



ALL EARS!!

*The Litchfield Fund
Weekly Newsletter*

“We just don’t hear it on the street, we have our ears spread across all the fields!!!!”



Litchfield

Fifty-two years ago today the original *Star Trek* debuted on TV. The original series takes us to the 23rd century. The franchise always presented an optimistic view of the future. The characters are noble; often pressed into a demanding moral or ethical dilemma; trying to help those they encounter, while not violating the *prime directive*. At the same time, we see a world where everything is instantaneous! Travel is merely transport at the press of a button. Music, on-demand, fills the room; classical for Picard, jazz for Riker. Food replicators produce treats from around the universe. All this by voice command: *Alexa, Next Generation!*

East Bound: Today’s world of apps & 1-hour delivery, or curbside pick-up, would seem like *Star Trek* to the hunters & gatherers or to the nomads who finally broke ground with stone & wood tools to plant ancient grains. Much less than 100 years ago, horses & wagons were used by farmers & were still used for home deliveries. Just 50 years ago, access to some food & beverage brands remained regional & in some cases transport was prohibited by law! It took a Saturday night run across the northern border to get a case of *Labatt’s* or *Molson*. To get a semi filled with *Coors* east of the Mississippi River to Georgia, you had to distract Smokey with a ‘*rabbit*’, e.g., a souped-up *Trans-Am* & hot-shot macho mustachioed driver wooing a super-cute hitchhiker!

R.I.P. Bandit

Industry News: *Coca-Cola* is buying *Costa Coffee* (4K stores in 32 countries) from UK group *Whitbread* for £3.9B (USA \$5.1B). L.A. *Libations* made an undisclosed investment in *Cave Shake*, RTD ketogenic shake. *Boulder Investment Group Reprise (BIGR)* & *Ridgeline Ventures* have made an additional investment in *Bobo’s*, following an investment last year. A.I. sensor & analytics technology startup *Sentera* attained \$14M, led by *S2G Ventures*, with participation from *Continental Grain Company* & *Middleland Capital*. *Bear Flag Robotics*, autonomous farm technology, raised \$3.5M seed funding from *True Ventures*.

PepsiCo will bring *Nutrition Greenhouse*, its European accelerator program, to the USA & Canada. This is a 6-month program with one-on-one mentoring in marketing, manufacturing, distribution & supply chain, with some funding included. *Land O’Lakes* has accepted six start-ups into a dairy accelerator program for a three-month course that includes mentoring in finance, brand building, sales & leadership. Perhaps as a result of streamlining after the *Amazon* purchase, *Whole Foods* employees appear to be seeking to unionize. *Amazon* opened its 3rd Seattle *AmazonGo* location. *Walmart* will build a 720K sqft., \$41M e-commerce fulfillment center in Kentucky that will create 400 jobs. They will also test a new last-mile delivery option, *Spark Delivery*, in Nashville & New Orleans, using independent drivers. *AutoX* will launch self-driving grocery delivery & a mobile

store pilot in San Jose, in partnership with *GrubHub*. *Shipt* is hiring employees to meet its growth in California as it rolls out delivery for its parent, *Target*. *Lidl* downplayed recent reports of Florida expansion. *H-E-B* opened its 10th *Central Market*. *H-E-B* will also open an 81K sqft. Austin facility to house its digital team & recently acquired delivery service, *Favor*. *Meijer* opened a newly-designed convenience store & gas station offering an expanded assortment of fresh produce, protein-based snacks, wraps, fruit, organic items & locally prepared meals. The *J.M. Smucker* brands (*Pillsbury*, *Hungary Jack*, etc.) purchased by *Brynwood Partners* are being reorganized under the name *Hometown Foods*. *The Rodale Institute* has a new fund, *Next Generation Scholarship Fund*, to support young & beginning organic farmers with housing, food, education & a weekly stipend. Gwyneth Paltrow's health, wellness & lifestyle brand, *Goop*, was ordered to pay \$145,000 in penalties due to unsubstantiated claims made on-line. Industry news website *Project Nosh* has rebranded itself to simply *Nosh*.

Natural cheese sales remained flat at \$12.7B over the last year, per *IRI* data, while *Packaged Facts* reports growth in natural, authentic cheeses. In a report from *Mintel*, USA popcorn sales grew in the past five years to reach \$2.5B, with RTE popcorn growing 32% & flavor innovation growing 118%. Per *Kerry*, Americans (33%) link sugar with weight gain, 71% check sugar on labels, 72% said added sugar impacts their purchasing decision & 46% seek to reduce their sugar consumption. Per a forecast from *eMarketer*, in the next year 20% of adults will use an app to order groceries each month, more than 22M people, up from 18M this year. More than 30M adults are forecasted to use an app by 2022. *Parabel* received an FDA GRAS No Objection Letter for *Lentein*, its lentil-based plant protein. California is considering a bill to outlaw the sale of cosmetic products that use animal testing.

Partnership Brand Update: *Supereats*, the sacha inchi protein-rich low-carb puff, is now available in all *Sprouts Farmers Markets*! Sacha inchi is the Peruvian mountain peanut, richer in omegas & protein than a domestic peanut! Try some today! And check out *B'more Organic* at booth 1839 at this year's *Expo East*! We wish all our friends & colleagues safe travels & a rewarding time at this week's *Expo East* in Baltimore.

Market News: Markets floundered as big tech faced Congressional questions on censorship & bias. August saw 201K jobs created, once again surpassing forecasts. Wages rose at a 2.9% year-over-year pace. Jobless claims dropped more than experts expected to a new post-1969 record of 203k, indicating little-to-no impact from tariffs. USA worker productivity increased at a faster pace than any time in the last three years as nonfarm worker productivity rose at a rate of 2.9%, indicating continued economic strength.

Seeds, Sprouts, Grow, Harvest!

The Litchfield Fund – *Tom Malenjo*

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