



# ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



**MY PARENTS WERE NOT EDUCATED.** Dad left school at age 14, still in the 4<sup>th</sup> grade, to pick potatoes after his father passed. Mom left school at 16 to work in a factory, making macaroni for the GIs. But they were smart, surviving hardships & daily life, from Dad's birth in 1920 until Mom's passing 10 years ago today. Most of my early, pre-K, education came from my older sister, who taught me the *Three R's*, *Reading*, *'Riting* & *'Rithmetic*, on a green chalk board. She shared her schoolwork with me. She played games with me; word games, trivia games, memory puzzles. While my parents never sat down to teach me things, they talked with me & never discouraged my curiosity.

*If*: My parents told me stories about their growing up & their lives. They never worried about my exposure to TV, news, movies, music, books or family issues. (Though when I was 12, they probably did wonder a bit when I spent some birthday money on Bob Seger's *Smokin' O.P.'s!*) The movies I watched with my Dad spurred my interest in both history & literature. I then read the biographies & historical accounts depicted in the movies as well as the novels & plays from which the movies were written. This led me to read Kipling, Stevenson, Hemingway, Hammett, Hellman, Chandler, Melville, Brontë, Austen, Stoker, Shelley, Fleming, Le Carre, Michener, Inge, Hart, Kaufmann, Thurber, Sherwood & Maxwell Anderson, Saroyan, Maugham & more. I read the true stories written by the men who fought in WWII that were turned into movies, such as *Thirty Seconds over Tokyo*, *God is My Co-pilot* & *They Were Expendable*. I spent a lot of time riding my bike to our small neighborhood public library or asking my dad to drive me over to the larger library in the next community. If the librarian thought a book was *'beyond my years,'* then my mom or sister would check out the book. My parents & sister encouraged my desire to learn, & to this day, I have remained a life-long learner. My parents never sat me down to teach me, or read to me, the life lessons that Rudyard Kipling passes from father to son in his [wonderous poem, \*If\*](#), which has the inspiring verse, "*If you can force your heart & nerve & sinew, To serve your turn long after they are gone, & so hold on when there is nothing in you, Except the Will which says to them: Hold on!*" But my parents did, by their own actions, words & beliefs, impart important life lessons to me, in those early childhood days, that I hold dear & close today: *To love America, respect the flag, honor our military & to fear God.*

**INDUSTRY NEWS:** *Outstanding Foods (Pig-Out)* raised \$10M led by *SternAegis Ventures*. *Peels CBD*, CBD made from citrus rinds, secured \$4M from *KarpReilly*. *Uplifting Results Labs*, a startup focused on improving health through the gut microbiome, raised \$8.2M for its consumer facing brand *Muniq*, led by *Alpha Edison & Acre Venture Partners*. *CropIn*, AI-driven data & software solutions for the agricultural industry, raised \$20M led by *ABC World Asia*. *High Road* acquired *Three Twins'* assets & brands & plans to relaunch the brand. *T. Hasegawa USA* acquired *Mission Flavors & Fragrances*, manufacturer of custom flavor solutions. *Utz Brands* acquired Chicago snack brand *Vitner's* from *Snak-King* for \$25M, including its branded products & distribution. Meal delivery company *CookUnity* raised \$15.5M, bringing its total amount raised to \$23M, led by *Fuel Venture Capital*, with participation from *IDC Ventures*. *Vow*, cell-cultured kangaroo meat dumplings & a technology that can be applied to other animal cells, raised A\$7.7M (\$6M) from *Square Peg Capital*, with *Blackbird Ventures*, *Grok Ventures* & *Tenacious Ventures* involved. Algae rancher, *Qualitas*, raised \$10M led by *PeakBridge VC*, to expand its alt-protein algae

offerings. *GrubMarket* acquired *Bengard Marketing*, provider of high quality domestic & imported specialty fruits. *Applied Data Corporation (ADC)*, inventory software for fresh items, will buy e-commerce software provider *ShopperKit*. *Coca-Cola* is selling back the discontinued *Zico* brand to its original founder, Mark Rampolla & *Powerplant Ventures*. *CELSIUS* was added to the S&P SmallCap 600 Index.

*Walgreens* had a 1<sup>st</sup> OTR sales increase of 5.7% while adjusted income fell 9.9%, as the company moves toward full-scale healthcare offerings. Eating-at-home helped *Conagra* increase 2<sup>nd</sup> QTR sales 6% & income 45%. *Albertsons* beat all 3<sup>rd</sup> QTR targets as comparables, eCommerce activity, revenue & income all jumped. Various retailers are reporting strong November/December sales & eCommerce gains, in preparation for coming quarterly earnings.

*Kroger* will not require its workers to be vaccinated. *Amazon* has shut down its original grocery eCommerce site, *Pantry*. *HEB* was #10 on *Glassdoor's* Top 100 workplaces. *Walmart* is piloting *HomeValet*, a home smart box from *Internet of Things (IoT)*, with three temperature-controlled zones & communicates to the customer's smart device. *Retail Business Services*, the services company of grocer *Ahold Delhaize USA*, has launched a pilot of UV disinfection robots from *Ava Robotics* in two of its affiliated distribution centers. *Danone's* plant-based *So Delicious Dairy Free* will offer shredded, sliced cheeses & creamy spreads. *Meal-kit* provider *HelloFresh* opened a new 127K sq. ft. distribution center in New Jersey. *Tyson Foods* will invest \$26M to expand its bacon processing plant in Texas. *Maple Leaf Foods* will increase its tempeh production in Indianapolis. *EverGrain* is introducing protein & fiber barley-based ingredients for food & beverages. *Giant Food* has launched a private-label line of *Cook-in-Bag* meals. *Molson Coors* launched a CBD drink, *Veryvell*, in Colorado as it looks to increase its non-alcoholic beverage categories. *Taco Bell* is looking to develop alt-meat products. *KiiTO* has rebranded as *Vast*. *Nutella* follows a trend of reducing the size of its jar but charging the customer the same amount. *Pilgrim's Pride* will pay \$75m to chicken buyers to settle price-fixing claims. The European Food Safety Authority approved mealworms for human consumption. The *Organic Trade Association* & the *Sustainable Food Trade Association* consolidated to jointly pursue their missions.

*Nielsen* reports that consumers are using online channels to compare prices, research new products & find physical stores, which has led to a 50% increase in omnichannel shopping. From *Apptopia*, the shopping app for *Amazon* had 41M downloads while *Walmart* had 34M downloads in 2020. In *dunnhumby's 2021 Retail Preference Index*, *Amazon* took #1, followed by *HEB* & *Trader Joe's*, with the only significant change among the top quartile (14 stores) being the entry of *Target* to the list. In a survey from *Applegate Farms*, 72% of Americans feel meat is essential to a healthy diet & 58% will not be reducing their meat consumption, though 55% plan to reduce sugar consumption. At least 2/3 of plant-based meat producers would incorporate cultivated fat into their products to improve the taste, texture or clean label attributes, per cultivated fat producer *Peace of Meat*, which owns *Meat-Tech 3D*. From *NPD*, in the past 5 years, snacking has increased from 505 occasions per year, per person, to 530. *Snacks* as meals increased from 21% to 26% of meals. The USDA reported corn & soybean output will be lower than forecast, but winter wheat has shown growth.

**MARKET NEWS:** Markets fell as the week ended as investors weighed higher unemployment, lower sales & the potential for future economic policy risks.

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

**THE LITCHFIELD FUND** – Tom Malenka

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