



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



"MATH ENTERS THE BRAIN through the fingertips," my favorite high school math teacher would say to encourage students to do their homework. As a college math major, this adage was certainly true – I used up many pencils & erasers. As final exams approached senior year of college, I had not missed a single point in my Advanced Linear Algebra class. *Yes, I was that kid!* My prof vowed no one would ever ace one of his classes. When he finally posted final exam grades, I had scored 199 out of 200. At one step of a long algebraic proof (properly completed), I had erased a plus sign to correctly change it to a minus sign. He took a point off for failing to completely erase a plus sign!

ERASING: The first & only deposit of pure graphite (thought at the time to be lead, hence, the *lead pencil*) was discovered in England in the 16th century. Besides being used as a writing implement, graphite had many uses, including cannonballs. As such, the export of graphite, & even the pencils made from it, was highly guarded. It was not until 1802 that a captain in Napoleon's army discovered how to make rods from a mix of graphite, graphite powder & clay (the amount of clay determining hardness) to create the modern pencil. The first rubber eraser was invented as a mathematical tool in 1770 & in 1858 a patent was granted for attaching an eraser to the end of a pencil. Erasers were invented for erasing mistakes – not facts such as history, culture, icons, books, movies, words or otherwise, that are suddenly & randomly deemed bad or offensive. As deadpan comedian Steven Wright wondered, *"When I erase a word with a pencil, where does it go?"* Today, it seems, as nebulous as it sounds, the moment *someone* has a problem with *something*, an attempt is made to erase it from our history & memory. Israeli Prime Minister Golda Meir warned, *"One cannot & must not try to erase the past merely because it does not fit the present."* Our collective past – good, bad, evil, miraculous or mundane – created who we are today. If something is so terrible, so awful, should it not remain on public display for all to be witness as to how bad it was & how bad it still is? And if a something is erased, does it really disappear from our past & our lives? E.B. White, student of Cornell grammar professor William Strunck, Jr., who enlarged the grammar professor's landmark text, *Elements of Style*, said, *"Life is like writing with a pen. You can cross out your past but you can't erase it."* Lincoln tells us we can't erase or escape history & we have been amply warned that if we do not learn from the past (Huxley, Hegel, Qualmann), that history will repeat itself (Burke, Santayana). G.K. Chesterton wisely notes, *"The disadvantage of men not knowing the past is that they do not know the present."* Historian David McCullough offers, *"A nation that forgets its past can function no better than an individual with amnesia."* We learn, individually or collectively, through open & honest debate. English Poet Laureate Sir John Betjeman said, *"History must not be written with bias, & both sides must be given, even if there is only one side."* Erasing a fact denies the opportunity to learn from it, despite the angst & instability it may create. Historian Henry Adams points out, *"A society in stable equilibrium is - by definition - one that has no history & wants no historians."* These facts – history, books, words, movies, events, icons, statues & culture – exist for a reason: to dissect, understand, learn & grow. From Alexis de Tocqueville, *"When the past no longer illuminates the future, the spirit walks in darkness."* Whether good or bad, the past & its representations are there to teach us, not to be erased, as India Prime Minister Jawaharlal Nehru clearly stated, *"You don't change the course of history by turning the faces of portraits to the wall."*

INDUSTRY NEWS: SPARX Group led a \$50M raise for *Oishii*, vertical farm growing extra sweet Japanese omakase strawberries. Israeli startup *Seebo*, AI technology aimed to find process inefficiencies & leakages, finalized \$24M in additional funding led by *Vertex Ventures* with participation from *10D*, *The Phoenix* & *Leumi Partners*. *Wefarm*, a best practice & price sharing platform for small farms, raised \$11M led by UK-based *Octopus Ventures*. Dutch *BioPhero*, fermented insect pheromones for crop protection purposes, raised \$17M, led by *DCVC Bio*. *TradeCafe*,

