



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



IT WILL BE A DIFFERENT HOLIDAY SEASON. There will likely be more online shopping & less holiday hustle & bustle at the mall! There will be fewer & smaller holiday parties. The ugly Christmas sweater people will probably design ugly Christmas masks. (*If they haven't thought of that, you are all witnesses, it was my idea!*) And some governor, somewhere, will probably ban the sale of mistletoe, to prevent family, friends & a few lucky strangers from kissing! But hopefully some things won't change, like stringing beautiful colored lights to brighten the night, then sitting back to enjoy them with a warm beverage of our choice & reflect upon life & this joyous *season of light*.

LIGHT AND REFLECTION: During the early 1960s, my dad worked as an electrical plater at the *General Electric* vacuum cleaner plant on Ivanhoe Rd., which ran north off of the intersection of 152nd St. & St Clair Rd., making up Five Points, the center of our Collinwood neighborhood. An electrical plater is a fancy name for a very tedious factory job. My Dad hung metal vacuum cleaner parts on a rack, then the parts were dipped in a vat of acids & salts to prepare the surface. The parts were then moved to a vat of chromium, hit with an electric current, coating them in chrome for the shiny tubes, clamps & handles on *GE* vacuum cleaners. It was "*piece work*" – Dad was paid for the number of parts that passed inspection. His hands were always burned from the acids, filled with metal splinters from handling the metal pieces & his nose constantly ran from the fumes. Every Christmas, *GE* would hold a family holiday day event at the big, old, early 20th century, gaudy Hippodrome theater at 55th & Euclid. There we saw *Disney* movies that were well past their initial release, like *Johnny Tremain*, *The Shaggy Dog* & *Thomasina*. We also came home with little Christmas gifts, & despite there being no warnings attached, we did not swallow the pieces or lodge them in our ears! Just around the corner from the *GE* vacuum cleaning plant was Nela Park. Formed in the early 1900s, the *National Electric Lamp Association* began building Nela Park, a Georgian-style university-like campus, in 1911. Now on the *National Registry of Historic Places*, it soon became the headquarters of *GE Lighting* & the birthplace of many important innovations & patents. *GE* will celebrate this year's *season of light* for the 95th time with their world-famous light display on the Nela Park campus. Today, Nela Park is just drive-by viewing, but in the early '60s we would park the car & walk the campus hand-in-hand. Light & reflection go hand-in-hand, which is probably what makes this season of brightly trimmed Christmas trees, light-decked houses & flickering menorahs so very special. Bishop Desmond Tutu tells us, "*Hope is being able to see that there is light despite all of the darkness.*" St. Francis of Assisi wrote, "*All the darkness in the world cannot extinguish the light of a single candle.*" Reflection leads to enlightenment & wisdom, from Confucius, "*By three methods we may learn wisdom: First, by reflection, which is noblest; second, by imitation, which is easiest & third by experience, which is the bitterest.*" Dickens reminds us (without Bing Crosby & Rosemary Clooney singing), "*Reflect upon your present blessings of which every man has many - not on your past misfortunes, of which all men have some.*" So as we reflect this holiday season, whether seeking wisdom & enlightenment or just recalling pleasant memories of past holiday seasons, let any darkness be pierced by the dazzling colors of the Christmas tree, by the miracle candle light cast by the menorah candles or by the decorated neighborhood houses that we see while driving about (with the kids in the back seat of a '56 Chevy, in their jammies, wrapped in blankets)! This is the *season of light*, bringing peace, love & goodwill to all, for as Edith Wharton wrote, "*There are two ways of spreading light: to be the candle or the mirror that reflects it.*"

