



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**I WAS BORN DEAD.** Born *bass backwards*; actually, *bass first*, with the umbilical cord wrapped around my neck. Mom had experienced several false labors. Each time, my dad missed work & was docked a day's pay. This day, she waited too long before leaving for the hospital. The doctors said I was without oxygen for 7 minutes. My dad said (& the hospital photo confirms) that I was so black & blue, I looked like Tommy Farr after his 15-round loss to Joe Louis. My head was misshapen, like a football, with a ridge in my forehead. Mom was told to regularly apply pressure to my head to reshape it round. She was also told, in the parlance of the time, that I was retarded.

**GROWTH STORY:** Think of how my mom must have felt, at a time when there was not much help for families with a special needs child. My mom did know what to expect though, as a friend from Pennsylvania, my godfather's sister, had a mentally disabled daughter my sisters' age. My mom's fears were somewhat allayed when I started walking & talking at 9 months. By age two, I talked so much, my Great-Uncle Dave (whom we just called Zio), said I was going to be President! I learned to read at age 3, my older sister my teacher! My primer? Superman comics books! At age 4, realizing the newspaper did not update the Sunday MLB player statistics on a daily basis, I asked my uncle to teach me how to calculate batting average & ERA, thereby learning to multiply & divide. Daily I would check the box scores, then use pencil & paper to update my favorite players' statistics! (No wonder I was a college mathematics major!) Since then, life has been pretty uninteresting. But each & every person has their own growth story, as do founders & companies. How well you can tell your company's growth story is what will get investors interested in you & your company. Recently, **THE LITCHFIELD FUND**, in partnership with *The Movitz Group & JPG Resources*, [announced that Brandjectory was now available to the Natural Products Industry's brands & investors](#). We have mentioned this new platform before ([BRANDJECTORY! ALL EARS!! 03/14/20](#)), a community where founders tell their growth story to interested investors, building relationships that may lead to investment! *Brandjectory* is fuel for a brand's growth trajectory! For investors, it's a brand directory! Visit [Brandjectory](#) & join the community! Tell your story, for as fantasy author Charles de Lint said, "No one else sees the world the way you do, so no one else can tell the stories that you have to tell."

**INDUSTRY NEWS:** *Rowdy Mermaid* closed another \$3.5M investment led by *Karp Reilly*. *Good Planet Foods*, meltable plant-based cheeses, raised \$12M led by *Cleveland Avenue*. *Imperfect Foods* will move to nationwide grocery box delivery with a \$72M raise led by *Insight Partners*. *Apeel Sciences* raised \$250M, with a more than \$1B valuation, led by *GIC* with *Viking Global Investors*, *Upfront Ventures*, *Tao Capital Partners* & *Rock Creek Group* involved. *Gathered Foods*, maker of plant-based tuna *Good Catch*, completed additional funding from a group of celebrities. *Barry Callebaut* will acquire Australian chocolate producer *GKC Foods*. *Albertsons* will sell a 17% stake to *Apollo Global Management*, for \$1.75B. *Food Lion* & the *Maryland/Virginia Milk Producers Cooperative* are filing an antitrust lawsuit over the *DFA* acquisition of *Dean Foods*.

*Kroger* has hired more than 100K workers over the past eight weeks & has extended an additional \$130M in pay to thank employees for their recent efforts. *Kroger Healthcare* will offer free virtual consultations to shoppers to help them select healthy products to purchase. *Giant Eagle* will offer virtual cooking demos

from renown chefs. *Aldi*, in a letter to customers, promised to keep costs low & will expand curbside grocery pickup to 600 stores in 35 states. Bob Mariano, who sold his self-named Chicago supermarket chain to *Kroger*, is launching a new grocery, *Dom's Market & Kitchen*. *Southeastern Grocers* is opening eight *Winn-Dixie* stores in Florida *Earth Fare & Lucky's* locations. *Schnucks* will launch a new natural food store format called *EatWell*, in Columbia, MO. *Lidl* has opened its 100<sup>th</sup> USA store. *Publix & Meijer* will extend their hours as states reopen business activity. *Ahold Delhaize USA* will partner with *Americold* to build two automated frozen warehouses to serve its Northeast & Mid-Atlantic locations. *Target* is using *Instacart Checkout*, which allows customers to buy products displayed in @Target & @TargetStyle posts directly through *Instagram*. Also, *Target* will restart its curbside pickup pilot, put on hiatus in March. *Rite Aid* will use *Instacart* for same-day delivery at all its drugstores. *Just Egg* will partner with *Post Holdings' Michael Foods* for foodservice distribution. *Ingredion* will use *Batory* for SoCal distribution. *ADM & Marfrig* created a joint venture, *PlantPlus Foods*, to sell plant-based food products across South & North America. *Nestlé* is refreshing its *Lean Cuisine* line & introducing *Life Cuisine*, focused on more holistic nutrition with low-carb, high protein, meatless & gluten-free lines. *Field Roast* is launching *Plant-Based Nuggets*, its first alt-chicken product. The *Eilat Technology Center*, an Israeli AgTech innovation center, will launch in a partnership between *Arieli Capital* & local government & industry. *McCain Foods* will delay its \$300M Othello, WA potato processing expansion. The *Specialty Food Association* has set up a fund for reimbursements after cancellation of their June show & will take other cost-cutting measures, such as freezing new hires, eliminating some temp & contract workers & executive pay cuts. Non-profit *Founders Give* has provided 1M snacks & beverages from nearly 300 brands to 47 NYC hospitals. The CDC issued guidelines for reopening restaurants as reports show restaurant sales are on their 5<sup>th</sup> week of recovery. *Hormel & Smucker's* are in lawsuits concerning the similarity of their peanut butter labels.

Speaking before analysts, *UNFI* CEO Steve Spinner suggested current consumer buying habits will continue for 18 to 24 months. Per *Inmar Intelligence*, 78.7% of consumers shopped on-line for groceries in recent months. *Walmart* was the USA's top on-line grocery in March & April, with 47% of all orders, followed by local groceries (24%) & *Amazon* (19%), per *Escalent*. *Magid* indicates *Amazon, Costco, Walmart, Publix & Kroger* all received favorable consumer ratings for their response to the current environment. Per *McKinsey*, 20% of consumers have changed grocery stores due to out-of-stocks or poor eCommerce performance. Per *Spins*, plant-based food sales rose 90% YOY at the end of March. *Food Navigator* shared a *Bernstein* report indicating that recent sales of nutrition bars fell 20%, as did meal replacement bars (17.9%), weight management bars (11%) & health & nutrition bars (5.8%), but shared expectations for a market rebound. Seeking an immunity boost, retail orange juice sales have jumped 46% since last year, per *Bloomberg*. San Diego-based *Seraphina Therapeutics* has discovered the first essential fatty acid in 90 years, pentadecanoic acid, found in milk, butter, fish & plants & joins omega-3 & omega-6 as the only fatty acids considered essential. A study from *Tufts University* shows that older adults who consumed higher amounts of flavonoid-rich foods, such as berries, apples & tea, were less likely to develop Alzheimer's or dementia. USDA scientists identified five varieties of romaine lettuce with a gene that slows post-harvest browning & deterioration.

**MARKET NEWS:** Markets ended higher this week, finishing off a second straight month of gains. Investors weighed positive reports on a quick economic recovery against rising international tensions with China over their recent lack of transparency & their continuing crack down on Hong Kong's freedoms.

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

**THE LITCHFIELD FUND** – *Tom Malenjo*

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