



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



A BIRD'S FEATHERS HAVE MANY PURPOSES! Beyond helping a bird fly, feathers provide warmth & waterproofing. Birds use their feathers to communicate, in activities from defense to mating. The color of a bird's plumage often is determined by gender, males having the more brightly colored feathers, in hopes of attracting the best mate! (This not any different than a human male driving an expensive sportscar, an Italian convertible.) Some birds use their own feathers to line their nests - parents who are providing warmth & comfort to their fledgling offspring. So, as we enter the final quarter of this long & *heavy* year, let's keep this *All Ears!!* topic *light as a feather!*

FEATHERS: Most people have seen the 1939 movies *Gone with the Wind* & *Wizard of Oz*, but there were many other great movies released that year. Among these were three classic boyhood adventures, Rudyard Kipling's *Gunga Din*, P.C. Wren's *Beau Geste* & A.E.W. Mason's *The Four Feathers*; a story of love, heroes & redemption. Young Lt. Faversham, fearful he cannot uphold his family's honor, resigns his commission as his regiment leaves England to quell a North African uprising. His three best friends & comrades brand him a coward & hand him a white feather, a symbol of cowardice. When Faversham sees his fiancée, she does not say anything, but he realizes she too thinks he is a coward. He bitterly plucks a white feather from her fan as he leaves. Hearing that the British square was broken & his comrades are missing, Faversham realizes he did act out of fear & heads to Egypt & the Sudan for redemption. Pretending to be a native deaf mute, he saves one friend blinded & lost in the desert, then rescues the other two from a rebel prison. He returns the white feathers to his friends & to his fiancée, reclaiming her love. Feathers have & still do serve many functions, in bedding & fashion, & as spirit symbols in many cultures. Our language is rich with feather idioms. You can *let the feathers fly* by shouting, "*HORSEFEATHERS!*" when someone is really wrong. This may *ruffle their feathers*, but you feel like you just put a *feather in your cap!* But far from being a sign of cowardice, a goose feather is the symbol of the single greatest act of bravery in human history when in 1776, fifty-six American patriots used a quill to sign their names - *a pledge of their lives, their fortunes & their sacred honor on their very own execution warrant* - to the greatest, most important document ever written, it too with just a goose feather, our *Declaration of Independence*.

INDUSTRY NEWS: *Instacart* closed another \$200M in funding led by current investors *Valiant Peregrine Fund* & *D1 Capital Partners*, at a \$17.7B valuation. *GrubMarket* raised \$60M (bringing its valuation close to \$500M) from several investors including *BlackRock*, *Trinty Capital* & *Reimagined Ventures*. Global eCommerce fulfillment company *ShipBob* closed on \$68M from *SoftBank*. Australia-based *Lyre's Non-Alcoholic Spirit* raised \$11.5M from *VRD Investment*, *Doehler Ventures*, *DLF Venture* & *Maropost Ventures*. *Oxigen* raised \$15M from several private investors. *Stifel Nicolaus Canada* led a \$34M raise for *GURU*, prior to the brand's Canadian IPO. *Eurazeo* took a \$25M minority investment in *Dewey's Bakery*, a Winston-Salem, NC-based cookie & cracker manufacturer. Ghost kitchen restaurant network *RobinFood* raised a \$16M debt round from *MGM Sustainable Energy Fund*. *Picnic*, pizza making robots, raised \$3M from *Vulcan Capital*, *Flying Fish Partners*, *Creative Ventures* & others. *Mirakl* raised \$300M for its software that allows retailers to integrate merchandise from third-party sellers into their on-line platforms. *Pontifax AgTech* closed a \$302M fund, its second to invest in proven technologies that improve the

productivity, sustainability & efficiency of the food & agriculture supply chain. *Danone* will sell its remaining 6.61% stake in *Yakult*. *Ferrero Group* will acquire part of UK-based *Fox's Biscuits* for £246M (\$317.18 M). Per French media, *General Mills*, who owns 51% of *Yoplait*, (French dairy maker, *Sodiaal*, owns the rest) may sell the brand, worth about \$3B. Avocado supplier, *Mission Produce*, raised \$96M in its IPO. *Walmart* sold its majority interest in *Asda* to *TDR Capital* & the ownership of *EG Group*, taking a non-cash loss but retaining a commercial relationship & a board seat. *Wellness Natural*, a newly formed natural foods company headquartered in Toronto, has acquired snack brand *SimplyProtein*. *Engelman Baking* has acquired *H&F Bread Co.*'s artisan bread business.

Wegmans will replace its diesel fleet with CNG (compressed natural gas) trucks that will stay in service two to five years longer. *Kroger* debuts pickup & delivery only ghost kitchen restaurants using *Cluster Truck* restaurant technology. Digital meal planner *eMeals* will expand with *Albertsons* & *Safeway*. To allow independent grocers to compete with larger grocers on-line, *ShoptoCook* (website & kiosk service), *AppCard* (personalized marketing & digital coupons) & *Rosie* (e-commerce platform) will offer an integrated platform. *Weis Markets* will use *Visper*, a digital personalized customer engagement solution from *Birdzi*. *Hannaford* launches *Snack Pals*, a website to help kids learn about healthy eating. *Natural Grocers* will shift its in-house consumer nutrition education program to on-line. In a \$10B deal, *UNFI* will supply *Key Food's* 315 locations with conventional & natural/organic grocery products & in a separate deal, will be a secondary distributor for the 148 stores of *National Co-op Grocers*. Research firm *Pipsay* reports that 11% of USA consumers have signed up for *Walmart's* new *Walmart+* subscription service, 45% of whom also have an *Amazon Prime* relationship. *Walmart* will launch *Walmart Insurance Services*, a licensed insurance brokerage that will assist people with enrolling in insurance plans. *Coca-Cola* will discontinue *Zico* coconut water by year end as it reduces underperforming product lines. *Pabst Labs* introduced *Pabst Blue Ribbon Cannabis Infused Seltzer* to customers in California at both dispensaries & online. *Nestlé* launched a Switzerland R&D accelerator for dairy & plant-based alternatives to serve startups, students & scientists to bring products from ideation to commercialization. *Before the Butcher's Mainstream Plant-Based Patties* are priced similar to beef & less expensive than other plant-based options. Israeli *Equinom*, seeds designed exclusively for the food industry, opened a new R&D center in Kibbutz Givat Brenner. Six more industry executives have been indicted for fixing chicken prices.

From *Incisiv*, *BJ's Wholesale Club*, *Publix*, *Brookshire Grocery*, *Target* & *Costco* are the nation's most digitally mature grocery retailers. According to *Ubimo*, 90.4% of consumers still choose to make at least one in-person shopping trip per week. Per *SN Center Store Trends Survey*, 27% of retailers saw center store sales increase more than 5% to 10%, with an additional 55% seeing more than 10% growth. The *Journal of Marketing* reports that those products with nutritional information printed on front labels contain 12.5% less calories, 12.9% less saturated fat, 12.6% less sugar & a 3.7% reduction in sodium. Per *Spins*, kombucha sales have increased 2.6%, growing in the multi-outlet & C-store segment but are falling in the natural channel. Seafood & meat sales grew 31.7% & 29.4% YOY in 2nd QTR, produce saw sales increase 15.1%, per the *United Fresh Produce Association*. The USA *Highbush Blueberry Council* reports that blueberries generate \$4.7B in annual economic activity.

MARKET NEWS: The markets rallied all week despite the House of Representatives holding up relief for Americans in order to pass partisan pork belly resolutions. Unemployment filings remained consistent.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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