



ALL EARS!!

THE LITCHFIELD FUND WEEKLY NEWSLETTER

"OUR EARS SPAN ALL FIELDS"



HARD WORK PAYS OFF, or at least it is supposed to! But even if hard work does not lead to success, it at least still pays the bills - but at today's prices, you will need a second job if you are looking for John Mellencamp's pills & thrills. Mom & Dad were hard workers, though jobs for menial workers were hard to come by in the 1960s & 1970s. Our family was definitely working class, lower income & impacted by the economic crises of the era. Farming, coal mining, factories & retail stores did not pay well in mid-20th century America, but there was food on the table, clothes on our backs & a roof over our heads. We somehow managed to get by, despite always running *against the wind*.

AGAINST THE WIND: I took to hard work young & knew I would be working my way through college. There were two classes of kids at college. First, there were the preppies. The preppies lived on campus, even though many were just a few miles from home. They wore penny loafers, *Izod* polos, khakis & bright pastel-colored sweaters purchased at the mall. They ate in the cafeteria, participated in on-campus clubs & events. The second-class citizens were the commuters. The commuters hung out in the accurately labeled commuter lounges, the library or the study areas in the department offices. The commuters wore denim, flannel & work boots purchased at *K-Mart* & *Zayres*. Commuters brought their lunch (I just stuffed my jacket pockets with apples & *Twinkies*) & we did not participate in campus clubs or events - we were running off to our jobs before, after or between classes. Some guys were lucky to get a part-time job that was a resume builder - working as a bookkeeper or inventory clerk. My jobs probably fit my personality & upbringing. As a night clerk at a convenience store - *Lawson's* - I dealt with drunk under age kids trying to buy more beer, stoners so high they ate the *Entenmann's* donuts while checking out & would be robbers, which is why I always carried the meat cleaver after midnight. I graded tests & tutored in the Math Department, the one place on campus where girls actually would speak to a guy like me! But most of my working hours were in a lumber warehouse where I spent hours on end loading lumber from trucks to bins, both in the summer heat & winter cold. The warehouse work paid well for the era - \$3.50 per hour, time & a half after 40 hours & double time on Sundays. I could get 12 hours of work on Sunday, which made for a nice paycheck. It wasn't much, & I was constantly broke, but the hard work paid the bills. Another difference between the preppies & the commuters was music. This may seem like ancient history, but in this era, Disco was King! The campus kids listened to Disco & all forms of 1970s easy listening - *ELO*, *Seals & Croft*, *Debbie Boone*, etc. Commuters listened to rock & roll of course, a genre I like to refer to as Urban Redneck Rock - the music of the working class. For guys, some of it was Southern Rock - *Lynyrd Skynyrd*, *.38 Special*, *Molly Hatchett*. But the icons of the 1970s/1980s young working man were Springsteen & Seger. I fell into the Seger camp. The Springsteen crowd was too cool for school, they were dreamers. They were *Born to Run*, always on *Fire*, having fun *Dancing in the Dark* or finding girls in *Darlington County* driving *Pink Cadillacs*. They would actually have *Glory Days* to look back on. The Seger guys were realists, just working at their jobs to make a buck. Yes, we did *Feel Like a Number*, like *just another spoke in a great big wheel*, but we knew with hard work, we might *drive a Lincoln* & be a *member of the UMC*. Seger guys were working all day with a *steel driving hammer*, trying to make some money to buy some brand-new shoes or to wash away the blues. But it was more than just hard work that made Seger the icon. Seger guys were naïve, they were on the outside looking in *Down on Mainstreet*, working on mysteries without any clues, hoping to someday be accompanying her & willing to kill just to make the cut. And Seger guys were (& perhaps still are), running *Against the Wind*. In short, a Seger guy was a *Beautiful Loser*. Yes, a *perfect lodger*, a *perfect guest*; always willing to be second best - putting his dreams on hold to be there for others - because *when you need him, he'll be there again* because after all, he was *Like a Rock*. A medical procedure this week - at least due in part to hard work, showing up for others & always running against the wind - made me realize that the rock can crumble. It made me realize that you need to show up for yourself & the person closest to you. And while it may be nice to *always ask & always say please*, it's every bit as important for you & that one special person to have what you need & want to be happy & healthy. While *you don't need it all*, there is no reason to settle for less than you deserve & then together you can face anything, even if you are still running *Against the Wind*.

INDUSTRY NEWS: *Ingredion Ventures* led an undisclosed series A for *Better Juice*, tech to convert sugar to fiber. *Mush Foods*, restaurant-quality mushroom blends, secured \$6.2M led by *Viola Ventures* with *TKH*, *Siddhi Capital* & *Milk & Honey Ventures*. *Nutrabolt*, the supplement maker behind *Cellucor* & *C4*, has taken a 20% ownership stake in health supplement maker *Bloom Nutrition*, part of a larger \$90M financing that included consumer investment firm *Amberstone*. Modern holistic wellness brand

