



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



WINDOWS CAME INTO USE, for both light & defense, in the 13th century BC. For the next millennia, windows were covered with animal hides or wood shutters & in the orient, with paper. The Romans began using glass about 100 A.D. The glass was likely produced in Egypt. In the middle ages, windows were covered with flattened animal horn for a bit of translucence. In the American west, since glass was difficult to transport over rough terrain, greased paper was used, to repel the heat & rain. The word *window* comes from the old Norse, *verdauga*, which translates as *wind-eye*. *How appropriate!* A window gives us the view of the wind passing the world & life before our very eyes!

WINDOWS: The exterior of our condo was being painted this week & for a few hours, our windows & doors were covered with thin brown paper & plastic, protection as the painters sprayed the walls. The views, sounds & smells of the world, of life itself, were shut off. There were no sounds of traffic, workers busy with their day, dogs barking, or kids shouting. There was no wafting scent from the citrus blooms, cut grass or the many smokehouse & barbecue restaurants in our neighborhood. The sunlight barely eked its way through, casting an unusual yellowish-brown light. In a world which for many reasons is growing more isolated, it was disconcerting to be totally shut off, even for just such a short period of time. And while a window allows us to see the world pass before us, its beauty, its intrinsic miracle, is that it lets in the outside world! But always looking at the world, seeing or hearing it through the same window doesn't change our view! The world should be viewed through many windows, many views that open our understanding & knowledge. And those windows should always be open. It seems some people go through life looking through a window, only seeing the world pass before them, instead of opening the window & really engaging in life. And many of those see the world through a dirty window! Like a grimy windshield, they have a cloudy view of the world, perceiving it with perhaps the cynicism life has dealt them. It's important to keep our windows clean, to keep our view of the world positive & open. From George Bernard Shaw, "*Better keep yourself clean & bright; you are the window through which you must see the world.*" Oscar Wilde understood the impact of a dirty window, "*Two men look out a window. One sees mud, the other sees the stars,*" as did entrepreneur & motivational speaker Jim Rohn, who said, "*A pessimist doesn't see the sunset outside, he sees the dirt on the window.*" Anthropologist Thomas Huxley said, "*To a clear eye the smallest fact is a window through which the infinite may be seen.*" That clear eye, looking through many open windows can do wonders, giving us a purer view & understanding of the world around us. From Thoreau, "*Maturity is when all of your mirrors turn into windows.*" Open the windows of your mind, heart & soul & heed these words from Marcus Aurelius, "*Your days are numbered. Use them to throw open the windows of your soul to the sun. If you do not, the sun will soon set & you with it.*"

INDUSTRY NEWS: *GrubMarket* completed a \$90M raise from *BlackRock*, *ACE & Company*, *Celtic House Venture Partners*, *Sixty Degree Capital*, *The Strand Partners*, *Reimagined Ventures*, *Trinity Capital Investment*, *Madison Bay Capital Partners*, *Marubeni Ventures & GG.V*. Led by *Pontifax Global Food & Agriculture Technology Fund & Deerfield Management Company*, with *Temasek & Leaps by Bayer* involved, *Pairwise* raised \$90M for its gene-editing technology *CRISPR* that improves taste, freshness & shelf life for fruits & vegetables. *LUB Foods*, Sweden-based parent of *Nick's Ice Cream*, raised \$30M in funding for its vegan ice cream made with animal-free dairy protein from *Perfect Day*. DTC wellness brand *beam* raised \$5M to launch non-CBD products; the raise was led by *C2 Ventures* with *Obvious Ventures* involved. *IQBAR* raised \$2.8M for its brain health bar; *Spiral Sun Ventures* among the investors. UK-based *Proper*, healthy snacks, sold a majority stake to *Exponent Private Equity*, which it will add to a new snack group with its recent addition of *Eat Real*. *Bimbo Ventures* has made a minority investment in *Rule Breaker Snacks*. The *Arnott's Group* will acquire 75% of *Diver Foods*, an Australian maker of cereals & snacks, &

