



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



I WAS WITH MY PARENTS in our early 1960s Collinwood neighborhood while they talked with our neighbors, the Wilsons. As we walked away, I asked, "If that's Mr. & Mrs. Wilson, where is Dennis the Menace?" Hank Ketchum launched the cartoon in 1951, & by 1959 its popularity brought it to TV. Unlike his 1980s counterpart, Calvin, who could quickly build a snowman army to seek world domination, Dennis is a good-hearted kid. An exuberant 5-year-old in a striped shirt & red overall, Dennis's mischief was the result of his youthful enthusiasm. Dennis was always trying to help someone, usually poor Mr. Wilson. And yes, Dennis was a Menace, but he was not a troublemaker.

TROUBLEMAKERS: We all know troublemakers; despite our desire to stay away from them. They could be among our family & friends, in our neighborhoods or schools, in our businesses or government. Troublemakers seek out trouble, of course, & insert themselves where they are not wanted. The worst of these are on social media, accurately described as trolls. Trolls hide under bridges (just ask the inhabitants of Seattle's Fremont neighborhood) for their safety. They emerge to gorge themselves on innocent & unsuspecting passersby, then retreat to the safety of their lair. Social media trolls hide under a safety bridge that they call a cause or a change. But in truth, they are not seeking change, they seek only to cause trouble; to be loud enough, angry enough, violent enough, to gain compliance. But compliance is not the same as change. Compliance produces at best a symbolic gesture, a speedy acquiescence that creates no structural change & ultimately fails. But for many troublemakers, this is enough. They fuel themselves on snide, passive aggressive comments, self-righteous indignation, vulgarity & often, violence. These are not just tools of their trade; they are pillars of their very being; the troublemakers could not exist without these. The troublemakers see compliance as a win, their wishes fulfilled, & their real reward is the opportunity to admonish those who still disagree. Real change only comes about through hard work, constructive debate, solutions that build sustainable results, common sense; listening & kindness. From the Dalai Lama, "The real troublemakers are anger, jealousy, impatience & hatred. With them, problems cannot be solved. Though we may have temporary success, ultimately our hatred or anger will create further difficulties. Anger makes for swift solutions. Yet, when we face problems with compassion, sincerity & good motivation, our solutions may take longer, but ultimately, they are better." Of course, those who readily blame others, find fault with what others do, say or even build, likely may be projecting their own issues on those they target. From American philosopher Eric Hoffer. "We all have private ails. The troublemakers are they who need public cures for their private ails."

INDUSTRY NEWS: *Parable*, a nutrition brand, raised a \$2.75M led by *M13 & Break Trail Ventures*. Personalized protein powder brand *Elo Health* raised \$10M led by *Octopus Ventures* with *Will Ventures & RE:food.vc* participating. India superfood brand *Nourish You* raised \$2M in seed funding from private investors. Food holding company *Beneo* purchased a 14% stake in meat & alt-meat producer *Grillido*; terms not disclosed. *The Every Co.* raised an undisclosed amount from a celebrity investor. *Michroma*, precision fermentation, raised \$6.4M led by *Supply Change Capital* with *Be8 Ventures, CJ CheilJedang* & others involved. *New School Foods* raised \$12M for its whole-cut plant-based salmon led by *Lever VC, Blue Horizon* & others. *Speakeasy*, alcoholic eCommerce, raised \$6.8M led by *InvestBev*. Digital health platform *Free From Market* closed on \$2.1M to expand its reach in the managed care channel. Brazilian online grocery *Diferente* raised \$3M led by *Caravela Capital* with participation from *Collaborative Fund* & others. Hospitality marketplace *FoodByUs* raised AUD \$12M led by *Base Capital* with *FJ Labs & Trawalla Group* involved. *Secai Marche*, Japan/ Malaysia-based farm-direct platform, raised \$1.6M in a Series A round led by *The Agribusiness Investment & Consultation Co., Spiral Ventures Asia Fund I & Beyond Next Ventures*. Food distribution startup *EdenFarm* raised 13.5M led by *TMI* with participation from *AC Ventures & AppWorks*. Farm/fishery marketplace *Mayani* raised \$1.7M led by *AgFunder's* Singapore-based *Grow Impact Fund*. Kind