protein commodity buying platform, raised \$7.89M from *Round 13 Capital*. *AcreTrader*, farm land purchasing & investment platform, raised \$12M from *with Jump Capital*, *Narya Capital*, *Revolution's Rise of the Rest Seed Fund* & others. Nut butter maker *Natural Way Food Group* secured \$1M from *Tusk Private Investment*. CBD & functional beverage *Cloud Water* raised \$2.7M. *Oats Overnight* raised \$2M led by *Schnitzel Capital*. *Alec's Ice Cream*, premium organic ice cream made with less air to improve creaminess, raised \$1.4M seed capital from angel investors. *ReGrained* & Tokyo-based *Future Food Fund* (operating under online grocery & meal kit delivery company *Oisix ra Daichi*) have formed a strategic investment partnership. *Thompson Street Capital Partners* acquired *Freddy's Frozen Custard & Steakhouses*, Kansas-based fast-casual franchised restaurants. *Mondelez* is acquiring Australia's *Gourmet Food Holdings Pty Ltd.*, maker of premium biscuits & crackers. *Ka-Pop! Snacks*, ancient grain popped chips & puffs, merged with *Bubba's Fine Foods*, makers of paleo & keto-friendly snacks & granolas, to become *Awakened Foods*. *Wind Point Partners*, using its portfolio company *Stir Foods*, acquired *Lancaster Fine Foods*, maker of private label sauces, dressings & condiments. *Fruit d'Or*, cranberry & wild blueberry processing, acquired *Decas Cranberry Products*, fresh & dried cranberry product. *WM Partners* acquired *Feel Good Organics*, organic eCommerce superfoods. *Outcast Foods*, upcycled food waste, raised \$7.9M from *District Ventures Capital* & *BDO Capital*. *Diageo* has acquired *Far West Spirits*, maker of hard seltzer brand *Lone River Ranch Water*, a Texas "Ranch Water" cocktail, tequila with lime juice & sparkling water. *Nestlé* acquired *Essentia Water*, with 2020 sales of \$192M. Per the *Wall Street Journal*, *Conagra* is in talks to sell *Hebrew National* hotdogs, as well as *Egg Beaters*, *Odom's Tennessee Pride* & other brands to *JBS* in a deal worth around \$700M. *VMG Partners* closed an \$850M fund, *VMG Growth Fund V*. Canadian digital ag company *Farmers Edge (FDGE)* completed an almost \$100M IPO on the Toronto Stock Exchange. Canadian frozen food maker *Sol Cuisine* will go public on the TSX to fuel USA expansion. *Deliveroo* plans a London IPO. Under investor pressure, *Danone's* board voted to separate the chairman & CEO roles, with current chairman/CEO Emanuel Faber remaining in a non-executive chairman role.

Costco's net sales for 2nd QTR rose 14.7%, same-day delivery rose 450% but the retailer missed on income targets. Record 4th QTR comps helped *Big Lots* beat estimates. *BJ's Wholesale* also had a strong 4th QTR with comps & digital sales driving a 77% increase in operating income. Meat & seafood sales pushed net sales up 13.7% in *Weis Markets'* 4th QTR, with same-store sales up 14.1% & income from operations up 17.3%. *UNFI* had a record setting 2nd QTR with a 7.1% increase in revenue & a 4X in gain EPS. Demand for prepared foods, beverages & snacks drove sales up 5% for *Campbell* in 2nd QTR with an 80¢ EPS. In 4th QTR, *Jones Soda* showed a slight improvement in sales & a small reduction in loss.

Walmart will spend \$350B in the next ten years on supplies produced, grown or assembled in the USA. *Dollar Tree* plans a major expansion of 3K to 4K new concept stores, combining its *Dollar Tree* & *Family Dollar* banners into a single storefront in small-market rural areas. *Kroger* will close three stores in the Los Angeles area due to mandated hazard pay increases & opened its first *Ocado* automated fulfillment center, in the Cincinnati area. *Albertsons* is testing remote-controlled delivery carts developed by tech company *Tortoise*. Following a 15-month pilot, *Kroger* will roll out produce from vertical farm *80 Acres Farms* to more than 300 stores, while *Plenty's* pilot with *Albertsons/Safeway* will be expanded to 400 stores. *Target* is launching a new brand, *The Favorite Day*, with more than 700 innovative sweet & savory products spanning categories such as bakery, trail mix, ice cream, snacks, etc., all priced below \$15. *Walmart* will add more *Beyond Meat* products. *Ocean Hugger Foods* relaunched in a joint venture with Thailand-based food concern *Nove Foods Ltd*. *Brazi Bites* will launch gluten-free breakfast sandwiches. With at-home breakfasts increasing, *KIND* has debuted frozen smoothie bowls. *Niman Ranch* is blending bacon & sausage into its new *Smoked Bacon Uncured Breakfast Sausage* links, made with the brand's applewood smoked bacon. *NotCo* has been granted a USA patent for its proprietary AI, *Giuseppe*, that breaks down foods into their basic molecular compositions, then chooses vegetables to combine to imitate that structure.

MARKET NEWS: Markets rose this week. Congress passed the pork-filled \$1.9T spending bill, which will cost \$5,800 per each American & approximately \$15,000 per each American taxpayer.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenjo*

V7issue39.03.13.21

The Litchfield Fund is a family owned & operated limited liability corporation. We do not solicit or accept investment from outside individuals or entities. Opinions contained in *All Ears!!* are ours & should not be considered investment advice or recommendations.