WTHN completed a \$5M Series A led by *L Catterton*, with participation from *Halogen Ventures*. *RuralWorks Partners* invested \$1.5M in *American Unagi*, producer & processor of American eel. Israel's *Mediterranean Food Lab*, fermentation tech, raised a \$17M led by *Gullspång Re:food*, *PeakBridge*, *Arancia International* & *FoodBridge*. Harvest robotics firms *Burro* raised \$24M co-led by *Catalyst Investors* & *Translink Capital* while *farm-ng* raised \$10M led by *Acre Venture Partners*. Israel-based *SeeTree*, orchard health management, raised \$17.5M led by *HSBC Asset Management* & *European Bank for Reconstruction & Development*. *Nutpods* was acquired by *MPearlRock*, the new partnership between *Kroger*, *PearlRock Partners* & *MidOcean Partners*. *Swander Pace Capital* sold pickle manufacturer & distributor *Patriot Pickle* to an affiliate of *H.I.G. Capital*. *Sprecher Brewing* will enter the energy beverage category, acquiring *Juvee* energy from *100 Thieves*. *Next Level Burger* acquired *Veggie Grill* from vegan investment firm *VegInvest*. *7-Eleven* will acquire 204 stores from *Sunoco* that include *Stripes* convenience stores & *Laredo Taco Company* restaurants. In a \$1B deal, *Restaurant Brands International* will acquire *Carrols Restaurants*, with 1000 *Burger King* locations & 62 *Popeye's*. *First Watch* restaurant chain bought 21 restaurants in North Carolina as well as the franchise rights for \$75M. *GrubMarket* acquired Bay Area distributor *JC Cheyne* which operates several stalls and a refrigerated warehouse at the Golden Gate Produce Terminal. *Grupo Bimbo* purchased Spain-based gluten-free bakery company, *Amaritta*; terms not disclosed. *PAG Private Equity* acquired a majority interest in *Food Union Europe*, a supplier of ice cream & other frozen treats; terms not disclosed. Meat business *Cranswick* acquired pork & poultry processor *Froch Foods*; terms not disclosed. Aussie alt-meat leader *v2food* acquired ready-meal brands *Soulara* & *MACROS* to expand offerings as demand for alt-meat wanes. *KESI Management*, tailored solutions to the food and beverage industry, has merged into *FreshEdge*. *Imagindairy* acquired & will operate its own industrial-scale precision fermentation production lines to bring down consumer costs for plant-based dairy. *Calavo Growers* is exploring a sale of its *Fresh Cut Business* to *F&S Fresh Foods*. *JBT* raised its offer for all shares of *Marel*. According to a joint statement made by *Kroger*, *Albertsons* & *C&S Wholesale Grocers*, their proposed merger/ divestiture plan is anticipated to close in the first half of *Kroger's* fiscal 2024, which ends on Aug. 17, due to continuing dialog with regulators. The USDA awarded \$9.5M in grants to organic producers. *Serra Ventures* will partner with *Grondex International, B.V.*, Dutch farmland management firm, to create the *Serra-Grondex Ag & Food Tech Fund II, LP*.

Natural Grocers is opening its 46th Colorado store. *CVS Health* will close some *Target* pharmacy locations due to non-performance & changing consumer buying habits. *Save A Lot* is looking to expand from nearly 800 stores today to 3,000 during the next few years. *Giant Eagle* will open its first automated micro-fulfillment center for curbside pickup in Pittsburgh. *Gelson's* will use *Clear Demand* for AI pricing & promotion solutions. *DoorDash* has added nearly 200 *La Michoacana* stores across Texas & Oklahoma. *KeHe* opened a Miami area distribution center. *Uber* will close down its alcohol delivery subsidiary *Drizly*. *Freddy's Frozen Custard & Steakburgers*, founded in 2002, opened 62 new restaurants in 2023, including the brand's 500th location. *Ferrara* discontinued *Fruit Stripe* & *Super Bubble* gums. *Organic Valley* debuted a functional milk for brain health with 12 essential nutrients & added DHA omega-3 fatty acids. *Yoplait* released a high-protein yogurt line, *Yoplait Protein*, with 15 grams of protein & 3 grams of sugar. *Bel Brands' The Laughing Cow* launched its plant-based spreadable cheese product nationwide. *John Deere* will use *SpaceX's Starlink* service to provide satellite internet connections for tractors, harvesters & crop sprayers in remote areas. Israel's government agency has issued regulatory approval for *Aleph Farms Aleph Cuts*. Fifth-generation family-owned meat packing & distribution company *Bush Brothers Provision* will relocate to Royal Palm Beach from West Palm Beach where it was founded in 1925. *Mars* brand *Nature's Bakery* will add 190 jobs in a new 339K sq. ft. facility in Salt Lake City. Canadian poultry & pork processor/ distributor, *Olymel LP*, plans to lay off 100 employees. *Miller Milling* broke ground on its *Innovation & Technical Center* in Saginaw, TX. Dutch meat processor, *Vion Food Group*, will seek facility divestment as the government continues to support unfounded EU mandates. *Wayne- Sanderson* closed down some processing center as severe winter weather raged on despite unfounded pseudoscience mantras. Farmers in France join in the protests of the EU policies supporting those same unfounded mantras. Canada's *Modern Plant Based Foods*, will offer alt-caviar. *Ever.Ag* debuted its *AI Cheese Yield Optimization* tech to help cheese manufacturers maximize efficiency, reduce waste & increase profitability. Sean Combs has withdrawn all his allegations about *Diageo* & will voluntarily dismiss his lawsuits against *Diageo* with prejudice. Kirk Tanner is the new CEO at *Wendy's*; he will be replaced as *PepsiCo North America* beverage head by Ram Krishnan.

Progressive Grocer identified *Northeast Grocery*, *Lowe's*, *Stater Bros.*, *Fareway*, *Kowalski's*, *Brookshire's*, *Schnuck's* & *Giant Eagle* as the top regional grocers. Per the *American Craft Spirits Association*, spirits sales are growing at a slower pace than prior years. From *Avery Dennison*, 52% of consumers born after 1996 would likely buy groceries at another store if it offers DIY checkout & will spend more money.

MARKET NEWS: Markets finished the week higher. New York State manufacturing activity in January dropped at a faster pace than the 2008 recession. December housing starts/sales were higher, driven by inflated prices & debt acquisition.

SEEDS, SPROUTS, GROW, HARVEST!

THE LITCHFIELD FUND – *Tom Malenka*

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