



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



JOHN LENNON WROTE, *"Life is what happens when you are busy making other plans."* It is easy in our day-to-day living to get distracted from what matters most in our lives: family, friends & health. Life can also get in the way of our dreams. Who has time to dream when the mere process of living & caring for your family & yourself takes up so much time, effort & energy? We become less concerned with fanciful dreams & more worried about real or potential nightmares. Radio speaker Earl Nightingale said, *"Never give up on a dream just because of the time it will take to accomplish it. The time will pass anyway."* Getting through life & holding on to your dreams takes *tenacity*.

TENACITY: Once I had given up my dream of playing second base for the Cleveland Indians, my dream was to be some kind of writer or journalist. Not in the Bernstein/Woodward mode, more in the Hal Lebovitz/Chuck Heaton style, the deans of Cleveland sportswriters. I enjoyed my teachers' creative writing assignments & was encouraged by their response to my style. My love for reading & movies probably made me want to write, but most of what I wrote was just for me – short stories, scripts, poems – scratched out by pencil in paper notebooks. The dream was to study journalism & communication in college & write for a newspaper, but life happened & plans changed. To begin with, I was taking higher level math classes for fun & easy As. A Mathematics degree with a minor in Economics would get me a decent paying job in Cleveland, something me & my family needed. But a communications degree would have found me with a job writing the weather report in Hungry Horse, Montana, whose population today is 575 people (or hungry horses)! There was another factor – the other students in my journalism & English classes were very different from me. Yes, part of it was the difference between campus dwellers & commuters & khakis instead of denim. But there was something more. Something in my naïve young adult heart & soul that told me these were not the people that I could spend my career, essentially my entire life, around. As I matured, I realized the differences were due to upbringing that brought with it a different set of values & ethos. The math & business majors were more like me in attitude & perspective. What followed was a successful 30-plus year career in banking, finance, operations & technology. When the time came for myself & my *so-much-better-than-me-other-half* to do something different, we chose to do that in the food, beverage, health & wellness industry because of our love for healthy living, foods & frankly, eating! **ALL EARS!!**, this humble rag you are reading, began the week we started our business. Its original purpose was twofold: to keep ourselves & those we may choose to work with up-to-date news on what was happening in the industry & to provide me a chance to do some creative writing, a dream on hold for more than three decades. It was my *so-much-better-than-me-other-half's* father who after just a few issues suggested expanding the audience, apparently enamored with the content. That was almost 10 years ago, & while the industry we are part of has changed dramatically in that time, one thing has not – **ALL EARS!!** has been proudly published with original new content for 500 consecutive weeks! Sticking to anything – life, business, tasks & even love – takes tenacity. And the more you want something, the more it means to you, the more you dig in with every ounce of strength & hang on with your life, because it just may be your life! From Louis Pasteur, *"Let me tell you the secret that has led me to my goal. My strength lies solely in my tenacity."* Franklin & Coolidge would agree. From Franklin, *"Energy & persistence conquer all things,"* & from the 30th President, *"Nothing in this world can take the place of persistence. Talent will not: nothing is more common than unsuccessful men with talent."* Tenacity & persistence mean not giving up (or giving in) when times get tough. From Longfellow, *"Perseverance is a great element of success. If you only knock long enough & loud enough at the gate, you are sure to wake up somebody."* After 30 some years of not trying my hand at creative writing, I could have forgotten about the dream, given up. Instead, I found a way to pursue a craft I enjoy. The drivel I write may not be interesting, funny, poignant, or smart, but I am proud to have had the tenacity to stick with it for 500 straight weeks. No human life – mine or anyone else's – exists peacefully or comfortably for 500 consecutive weeks. But with tenacity, each week **ALL EARS!!** has brought a new idea, thought or point-of-view previously not explored. Only the Good Lord knows what will happen in the next 500 weeks! If He is willing & the creeks don't rise, there will be another 500 **ALL EARS!!** installments – or maybe it will be a novel, a screenplay or anthology of the best **ALL EARS!!** stories. It will take tenacity & no matter what kind of hell arises, I will call on my inner Winton Churchill & Rodney Atkins to remind me that *when you are going through hell just keep on going*, because there really is no other choice!

INDUSTRY NEWS: *Mini Melts USA* received an investment from *Altamont Capital Partners*. *Craveworthy Brands*, owner of several casual & fast-casual dining brands, acquired a significant stake in gourmet cookie brand *Dirty Dough*. *Sanzo*, sparkling water,