INDUSTRY NEWS: *Cheribundi* closed a \$15M raise, led by existing investor *Emil Capital Partners*. *Cure Hydration* raised \$2.6M in seed funding led by *Lerer Hippeau Ventures*. Plant-based dressing & condiment maker *Mother Raw* closed on \$6.1M, led by *Forage Capital Partners & Export Development Canada*, with *Whitecap Venture Partners* participating. Multi-product keto brand *HVMN (Health Via Modern Nutrition)* raised \$5.5M from several investors. *Everytable*, fresh-prepared foods available through multiple channels, raised \$16M led by *Creadev*, with *Kaiser Permanente Ventures, Candide Group, Gratitude Railroad Ventures, Desert Bloom Food Ventures & Kimball Musk* involved. CBD beverage brand *Unity Wellness* raised \$1.25M from various investors. *Hello Fresh* acquired *Factor75*, a Chicago-based meal kit startup, for \$177M. *Clearlake Capital* acquired *The Wellness Pet Food Holdings Company (WellPet)*. Adding to its last mile delivery capabilities, *Walmart* has purchased the assets of *JoyRun*. *McCormick* acquired hot-sauce maker *Cholula* from *L Catterton* for \$800M. *Elliott Advisors* is in talks to acquire ingredient supplier *Aryzta*. *Orbia*, a multi-faceted Mexico specialty firm with interests in agricultural & healthcare, has raised a \$130M investment fund & made its first investment, \$3M, in Israeli-based *SeeTree*, tree health insights. *Astanor Ventures*, early tech investors in firms like *Spotify*, has raised a \$325M fund dedicated to agriculture & food, becoming Europe's largest fund of its kind to date.

Dollar Tree reported that 3rd QTR income rose 28.7% & sales were up 7.5%. *J.M. Smucker* saw 2nd QTR gains in sales (4%) & income (9%), coffee sales driving results. In *Post's* 4th QTR, weak cereal sales resulted in a 63% decrease in adjusted earnings on a 2.2% sales drop. *MGP Ingredients'* 3rd QTR sales grew 13.5% & net income rose 27.1%. Profit & sales were down for *Tate & Lyle's* 6-month reporting period, though food & beverage sales rose as consumers sought healthier products. *ADM* reported a rough 3rd QTR as market fluctuations caused a 10% drop in sales & a 10% drop in income. Despite a 9¢ EPS loss, *Canopy Growth* beat revenue & income projections in 2nd QTR. Strong revenue did not prevent a \$19.3M loss for *Beyond Meat* in 3rd QTR, as foodservice sales fell. *Monster* beat 3rd QTR earnings forecasts by a dime at 59¢ per share with net sales up 9.9%. *Reed's* saw 3rd QTR revenues grow 21% with a reduction in net loss to \$2.6M from \$4.6M. *Jones Soda* saw a rare sales increase, up 17% in 3rd QTR with a slightly smaller loss. *Celsius* saw 3rd QTR revenues jump 80% with a 102% increase in gross profit. Despite beating targets, *Blue Apron* fell under scrutiny for a significant loss of customers in 3rd QTR. *Hello Fresh* reached 5M customers, double last year's 3rd QTR, reporting their first profitable QTR on a 120% sales growth. *Aramark* saw revenue fall 32% in 4th QTR with a 59¢ EPS loss.

Autonomous vehicle company *Gatik* will provide contactless multi-temperature grocery delivery for *Loblaws*. *Shipt* will add 50K shoppers, after adding 100K in October, as demand rises. *Danone* will introduce a local first program that will reduce 1500 to 2000 jobs & reduce costs by \$1.2B. By 2025, 50% of *IKEA's* main meals in its restaurants will be plant-based, 80% will have no non-red meat & 80% of all *IKEA's* packaged foods will be plant-based. *Ocean Spray* will launch 4 functional water SKUs.

Per *Euromonitor International*, the global legal CBD market will be \$95B by 2025, up from \$28B in 2020. Per the *American Farm Bureau Federation*, the cost of a classic 12 item Thanksgiving dinner fell \$2, YOY.

MARKET NEWS: Markets rose to new records this week, the DOW reaching 30K for the first time in history, on the continued success of Operation Warp Speed, which has produced a viable vaccine ready for distribution. New unemployment filings remained steady.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

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