you feed them, buy them a cell phone, hand them \$10,000 of your own money? What if they thought your family pet looked tasty? And would you leave your door open so anyone else could wander in & stay, putting your family at risk? *I doubt it!* Is it dangerous to say we want safe streets? Would you allow a group of neighborhood kids to bust down your front door, steal everything valuable in your house, beat your family, run out & then not want them not to be stopped & punished? *Surely not!* Is it dangerous to say we need honest elections? Would you let the neighborhood vote on where you should take your family vacation? *Hardly!* Is it dangerous to say we want America to be an energy leader & energy independent, using her bountiful God-given resources? Would you say to your children, "Bundle up tonight kids, it's going to be a cold one, & we won't be turning on the furnace because in 40 million years the temperature of the ocean might be 0.25° higher." *Unlikely!* Is it dangerous to say we want lower taxes? Would you say to your kids, "Sorry kids, we don't have enough money for movies, video games, concerts, softball, soccer or dancing lessons, but be happy! I put a bunch of our money in a trash can outside & a government official came by & dropped a match in it!" *Probably not*, but maybe all that burning money will keep you warm without any electricity or natural gas for heat. Is it dangerous to say we want homeless people off our streets? Would you open your yard to tents filled with people you do not know? Would you care if they had diseases that could easily spread? Would you allow them to take care of the 'necessaries' right there in your lawn? Would you allow them to freely use drugs & provide them with needles to use? And would you allow them to harass your family when they leave the house for work or school? *Doubtful!* Is it dangerous to say we want parents in charge of their own children's education? Which of your neighbors do you want to teach your kids? What if they taught your kids to believe things that they were too young or immature to fully understand? What if the neighbor decided your child needed an operation & drugs but didn't tell you? *No sane parent would allow that!* Is it dangerous to say we want the freedom to speak & believe as we see fit? What if your neighbors said no one is allowed to say "Good Morning" because some people don't have good mornings? What if they charged you a fine if you said, "Good Morning" or worse, called you privileged or hateful because you say, "Good Morning?" What if they stood in front of your place of worship & wished you dead? Would that be acceptable? *I pray not!* Is it dangerous to say we want our women & children safe? What if women & children in the neighborhood just started to disappear? Would that be okay? *I say not!* Is it somehow a danger to say we do not want government bureaucracies targeting individuals? What if all your neighbors decided you were unacceptable to them? What if they decided you no longer had a right-to-life, to speak, live, grow as you would like? What if they called you deplorable & wanted to rid the neighborhood of you? Would you stand in a circle like Tessie as your neighbors & family gathered stones to see you to your demise? Would you be angry? Would you fight back? Would you speak your mind more loudly, more strongly & would your resolve be even greater? Any reasonable person would agree that none of these statements are dangerous! But since 2015, the mainstream media & the so-called ruling elite have focused hate on one man & his supporters. Every local or national TV station or newspaper, celebrities, Presidents, Vice-President & every political & bureaucratic stooge has called this man dangerous. They have said he must be stopped, eliminated. The current President said he must be 'put in the bullseye' & the second in command, many times in those years, said he should not be alive. These supposed representatives of the people & high-minded privileged celebrities have labeled his supporters Deplorables, with a capital D! They say he is a threat to democracy! They spread lie after lie in the media, debates & commercials, telling terrible lies that just a tiny bit of research quickly proves false. Worse, they practice the #1 tactic of Fascists, Communists, Marxists & Socialists – they accuse their enemies of the crimes they are committing. They are actually the type of person they accuse their enemy of being! Don't be fooled when you hear, "He is eviler than (fill in the despot of your choice)." But some people are fooled – they hear the lies, repeated long enough & loud enough, that they become deranged. Mildly at first, just at the backyard barbecue; then on social media; then finally worse, when casting their vote! And some, at least two for now, are moved to violence. This is what these tyrants cause, a mass psychosis, which is how the Nazis got people to murder millions & millions of people less than 100 years ago! There is nothing dangerous about wanting our nation to be safe, healthy, peaceful, wealthy, strong & yes, *Great!* But these acts of violence prove we are in the Danger Zone as people mindlessly believe the overwhelming lies. From Henry Ward Beecher, "The most dangerous people are the ignorant." These people are so indoctrinated in the lies that they no longer seek the truth; they will not accept another viewpoint. From columnist & author Bill Vaughn, "I believe the world is increasingly in danger of becoming split into groups which cannot communicate with each other, which no longer think of each other as members of the same species." Yes, this is the Danger Zone. From JFK, whose political points of view would be unacceptable to current members of his party, "In the long history of the world, only a few generations have been granted the role of defending freedom in its hour of maximum danger. I do not shrink from this responsibility - I welcome it."