raised \$5M from undisclosed investors. *Meaningful Partners* completed a strategic growth investment in *M2 Ingredients & Om Mushroom Superfood*. Longevity skincare brand *Timeline* raised \$66M led by *L'Oreal's* venture arm *BOLD*, with participation from *Nestlé*. *C16 Biosciences*, a palm oil alternative maker, received \$4.5M to expand into the food category. *Chunk Foods* raised \$7.5M led by *Cheyenne Ventures* & entered a partnership with *Better Balance* to develop co-branded plant-based whole cuts for the Latin American market. *Malaysian Meals in Minutes*, ready-to-cook meals, raised \$1.5M led by *500 Global*. *Intelligent Growth Solutions* raised £22.5M for global expansion of its advanced vertical farming technology from *COFRA Holding AG*, *DC Thomson*, *S2G Ventures*, *Cleveland Avenue*, *Ospraie Ag Science* & *Scottish Enterprise*. *Local Bounty* secured additional working capital in an amended credit facility with *Cargill Financial Services International*. *Level Equity* made a strategic investment in *Upshop*, a food retail omnichannel technology platform. Hamburg-based *Infinite Roots* raised \$58M to scale its mycelium fermentation platform, led by *HRH*. *Protix*, insect protein for pet food, aquaculture, livestock feed & fertilizer, raised €37M from *EIB*. *Nasekomo* raised \$8.7M for its insect ag franchise model. *Bluewhite* raised \$39M for robots-as-a-service that can be retrofitted to drive any tractor. *JDE Peet's* acquired *Caribou Coffee's* roasting operations in Minneapolis & entered into a global license agreement with the company for manufacturing & marketing in a transaction is valued at approximately \$260M. *Southeastern Grocers* has spun off *Fresco y Más* which will operate on its own under the *Fresco Retail Group*. *Unifrutti* acquired grower-exporter *Verfrut* which operates over 7,500 hectares of fully integrated farming & processing facilities in Chile & Peru. After its recent acquisition by *Fengate Private Equity*, *Saco Foods* acquired *Solo Foods* from *Sokol & Co.*; terms not disclosed. *Greater Omaha Packing* acquired fellow Nebraska company *Heartland Proteins*, animal feed production. *Kingswood Capital Management* will acquire *Corbion's* emulsifiers business for \$326M. Italy-based baked goods company *Morato Group* acquired gluten-free pasta & biscuits maker *Massimo Zero*. India's *Tata Consumer Products*, owner of *Tetley Tea*, purchased Indian food groups *Capital Foods* & *Organic India*, organic herbal & traditional supplements, for more than \$800M. *TraceGains* acquired *NutriCalc* & its nutritional information. *ADM's* stock dropped after announcing a SEC investigation of its CFO.

Lidl opened a 35K sq. ft. store in a Queens shopping mall. *Walmart* closed its retail innovation hub. *Raley's* is converting its in-store cafes to *Starbucks*. *Stew Leonard's* will partner with *Invafresh* for a recipe management offering. *ShopRite* will provide its customers *Phononic's* cooling totes for shopping. *Target* will launch 1,000 new wellness-related products, starting at just \$1.99. *Bimbo Bakeries USA* will close its baking plant in Albuquerque by mid-April, impacting 149 employees. Seattle-based coffee startup *Atomo Coffee* will launch its new manufacturing facility to scale production of its espresso, created with upcycled ingredients & no coffee beans. *Tyson* opened a new \$355M bacon production facility in Bowling Green, KY, for the *Wright & Jimmy Dean* brands. *Standard Meat* will build a 166K sq. ft. facility in a renovated, historic 1955 Fort Worth close to its headquarters in the Fort Worth Stockyards. India delivery giant *Swiggy* has reduced 6% of its workforce. *Eden Grow Systems* opened a vertical farm in Houston. *Gotham Greens* expanded in Texas with a 210K sq. ft. greenhouse in Seagoville. *BrightFarms* plans to open three new regional greenhouse hubs, add additional *Crunch Kit Salad* line SKUs & expand its new partnership with *Element Farms* to supply indoor grown spinach on the East Coast. *Conagra* entered into a partnership with *Dolly Parton*, extending its *Duncan Hines* partnership, to develop a line of retail food items that includes frozen, refrigerated, grocery & snack products inspired by the musician's down-home comfort cuisine. *Volpi* will sell charcuterie snack cups at *7-Eleven* stores around the country. *Brandjectory 2023 Pitch Slam* winner *Olyra* has introduced real fruit-filled biscuits. *Oatly* & *Carvel* will partner on oat-based ice cream. *Monster Energy* will launch *Nasty Beast*, a line of hard iced tea beverages. *Justin's* will debut *Dark Chocolate Peanut* & *Dark Chocolate Peanut Butter* morsels, a healthier version of *M&M's*. *Smucker* discontinued the *Knott's Berry Farm* jam & jelly brand. *Perdue Farms* acknowledged a longtime truck driver who reached 4M accident-free driving miles, only their second driver to achieve the milestone. Indiana has its first commercial HPAI outbreak since May 2023. France is looking to ban cultivated meat. A bill has been introduced in the Senate to ban cultivated meat in USA schools.

From *Circana* & *210 Analytics*, shoppers continue to shift grocery stores looking for value as consumer spending power falls due to government induced inflation. From *Placer.ai*, *Trader Joe's* has the customers with the highest net income, while *Kroger* leads with 19% of all grocery foot traffic. From *Circana*, whole & lactose-free milk sales are on the rise while plant-based alternative sales are dropping. Mexico produced a record mango volume in 2023 exceeding 2.23 tons Despite lower acreage, hard wheat volumes are rebounding. Cold temps & rain are impacting California & Arizona desert crops.

MARKET NEWS: Markets finished higher with the Dow & S&P 500 touching records. GDP came in at 3.3%, unfortunately driven as for the last 6 quarters by government spending! Consumer spending rose while consumer prices rose another 2.6% YOY. Jobless claims came in higher than expected. While the government gets bigger & more wasteful, consumer inflation is up almost 18% since January 2021, credit card debt has increased 40% & real earnings have fallen almost 3%.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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