combine it with *Freedom Foods* to launch a new business division, *Good Food Partners*. *Post Holdings* will form a SPAC & raise \$400M in an IPO. As rumored, *Hormel Foods* is acquiring *Planters*, along with *Kraft Heinz's* nut business, for \$3.35B in cash. *DoorDash* acquired salad-making robot company *Chowbotics*, recently valued at more than \$46M. Northeastern grocers *Price Chopper/Market 32* & *Tops Markets* will merge to create a supermarket chain with nearly 300 stores in six states. *Sodexo* will address corporate workplace changes with the acquisition of *Nourish Inc.*, a commissary kitchen model with 25 different cuisine options & an emphasis on fresh, veggie dishes. *Powerful Nutrition*, whey protein drinks, has merged with *MMG Consumer Brands*, CBD products, to form *Powerful Brands*, a platform to launch & acquire health & wellness companies. *American Licorice (Red Vines & Sour Patch)* acquired *Torie & Howard*, confectionery brand; terms were not disclosed. *Barilla* acquired *Catelli* dry pasta business in Canada from Madrid, Spain-based *Ebro Foods* for C\$165M. *Bloomberg* reports *Oatly* is looking for a \$10B IPO valuation. From the *Wall Street Journal*, *Chobani* is reportedly considering going public in 2021 that would value the company at \$7B to \$10B. Activist investors *Jana Partners* is calling for a sale of *Treehouse Foods*.

Ingles Markets reported a 204% increase in net income & 10.4% increase in sales. *Natural Grocers by Vitamin Cottage* reported 1st QTR double-digit increases in net sales, comparable store sales & transaction size with a 95% increase in net income. *Unilever* reported a 4th QTR net sales drop of 4.2% & announced a \$2.4B investment over the next two years to support high-growth business segments like beauty products, plant-based food & e-commerce. *Hain Celestial* reported that 2nd QTR sales increased 4% with a slight increase in net income. *Coca-Cola's* 4th QTR income fell 29% & sales fell 5% as away-from-home sales continued to be impacted. *PepsiCo* had a 4th QTR sales revenue increase of 8.8% & net income rose 4.5%. *Kellogg* also finished the year strong with 4th QTR increases in sales (7.4%) & income (41%). *Tyson Foods* reported 1st QTR earnings that beat analyst estimates, meanwhile *Pilgrim's Pride* missed 4th QTR consensus targets due to chicken price volatility. *Compass Group's* 1st QTR revenue decline was less than past quarters, but still indicates a downward trend for foodservice revenues, as did *Aramark's*, whose 1st QTR revenues fell 35%.

Aldi has plans to open 100 new stores, with a focus on Arizona, California, Florida & the northeast; expand grocery pickup to 500 stores & break ground on a new distribution center. *Publix* has opened a *GreenWise* market in Ft. Lauderdale & *BJ's Wholesale* announced new stores on Long Island & in Newburgh, NY. *Cub Foods* reopened a downtown Minneapolis store destroyed by rioting & looting. Teamsters will strike at *Albertsons'* southwest distribution center over safety concerns. *Shipt* will provide same day delivery for *GNC*. *Stop & Shop* will test indoor pickup lockers. *Family Dollar Stores* plan to roll out *Instacart* same-day delivery to more than 6,000 stores. Preparing for an IPO, *Instacart* acquired more than 250 patents from *IBM* & has entered a licensing partnership with the tech giant. *Peapod's* original founders are launching *Sifter.shop*, an eCommerce platform that allows consumers to identify foods according to their dietary & lifestyle requirements, then purchase them through a preferred retailer. *Badger Technologies* & *UltraViolet Devices* have introduced an autonomous ultraviolet disinfecting robot designed to combat high-risk pathogens commonly found in grocery, food service & retail environments. *Mondelez's SnackFutures* will launch *CoLab*, a 12-week program offering workshops, one-on-one mentorship & a \$20,000 grant to as many as 10 startups. *Mondelez* will close two older baking facilities, one in Atlanta & one in New Jersey. *Heineken* will cut 10% of its jobs (8K) due to low away-from-home sales. *Anheuser-Busch* will invest \$1B in its brewing facilities & operations, with a significant investment in its expanding hard seltzer line. *Sodexo* will expand its upscale, bespoke workplace dining solution, *Good Eating Company*. *SunOpta* will expand its plant-based processing facility in Allentown, PA. The *National Grocers Association* is opposing a \$15 minimum wage proposal due to its impacts on small businesses. The cannabis trade association has formed the *Cannabis Beverage Council*, to support USA brands at both regulatory & market initiatives.

MARKET NEWS: Markets rose this week on earnings news, despite increases in unemployment & decreases in small business confidence.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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