**INDUSTRY NEWS:** Functional mushroom beverage *Odyssey* raised \$6M from undisclosed investors. Canned cocktail brand *Moth* raised \$6M led by *Beringea*. In Canada, *Sperry*, organic & allergen-free plant-based meal replacement beverages, raised an undisclosed amount led by *Nàdarra Ventures* with *Invest Nova Scotia* involved. In the UK, food & drink platform *DELLI* raised \$6M led by *Balderton & HV Capital*. *Daily Crunch* raised \$4M led by *VC*

*Launch Tennessee*. Post Malone joined *Poppi* as an investor & brand advocate. *Reed's* raised \$6M through a variety of financial instruments with its lead shareholder *D&D Source of Life Holding LTD* & others involved. Danish faux-meat producer *MATR Foods* signed a €20M loan with the *European Investment Bank (EIB)* for a new facility. Berlin-based speedy delivery *Flink* raised \$150M (\$115M in equity & the remainder debt) from existing investors *Bond, Mubadala, Northzone*, German supermarket *Rewe* & new investors. In Latin America, *Mama Lycha Foods*, raised an undisclosed amount from *Rotunda Capital*. *Pairwise*, plant seed gene editing for crops, closed a \$40M round led by *Deerfield Management* with *Aliment Capital, Leaps by Bayer, Corteva* & others involved. *Arzeda*, protein design for new enzymes, raised \$38M from *Sofinnova Partners, Fall Line Capital, Sucden Ventures, Silver Blue, W.L. Gore & Associates, Bunge Ventures, Lewis & Clark Agrifood & Continental Grain Company*. French precision-fermented protein start-up *Standing Ovation* has raised €3.75M from current shareholders. In Israel, *Pickcommerce*, maker of the piece picking robot *PickoBot*, raised \$3.4M led by IL Ventures, with *InNegev, Fusion VC, the Israel Innovation Authority & ZIM Ventures* involved. *Atomic Kitchens*, food pick-up & delivery employing under-utilized kitchen space in South America, raised \$750K from *Manutara Ventures*. *ReScale* raised \$2.3M led by *Baukunst* to help CPG brands with sourcing, negotiating & managing external manufacturing partnerships; the round was supported by *Dartmouth Angels*. *Cumulus Coffee*, at-home cold brew coffee brewing machine, raised \$10M from undisclosed investors. *Viome*, personalized healthcare, raised \$25M from *Khosla Ventures, Bold Capital WRG Ventures, Marc Benioff & others*. Insect-based dog food startup *Tuggs* raised £1.1M from undisclosed investors. *Farmhouse* bought *Thrown*, owner of the celebrity founded functional beverage *Nappy Boy Drinks*. *Kellanova*, the majority shareholder in Egyptian foods company *Bisco-Misir*, will sell its share to *Hayel Saeed Anam Group* & the manufacturing plants in Cairo & Alexandria. *Nestlé* sold its *Cremora* creamers business in South Africa to *Lactalis*. *McCain Foods* sold its Argentine frozen pizza assets to *Molinos Rio De La Plata*. *Swander Pace Capital* sold *Reliance Vitamin* to *Impetus Wellness Group*. *Rise Baking* was acquired by *Platinum Equity* & PE firm *Butterfly*. *Mastronardi Produce* acquired North American rights in *Mastronardi BerryWorld America* from its joint venture partner *BerryWorld Group*. Two produce industry leaders in Canada will join forces as *Courchesne Larose Group* will merge with *Veg-Pak Produce*. *Bay State Milling* acquired *Montana Gluten Free Processors*, a producer of gluten-free oats. *Mosaic Flavors* acquired flavor supplier *First Coast Flavors*. In the UK, dairy company *Freshways Group* bought dairy supplier *Totally Welsh Dairy*. Also in the UK, *Prima Bakeries Group* acquired biscuit maker *Furniss*. Farm management provider *CropX* acquired *EnGeniousAg*, precision tools for optimizing nitrogen management in the field. *Kiwibot* acquired *Nickelytics* for \$25M, to use *Nickelytics* tech to turn its delivery robots into mobile billboards. *General Mills* will look for add-on acquisitions across snack, pet & other categories. *Flower Foods* is also reportedly on the hunt for expansion opportunities. Post-war stalwart that defined the growth of the middle-class, families & suburbia, *Tupperware*, field for bankruptcy. The USDA awarded \$35M in grants to 15 independent meat & poultry processors in 12 states. *Ferovinum*, a funding & supply chain platform for wine & spirits businesses based in London, raised €20M led by *Notion Capital, Shapers VC, Semapa Next* & current backers.

*General Mills* beat 1<sup>st</sup> QTR estimates. *Darden Restaurants* missed 1<sup>st</sup> QTR revenue & earnings targets with a slump at *Olive Garden* & its finer dining establishments. *Ocado* posted a 3<sup>rd</sup> QTR 15.5% revenue jump & forecasted strong full-year earnings.