Technologies, greenhouse automation technology, raised an undisclosed amount from *Avedon Capital Partners*. Israeli AI-pollinator-tech *BloomX* raised an \$8M seed round led by *Ahern Agribusiness*, a USA vegetable seed distribution company; participating were *Vasuki Global Tech Fund*, *Bio Bee*, *the Israeli Innovation Authority* & others. Insect farm *Entocycle* raised \$5M led by *Climentum Capital* with *Lowercarbon Capital* & *Teampact Ventures* involved. *Edgard & Cooper*, pet food, raised €20M led by *The Craftory* with *DLF Venturism* involved. Botanical products manufacturer *AMASS* acquired DTC wine subscription platform *Winc*; terms not disclosed. *The Curators*, cheese snacks, purchased *Cheesies*; terms not disclosed. *The Howe Co.* acquired Amherst, NY-based *Mister Snacks*, manufacturer of nuts, nut mixes, trail mixes & candy for an undisclosed amount. *Dole's Fresh Vegetables Division* was sold for \$293M to *Fresh Express*, a subsidiary of *Chiquita*. *CropX Technologies*, farm management technology, will acquire *Tule Technologies*, a precision irrigation company based in California. *Limoneira*, citrus grower & seller sold its *Northern Properties* to *PGIM Agricultural Investments* for \$100M. Portuguese seafood company *Brasmar Group* bought frozen seafood importer & distributor *Holmes Seafood* for an undisclosed amount. Dutch indoor farm *Growy* acquired *Kalera's* international business, IP, assets & team. *Stryve* co-founders Joe Oblas, Ted Casey & Gabe Carimi will acquire & invest in CPG brands with a new holding company named *Two Birds, One Stone*. *PepsiCo* will partner with the *AgMission* initiative, granting \$6M to accelerate regenerative farming practices in corn, wheat, oats, canola, soy & sugar beets. *S2G Ventures*, *Siddhi Capital*, *AgFunder*, *Hack Capital*, *Blue Horizon*, *Astanor Ventures*, *Gullspang Re:Food*, *PeakBridge* & *Döhler Ventures* were the most active food & Agtech investors in 2022.

Strong 4th QTR & full year earnings & a positive forecast pushed *Mondelez's* stock price higher; price hikes drove results. Net income at *J&J Snacks* was 35¢ per share in 1st QTR, down from 58¢ per share due to inflation pressures, with net sales increasing 10%. A strong 4th QTR & 2022 fiscal year has set *McDonald's* on a path to build hundreds of new restaurants around the globe this year, including its first new units in the USA in more than eight years.

Whole Foods is pressuring its suppliers to lower their prices. *Foxtrot* opened its seventh Washington DC area store. *Dollar General* has reached 19K stores. *Amazon Fresh* will change its delivery fee structure, raising the limit for free delivery. *Per 7-Eleven* is testing robotic delivery in West Hollywood, California, in a partnership with *Serve Robotics*. *Aldi* opened a new distribution center in Loxley, Alabama, that will eventually serve up to 100 grocery stores in a 4-state area. *Kroger* opened a new fulfillment center in South Florida. *Kroger's Home Chef* will partner with lifestyle brand *Life Time*, providing online meal delivery. *Sprouts* will offer in-store Boba Tea in Los Angeles. Per *Bloomberg*, *Impossible Foods* will reduce its workforce by 20%. *Plenty* plans to increase its R&D capabilities by building the world's largest vertical farming research center in Laramie, WY. *Halo Top* is adding boxed & single-serve baking mixes to its lineup. *Smashburger* will partner with *jack & annie's* on a LTO plant-based burger. *Marco's Pizza* has reached \$1B in sales. *KFC* will partner with *TechMagic* to develop French fry cooking robots for its Japanese locations. The FDA has said nay to CBD in food & supplements. Unilever named Hein Schumacher, CEO of European dairy giant *Royal FrieslandCampina*, as its next CEO. *Gelson's* promoted president John Bagan to CEO.

From a survey of dieticians by *Pollock Communications* & *Today's Dietitian*, consumers will likely prioritize affordability & convenience over nutrition & immunity. From *Brick Meets Click/Mercatus*, grocery pick-up will continue to grow over the next five years, gaining share on in-store purchasing & delivery. From the *dunnhumby Retailer Preference Index*, *H-E-B* took back first place from *Amazon* after 2 years, with *Costco* in second place, as *Amazon* dropped to third. *Wegmans* took the #4 spot for the third consecutive year. *Kantar* reported that UK grocery inflation reached a record high in January. In a study from researchers at *Imperial College* in London, overprocessed foods are linked to higher rates of cancer. Civil unrest & violence cost Peruvian agricultural exporters \$200M in January. Egg Prices continue to remain high due to avian flu.

MARKET NEWS: Markets were mixed this week as the FED raised interest rates & indicated ongoing increases. The jobs report was a small positive among gloomy economic indicators.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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