



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**TEACHERS, AND THEIR METHODS,** were certainly different when I was a kid. My 7<sup>th</sup> grade math teacher would hand a student his test paper with a failing grade & ask, "*What do you want to be when you grow up? Fat, dumb & happy, sitting there with your teeth in your mouth, letting the world go by?*" Or a Social Studies teacher who asked a student if he was planning to grow up to be a *'honeydipper!'* (I was the only kid in the class who snickered; the teacher was surprised I knew what a *honeydipper* did for a living!) And the high school math teacher who would toss chalk at the talking teen age girls or whip an eraser at the sleeping jock in the back of the class *to wake him up!*

**WAKE UP!** These teachers were, of course, just trying to wake up their students to get them to learn. In our sleep deprived nation, waking up is difficult! Study after study confirm that Americans do not get enough sleep. Sleep is essential to healthy living. It strengthens our immune system, revitalizes our cells, boosts the capabilities of our brains to reason, deduce & comprehend, supports the hormones & body functions that help us maintain our health, weight, muscle tone & more. There are many reasons why we do not get enough sleep. The go-to reason for sleep deprivation for most people is a busy lifestyle – job, family, charity work, etc. Lack of exercise is often a cited reason. But anxiety & worry is most often the cause for nighttime distress. And much of that anxiety & worry comes from the 24/7 bombardment of information we receive through TV, radio, smartphones, laptops & our interactions on social media or with the family, friends & co-workers with whom we interact each day! Interestingly (and as many spy thrillers depict), among the brainwashing tactics in the *Despot's Handbook* are sleep deprivation & information bombardment, whether applied individually or to the populace in mass. Tired people are more apt to be accepting of oft repeated information, will question it less & unknowingly retain it & repeat it. Today, many who claim to be *awake* simply repeat the mantras to which they have been repeatedly exposed - *be it truth, lies or hypocrisy*. They do little to really investigate, challenge or understand. Being awake means much more than just being present & accepting what we hear or read. It means using our innate abilities & curiosity to decipher information, process it & learn. This is a Holy Week in those Judeo-Christian traditions upon which our country was founded. In these religious traditions, this week is about renewal & rebirth, of both faith & life. The enslaved Jews of Egypt had faith in God's promise to pass over their homes; that He would save the life of their first-born. For Christians, an empty tomb on Easter morning fulfilled God's promise for a rebirth & renewal in faith. Both of these events describe an awakening, not just of faith, but of the very life which we have been given, by whatever Grace we believe has granted it. And to make the most of that life, we need to be fully awake, not just present, to comprehend the world around us, objectively & fully, & not bounded by the mantras we hear. Indian priest Anthony di Mello tells us, "*As soon as you look at the world through an ideology you are finished. No reality fits an ideology. Life is beyond that.*" Antoine de Saint-Exupary, author of *The Little Prince*, might agree, having said, "*Life always bursts the boundaries of formulas.*" It can be uncomfortable to explore what we believe to be a given, but as American short story author Kate Chopin said, "*Perhaps it is better to wake up after all, even to suffer, rather than to remain a dupe to illusions all one's life.*" Humans have a natural curiosity, which those teachers of mine were trying to awaken, for as French novelist Anatole France said, "*The whole art of teaching is only the art of awakening the natural curiosity of young minds for the purpose of satisfying it afterwards.*" So let's wake up, utilize & satisfy that innate curiosity, before a flying eraser hits us upside the head!

**INDUSTRY NEWS:** *LiveKindly Collective*, multi-brand plant-based platform, raised \$200M in new funding (closing on \$335M in total) led by *The Rise Fund*, with *Rabo Corporate Investments* & *S2G Ventures* involved. *Boulder Foods Group* led a \$4M round for Canada's *Mid-Day Squares*, with participation from *Selva Ventures* & *Harlo Capital*. Vegan fried chicken firm *VFC Foods* raised £2.5M in seed funding led by *Veg Capital*. *Stray Dog Capital* invested an undisclosed amount in a seed round for *Deliciou*, an Australian manufacturer of shelf-stable plant-based meats. *CoverCress*, technology to develop hardy cover crops that double as cash crops, raised \$8M led by *Bunge Ventures* with *REG Ventures* participating.