*Target* plans to hire 100K workers for the holidays. *Whole Foods' Daily Shop* is underway in NYC. *PCC* will open a small-format store in Seattle, in a space full-service store that closed in January. *H-E-B* has begun a \$10M renovation to its Uvalde, TX, store. *Amazon* will raise workers' pay. *Associated Food Stores* will use *Birdzi's* personalized engagement & advanced customer intelligence platform across its 450 stores. *Harris Teeter* launched a new private prepared foodservice line, *HT Traders Ready Made Meals*. *Lifeway* will now offer its kefir in South Africa. *J.M. Smucker* launched its newest *Uncrustables PB&J*; the first new flavor in 10 years, offering peanut butter & raspberry. *Stouffer's* will launch its first shelf stable offering with *Stouffer's Supreme Shells & Cheese* in two flavors. *Maple Leaf* introduced protein-dense *Breakfast Sandwiches & Breakfast Bites*. In a sad day for deli lover's, *Boar's Head* will drop its liverwurst offering. *MrBeast* & Logan Paul will launch *Lunchly*, a ready to eat lunch kit for kids. *PepsiCo's Gatorade* debuted an electrolyte powder. *Nutrabolt's C4* will partner with *Hershey* for mashups with *Bubble Yum, Jolly Rancher, Hershey Chocolate & Reese's*. *La Brea Bakery* expands its distribution to *Target* with three *Take & Bake* products. Dutch food tech company *revvyve* launched a new gluten-free egg replacer made from baker's yeast. Faux whole cut meat startup *Juicy Marbles* plans a USA retail launch in 2025. *Coca-Cola* plans to invest \$1B in its Nigeria operations over the next five years. *Hiland Dairy Foods* will expand its facility in Tyler, Texas, by adding 90K sq. ft. to its plant. Distributor *Baldor Specialty Foods* opened a new 100K sq. ft. facility in Lanham, MD. *BrightFarms* opened a Chicago-area greenhouse. *Amazon* will close two SoCal warehouses to improve efficiencies; more than 300 workers will be laid off. *Lifeway Organics* will acquire a former *Saputa* facility in Belmont, Wisconsin. *AutoStore* has introduced automated fulfillment robotic technology for subzero temperatures. *General Mills & Ahold Delhaize* will partner to convert 70K farm acres to regenerative agriculture. *Blue Diamond Growers* will partner with *Divert*, to process almond byproducts. *Brightseed & Botalys* will partner to uncover potent botanical bioactives using AI. *Darden Restaurants* will partner with *Uber* for on-demand delivery, starting with the *Olive Garden*, in a 2-year deal; *Darden* has previously refused to allow 3<sup>rd</sup> parties to deliver meals. *Chipotle* will expand its guacamole-making robot test. A pending labor strike of 45K dock workers along east coast ports could cause shortages, supply chain disruptions, holiday shopping unavailability & higher prices. HPAI has been found in three California dairy herds. *Kind* appointed Daniel Calderoni, a *Mars* pet executive, as CEO. After exiting bankruptcy, Damola Adamolekun, former *PF Chang* CEO, will lead *Red Lobster*.

From *USA Today*, *Hy-Vee* was named the best grocery store, followed by *The Fresh Market, Heinen's, Stew Leonard's, Gelson's Markets, ALDI, Publix, Trader Joe's, Wegmans & Fresh Thyme*. USA online grocery sales were \$9.9B in August, a 7.0% YOY increase with all fulfillment methods gaining per *Brick Meets Click/Mercatus*; promotions drove the increase. From *Circana*, eCommerce food & beverage sales growth is outpacing brick & mortar sales by 5X to 10X. Also from *Circana*, frozen pizza sales were \$7.4B in the year ending in July, more than sales for frozen breakfast foods, snacks or baked goods. *RaboResearch* forecasts that poultry markets will be bullish due to accelerating consumption after years of slow growth; consumption is forecasted to reach 2.5% to 3% in 2024, a return to past growth volume. Due to intense freezes, Oregon & Washington pear harvests will be 60% lower; the Washington apple harvest is on track & may be early. Sugar prices may reach their highest level in 16 years due to fires in Brazil, which will place inflationary pressure on many foods.

**MARKET NEWS:** The market rallied to record highs after the Fed dropped interest rates 0.5%. London held rates steady. Retail sales grew just 0.1% in August. Jobless claims were lower than expected & at a 4-month low. The Philly Manufacturing Index took a jump. Despite a slightly negative view of the leading economic indicators; low interest rates may trigger inflation as the core PPI is still above 3%.

## **SEEDS, SPROUTS, GROW, HARVEST!**

**THE LITCHFIELD FUND** — *Tom Malenjo*

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