Spanish food delivery app *Glovo* raised \$528M led by *Luxor Capital Group & Lugard Road Capital*, with Germany's *Delivery Hero*, Switzerland's *Drake Enterprises* & the UK's *GP Bullhound* participating. Germany's *Gorillas*, dark grocery stores for delivery, raised \$290M led by *Coatue Management, DST Global & Tencent*; with *Green Oaks, Fifth Wall, Dragoneer & Atlantic Food Labs* involved. *Sakara Life* (organic plant-based meal delivery) raised \$15M from *One Better Ventures, Silas Capital & Annox Capital*. *Everli*, European online grocery shopping, raised \$100M led by *Verlinvest*, with participation from *Luxor, DN Capital, C4 Ventures, Convivialité Ventures, FITEC, 360 Capital, Innogest & DIP*. *Nuro*, autonomous delivery, raised \$500M, among the investors were *Chipotle Mexican Grill & Toyota's Woven Capital*. Paris start-up, *Augmenta*, retrofitting tractors with smart-tech capabilities, raised \$8M led by *CNH Industrial with Pymwymic, HCVC & Marathon Venture Capital* involved. *Amphora*, technology to enhance the nutritional content of crops for human food & animal feed, raised \$6M from *Spruce Capital Partners & Leaps by Bayer*. *Ingredion* acquired *KaTech*, a Lubeck, Germany manufacturer & supplier of texture & stabilization solutions for an undisclosed amount. *Campbell Soup* will sell *Plum Organics* to *Sun-Maid Growers of California* for an undisclosed amount. *Cargill* will sell its 50% stake in *Alvean*, which trades 20% of the world's sugar, to its Brazilian partner *Copersucar SA*, as *Cargill* shifts its focus to its food processing & meat businesses. *Sun World International*, global fruit genetics & R&D, will be acquired by international PE group *Bridgepoint*. *Post Holdings' 8th Avenue Food & Provisions*, reached an agreement to acquire the *Ronzoni* dry pasta brand from *Riviana Foods* for \$95M. *AeroFarms*, vertical farming, merged with the SPAC *Spring Valley Acquisition*, with \$357M in gross proceeds going to *AeroFarms* & forming a new company valued at \$1.2B. *Siddhi Capital* will form a SPAC to seek \$200M in an IPO.

*Albertsons* will partner with *Google* to offer online ordering tools through *Google Search & Maps*, integrate *Google Pay* & add other interactive tools. *Saladworks* will open 60 USA ghost kitchens (in partnership with *Ghost Kitchen Brands* & located inside *Walmart* stores) & 30 in Canada, nearly doubling its footprint by the end of 2021. Sweden's *Picadeli* plans to roll out its internet connected order & supply management, AI enhanced, salad bars in the USA. Asian grocer *H Mart* will employ MFC technology from *AutoStore & Bastian Solutions* at its New Jersey warehouse. *Innovation Foods*, production for *Oatly & GoodBelly*, will invest \$45M in a new aseptic facility. *Freshly* will offer (for a limited time) celebrity chef-made prepared meals. *Care/of*, personalized supplemental company, will launch a retail vitamin line at *Target*. *Holy Cow* is upcycling beef hides in a nutrient dense pork rind type snack. Consumers continue to speak out against restrictive retail store mask mandates in states that have lifted mask requirements. *Instacart's* & the *Washington Food Industry Association's* lawsuit to overturn Seattle's requirement that delivery drivers receive extra pay during the pandemic will proceed per King County Superior Court. A \$104M preliminary chicken price-fixing lawsuit settlement has been issued in federal court for *Tyson Foods, Peco Foods, Fieldale & George's Farms Corp*. *JBS USA* will pay \$20M to settle a class-action lawsuit alleging pork price-fixing. The *Produce Marketing Association (PMA)* & the *United Fresh Produce Association (United Fresh)* will merge in 2022 to create a new global trade association.

Per *FMI-The Food Industry Association*, groceries spent \$24B to comply with government mandated health & safety measures in 2020 & a large majority of grocers project lower sales & profits in 2021. From *NeilsenIQ*, 10 CPG categories accounted for \$3B in lost sales due to out-of-stocks during 2020. In new data, *Datassential* revealed that state government lockdowns caused 10.2% of all USA food establishments to close permanently. From Ireland food safety company *Safefood*, of 350 vegetarian alt-meat products reviewed, 25% do not have enough protein to be a protein source. *SPINS* reports growth for USA plant-based sales of milk (21.9%), cheese (43.6%) & yogurt (16.4%). *Numerator's Buyer Habit Index* forecasts lower sales of plant-based alt-proteins in 2021. Total sales in the pet industry reached \$103.6B (6.7% YOY growth) in 2020, a record, per the *American Pet Products Association State of the Industry Report*. This year's growth is projected at 5.8%. According to *NielsenIQ*, the fastest growing pet segment is at-home pet grooming supplies at 27.4%. The *2021 Food & Agriculture Industries Economic Impact Study* showed 19.3M Americans are employed in food & agriculture, earning \$683B while adding \$2.7T in value to the economy. Per the USDA, wheat, corn & soybean plantings are higher, but still lower than expected & past harvests. Peru claims to be world leader in exports of blueberries & quinoa, #2 for avocados, fresh asparagus, canned asparagus & peeled chestnuts & #3 in whole ginger.

**MARKET NEWS:** Markets were higher this week. Unemployment filings were larger than expected. March new jobs came in higher than expected.

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

**THE LITCHFIELD FUND** – *Tom Malenga*

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